



City of Kenmore - 18120 68th Avenue NE - P.O. Box 82607 - Kenmore, WA 98028  
Phone: 425-398-8900 - E-mail: [cityhall@kenmorewa.gov](mailto:cityhall@kenmorewa.gov)

**City of Kenmore**  
**City Council Special and Regular Meeting Agenda**  
**6:15 p.m., Monday, May 20, 2019**  
Kenmore City Hall, Council Chambers  
18120 68th Ave. NE, Kenmore, WA 98028

If you have any questions or to confirm agenda items prior to the meeting, or if you require special accommodations, please call the City Clerk at 425-398-8900. You may also stop by City Hall at 18120 68th Avenue NE, Kenmore. Council agendas are also available on our website at [www.kenmorewa.gov](http://www.kenmorewa.gov).

**I. 6:15 p.m. - CALL SPECIAL MEETING TO ORDER**

**II. EXECUTIVE SESSION**

Pursuant to RCW 42.30.110(1)(b), Property Acquisition

**III. POSSIBLE ACTION RELATING TO EXECUTIVE SESSION**

**IV. ADJOURN SPECIAL MEETING**

**V. 7:00 p.m. - CALL REGULAR MEETING TO ORDER**

**VI. ROLL CALL**

**VII. FLAG SALUTE**

**VIII. AGENDA APPROVAL**

**IX. PROCLAMATION**

- A. National Gun Violence Awareness Day - June 7, 2019  
[Proclamation](#)

**X. CITIZEN COMMENTS**

- A. This is an opportunity to express your views on issues that are important to you and to the community. Please limit your comments to three (3) minutes.

**XI. CONSENT AGENDA**

- A. Total Checks #42224 through #42327 in the Amount of \$395,731.16.

Total Payroll/Taxes/Flexible Spending/Retirement & Health Savings Account  
Electronic Deposits Dated: 4/26/19 in the Amount of \$151,470.89.  
Payroll Checks #10127 & #10128 Totaling \$443.64.

[Checks](#)

- B. Total Checks #42328 through #42424 in the Amount of \$349,844.83.  
Total Payroll/Taxes/Flexible Spending/Retirement and Health Savings Account  
Electronic Deposits Dated: 5/10/19 in the Amount of \$140,903.95.  
Electronic Funds Transfer dated 5/14/19 in the Amount of \$750.00.

[Checks](#)

- C. Cancel Tuesday, May 28, 2019 Council Meeting
- D. City Council Meeting Minutes of April 15, 2019, April 22, 2019 and April 23, 2019

[4-15-19 Minutes](#)

[4-22-19 Minutes](#)

[4-23-19 Minutes](#)

- E. Authorize the City Manager to Sign a Purchase and Sale Agreement, Contract 19-C2034, for a portion (6,350SF) of the vacant King County Parcel No. 0114100757 located adjacent to 18717 80th Avenue NE

[Agenda Item](#)

- F. Resolution 19-321 Approving the Master Lighting Services Agreement for Street Lighting Services

[Agenda Item](#)

- G. Ordinance 19-0484 Codifying a Longer Notice of Rent Increase

[Agenda Item](#)

- H. Authorize the City Manager to Execute Amendment No. 4 of Contract 17-C1656 with Mott MacDonald

[Agenda Item](#)

- I. Authorize the City Manager to Sign the Interagency Agreement for the North Sound RADAR Navigator Program

[Agenda Item](#)

- J. Authorize the City Manager to Execute Agreement 19-C2015 with Grade, Inc. for Construct Stormwater Conveyance Improvements

[Agenda Item](#)

## **XII. PUBLIC HEARING**

- A. Resolution 19-320, Approving an Open Space Classification for the Minard Property, King County Tax Parcel No. 1426049013

[Agenda Item](#)

## **XIII. BUSINESS AGENDA**



- A. Resolution 19-320, Approving an Open Space Classification for the Minard Property, King County Tax Parcel No. 1426049013  
[Agenda Item](#)
- B. Park Impact Fee Rate Study - Debbie Bent, Community Development Director, Maureen Colaizzi, Parks Project Manager and Ben Yazici, Muni Manage, LLC.  
[Agenda Item](#)  
[Presentation](#)
- C. Ordinance 19-0486 Puget Sound Energy, Inc. Franchise Agreement and Contract 19-C2043 Memorandum of Understanding: Performance and Reliability Reporting  
[Staff Report and Attachments 1 and 2](#)  
[Attachment 3 and Attachment 4](#)  
[Attachment 5, Attachment 6 and Attachment 7](#)
- D. Critical Area Regulations and Shoreline Master Program Amendments - Debbie Bent, Community Development Director and Lauri Anderson, Principal Planner  
[Agenda Item](#)

**XIV. STAFF REPORT**

**XV. COUNCILMEMBER REPORTS & COMMENTS & INITIATIVES**

**XVI. ADJOURNMENT**

**Upcoming Meetings:**

- A. Monday, June 10, 2019 - Regular Council Meeting  
Monday, June 17, 2019 - Regular Council Meeting  
Monday, June 24, 2019 - Regular Council Meeting

## City of Kenmore, Washington Proclamation

**WHEREAS**, every day, 100 Americans are killed by gun violence and on average there are nearly 13,000-gun homicides every year; and

**WHEREAS**, protecting public safety in the community is the City of Kenmore's highest responsibility; and

**WHEREAS**, support for the Second Amendment rights of law-abiding citizens goes hand-in-hand with keeping guns away from people with dangerous histories; and

**WHEREAS**, in January 2013, Hadiya Pendleton, a teenager who marched in President Obama's second inaugural parade and was tragically shot and killed just weeks later, should be now celebrating her 22nd birthday; and

**WHEREAS**, to help honor Hadiya – and the 100 Americans whose lives are cut short and the countless survivors who are injured by shootings every day – a national coalition of organizations has designated June 7, 2019, the first Friday in June, as the 5th National Gun Violence Awareness Day; and

**WHEREAS**, the idea was inspired by a group of Hadiya's friends, who asked their classmates to commemorate her life by wearing orange; they chose this color because hunters wear orange to announce themselves to other hunters when out in the woods and orange is a color that symbolizes the value of human life; and

**WHEREAS**, anyone can join this campaign by pledging to Wear Orange on June 7th, the first Friday in June in 2019, to help raise awareness about gun violence; and

**WHEREAS**, by wearing orange on June 7, 2019 Americans will raise awareness about gun violence and honor the lives of gun violence victims and survivors; and

**WHEREAS**, we renew our commitment to reduce gun violence and pledge to do all we can to keep firearms out of the wrong hands and encourage responsible gun ownership to help keep our children safe.

**NOW, THEREFORE, I, David Baker, Mayor of the City of Kenmore, Washington, on behalf of the City Council**, declare the first Friday in June, June 7, 2019, to be National Gun Violence Awareness Day in the City of Kenmore. I encourage all citizens to support their local communities' efforts to prevent the tragic effects of gun violence and to honor and value human lives.

**IN WITNESS WHEREOF**, signed this 20th day of May, 2019.



Signed: \_\_\_\_\_  
David Baker, Mayor

Attested: \_\_\_\_\_  
Kelly M. Chelin, City Clerk



## Voucher Certification and Approval

City of Kenmore

DATE RANGE:

04/20/2019-05/03/2019

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein, that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and the the claim is a just, due and unpaid obligation against the City of Kenmore and that I am authorized to authenticate and certify to said claim. The following checks and electronic payments are approved for payment:

Total Check #s 42224 through 42327: \$395,731.16

Total Payroll/Taxes/Flexible Spending/Retirement & Health Savings Acct. Electronic Deposits Dated: 04/26/2019: \$151,470.89

Payroll Check #s 10127 & 10128 totaling: \$ 443.64

RL Kosi 5-6-19  
City Manager / Date

Br. Pull 5/3/19  
Finance Director / Date  
Accountant

| Vendor Name                             | Check # | Date       | Description                                 | Amount    |
|-----------------------------------------|---------|------------|---------------------------------------------|-----------|
| DEPARTMENT OF LABOR AND INDUSTRIES      | 42224   | 04/22/2019 | 2019 Quarter 1 Volunteer Hours              | 8.39      |
| AFLAC                                   | 42225   | 04/26/2019 | Employee Medical/Disability Plans           | 327.10    |
| AMERICAN GENERAL LIFE GPO-400S          | 42226   | 04/26/2019 | Life Insurance                              | 279.92    |
| AWC EMPLOYEE BENEFITS                   | 42227   | 04/26/2019 | Employee Health Insurance                   | 55,536.56 |
| DEPARTMENT OF LABOR AND INDUSTRIES      | 42230   | 04/26/2019 | City of Kenmore                             | 4,047.13  |
| DEPARTMENT OF LABOR AND INDUSTRIES      | 42231   | 04/26/2019 | Void                                        | -         |
| EMPLOYMENT SECURITY DEPT                | 42232   | 04/26/2019 | Paid Family & Medical Leave                 | 743.32    |
| ICMA RETIREMENT C/O ALLFIRST BANK-10996 | 42233   | 04/26/2019 | City of Kenmore 401a                        | 16,873.17 |
| ICMA RETIREMENT TRUST 457 - 304745      | 42234   | 04/26/2019 | ICMA 457 Deferred Comp                      | 4,915.69  |
| LINCOLN NATIONAL LIFE INSURANCE         | 42235   | 04/26/2019 | Life Ins/ADD & LTD                          | 1,190.60  |
| NATIONAL LIFE OF VERMONT                | 42236   | 04/26/2019 | Life Insurance                              | 123.17    |
| STATE OF FLORIDA DISBURSEMENT UNIT      | 42237   | 04/26/2019 | Employee Deduction                          | 275.00    |
| UNITED WAY OF KING COUNTY               | 42238   | 04/26/2019 | Employee Charitable Contribution            | 78.50     |
| A+ CONFERENCING                         | 42239   | 05/03/2019 | 4/2/19 Conference Call                      | 36.92     |
| A+ CONFERENCING                         | 42240   | 05/03/2019 | 4/15 Conference Call w/Dept. of Ecology     | 17.39     |
| ALCALDE & FAY                           | 42241   | 05/03/2019 | April Government Affairs Consulting Svcs    | 5,028.75  |
| ALPHAGRAPHICS                           | 42242   | 05/03/2019 | Business Cards Quinn Proffitt & Gary Geiger | 582.14    |

|                                    |       |                                                               |           |
|------------------------------------|-------|---------------------------------------------------------------|-----------|
| APA Washington                     | 42243 | 05/03/2019 Ad For Park Project Manager                        | 100.00    |
| ARTS OF KENMORE                    | 42244 | 05/03/2019 Reimbursement for Artwork Hanging System           | 182.54    |
| ARTS OF KENMORE                    | 42245 | 05/03/2019 Youth Art VI Exhibit                               | 950.00    |
| AURORA RENTS                       | 42246 | 05/03/2019 Compactor Rental for Sink Hole on 61st             | 78.72     |
| BAKER, BRIDGIT                     | 42247 | 05/03/2019 Void                                               | -         |
| BAKER, DAVID                       | 42248 | 05/03/2019 April Mileage Reimbursement                        | 220.40    |
| BANNER BANK DB                     | 42249 | 05/03/2019 Safeway/Amazon                                     | 14.29     |
| BANNER BANK DB                     | 42249 | 05/03/2019 Safeway/Amazon                                     | 15.98     |
| BANNER BANK JGORDON                | 42250 | 05/03/2019 Dell/Ikea/Peoples Storage/Amazon/Highland Products | 4,187.30  |
| CASCADE PEST CONTROL               | 42251 | 05/03/2019 April Rhododendron Park Pest Control               | 143.00    |
| CHASE WALKER                       | 42252 | 05/03/2019 CDL Test & Permit Fee Reimbursement                | 79.50     |
| CITY OF BELLEVUE                   | 42253 | 05/03/2019 1st Qtr Human Services Pooled Program              | 14,761.25 |
| CITY WIDE FENCE COMPANY, INC       | 42254 | 05/03/2019 Public Works - Repair Vandalized Fence             | 869.00    |
| COMCAST BUSINESS                   | 42255 | 05/03/2019 4/19-5/18/19 Hangar Cable TV/Music                 | 131.28    |
| CONSOLIDATED PRESS                 | 42256 | 05/03/2019 Spring Newsletter Printing                         | 4,375.74  |
| CONTRACT LAND STAFF LLC            | 42257 | 05/03/2019 17-C1795 3/3-3/30/19 Squire's Land Conversion Svcs | 3,307.62  |
| EVERGREEN FIRE AND SAFETY, INC.    | 42258 | 05/03/2019 Covers for Fire Extinguisher Boxes                 | 96.80     |
| FLUENT LANGUAGE SOLUTIONS          | 42259 | 05/03/2019 Interpreter for City Council Meeting               | 395.59    |
| FRONTIER                           | 42260 | 05/03/2019 4/19-5/18/19 Public Works Office Internet          | 150.63    |
| GALLATIN PUBLIC AFFAIRS            | 42261 | 05/03/2019 January Medial Relations/Marketing Svcs            | 10,500.00 |
| GRAINGER                           | 42262 | 05/03/2019 Parks Maintenance Supplies                         | 50.91     |
| HESTON VISUAL ARTS                 | 42263 | 05/03/2019 State of the City Video                            | 506.00    |
| HOPKINS, CRAIG                     | 42264 | 05/03/2019 April Police Volunteer Mileage Reimbursement       | 74.24     |
| HYDROPOINT DATA SYSTEMS, INC.      | 42265 | 05/03/2019 One Year Renewal of Irrigation Controller Svc.     | 235.00    |
| INSLEE, BEST, DOEZIE & RYDER, P.S. | 42266 | 05/03/2019 Feb. Legal Svcs - Conner Homes                     | 28,057.43 |
| INTERNATIONAL CITY/CNTY MGMT ASSOC | 42267 | 05/03/2019 City Manager Dues 7/1/19-6/30/20                   | 1,400.00  |
| JACOBS ENGINEERING GROUP           | 42268 | 05/03/2019 15-C2522 1/26-3/29 W. Samm. Bridge Proj.           | 61,266.70 |
| KENMORE COMMERCIAL LLC             | 42269 | 05/03/2019 May Incubator Lease Payment                        | 3,367.04  |
| KING COUNTY FINANCE                | 42270 | 05/03/2019 Mar. Adult/Juvenile Detention Community Work Prog  | 8,077.50  |
| KING COUNTY OFFICE OF FINANCE      | 42271 | 05/03/2019 January-March Public Defense Indigency Screening   | 753.00    |
| KONICA MINOLTA BUSINESS SOLUTIONS  | 42272 | 05/03/2019 3/3-4/2/19 Incubator Copy Charges                  | 13.81     |

|                                    |       |                                                              |           |
|------------------------------------|-------|--------------------------------------------------------------|-----------|
| LIGHTHOUSE CONSULTING INC          | 42273 | 05/03/2019 March Protection/Backup/Web Hosting/Archiving     | 2,542.93  |
| LIGHTHOUSE CONSULTING INC          | 42274 | 05/03/2019 March IT Services                                 | 4,149.15  |
| MACLEOD RECKORD                    | 42275 | 05/03/2019 March 19-C1980 Moorlands Park Svcs                | 530.00    |
| MCMILLAN, RANDY                    | 42276 | 05/03/2019 2018 KBI Music Performance                        | 500.00    |
| MEEHAN, NANCY                      | 42277 | 05/03/2019 Refreshments for WhyILoveKenmore Event            | 83.36     |
| MILLER STEPHENS, MARY              | 42278 | 05/03/2019 April Public Defense Svcs @ SCORE                 | 1,250.00  |
| MORUP SIGNS, INC.                  | 42279 | 05/03/2019 181st Sidewalk Construction Notice Sign           | 456.51    |
| MR. T'S TROPHIES                   | 42280 | 05/03/2019 Name Tags & Name Plates                           | 92.07     |
| MUMMA, RYAN                        | 42281 | 05/03/2019 March Mileage Reimbursement                       | 58.58     |
| NORTHSHORE SCHOOL DISTRICT         | 42282 | 05/03/2019 Apr. School Impact Fee Remittance CMP19-0065      | 10,573.00 |
| NORTHSHORE UTILITY DIST            | 42283 | 05/03/2019 2019 Snow Removal/Equipment                       | 62,131.00 |
| NORTHWEST MARINE TRADE ASSOCIATION | 42284 | 05/03/2019 Annual Membership 7/1/19-6/30/20                  | 460.00    |
| OFFICE DEPOT                       | 42285 | 05/03/2019 Office Supplies                                   | 973.88    |
| OFFICE DEPOT                       | 42286 | 05/03/2019 Office Supplies                                   | 323.08    |
| OFFICE DEPOT                       | 42287 | 05/03/2019 Office Supplies                                   | 50.24     |
| OUSLEY, NANCY                      | 42288 | 05/03/2019 Mileage & Per Diem - Yakima WA Trust Board Mtg    | 277.38    |
| PACWEST MACHINERY                  | 42289 | 05/03/2019 TYMCO School - Street Sweeper Training            | 300.00    |
| PHSI PURE HEALTH SOLUTIONS INC.    | 42290 | 05/03/2019 May City Hall Filtered Water Systems              | 101.09    |
| PRECISION FUEL SOLUTIONS           | 42291 | 05/03/2019 Generator Fuel Polishing                          | 1,452.00  |
| PRIDE ELECTRIC INC.                | 42292 | 05/03/2019 City Hall Electrical Maintenance                  | 572.00    |
| PUGET SOUND ENERGY                 | 42293 | 05/03/2019 3/14-4/12 Tree Receptacles                        | 2,527.41  |
| QUALITY WATER FINANCIAL LLC        | 42294 | 05/03/2019 Filtered Water Installation @ Public Works Office | 137.50    |
| QUALITY WATER FINANCIAL LLC        | 42295 | 05/03/2019 Apr. Incubator Filtered Water System Servicing    | 112.64    |
| RED BARN ENGINEERING, INC.         | 42296 | 05/03/2019 19-C1976 3/1-4/12/19 Engineering Svcs             | 14,101.50 |
| RED BARN ENGINEERING, INC.         | 42297 | 05/03/2019 19-C1976 4/12-4/25/19 Engineering Svcs            | 4,981.50  |
| SEATTLE TIMES                      | 42298 | 05/03/2019 Legal Notice Ord. 19-0481                         | 69.13     |
| SEATTLE TIMES                      | 42299 | 05/03/2019 Legal Notice Ord. 19-0479                         | 62.44     |
| SEATTLE TIMES                      | 42300 | 05/03/2019 Ad for Parks Project Manager                      | 1,053.00  |
| SHANNON & WILSON, INC.             | 42301 | 05/03/2019 18-C1850 Critical Areas Prof. Svcs through 3/16   | 14,894.75 |
| SHERWIN-WILLIAMS CO. #8099         | 42302 | 05/03/2019 Paint & Supplies for Public Works Office          | 112.14    |
| SHRED-IT USA LLC                   | 42303 | 05/03/2019 Monthly Shredding Service                         | 73.67     |

|                                     |            |                                                               |           |
|-------------------------------------|------------|---------------------------------------------------------------|-----------|
| SMS CLEANING, INC.                  | 42304      | 05/03/2019 18-C1828 City Hall/Hangar Bldg. Monthly Janitorial | 5,700.00  |
| SOUND PUBLISHING, INC.              | 42305      | 05/03/2019 March Advertising                                  | 1,275.00  |
| STAPLES ADVANTAGE                   | 42306      | 05/03/2019 Parks' Supplies                                    | 78.18     |
| STAPLES ADVANTAGE                   | 42307      | 05/03/2019 Rubber Gloves                                      | 16.61     |
| STAPLES ADVANTAGE                   | 42308      | 05/03/2019 Paper Towels for Parks Restrooms                   | 94.51     |
| STAPLES ADVANTAGE                   | 42309      | 05/03/2019 Trash Can Liners for Parks                         | 117.17    |
| STARDOM SERVICES, INC.              | 42310      | 05/03/2019 April Incubator Janitorial Service                 | 555.00    |
| STATE OF WA DEPARTMENT OF LICENSING | 42311      | 05/03/2019 Notary Renewal Application Fee                     | 30.00     |
| STEWART TITLE                       | 42312      | 05/03/2019 Inglewood Village III Shortage on Closing Fees     | 576.80    |
| THE EVP GROUP                       | 42313      | 05/03/2019 April Business Acceleration Program                | 6,875.00  |
| T-MOBILE USA, INC.                  | 42314      | 05/03/2019 3/21-4/20 Cell Phones/Data                         | 781.87    |
| TOTAL LANDSCAPE CORP                | 42315      | 05/03/2019 April City Hall & Parks Landscaping                | 5,025.45  |
| VERIZON WIRELESS                    | 42316      | 05/03/2019 3/27-4/26 Cell Phones                              | 283.77    |
| WA ASSOC OF PUBLIC RECORDS OFFICERS | 42317      | 05/03/2019 Membership Renewal through 3/7/2020                | 25.00     |
| WA CITIES INSURANCE AUTHORITY       | 42318      | 05/03/2019 Notary Bond 107076266 T. Whiteman 8/2019-8/2023    | 40.00     |
| WA STATE DEPT OF TRANSPORTATION     | 42319      | 05/03/2019 68th & 175th/68th & 181st March Signal Maint.      | 229.90    |
| WEDENIG, MARK                       | 42320      | 05/03/2019 Deposit PRJ2001-130/MOD2004-130/ROW18-0597         | 7,500.00  |
| WHITEMAN, TELA                      | 42321      | 05/03/2019 WSAPT Conference Expense Reimbursement             | 395.67    |
| ZONAR SYSTEMS                       | 42322      | 05/03/2019 3/1/19-2/29/20 Sweeper & De-Icer GPS Tracking      | 527.73    |
| HELEN C. FORBES FAMILY TRUST        | 42323      | 05/03/2019 Refund of SEPA Review not required (SEPA19-0040)   | 1,623.30  |
| MASTEC NETWORK SOLUTIONS            | 42324      | 05/03/2019 Refund ROW19-0229(BLD18-0874) Charged Twice        | 1,523.55  |
| CANON FINANCIAL SERVICES, INC.      | 42325      | 05/03/2019 City Hall 2nd Floor Photocopier Lease              | 797.52    |
| GLASS MASTERS LLC                   | 42326      | 05/03/2019 Window Cleaning at CH & Hangar                     | 2,045.00  |
| BAKER, BRIDGIT                      | 42327      | 05/03/2019 WSAPT Spring Conference Mileage/Per Diem           | 187.16    |
| DRS 457                             | DFT0000368 | 04/26/2019 DRS 457 Deferred Comp                              | 198.95    |
| DRS 457                             | DFT0000369 | 04/26/2019 DRS 457 Deferred Comp                              | 875.00    |
| DEPARTMENT OF RETIREMENT SYSTEMS    | DFT0000371 | 04/26/2019 Public Employees Retirement                        | 1,841.14  |
| DEPARTMENT OF RETIREMENT SYSTEMS    | DFT0000371 | 04/26/2019 Public Employees Retirement                        | 95.12     |
| DEPARTMENT OF RETIREMENT SYSTEMS    | DFT0000371 | 04/26/2019 Public Employees Retirement                        | 108.69    |
| DEPARTMENT OF RETIREMENT SYSTEMS    | DFT0000372 | 04/26/2019 Public Employees Retirement                        | 16,580.98 |
| DEPARTMENT OF RETIREMENT SYSTEMS    | DFT0000372 | 04/26/2019 Public Employees Retirement                        | 2,533.13  |
| DEPARTMENT OF RETIREMENT SYSTEMS    | DFT0000372 | 04/26/2019 Public Employees Retirement                        | 3,005.00  |
| DEPARTMENT OF RETIREMENT SYSTEMS    | DFT0000373 | 04/26/2019 Public Employees Retirement                        | 674.93    |

|                                  |            |            |                                    |                          |
|----------------------------------|------------|------------|------------------------------------|--------------------------|
| DEPARTMENT OF RETIREMENT SYSTEMS | DFT0000373 | 04/26/2019 | Public Employees Retirement        | 390.81                   |
| DEPARTMENT OF RETIREMENT SYSTEMS | DFT0000374 | 04/26/2019 | Public Employees Retirement        | 197.23                   |
| DEPARTMENT OF RETIREMENT SYSTEMS | DFT0000375 | 04/26/2019 | Public Employees Retirement        | 893.75                   |
| DEPARTMENT OF RETIREMENT SYSTEMS | DFT0000376 | 04/26/2019 | Public Employees Retirement        | 1,735.01                 |
| NAVIA                            | DFT0000377 | 04/26/2019 | Employee Flexible Spending Account | 368.15                   |
| BANK OF AMERICA 941              | DFT0000378 | 04/26/2019 | Federal Taxes                      | 18,944.94                |
| SHIRLEY LAM                      | 10127      | 04/26/2019 | Payroll                            | 38.58                    |
| RITA MORENO                      | 10128      | 04/26/2019 | Payroll                            | 405.06                   |
| PAYROLL                          |            | 4/26/2019  | Direct Deposit                     | 103,028.06               |
|                                  |            |            | <b>Total</b>                       | <b><u>547,645.69</u></b> |



City of Kenmore

## Vendor Purchasing Report

For Date Range 01/01/2019 - 12/31/2019

Vendor Set: Vendor Set 01

| Vendor | Name                               | Volume     |
|--------|------------------------------------|------------|
| 0002   | ACTION ENTERTAINMENT               | 550.00     |
| 0014   | AMERICAN PLANNING ASSOCIATION      | 1,280.00   |
| 0022   | ASSOCIATION OF WA CITIES           | 22,400.00  |
| 0024   | BAKER, DAVID                       | 1,220.32   |
| 0037   | BASTYR UNIVERSITY                  | 50,000.00  |
| 0050   | BRUCE C ALLEN & ASSOC INC          | 9,250.00   |
| 0054   | BULGER SAFE & LOCK, INC.           | 7,207.63   |
| 0064   | CASCADE PEST CONTROL               | 572.00     |
| 0067   | CENTER FOR HUMAN SERVICES          | 5,250.00   |
| 0076   | CITY OF BELLEVUE                   | 40,935.50  |
| 0081   | CITY OF KENMORE                    | 600.00     |
| 0083   | CITY OF LAKE FOREST PARK           | 120,373.83 |
| 0092   | CODE PUBLISHING COMPANY            | 1,503.77   |
| 0099   | CONSOLIDATED PRESS                 | 4,375.74   |
| 0106   | CROWN PRODUCTS LLC                 | 985.25     |
| 0109   | DAILY JOURNAL OF COMMERCE          | 1,766.10   |
| 0121   | REPUBLIC SERVICES                  | 4,981.81   |
| 0130   | EMPLOYMENT SECURITY DEPT           | 3,157.76   |
| 0134   | EVERGREEN PRINT SOLUTIONS          | 215.06     |
| 0137   | FERGUSON ENTERPRISES INC #3011     | 1,685.22   |
| 0145   | FRUHLING SAND & TOPSOIL            | 35.00      |
| 0151   | CALPORTLAND COMPANY                | 2,700.77   |
| 0152   | GOVERNMENT FINANCE OFFICERS ASSOC  | 190.00     |
| 0173   | HOME DEPOT CREDIT SERVICES         | 4,418.61   |
| 0184   | INSLEE, BEST, DOEZIE & RYDER, P.S. | 70,915.13  |
| 0189   | INTERNATIONAL CITY/CNTY MGMT ASSOC | 1,400.00   |
| 0197   | JET CITY PRINTING                  | 829.40     |
| 0201   | KCDA PURCHASING COOP               | 2,377.06   |
| 0205   | KENMORE HERITAGE SOCIETY           | 75.00      |
| 0206   | KENMORE MIDDLE SCHOOL              | 5,250.00   |
| 0213   | KING COUNTY ANIMAL SVCS            | 1,195.00   |
| 0216   | KING COUNTY REAL ESTATE SVCS       | 2,500.00   |
| 0218   | KING COUNTY FINANCE                | 1,502.05   |
| 0219   | KING COUNTY FINANCE                | 109,633.65 |
| 0224   | SOUND PUBLISHING, INC.             | 1,700.00   |
| 0229   | KING COUNTY OFFICE OF FINANCE      | 2,820.00   |
| 0230   | KING COUNTY RADIO COMM SERVICES    | 300.30     |
| 0233   | KING COUNTY SHERIFF                | 24,612.40  |
| 0235   | KING COUNTY TREASURY               | 31,017.97  |
| 0251   | LIGHTHOUSE CONSULTING INC          | 21,125.47  |
| 0260   | MEEHAN, NANCY                      | 373.63     |
| 0261   | PENDLETON CONSULTING LLC           | 4,046.80   |
| 0267   | MR. T'S TROPHIES                   | 92.07      |
| 0285   | NORTHSHORE FIRE DEPT               | 780.00     |
| 0286   | NORTHSHORE SCHOOL DISTRICT         | 42,292.00  |
| 0287   | NORTHSHORE SENIOR CENTER           | 14,150.00  |
| 0288   | NORTHSHORE UTILITY DIST            | 89,028.12  |
| 0289   | NORTHSHORE YMCA                    | 2,875.00   |
| 0290   | NORTHSHORE YOUTH & FAMILY SERVICES | 8,000.00   |
| 0292   | HONEY BUCKET                       | 645.15     |
| 0299   | PERSONAL BEST                      | 118.27     |
| 0300   | OFFICE DEPOT                       | 3,908.22   |



## Vendor Purchasing Report

For Date Range 01/01/2019 - 12/31/2019

Vendor Set: Vendor Set 01

| Vendor | Name                                | Volume     |
|--------|-------------------------------------|------------|
| 0304   | OLYMPIC ENVIRONMENTAL RESOURCES INC | 5,323.70   |
| 0310   | PACIFIC TOPSOILS                    | 2,763.73   |
| 0327   | PUGET SOUND CLEAN AIR AGENCY        | 18,505.00  |
| 0328   | PUGET SOUND ENERGY                  | 62,784.22  |
| 0329   | PUGET SOUND FINANCE OFFICERS ASSOC  | 50.00      |
| 0345   | SEATTLE TIMES                       | 6,045.76   |
| 0355   | STAPLES ADVANTAGE                   | 6,027.21   |
| 0357   | STEWART MACNICHOLS HARMELL, INC.    | 20,000.00  |
| 0359   | SOUND CITIES ASSOC                  | 15,017.45  |
| 0365   | TOTAL LANDSCAPE CORP                | 27,994.30  |
| 0371   | UNITED STATES POSTMASTER            | 1,804.50   |
| 0385   | WA ASSOC OF BUILDING OFFICIALS      | 125.00     |
| 0387   | WA CITIES INSURANCE AUTHORITY       | 290,060.00 |
| 0401   | WA STATE DEPT OF TRANSPORTATION     | 4,063.51   |
| 0405   | WASHINGTON STATE OFFICE CASH MGMT   | 1,073.50   |
| 0416   | WETLANDS & WOODLANDS INC            | 3,747.70   |
| 0419   | WONDERLAND DEVELOPMENT              | 750.00     |
| 0424   | ICMA RETIREMENT TRUST 457 - 304745  | 42,493.44  |
| 0425   | DRS 457                             | 8,608.38   |
| 0426   | AFLAC                               | 1,308.40   |
| 0428   | BANK OF AMERICA 941                 | 150,867.94 |
| 0429   | AWC EMPLOYEE BENEFITS               | 224,507.59 |
| 0431   | DEPARTMENT OF RETIREMENT SYSTEMS    | 245,350.18 |
| 0432   | DEPARTMENT OF LABOR AND INDUSTRIES  | 15,636.46  |
| 0434   | UNITED WAY OF KING COUNTY           | 706.50     |
| 0436   | NATIONAL LIFE OF VERMONT            | 492.68     |
| 0448   | UPS STORE                           | 51.71      |
| 0450   | AURORA RENTS                        | 3,022.51   |
| 0473   | ARTS OF KENMORE                     | 1,132.54   |
| 0484   | CITY WIDE FENCE COMPANY, INC        | 28,765.00  |
| 0501   | MACLEOD RECKORD                     | 4,135.80   |
| 0515   | NATIONAL LEAGUE OF CITIES           | 1,533.67   |
| 0586   | MAIL FINANCE                        | 709.50     |
| 0588   | ENVIRONMENTAL SYSTEMS RESEARCH INST | 5,720.00   |
| 0594   | RANDALL, BRIAN                      | 1,209.99   |
| 0610   | WA STATE DEPT OF TRANSPORTATION     | 5,591.58   |
| 0617   | KING COUNTY FINANCE                 | 750.00     |
| 0639   | KONICA MINOLTA BUSINESS SOLUTIONS   | 659.38     |
| 0685   | PACE ENGINEERS, INC.                | 48,454.59  |
| 0689   | DIGITAL REPROGRAPHICS SERVICES INC. | 109.90     |
| 0690   | BUILDERS EXCHANGE OF WASHINGTON INC | 593.60     |
| 0692   | HDR ENGINEERING, INC                | 175,991.08 |
| 0696   | AMERICAN GENERAL LIFE GPO-400S      | 1,645.04   |
| 0699   | BANNER BANK DB                      | 4,335.78   |
| 0743   | BANNER BANK NO                      | 1,408.30   |
| 0764   | OUSLEY, NANCY                       | 511.92     |
| 0781   | QUALITY BUSINESS SYSTEMS INC.       | 5,258.93   |
| 0788   | CURTIS, DR. MILTON                  | 91.02      |
| 0791   | NORTHSHORE ROTARY CLUB              | 498.00     |
| 0800   | BANNER BANK JG                      | 7,102.44   |
| 0817   | GRAINGER                            | 5,519.98   |
| 0834   | BANNER BANK KENMORE                 | 13,040.03  |
| 0852   | GREGORY, JOANNE                     | 67.28      |
| 0858   | A+ CONFERENCING                     | 146.74     |
| 0864   | COLUMBIA FORD                       | 130,979.72 |
| 0868   | JAYMARC - AV                        | 275.00     |
| 0869   | BANNER BANK JGORDON                 | 14,021.15  |
| 0892   | JACOBS ENGINEERING GROUP            | 125,896.32 |

## Vendor Purchasing Report

For Date Range 01/01/2019 - 12/31/2019

Vendor Set: Vendor Set 01

| Vendor | Name                                | Volume     |
|--------|-------------------------------------|------------|
| 0898   | ZONAR SYSTEMS                       | 527.73     |
| 0899   | SHRED-IT USA LLC                    | 309.93     |
| 0912   | ALCALDE & FAY                       | 20,254.35  |
| 0937   | ZUMAR                               | 10,759.78  |
| 0981   | COMCAST BUSINESS                    | 11,631.54  |
| 0994   | GORDON THOMAS HONEYWELL             | 12,071.53  |
| 1003   | IWORQ SYSTEMS                       | 2,800.00   |
| 1010   | TOWN CENTER HARDWARE                | 1,249.54   |
| 1032   | SAWYER, RICHARD                     | 217.80     |
| 1045   | HORIZON DISTRIBUTORS INC            | 482.70     |
| 1047   | SARAH ROBERTS                       | 45,850.08  |
| 1052   | FIRE PROTECTION, INC                | 2,988.75   |
| 1068   | WA STATE DEPT OF LABOR & INDUSTRIES | 147.20     |
| 1114   | PHSI PURE HEALTH SOLUTIONS INC.     | 404.36     |
| 1116   | FRONTIER                            | 3,393.27   |
| 1123   | AM TEST, INC                        | 675.00     |
| 1140   | PAWS                                | 1,332.00   |
| 1148   | QUALITY WATER FINANCIAL LLC         | 513.94     |
| 1177   | WELLS FARGO FINANCIAL               | 1,859.19   |
| 1192   | HOPKINS, CRAIG                      | 307.98     |
| 1197   | MILLER STEPHENS, MARY               | 5,000.00   |
| 1212   | MCALLISTER, TERESA                  | 19.62      |
| 1215   | STATE OF FLORIDA DISBURSEMENT UNIT  | 2,475.00   |
| 1248   | KENMORE AIR                         | 3,037.40   |
| 1299   | VERIZON WIRELESS                    | 851.23     |
| 1304   | HAMPSON, BRYAN                      | 70.18      |
| 1309   | BANNER BANK BAKER                   | 4,419.74   |
| 1311   | WASHINGTON STATE PATROL             | 3,301.33   |
| 1313   | BOTHELL KENMORE CHAMBER OF COMMERCE | 2,700.00   |
| 1331   | KBA INC.                            | 20,821.81  |
| 1333   | WELWEST CONSTRUCTION INC.           | 51,715.76  |
| 1339   | STATE OF WA DEPARTMENT OF LICENSING | 30.00      |
| 1345   | SHERWIN-WILLIAMS CO. #8099          | 112.14     |
| 1356   | KARLINSEY, ROB                      | 256.44     |
| 1357   | KENMORE COMMERCIAL LLC              | 16,835.20  |
| 1358   | ALPHAGRAPHICS                       | 772.31     |
| 1359   | EVERGREEN FIRE AND SAFETY, INC.     | 96.80      |
| 1363   | INNOVAC                             | 2,204.13   |
| 1372   | AAA PRINTING                        | 272.32     |
| 1390   | UTILITIES UNDERGROUND LOCATION CTR  | 526.32     |
| 1402   | NORTHWEST MARINE TRADE ASSOCIATION  | 460.00     |
| 1403   | OSBORN CONSULTING INC.              | 12,792.76  |
| 1431   | BRIEN, GAYLYNN                      | 150.00     |
| 1437   | VOLGISTICS, INC                     | 540.00     |
| 1452   | CITY OF KENT                        | 500.00     |
| 1456   | HESTON VISUAL ARTS                  | 506.00     |
| 1459   | FLEMINGS HOLIDAY LIGHTING LLC       | 5,739.02   |
| 1478   | HERBIG, NIGEL                       | 70.18      |
| 1485   | WA ASSOC OF PUBLIC RECORDS OFFICERS | 200.00     |
| 1504   | SCORE                               | 134,008.98 |
| 1544   | METROPOLITAN TRANS. COMMISSION      | 1,500.00   |
| 1550   | THE EVP GROUP                       | 24,337.50  |
| 1555   | LINCOLN NATIONAL LIFE INSURANCE     | 4,932.18   |
| 1577   | MUMMA, RYAN                         | 58.58      |
| 1581   | STARDOM SERVICES, INC.              | 2,220.00   |
| 1584   | STUDIO 3 SIGNS                      | 165.15     |
| 1591   | ULINE                               | 2,642.59   |
| 1596   | NW ENVIRONMENTAL TRAINING CENTER    | 3,225.00   |

## Vendor Purchasing Report

For Date Range 01/01/2019 - 12/31/2019

Vendor Set: Vendor Set 01

| Vendor | Name                                       | Volume     |
|--------|--------------------------------------------|------------|
| 1606   | GALLATIN PUBLIC AFFAIRS                    | 10,500.00  |
| 1647   | MASTEC NETWORK SOLUTIONS                   | 1,523.55   |
| 1661   | WHITEMAN, TELA                             | 395.67     |
| 1673   | KPFF CONSULTING ENGINEERS                  | 128,586.10 |
| 1678   | VICENTE, JOHN                              | 2,434.00   |
| 1689   | MOTT MACDONALD GROUP, INC.                 | 141,168.85 |
| 1690   | SITTS & HILL ENGINEERS, INC.               | 5,730.00   |
| 1698   | WRIGHT, MARCI                              | 1,000.00   |
| 1704   | BANNER BANK RK                             | 5,475.86   |
| 1711   | SOFTWAREONE, INC.                          | 10,622.57  |
| 1718   | RESOURCE EXPLORATION, LLC                  | 20,000.00  |
| 1738   | MUNIMANAGE, LLC                            | 56,430.00  |
| 1762   | BAKER, BRIDGIT                             | 187.16     |
| 1774   | OWEN EQUIPMENT COMPANY                     | 1,305.30   |
| 1787   | M M COMFORT SYSTEMS                        | 36.75      |
| 1798   | OLBRECHTS & ASSOCIATES, PLLC               | 2,255.50   |
| 1811   | CAMPBELL SCIENTIFIC                        | 624.00     |
| 1814   | YSI INCORPORATED, A XYLEM BRAND            | 1,738.55   |
| 1816   | NAVIA                                      | 9,063.35   |
| 1828   | QUALITY BUSINESS SYSTEMS - WELLS FARGO     | 2,702.12   |
| 1829   | SHI INTERNATIONAL CORP.                    | 882.20     |
| 1832   | EASTSIDE HOMES, INC.                       | 1,670.10   |
| 1835   | INC4INC, INC.                              | 7,500.00   |
| 1846   | AWCPD                                      | 100.00     |
| 1879   | HOLMBERG COMPANY                           | 3,628.70   |
| 1889   | WILLIAMS, KASTNER & GIBBS PLLC             | 23,354.54  |
| 1900   | ASPECT CONSULTING LLC                      | 690.56     |
| 1901   | NORTH COAST ELECTRIC COMPANY               | 157.91     |
| 1930   | T-MOBILE USA, INC.                         | 2,967.55   |
| 1932   | U.S. BANK N.A. - CUSTODY                   | 114.00     |
| 1944   | OHNO CONSTRUCTION                          | 5,454.03   |
| 1945   | GLASS MASTERS LLC                          | 2,045.00   |
| 1947   | MCMILLAN, RANDY                            | 500.00     |
| 1948   | MULTICARE CENTERS OF OCCUPATIONAL MEDICINE | 1,035.00   |
| 1960   | WALTER E. NELSON CO.                       | 1,233.87   |
| 1962   | BANNER BANK SKROGH                         | 2,111.88   |
| 1964   | EARTHWORKS                                 | 18,890.20  |
| 1978   | GOVDELIVERY, LLC                           | 13,005.91  |
| 1979   | MSPT XXII, LLC                             | 10,954.00  |
| 1980   | HRA VEBA TRUST                             | 15,707.55  |
| 1985   | CONTRACT LAND STAFF LLC                    | 7,414.89   |
| 1993   | HYAS GROUP, LLC                            | 7,500.00   |
| 1994   | LAKE CITY PARTNERS ENDING HOMELESSNESS     | 2,000.00   |
| 1995   | REY TRANSLATIONS                           | 110.00     |
| 1998   | JOHNSTON GROUP, LLC                        | 11,660.00  |
| 1999   | KING COUNTY POLICE CHIEFS ASSOCIATION      | 50.00      |
| 2004   | RED BARN ENGINEERING, INC.                 | 23,802.00  |
| 2007   | HYDROPOINT DATA SYSTEMS, INC.              | 470.00     |
| 2021   | GEOTERRA, INC.                             | 9,220.00   |
| 2024   | DFR LAW GROUP, LLC                         | 300.00     |
| 2028   | PRIDE ELECTRIC INC.                        | 858.00     |
| 2048   | SMS CLEANING, INC.                         | 22,800.00  |
| 2063   | French Touchup LLC                         | 5,929.00   |
| 2064   | Bud Clary Dodge/Chevrolet                  | 66,956.52  |
| 2081   | SHANNON & WILSON, INC.                     | 28,033.00  |
| 2095   | TRANSCO GROUP USA INC.                     | 85.00      |
| 2113   | WA ASSOC. OF SHERIFFS & POLICE CHIEFS      | 180.00     |
| 2114   | NC Machinery                               | 109,120.85 |

## Vendor Purchasing Report

For Date Range 01/01/2019 - 12/31/2019

Vendor Set: Vendor Set 01

| Vendor | Name                                         | Volume     |
|--------|----------------------------------------------|------------|
| 2126   | SCHWARZWALTER, MARK                          | 54.68      |
| 2128   | SUNDANCE ENERGY SERVICES                     | 619.27     |
| 2129   | CHELIN, KELLY                                | 84.87      |
| 2132   | FUELCARE                                     | 660.00     |
| 2138   | HORVATH, PETER                               | 185.25     |
| 2142   | ICMA RETIREMENT C/O ALLFIRST BANK - 109964   | 142,308.67 |
| 2144   | MODUS TECHNOLOGY, INC.                       | 2,996.58   |
| 2147   | SOD SPOT LLC                                 | 10,950.00  |
| 2148   | Town and Country Fence Inc.                  | 2,337.51   |
| 2157   | SOUND SAFETY PRODUCTS CO.                    | 1,762.67   |
| 2159   | TRAILER BOSS                                 | 8,181.90   |
| 2160   | ALLWEST UNDERGROUND INC.                     | 1,980.60   |
| 2161   | BENNETT-GOLD, TOBIN                          | 282.17     |
| 2162   | ESWO, LLC                                    | 15,000.00  |
| 2163   | CORNERSTONE ARCHITECTUAL GROUP               | 10,460.00  |
| 2164   | RANKIN, BRUCE                                | 418.95     |
| 2166   | BARKER MARTIN, P.S.                          | 9,505.50   |
| 2167   | APWA-WA CHAPTER                              | 1,500.00   |
| 2168   | FRED PRYOR SEMINARS                          | 149.00     |
| 2169   | ETC INSTITUTE                                | 13,731.90  |
| 2171   | BELRED ENERGY SOLUTIONS                      | 329.28     |
| 2172   | TCF ARCHITECTURE                             | 2,500.00   |
| 2173   | TRI-COUNTY LAND SURVEYING                    | 3,800.00   |
| 2174   | TUCKER, NATHAN                               | 300.00     |
| 2175   | ELECTRONIC BUSINESS MACHINES                 | 335.48     |
| 2176   | CANON FINANCIAL SERVICES, INC.               | 797.52     |
| 2177   | ELYSIUM DEVELOPMENT, LLC                     | 7,500.00   |
| 2178   | STRIPE-A-LOT                                 | 2,822.88   |
| 2179   | NC CAT RENTAL                                | 3,553.00   |
| 2180   | BUNTTING INC.                                | 130,557.62 |
| 2181   | CONNER HOMES AT SOLIRE LLC                   | 187,241.00 |
| 2182   | CUZ CONCRETE PRODUCTS                        | 909.13     |
| 2183   | SISKUN POWER EQUIPMENT                       | 4,752.88   |
| 2184   | DIVERSIFICATION INC.                         | 1,866.70   |
| 2185   | CRIMINAL JUSTICE TRAINING COMMISSION         | 1,450.00   |
| 2188   | DIJULIO DISPLAYS, INC                        | 5,174.98   |
| 2189   | OFFICE TEAM                                  | 657.94     |
| 2190   | PACIFIC INDUSTRIAL SUPPLY                    | 984.39     |
| 2192   | STEWART TITLE                                | 103,308.00 |
| 2193   | FENCING COMPANY, LLC                         | 1,265.00   |
| 2194   | CONFLUENCE ENVIRONMENTAL COMPANY             | 1,685.00   |
| 2195   | CITY SOURCED                                 | 3,600.00   |
| 2196   | Engaged Public                               | 6,500.00   |
| 2197   | BEST PARKING LOT CLEANING INC.               | 2,327.60   |
| 2198   | CITY OF BOTHELL                              | 50,000.00  |
| 2199   | HALALILO, PAULA                              | 34.56      |
| 2200   | CHASE WALKER                                 | 129.50     |
| 2201   | WA CHAPTER AMERICAN SOCIETY OF LANDSCAPE ARC | 75.00      |
| 2202   | ROGER WIGGINS                                | 7,500.00   |
| 2203   | KENMORE CLEANERS                             | 36.30      |
| 2204   | KING COUNTY                                  | 200.00     |
| 2205   | MUNICIPAL MANAGEMENT SERVICES                | 5,000.00   |
| 2207   | APA Washington                               | 100.00     |
| 2208   | FLUENT LANGUAGE SOLUTIONS                    | 395.59     |
| 2209   | MORUP SIGNS, INC.                            | 456.51     |
| 2210   | PACWEST MACHINERY                            | 300.00     |
| 2211   | PRECISION FUEL SOLUTIONS                     | 1,452.00   |
| 2212   | WEDENIG, MARK                                | 7,500.00   |

**Vendor Purchasing Report**

**For Date Range 01/01/2019 - 12/31/2019**

**Vendor Set: Vendor Set 01**

| Vendor                                 | Name                         | Volume              |
|----------------------------------------|------------------------------|---------------------|
| 2213                                   | HELEN C. FORBES FAMILY TRUST | 1,623.30            |
| <b>Vendor Set Vendor Set 01 Total:</b> |                              | <b>4,484,357.32</b> |



## Voucher Certification and Approval

City of Kenmore

DATE RANGE:

05/04/2019-05/17/2019

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein, that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and the the claim is a just, due and unpaid obligation against the City of Kenmore and that I am authorized to authenticate and certify to said claim. The following checks and electronic payments are approved for payment:

Total Check #s 42328 through 42424: \$349,844.83

Total Payroll/Taxes/Flexible Spending/Retirement & Health Savings Acct. Electronic Deposits Dated: 05/10/2019: \$ 140,903.95

Electronic Funds Transfer - 5/14/2019: \$ 750.00

RJK 5-17-19  
City Manager / Date

Br. Ruloff 5/17/19  
Finance Director / Date

| Vendor Name                               | Check # | Date       | Description                                       | Amount    |
|-------------------------------------------|---------|------------|---------------------------------------------------|-----------|
| ICMA RETIREMENT C/O ALLFIRST BANK - 10996 | 42328   | 05/10/2019 | City of Kenmore 401a                              | 15,660.09 |
| ICMA RETIREMENT TRUST 457 - 304745        | 42329   | 05/10/2019 | ICMA 457 Deferred Comp                            | 5,165.69  |
| STATE OF FLORIDA DISBURSEMENT UNIT        | 42330   | 05/10/2019 | Employee Deduction                                | 275.00    |
| UNITED WAY OF KING COUNTY                 | 42331   | 05/10/2019 | Employee Charitable Contribution                  | 68.50     |
| CORAL SALES CO.                           | 42332   | 05/10/2019 | Armadillo Radar Traffic Collectors (Qty. 3)       | 9,553.50  |
| A+ CONFERENCING                           | 42333   | 05/17/2019 | May 6th King Cty Metro Bus Lane Conference Call   | 18.98     |
| AAA PRINTING                              | 42334   | 05/17/2019 | A-Frame Signs                                     | 156.86    |
| ALL CITY FENCE CO.                        | 42335   | 05/17/2019 | 19-C1988 Moorlands Park Netting Installation      | 12,036.20 |
| ALL CITY FENCE CO.                        | 42336   | 05/17/2019 | Fence Repairs @ Skate Park & NE 202nd             | 2,376.00  |
| AM TEST, INC                              | 42337   | 05/17/2019 | Swamp Creek March & April Water Sample Testing    | 450.00    |
| ASPECT CONSULTING LLC                     | 42338   | 05/17/2019 | 18-C1816 12/29-3/29/19 Stream Monitoring Svcs     | 756.86    |
| AURORA RENTS                              | 42339   | 05/17/2019 | Equipment Rental for Legends Bench Installation   | 1,019.31  |
| BANNER BANK BAKER                         | 42340   | 05/17/2019 | Parking/Registration/Meals                        | 186.04    |
| BANNER BANK DB                            | 42341   | 05/17/2019 | Paypal AIA/PAW/Affordable Housing Registrations   | 362.00    |
| BANNER BANK JG                            | 42342   | 05/17/2019 | GFOA/Red Lion/Craigslist/Linkedin/WSP/Costco      | 1,357.96  |
| BANNER BANK KENMORE                       | 42343   | 05/17/2019 | Microsoft/1000BULBS/Amazon/Icicle Vill./Intl Code | 2,699.54  |
| BANNER BANK KENMORE                       | 42344   | 05/17/2019 | Void                                              | -         |
| BANNER BANK NO                            | 42345   | 05/17/2019 | The Bus Journals/VCITA/Hotel Maison/Jimmy John    | 1,337.86  |
| BANNER BANK RK                            | 42346   | 05/17/2019 | Seattle Times/Seaplane Kitchen/Ingallinas/J.J.'s  | 806.40    |

|                                     |        |       |                                                           |           |
|-------------------------------------|--------|-------|-----------------------------------------------------------|-----------|
| BANNER BANK                         | SKROGH | 42347 | 05/17/2019 SurveyMonkey/WIX.Com                           | 86.41     |
| BEST PARKING LOT CLEANING INC.      |        | 42348 | 05/17/2019 18-C1957 April 1st-3rd Sweeping Services       | 2,201.10  |
| BRIEN, GAYLYNN                      |        | 42349 | 05/17/2019 Feb. Sales Tax Data Conversion Svcs            | 50.00     |
| BUILDERS EXCHANGE OF WASHINGTON INC |        | 42350 | 05/17/2019 153rd Sidewalk Project Online Publishing       | 88.00     |
| CITYWORKS/ AZTECA SYSTEMS INC.      |        | 42351 | 05/17/2019 Cityworks Software 4/17/19-4/16/20             | 22,000.00 |
| COLUMBIA RIDGE LANDFILL             |        | 42352 | 05/17/2019 Street Sweeper Debris Disposal                 | 7,283.75  |
| COMCAST BUSINESS                    |        | 42353 | 05/17/2019 May City Hall, Hangar & Incubator Internet     | 2,169.04  |
| COMCAST BUSINESS                    |        | 42354 | 05/17/2019 5/14-6/13 City Hall Cable/Internet             | 162.77    |
| COMCAST BUSINESS                    |        | 42355 | 05/17/2019 City Hall Phones                               | 369.12    |
| COMCAST BUSINESS                    |        | 42356 | 05/17/2019 5/10-6/9 Squire's Landing Internet             | 69.95     |
| CONFLUENCE ENVIRONMENTAL COMPANY    |        | 42357 | 05/17/2019 19-C1996 Swamp Crk Wildlife Habitat Assessment | 8,785.00  |
| CORNERSTONE ARCHITECTUAL GROUP      |        | 42358 | 05/17/2019 18-C1926 Public Works Office Space Design      | 2,646.00  |
| CURTIS, DR. MILTON                  |        | 42359 | 05/17/2019 Mileage Reimbursement                          | 102.66    |
| DAILY JOURNAL OF COMMERCE           |        | 42360 | 05/17/2019 Ad for Bids for Slurry Seal Project            | 117.60    |
| EARTHWORKS                          |        | 42361 | 05/17/2019 17-C1780 SR522/155th ROW Landscaping           | 4,722.55  |
| ELECTRONIC BUSINESS MACHINES        |        | 42362 | 05/17/2019 2nd Floor Copier Charges                       | 256.78    |
| FASTSIGNS                           |        | 42363 | 05/17/2019 Signs for Hangar & Moorlands                   | 910.80    |
| FERGUSON ENTERPRISES INC #3011      |        | 42364 | 05/17/2019 Asphalt for Stock                              | 403.44    |
| FRONTIER                            |        | 42365 | 05/17/2019 4/28-5/27 City Hall Phone Svc                  | 625.72    |
| FRONTIER                            |        | 42366 | 05/17/2019 4/28-5/27 City Hall Phone Svc                  | 460.56    |
| GORDON THOMAS HONEYWELL             |        | 42367 | 05/17/2019 April Governmental Affairs Consulting Svcs     | 3,973.19  |
| GRAINGER                            |        | 42368 | 05/17/2019 Bulletin Boards                                | 945.29    |
| HERMANSON COMPANY, LLP              |        | 42369 | 05/17/2019 Service Call for Noise in HVAC System          | 401.59    |
| HOME DEPOT CREDIT SERVICES          |        | 42370 | 05/17/2019 Public Works Supplies & Equipment              | 1,733.80  |
| HONEY BUCKET                        |        | 42371 | 05/17/2019 Squire's Landing Rental 4/20-5/17/19           | 215.05    |
| INNOVAC                             |        | 42372 | 05/17/2019 68th & 181st Vactor Truck Services             | 1,978.52  |
| INTERSECTION MEDIA, LLC             |        | 42373 | 05/17/2019 Advertising Svc. SWM Education & Outreach      | 1,000.00  |
| JOHNSTON GROUP, LLC                 |        | 42374 | 05/17/2019 April Government Relations 18-C1832            | 2,915.00  |
| KENMORE ELEMENTARY PTA              |        | 42375 | 05/17/2019 1st Qtr Human Svcs Funding                     | 1,250.00  |
| KING COUNTY ANIMAL SVCS             |        | 42376 | 05/17/2019 Pet Licenses & Renewals                        | 305.00    |
| KPFF CONSULTING ENGINEERS           |        | 42377 | 05/17/2019 15-C1484 On-Call Consulting 2/22-3/29/19       | 5,229.14  |
| KPFF CONSULTING ENGINEERS           |        | 42378 | 05/17/2019 15-C1484 68th Ped/Bike Svcs through 3/29       | 12,955.92 |
| LANGUAGE LINE SERVICES, INC.        |        | 42379 | 05/17/2019 Spanish Translation for the Front Desk         | 9.85      |
| LIGHTHOUSE CONSULTING INC           |        | 42380 | 05/17/2019 Apr. Protection/Backup/Web Hosting/Archiving   | 2,930.68  |

|                                       |       |                                                               |           |
|---------------------------------------|-------|---------------------------------------------------------------|-----------|
| LIGHTHOUSE CONSULTING INC             | 42381 | 05/17/2019 April IT Services                                  | 3,523.52  |
| MOTT MACDONALD GROUP, INC.            | 42382 | 05/17/2019 17-C1657 2/23-3/31 Squire's Preliminary Design     | 25,875.29 |
| MR. T'S TROPHIES                      | 42383 | 05/17/2019 Rod Kaseguma's Retirement Plaque                   | 25.25     |
| MULTICARE CENTERS OF OCCUPATIONAL MED | 42384 | 05/17/2019 DOT Exam/Drug Screening                            | 155.00    |
| MUNIMANAGE, LLC                       | 42385 | 05/17/2019 17-C1809 April Public Works Svcs                   | 10,560.00 |
| NORTHSHORE FIRE DEPT                  | 42386 | 05/17/2019 April Fire Marshal Plan Review                     | 340.00    |
| NORTHSHORE UTILITY DIST               | 42387 | 05/17/2019 April Fleet Maintenance & Fuel                     | 49.37     |
| NORTHSHORE UTILITY DIST               | 42387 | 05/17/2019 April Fleet Maintenance & Fuel                     | 577.26    |
| NORTHSHORE UTILITY DIST               | 42387 | 05/17/2019 April Fleet Maintenance & Fuel                     | 866.58    |
| NORTHSHORE UTILITY DIST               | 42387 | 05/17/2019 April Fleet Maintenance & Fuel                     | 264.82    |
| NORTHSHORE UTILITY DIST               | 42387 | 05/17/2019 April Fleet Maintenance & Fuel                     | 442.28    |
| NORTHSHORE UTILITY DIST               | 42387 | 05/17/2019 April Fleet Maintenance & Fuel                     | 1,009.30  |
| NORTHSHORE UTILITY DIST               | 42387 | 05/17/2019 April Fleet Maintenance & Fuel                     | 379.45    |
| NORTHSHORE UTILITY DIST               | 42387 | 05/17/2019 April Fleet Maintenance & Fuel                     | 64.17     |
| NORTHSHORE UTILITY DIST               | 42388 | 05/17/2019 18-C1967 Rhod. Park Conduit Casing Installation    | 6,559.31  |
| OFFICE DEPOT                          | 42389 | 05/17/2019 Paper/Supplies                                     | 232.99    |
| OFFICE DEPOT                          | 42390 | 05/17/2019 Rechargeable Batteries                             | 37.38     |
| OUSLEY, NANCY                         | 42391 | 05/17/2019 Meeting Expense Reimbursement                      | 36.20     |
| PACE ENGINEERS, INC.                  | 42392 | 05/17/2019 March 15-C1483 SWM On-Call Svcs                    | 30,202.25 |
| PACIFIC TOPSOILS                      | 42393 | 05/17/2019 3/26-4/29/19 Dump Fees & Parks/City Hall Supplies  | 1,421.64  |
| PAWS                                  | 42394 | 05/17/2019 April Animal Sheltering Services                   | 192.00    |
| PUGET SOUND ENERGY                    | 42395 | 05/17/2019 April City Hall Electricity                        | 2,169.88  |
| PUGET SOUND ENERGY                    | 42396 | 05/17/2019 4/2-5/1/19 Street Lights                           | 9,246.36  |
| QUALITY WATER FINANCIAL LLC           | 42397 | 05/17/2019 Public Works Office Filtered Water System          | 65.95     |
| QUALITY WATER FINANCIAL LLC           | 42398 | 05/17/2019 Incubator Bldg. Filtered Water System              | 65.95     |
| RED BARN ENGINEERING, INC.            | 42399 | 05/17/2019 4/26-5/10/19 Engineering Consultant Svcs           | 3,204.00  |
| REPUBLIC SERVICES                     | 42400 | 05/17/2019 April City Hall Solid Waste Svcs                   | 521.88    |
| REPUBLIC SERVICES                     | 42401 | 05/17/2019 April Hangar Bldg. Solid Waste Svcs                | 576.55    |
| REPUBLIC SERVICES                     | 42402 | 05/17/2019 April Rhododendron Park Solid Waste                | 643.69    |
| REY TRANSLATIONS                      | 42403 | 05/17/2019 Translation of Manufactured Housing Final Decision | 110.00    |
| SAUVE, GAYLEN                         | 42404 | 05/17/2019 MC Service for 4th of July Event                   | 400.00    |
| SCHINDLER ELEVATOR CORPORATION        | 42405 | 05/17/2019 Retrieval of Keys from Elevator Shaft              | 575.79    |
| SCORE                                 | 42406 | 05/17/2019 April Inmate Housing                               | 33,480.00 |
| SEATTLE TIMES                         | 42407 | 05/17/2019 Ad for Slurry Seal Project Bids                    | 107.04    |
| SEATTLE TIMES                         | 42408 | 05/17/2019 Legal Ad for Public Hrg on Minard Property         | 127.04    |
| SEVERSON, ROBERT                      | 42409 | 05/17/2019 PRJ2013-012 & PRJ2013-013 Deposit Refund           | 13,732.35 |
| SHRED-IT USA LLC                      | 42410 | 05/17/2019 Monthly Shredding Service                          | 73.99     |



|                                    |            |                                                           |                          |
|------------------------------------|------------|-----------------------------------------------------------|--------------------------|
| SKYWARD CONSTRUCTION               | 42411      | 05/17/2019 Town Green Final Payment                       | 33,000.00                |
| SOUND PUBLISHING, INC.             | 42412      | 05/17/2019 For the Love of Kenmore Advertising            | 425.00                   |
| STAPLES ADVANTAGE                  | 42413      | 05/17/2019 Hamper for Public Works Dept.                  | 58.06                    |
| STAPLES ADVANTAGE                  | 42414      | 05/17/2019 Batteries                                      | 41.38                    |
| STEWART MACNICHOLS HARMELL, INC.   | 42415      | 05/17/2019 April Public Defense Services                  | 5,000.00                 |
| SWANK MOTION PICTURES, INC.        | 42416      | 05/17/2019 Summer Movies                                  | 2,213.20                 |
| TOTAL LANDSCAPE CORP               | 42417      | 05/17/2019 April Parks Landscape Maintenance              | 4,510.00                 |
| TOURNESOL SITEWORKS, LLC           | 42418      | 05/17/2019 Bollard for Log Boom Park                      | 473.02                   |
| TOWN CENTER HARDWARE               | 42419      | 05/17/2019 Public Works Supplies/Equipment Apr. Purchases | 63.08                    |
| UTILITIES UNDERGROUND LOCATION CTR | 42420      | 05/17/2019 April Utility Locates                          | 215.43                   |
| VERIZON WIRELESS                   | 42421      | 05/17/2019 4/27-5/26 Cell Phone Charges                   | 243.86                   |
| WA STATE DEPT OF TRANSPORTATION    | 42422      | 05/17/2019 De-Icer Liquid for Roads                       | 252.68                   |
| AA ASPHALTING, INC                 | 42423      | 05/17/2019 Asphalt Paving                                 | 8,343.52                 |
| CHECK RIDE                         | 42424      | 05/17/2019 CDL Class B Truck Training - C. Walker         | 3,450.00                 |
| DRS 457                            | DFT0000380 | 05/10/2019 DRS 457 Deferred Comp                          | 261.62                   |
| DRS 457                            | DFT0000381 | 05/10/2019 DRS 457 Deferred Comp                          | 625.00                   |
| DEPARTMENT OF RETIREMENT SYSTEMS   | DFT0000382 | 05/10/2019 Public Employees Retirement                    | 1,887.39                 |
| DEPARTMENT OF RETIREMENT SYSTEMS   | DFT0000383 | 05/10/2019 Public Employees Retirement                    | 21,408.67                |
| DEPARTMENT OF RETIREMENT SYSTEMS   | DFT0000384 | 05/10/2019 Public Employees Retirement                    | 1,065.74                 |
| DEPARTMENT OF RETIREMENT SYSTEMS   | DFT0000385 | 05/10/2019 Public Employees Retirement                    | 146.78                   |
| DEPARTMENT OF RETIREMENT SYSTEMS   | DFT0000386 | 05/10/2019 Public Employees Retirement                    | 893.75                   |
| DEPARTMENT OF RETIREMENT SYSTEMS   | DFT0000387 | 05/10/2019 Public Employees Retirement                    | 1,890.56                 |
| NAVIA                              | DFT0000388 | 05/10/2019 Employee Flexible Spending Account             | 368.15                   |
| BANK OF AMERICA 941                | DFT0000389 | 05/10/2019 Federal Taxes                                  | 16,492.33                |
| STEWART TITLE                      | EFT        | 5/14/2019 Property Earnest Money Transfer                 | 750.00                   |
| PAYROLL                            |            | 5/10/2019 Direct Deposit                                  | 95,863.96                |
| <b>Total</b>                       |            |                                                           | <b><u>491,498.78</u></b> |



City of Kenmore

**Vendor Purchasing Report**

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| Vendor | Name                               | Volume     |
|--------|------------------------------------|------------|
| 0002   | ACTION ENTERTAINMENT               | 550.00     |
| 0014   | AMERICAN PLANNING ASSOCIATION      | 1,280.00   |
| 0022   | ASSOCIATION OF WA CITIES           | 22,400.00  |
| 0024   | BAKER, DAVID                       | 1,220.32   |
| 0037   | BASTYR UNIVERSITY                  | 50,000.00  |
| 0050   | BRUCE C ALLEN & ASSOC INC          | 9,250.00   |
| 0054   | BULGER SAFE & LOCK, INC.           | 7,207.63   |
| 0064   | CASCADE PEST CONTROL               | 572.00     |
| 0067   | CENTER FOR HUMAN SERVICES          | 5,250.00   |
| 0076   | CITY OF BELLEVUE                   | 40,935.50  |
| 0081   | CITY OF KENMORE                    | 600.00     |
| 0083   | CITY OF LAKE FOREST PARK           | 120,373.83 |
| 0092   | CODE PUBLISHING COMPANY            | 1,503.77   |
| 0099   | CONSOLIDATED PRESS                 | 4,375.74   |
| 0106   | CROWN PRODUCTS LLC                 | 985.25     |
| 0109   | DAILY JOURNAL OF COMMERCE          | 1,883.70   |
| 0121   | REPUBLIC SERVICES                  | 6,723.93   |
| 0130   | EMPLOYMENT SECURITY DEPT           | 3,157.76   |
| 0134   | EVERGREEN PRINT SOLUTIONS          | 215.06     |
| 0137   | FERGUSON ENTERPRISES INC #3011     | 2,088.66   |
| 0145   | FRUHLING SAND & TOPSOIL            | 35.00      |
| 0151   | CALPORTLAND COMPANY                | 2,700.77   |
| 0152   | GOVERNMENT FINANCE OFFICERS ASSOC  | 190.00     |
| 0173   | HOME DEPOT CREDIT SERVICES         | 6,152.41   |
| 0184   | INSLEE, BEST, DOEZIE & RYDER, P.S. | 70,915.13  |
| 0189   | INTERNATIONAL CITY/CNTY MGMT ASSOC | 1,400.00   |
| 0197   | JET CITY PRINTING                  | 829.40     |
| 0201   | KCDA PURCHASING COOP               | 2,377.06   |
| 0205   | KENMORE HERITAGE SOCIETY           | 75.00      |
| 0206   | KENMORE MIDDLE SCHOOL              | 5,250.00   |
| 0213   | KING COUNTY ANIMAL SVCS            | 1,500.00   |
| 0216   | KING COUNTY REAL ESTATE SVCS       | 2,500.00   |
| 0218   | KING COUNTY FINANCE                | 1,502.05   |
| 0219   | KING COUNTY FINANCE                | 109,633.65 |
| 0224   | SOUND PUBLISHING, INC.             | 2,125.00   |
| 0229   | KING COUNTY OFFICE OF FINANCE      | 2,820.00   |
| 0230   | KING COUNTY RADIO COMM SERVICES    | 300.30     |
| 0233   | KING COUNTY SHERIFF                | 24,612.40  |
| 0235   | KING COUNTY TREASURY               | 31,017.97  |
| 0251   | LIGHTHOUSE CONSULTING INC          | 27,579.67  |
| 0260   | MEEHAN, NANCY                      | 373.63     |
| 0261   | PENDLETON CONSULTING LLC           | 4,046.80   |
| 0267   | MR. T'S TROPHIES                   | 117.32     |
| 0285   | NORTHSHORE FIRE DEPT               | 1,120.00   |
| 0286   | NORTHSHORE SCHOOL DISTRICT         | 42,292.00  |
| 0287   | NORTHSHORE SENIOR CENTER           | 14,150.00  |
| 0288   | NORTHSHORE UTILITY DIST            | 99,240.66  |
| 0289   | NORTHSHORE YMCA                    | 2,875.00   |
| 0290   | NORTHSHORE YOUTH & FAMILY SERVICES | 8,000.00   |
| 0292   | HONEY BUCKET                       | 860.20     |
| 0299   | PERSONAL BEST                      | 118.27     |
| 0300   | OFFICE DEPOT                       | 4,178.59   |

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| Vendor | Name                                | Volume     |
|--------|-------------------------------------|------------|
| 0304   | OLYMPIC ENVIRONMENTAL RESOURCES INC | 5,323.70   |
| 0310   | PACIFIC TOPSOILS                    | 4,185.37   |
| 0327   | PUGET SOUND CLEAN AIR AGENCY        | 18,505.00  |
| 0328   | PUGET SOUND ENERGY                  | 74,200.46  |
| 0329   | PUGET SOUND FINANCE OFFICERS ASSOC  | 50.00      |
| 0345   | SEATTLE TIMES                       | 6,279.84   |
| 0355   | STAPLES ADVANTAGE                   | 6,126.65   |
| 0357   | STEWART MACNICHOLS HARMELL, INC.    | 25,000.00  |
| 0359   | SOUND CITIES ASSOC                  | 15,017.45  |
| 0365   | TOTAL LANDSCAPE CORP                | 32,504.30  |
| 0371   | UNITED STATES POSTMASTER            | 1,804.50   |
| 0385   | WA ASSOC OF BUILDING OFFICIALS      | 125.00     |
| 0387   | WA CITIES INSURANCE AUTHORITY       | 290,060.00 |
| 0401   | WA STATE DEPT OF TRANSPORTATION     | 4,316.19   |
| 0405   | WASHINGTON STATE OFFICE CASH MGMT   | 1,073.50   |
| 0412   | COLUMBIA RIDGE LANDFILL             | 7,283.75   |
| 0416   | WETLANDS & WOODLANDS INC            | 3,747.70   |
| 0419   | WONDERLAND DEVELOPMENT              | 750.00     |
| 0424   | ICMA RETIREMENT TRUST 457 - 304745  | 47,659.13  |
| 0425   | DRS 457                             | 9,495.00   |
| 0426   | AFLAC                               | 1,308.40   |
| 0428   | BANK OF AMERICA 941                 | 167,360.27 |
| 0429   | AWC EMPLOYEE BENEFITS               | 224,507.59 |
| 0431   | DEPARTMENT OF RETIREMENT SYSTEMS    | 272,643.07 |
| 0432   | DEPARTMENT OF LABOR AND INDUSTRIES  | 15,636.46  |
| 0434   | UNITED WAY OF KING COUNTY           | 775.00     |
| 0436   | NATIONAL LIFE OF VERMONT            | 492.68     |
| 0448   | UPS STORE                           | 51.71      |
| 0450   | AURORA RENTS                        | 4,041.82   |
| 0473   | ARTS OF KENMORE                     | 1,132.54   |
| 0484   | CITY WIDE FENCE COMPANY, INC        | 28,765.00  |
| 0501   | MACLEOD RECKORD                     | 4,135.80   |
| 0510   | AA ASPHALTING, INC                  | 8,343.52   |
| 0515   | NATIONAL LEAGUE OF CITIES           | 1,533.67   |
| 0586   | MAIL FINANCE                        | 709.50     |
| 0588   | ENVIRONMENTAL SYSTEMS RESEARCH INST | 5,720.00   |
| 0594   | RANDALL, BRIAN                      | 1,209.99   |
| 0610   | WA STATE DEPT OF TRANSPORTATION     | 5,591.58   |
| 0617   | KING COUNTY FINANCE                 | 750.00     |
| 0639   | KONICA MINOLTA BUSINESS SOLUTIONS   | 659.38     |
| 0685   | PACE ENGINEERS, INC.                | 78,656.84  |
| 0689   | DIGITAL REPROGRAPHICS SERVICES INC. | 109.90     |
| 0690   | BUILDERS EXCHANGE OF WASHINGTON INC | 681.60     |
| 0692   | HDR ENGINEERING, INC                | 175,991.08 |
| 0696   | AMERICAN GENERAL LIFE GPO-400S      | 1,645.04   |
| 0699   | BANNER BANK DB                      | 4,697.78   |
| 0743   | BANNER BANK NO                      | 2,746.16   |
| 0764   | OUSLEY, NANCY                       | 548.12     |
| 0781   | QUALITY BUSINESS SYSTEMS INC.       | 5,258.93   |
| 0788   | CURTIS, DR. MILTON                  | 193.68     |
| 0791   | NORTHSHORE ROTARY CLUB              | 498.00     |
| 0800   | BANNER BANK JG                      | 8,460.40   |
| 0817   | GRAINGER                            | 6,465.27   |
| 0834   | BANNER BANK KENMORE                 | 15,739.57  |
| 0852   | GREGORY, JOANNE                     | 67.28      |
| 0858   | A+ CONFERENCING                     | 165.72     |
| 0864   | COLUMBIA FORD                       | 130,979.72 |
| 0868   | JAYMARC - AV                        | 275.00     |

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| Vendor | Name                                | Volume     |
|--------|-------------------------------------|------------|
| 0869   | BANNER BANK JGORDON                 | 14,021.15  |
| 0892   | JACOBS ENGINEERING GROUP            | 125,896.32 |
| 0898   | ZONAR SYSTEMS                       | 527.73     |
| 0899   | SHRED-IT USA LLC                    | 383.92     |
| 0912   | ALCALDE & FAY                       | 20,254.35  |
| 0913   | KENMORE ELEMENTARY PTA              | 1,250.00   |
| 0937   | ZUMAR                               | 10,759.78  |
| 0981   | COMCAST BUSINESS                    | 14,402.42  |
| 0994   | GORDON THOMAS HONEYWELL             | 16,044.72  |
| 1003   | IWORQ SYSTEMS                       | 2,800.00   |
| 1010   | TOWN CENTER HARDWARE                | 1,312.62   |
| 1032   | SAWYER, RICHARD                     | 217.80     |
| 1045   | HORIZON DISTRIBUTORS INC            | 482.70     |
| 1047   | SARAH ROBERTS                       | 45,850.08  |
| 1052   | FIRE PROTECTION, INC                | 2,988.75   |
| 1068   | WA STATE DEPT OF LABOR & INDUSTRIES | 147.20     |
| 1114   | PHSI PURE HEALTH SOLUTIONS INC.     | 404.36     |
| 1116   | FRONTIER                            | 4,479.55   |
| 1123   | AM TEST, INC                        | 1,125.00   |
| 1140   | PAWS                                | 1,524.00   |
| 1148   | QUALITY WATER FINANCIAL LLC         | 645.84     |
| 1168   | SCHINDLER ELEVATOR CORPORATION      | 575.79     |
| 1177   | WELLS FARGO FINANCIAL               | 1,859.19   |
| 1192   | HOPKINS, CRAIG                      | 307.98     |
| 1197   | MILLER STEPHENS, MARY               | 5,000.00   |
| 1212   | MCALLISTER, TERESA                  | 19.62      |
| 1215   | STATE OF FLORIDA DISBURSEMENT UNIT  | 2,750.00   |
| 1248   | KENMORE AIR                         | 3,037.40   |
| 1299   | VERIZON WIRELESS                    | 1,095.09   |
| 1304   | HAMPSON, BRYAN                      | 70.18      |
| 1309   | BANNER BANK BAKER                   | 4,605.78   |
| 1311   | WASHINGTON STATE PATROL             | 3,301.33   |
| 1313   | BOTHELL KENMORE CHAMBER OF COMMERCE | 2,700.00   |
| 1331   | KBA INC.                            | 20,821.81  |
| 1333   | WELWEST CONSTRUCTION INC.           | 51,715.76  |
| 1339   | STATE OF WA DEPARTMENT OF LICENSING | 30.00      |
| 1345   | SHERWIN-WILLIAMS CO. #8099          | 112.14     |
| 1356   | KARLINSEY, ROB                      | 256.44     |
| 1357   | KENMORE COMMERCIAL LLC              | 16,835.20  |
| 1358   | ALPHAGRAPHS                         | 772.31     |
| 1359   | EVERGREEN FIRE AND SAFETY, INC.     | 96.80      |
| 1363   | INNOVAC                             | 4,182.65   |
| 1372   | AAA PRINTING                        | 429.18     |
| 1385   | CITYWORKS/ AZTECA SYSTEMS INC.      | 22,000.00  |
| 1390   | UTILITIES UNDERGROUND LOCATION CTR  | 741.75     |
| 1402   | NORTHWEST MARINE TRADE ASSOCIATION  | 460.00     |
| 1403   | OSBORN CONSULTING INC.              | 12,792.76  |
| 1420   | SAUVE, GAYLEN                       | 400.00     |
| 1425   | FASTSIGNS                           | 910.80     |
| 1431   | BRIEN, GAYLYNN                      | 200.00     |
| 1437   | VOLGISTICS, INC                     | 540.00     |
| 1452   | CITY OF KENT                        | 500.00     |
| 1456   | HESTON VISUAL ARTS                  | 506.00     |
| 1457   | LANGUAGE LINE SERVICES, INC.        | 9.85       |
| 1459   | FLEMINGS HOLIDAY LIGHTING LLC       | 5,739.02   |
| 1478   | HERBIG, NIGEL                       | 70.18      |
| 1485   | WA ASSOC OF PUBLIC RECORDS OFFICERS | 200.00     |
| 1504   | SCORE                               | 167,488.98 |

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| 1544   | METROPOLITAN TRANS. COMMISSION             | 1,500.00   |
| 1550   | THE EVP GROUP                              | 24,337.50  |
| 1555   | LINCOLN NATIONAL LIFE INSURANCE            | 4,932.18   |
| 1577   | MUMMA, RYAN                                | 58.58      |
| 1581   | STARDOM SERVICES, INC.                     | 2,220.00   |
| 1584   | STUDIO 3 SIGNS                             | 165.15     |
| 1590   | HERMANSON COMPANY, LLP                     | 401.59     |
| 1591   | ULINE                                      | 2,642.59   |
| 1596   | NW ENVIRONMENTAL TRAINING CENTER           | 3,225.00   |
| 1605   | ALL CITY FENCE CO.                         | 14,412.20  |
| 1606   | GALLATIN PUBLIC AFFAIRS                    | 10,500.00  |
| 1647   | MASTEC NETWORK SOLUTIONS                   | 1,523.55   |
| 1661   | WHITEMAN, TELA                             | 395.67     |
| 1673   | KPFF CONSULTING ENGINEERS                  | 146,771.16 |
| 1678   | VICENTE, JOHN                              | 2,434.00   |
| 1689   | MOTT MACDONALD GROUP, INC.                 | 167,044.14 |
| 1690   | SITTS & HILL ENGINEERS, INC.               | 5,730.00   |
| 1693   | SKYWARD CONSTRUCTION                       | 33,000.00  |
| 1698   | WRIGHT, MARCI                              | 1,000.00   |
| 1704   | BANNER BANK RK                             | 6,282.26   |
| 1711   | SOFTWAREONE, INC.                          | 10,622.57  |
| 1718   | RESOURCE EXPLORATION, LLC                  | 20,000.00  |
| 1738   | MUNIMANAGE, LLC                            | 66,990.00  |
| 1762   | BAKER, BRIDGIT                             | 187.16     |
| 1774   | OWEN EQUIPMENT COMPANY                     | 1,305.30   |
| 1782   | SWANK MOTION PICTURES, INC.                | 2,213.20   |
| 1787   | M M COMFORT SYSTEMS                        | 36.75      |
| 1798   | OLBRECHTS & ASSOCIATES, PLLC               | 2,255.50   |
| 1811   | CAMPBELL SCIENTIFIC                        | 624.00     |
| 1814   | YSI INCORPORATED, A XYLEM BRAND            | 1,738.55   |
| 1816   | NAVIA                                      | 9,431.50   |
| 1828   | QUALITY BUSINESS SYSTEMS - WELLS FARGO     | 2,702.12   |
| 1829   | SHI INTERNATIONAL CORP.                    | 882.20     |
| 1832   | EASTSIDE HOMES, INC.                       | 1,670.10   |
| 1835   | INC4INC, INC.                              | 7,500.00   |
| 1846   | AWCPD                                      | 100.00     |
| 1879   | HOLMBERG COMPANY                           | 3,628.70   |
| 1889   | WILLIAMS, KASTNER & GIBBS PLLC             | 23,354.54  |
| 1900   | ASPECT CONSULTING LLC                      | 1,447.42   |
| 1901   | NORTH COAST ELECTRIC COMPANY               | 157.91     |
| 1930   | T-MOBILE USA, INC.                         | 2,967.55   |
| 1932   | U.S. BANK N.A. - CUSTODY                   | 114.00     |
| 1944   | OHNO CONSTRUCTION                          | 5,454.03   |
| 1945   | GLASS MASTERS LLC                          | 2,045.00   |
| 1947   | MCMILLAN, RANDY                            | 500.00     |
| 1948   | MULTICARE CENTERS OF OCCUPATIONAL MEDICINE | 1,190.00   |
| 1960   | WALTER E. NELSON CO.                       | 1,233.87   |
| 1962   | BANNER BANK SKROGH                         | 2,198.29   |
| 1964   | EARTHWORKS                                 | 23,612.75  |
| 1978   | GOVDELIVERY, LLC                           | 13,005.91  |
| 1979   | MSPT XXII, LLC                             | 10,954.00  |
| 1980   | HRA VEBA TRUST                             | 15,707.55  |
| 1985   | CONTRACT LAND STAFF LLC                    | 7,414.89   |
| 1993   | HYAS GROUP, LLC                            | 7,500.00   |
| 1994   | LAKE CITY PARTNERS ENDING HOMELESSNESS     | 2,000.00   |
| 1995   | REY TRANSLATIONS                           | 220.00     |
| 1998   | JOHNSTON GROUP, LLC                        | 14,575.00  |
| 1999   | KING COUNTY POLICE CHIEFS ASSOCIATION      | 50.00      |

## Vendor Purchasing Report

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| Vendor | Name                                       | Volume     |
|--------|--------------------------------------------|------------|
| 2004   | RED BARN ENGINEERING, INC.                 | 27,006.00  |
| 2007   | HYDROPOINT DATA SYSTEMS, INC.              | 470.00     |
| 2021   | GEOTERRA, INC.                             | 9,220.00   |
| 2024   | DFR LAW GROUP, LLC                         | 300.00     |
| 2028   | PRIDE ELECTRIC INC.                        | 858.00     |
| 2048   | SMS CLEANING, INC.                         | 22,800.00  |
| 2063   | French Touchup LLC                         | 5,929.00   |
| 2064   | Bud Clary Dodge/Chevrolet                  | 66,956.52  |
| 2081   | SHANNON & WILSON, INC.                     | 28,033.00  |
| 2095   | TRANSPO GROUP USA INC.                     | 85.00      |
| 2113   | WA ASSOC. OF SHERIFFS & POLICE CHIEFS      | 180.00     |
| 2114   | NC Machinery                               | 109,120.85 |
| 2126   | SCHWARZWALTER, MARK                        | 54.68      |
| 2128   | SUNDANCE ENERGY SERVICES                   | 619.27     |
| 2129   | CHELIN, KELLY                              | 84.87      |
| 2132   | FUEL CARE                                  | 660.00     |
| 2138   | HORVATH, PETER                             | 185.25     |
| 2142   | ICMA RETIREMENT C/O ALLFIRST BANK - 109964 | 157,968.76 |
| 2144   | MODUS TECHNOLOGY, INC.                     | 2,996.58   |
| 2147   | SOD SPOT LLC                               | 10,950.00  |
| 2148   | Town and Country Fence Inc.                | 2,337.51   |
| 2157   | SOUND SAFETY PRODUCTS CO.                  | 1,762.67   |
| 2159   | TRAILER BOSS                               | 8,181.90   |
| 2160   | ALLWEST UNDERGROUND INC.                   | 1,980.60   |
| 2161   | BENNETT-GOLD, TOBIN                        | 282.17     |
| 2162   | ESWO, LLC                                  | 15,000.00  |
| 2163   | CORNERSTONE ARCHITECTUAL GROUP             | 13,106.00  |
| 2164   | RANKIN, BRUCE                              | 418.95     |
| 2166   | BARKER MARTIN, P.S.                        | 9,505.50   |
| 2167   | APWA-WA CHAPTER                            | 1,500.00   |
| 2168   | FRED PRYOR SEMINARS                        | 149.00     |
| 2169   | ETC INSTITUTE                              | 13,731.90  |
| 2171   | BELRED ENERGY SOLUTIONS                    | 329.28     |
| 2172   | TCF ARCHITECTURE                           | 2,500.00   |
| 2173   | TRI-COUNTY LAND SURVEYING                  | 3,800.00   |
| 2174   | TUCKER, NATHAN                             | 300.00     |
| 2175   | ELECTRONIC BUSINESS MACHINES               | 592.26     |
| 2176   | CANON FINANCIAL SERVICES, INC.             | 797.52     |
| 2177   | ELYSIUM DEVELOPMENT, LLC                   | 7,500.00   |
| 2178   | STRIPE-A-LOT                               | 2,822.88   |
| 2179   | NC CAT RENTAL                              | 3,553.00   |
| 2180   | BUNTTING INC.                              | 130,557.62 |
| 2181   | CONNER HOMES AT SOLIRE LLC                 | 187,241.00 |
| 2182   | CUZ CONCRETE PRODUCTS                      | 909.13     |
| 2183   | SISKUN POWER EQUIPMENT                     | 4,752.88   |
| 2184   | DIVERSIFICATION INC.                       | 1,866.70   |
| 2185   | CRIMINAL JUSTICE TRAINING COMMISSION       | 1,450.00   |
| 2187   | CORAL SALES CO.                            | 9,553.50   |
| 2188   | DIJULIO DISPLAYS, INC                      | 5,174.98   |
| 2189   | OFFICE TEAM                                | 657.94     |
| 2190   | PACIFIC INDUSTRIAL SUPPLY                  | 984.39     |
| 2192   | STEWART TITLE                              | 103,308.00 |
| 2193   | FENCING COMPANY, LLC                       | 1,265.00   |
| 2194   | CONFLUENCE ENVIRONMENTAL COMPANY           | 10,470.00  |
| 2195   | CITY SOURCED                               | 3,600.00   |
| 2196   | Engaged Public                             | 6,500.00   |
| 2197   | BEST PARKING LOT CLEANING INC.             | 4,528.70   |
| 2198   | CITY OF BOTHELL                            | 50,000.00  |

**Vendor Purchasing Report****For Date Range 01/01/2019 - 05/17/2019****Vendor Set: Vendor Set 01**

| Vendor                                 | Name                                         | Volume              |
|----------------------------------------|----------------------------------------------|---------------------|
| 2199                                   | HALALILO, PAULA                              | 34.56               |
| 2200                                   | CHASE WALKER                                 | 129.50              |
| 2201                                   | WA CHAPTER AMERICAN SOCIETY OF LANDSCAPE ARC | 75.00               |
| 2202                                   | ROGER WIGGINS                                | 7,500.00            |
| 2203                                   | KENMORE CLEANERS                             | 36.30               |
| 2204                                   | KING COUNTY                                  | 200.00              |
| 2205                                   | MUNICIPAL MANAGEMENT SERVICES                | 5,000.00            |
| 2206                                   | CHECK RIDE                                   | 3,450.00            |
| 2207                                   | APA Washington                               | 100.00              |
| 2208                                   | FLUENT LANGUAGE SOLUTIONS                    | 395.59              |
| 2209                                   | MORUP SIGNS, INC.                            | 456.51              |
| 2210                                   | PACWEST MACHINERY                            | 300.00              |
| 2211                                   | PRECISION FUEL SOLUTIONS                     | 1,452.00            |
| 2212                                   | WEDENIG, MARK                                | 7,500.00            |
| 2213                                   | HELEN C. FORBES FAMILY TRUST                 | 1,623.30            |
| 2215                                   | INTERSECTION MEDIA, LLC                      | 1,000.00            |
| 2216                                   | SEVERSON, ROBERT                             | 13,732.35           |
| 2217                                   | TOURNESOL SITEWORKS, LLC                     | 473.02              |
| <b>Vendor Set Vendor Set 01 Total:</b> |                                              | <b>4,879,242.14</b> |

**City of Kenmore  
City Council Regular Meeting  
Minutes  
April 15, 2019**

**CALL TO ORDER** - Mayor David Baker called the meeting to order at 6:30 p.m.

**RECESS TO EXECUTIVE SESSION**

The meeting recessed to executive session at 6:30 p.m. pursuant to RCW 42.30.110(1)(i), to discuss Litigation and Potential Litigation for approximately 30 minutes.

At 7:00 p.m., the executive session was extended for 5 minutes.

**RECONVENE TO REGULAR SESSION**

The meeting reconvened to regular session at 7:00 p.m.

**ROLL CALL**

Mayor David Baker  
Deputy Mayor Nigel Herbig  
Councilmember Joe Marshall  
Councilmember Milton Curtis  
Councilmember Debra Srebnik  
Councilmember Stacey Denuski  
Councilmember Brent Smith

**FLAG SALUTE**

**AGENDA APPROVAL**

There were no changes to the agenda.

**PRESENTATION**

Introduce New Employees Anna Arnott, Public Works Maintenance Worker and Gary Geiger, Maintenance Worker - Jennifer Gordon, Public Works Operation Manager

Donation of Materials, Construction and Installation of the Legends Memorial Bench at Rhododendron Park - Jennifer Gordon, Public Works Operation Manager and Sara Hayashi

**CITIZEN COMMENTS**

Joanna Crocker



City of Kenmore - City Council Meeting Minutes  
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7301 NE 175<sup>th</sup> Street  
Kenmore, Washington 98028

Ms. Crocker thanked the Council and the staff for their work on the mobile home parks. She also thanked the Northshore Canoe and Kayak Club for all that they do.

Corina Pfeil  
Address on file – Kenmore, Washington

Ms. Pfeil spoke about the National Night Out event. She would like to see the City grow the event and perhaps hold it in the Hangar/Town Square.

John Hendrickson  
5919 NE 202<sup>nd</sup> Lane  
Kenmore, Washington 98028

Mr. Hendrickson spoke about a City road tax. He also made some comments on the upcoming Sammamish River Bridge construction project.

**CONSENT AGENDA**

**MOTION: Councilmember Denuski made a motion to approve the consent agenda, Councilmember Curtis seconded the motion. The motion passed unanimously.**

The consent agenda included the following items:

Total Checks #41941 through #42036 in the Amount of \$375,992.06.  
Total Payroll/Taxes/Flexible Spending/Retirement and Health Savings Account Electronic  
Deposits Dated: 3/15/19 in the amount of \$140,241.57.

Regular Council Meeting Minutes of March 11, 2019 and March 14, 2019

Authorize the City Manager to Sign the Interlocal Cooperative Purchasing and Reciprocal Staff Services Agreement with the City of Kirkland

Authorize the City Manager to Execute Contract 19-C2021 with PACE Engineering, Inc. to Perform Development Review Services

Authorize the City Manager to Execute a Contract with Low Bidder Kamins Construction to Construct the NE 153rd Place Safe Routes to School Sidewalk Project

City of Kenmore - City Council Meeting Minutes  
April 15, 2019

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Authorize the City Manager to Increase the Contract Authority with KBA to Complete the Preconstruction Services and Secure Office Space for the West Sammamish River Bridge

## **BUSINESS AGENDA**

Ordinance 19-0481 Relating to the City's Manufactured Housing Communities Municipal Code Amendments - Debbie Bent, Community Development Director and Lauri Anderson, Principal Planner

Director Bent and Principal Anderson explained that on March 25, 2019, the City Council held a public hearing and began deliberations on draft Municipal Code amendments related to the City's existing manufactured housing communities. An ordinance reflecting those amendments is included in the Council packet.

After discussion, the Council tabled consideration of the ordinance to April 15.

The ordinance would create a new Manufactured Housing Community (MHC) zoning district that would be applied over all of the existing mobile home parks. This new designation includes an "exception" that would allow a property-owner to propose another use or zoning if certain criteria could be met.

**MOTION: Councilmember Smith made a motion to approve Ordinance 19-0481, an Ordinance of the City of Kenmore, Washington, relating to the City's Manufactured Housing Communities; Amending Chapters 18.15, 18.20, 18.21, 18.22, 18.23, 18.24, 18.25, 18.25A, 18.25B, 18.26, 18.29, 18.30, 18.35, 18.40, 18.42, 18.45, 18.50, 18.60, 18.77, 18.80, and 19.25 of the Kenmore Municipal Code and Amending the Zoning Map, Deputy Mayor Herbig seconded the motion. The motion passed 6-1-0 with Councilmember Marshall opposed.**

Resolution 19-319 Directing the Planning Commission to Consider Future Zoning for Four Existing Manufactured Housing Communities - Debbie Bent, Community Development Director and Lauri Anderson, Senior Planner

Director Bent and Principal Planner Anderson explained that on March 25, 2019, the City Council reviewed the draft Municipal Code amendments related to the City's existing manufactured housing communities and tabled further discussion until April 15. A motion to table also was passed for the companion resolution.

During the initial discussion on the Municipal Code amendments, Council considered the need for future zoning changes after a 10-year preservation period for four of the existing

City of Kenmore - City Council Meeting Minutes  
April 15, 2019

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manufactured housing communities. Consideration of this future upzone with affordability requirements was directed by the Council at the September 17, 2018 meeting.

To address the future zoning, Comprehensive Plan amendments may be needed, and those amendments must be considered by the City's Planning Commission. At the same time, the Commission could consider appropriate levels of increased density and affordable housing requirements. (Upzoning with affordability requirements was one of the approaches recommended by the Planning Commission in their initial recommendations on the manufactured housing communities last year.) The resolution directs the Planning Commission to tackle this topic in 2019 in order to finish the manufactured housing community project.

The analysis of redevelopment and replacement affordable housing prepared by ARCH in 2018 was part of the City Council packet on July 9, 2018. The conclusion of that analysis was that to replace units at a moderate-income level, a higher percentage of affordable units would be required (from 13-18%) and densities would have to increase to as much as 105 dwelling units per acre. To replace units at a low-income level, a lower percentage of affordable units would be required (9-12%), but densities would increase to as much as 163 dwelling units per acre. This is the type of analysis that the Planning Commission could consider in their review.

To give the Planning Commission flexibility to consider higher densities as they consider options, staff is recommending a change to the previous version of the resolution. The previous version read as follows:

Section 2. Planning Commission Consideration and Recommendations. The City Council desires that the Planning Commission consider and make recommendations on Comprehensive Plan and Municipal Code amendments related to future rezones, with increased density and affordability requirements, for the four existing manufactured housing communities north of SR-522. Future densities of up to 100 dwelling units per acre as a base density should be considered.

The new version of the resolution eliminates the following statement, "Future densities of up to 100 dwelling units per acre as a base density should be considered."

**MOTION: Councilmember Curtis made a motion to approve Resolution 19-319 Directing the Planning Commission to Consider Future Zoning for Four Existing Manufactured Housing Communities and adding the suggested sentence read aloud in Section 2, Councilmember Denuski seconded the motion. The motion passed 5-2-0 with Deputy Mayor Herbig and Councilmember Marshall opposed.**

City of Kenmore - City Council Meeting Minutes  
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Ordinance 19-0479 Designating the Transit Oriented Development District Overlay as a Residential Targeted Area and Amending Chapter 3.65 of the Kenmore Municipal Code - Bryan Hampson, Development Services Director

To help further encourage multi-family development and redevelopment in our transit-oriented development (TOD) district overlay, City staff recommends City Council increase the incentives available in the TOD area by designating the TOD as a residential targeted area, to be eligible to take advantage of the Multifamily Tax Exemption (MFTE) as allowed by the codified Ordinance, Chapter 3.65 KMC.

Although there may appear to be many changes to Chapter 3.65 most of the changes are minor, needed to align with the City's and A Regional Coalition for Housing's (ARCH's) practices.

The two substantive changes to Chapter 3.65 KMC are designating the TOD as a residential targeted area and lowering the level of affordability, associated to the 12-year tax exemption, from 85% to 60% of King County median income level.

Summary of the recommended changes to Chapter 3.65 KMC:

1. 3.65; Italicized defined words throughout 3.65.
2. 3.65.020 A; Definition of affordable housing. Applied the 30% of monthly income to both types, owner or renter occupied, affordable housing. Aligns the definition with the affordable housing definition in the zoning code.
3. 3.65.020 C; Similar to other changes to "city manager" in the KMC, changed director to city manager's designee to prevent having to revise the code if the position or person responsible for administering the code changes.
4. 3.65.020 D; Revised the definition of eligible household for clarity and consistency.
5. 3.65.020 G; Revised the definition of median income to align with more appropriate agencies and to align with the zoning code.
6. 3.65.030 D; Designated the TOD as a residential targeted area.
7. 3.65.050 B; Moved the timing of the final certificate fee to the appropriate section, KMC 3.65.090 A and revised the fee amount to the actual fee amount.
8. 3.65.100 A; Revised section to define level of affordability required for 12-year tax exemption, to 60% of King County median income, as directed by Council.
9. 3.65.105; Added new section outlining affordable housing requirements.
10. 3.65.110; Clarified existing properties benefiting from this Chapter are vested to the rules in effect at the time the tax exemption was issued.
11. 3.65.110 I; Added a section to allow the City to receive a monitoring fee to manage the affordable unit program.

**MOTION:** Councilmember Smith made a motion to approve Ordinance 19-0479 Designating the Transit Oriented Development District Overlay as a Residential Targeted Area and Amending Chapter 3.65 of the Kenmore

City of Kenmore - City Council Meeting Minutes  
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**Municipal Code, Councilmember Curtis seconded the motion. The motion passed unanimously.**

Update and Discussion on Puget Sound Regional Council's (PSRC's) Vision 2050 Growth Alternatives - Debbie Bent, Community Development Director and Lauri Anderson, Principal Planner

Puget Sound Regional Council (PSRC) has released the draft SEIS (Supplemental Environmental Impact Statement) on three growth alternatives for Vision 2050 (considered the Multicounty Planning Policies). The City's Comprehensive Plan must be updated to reflect these policies at the time of the next mandatory update in 2023. After review of the SEIS, staff recommends that the City Council endorse the Transit Focused Growth alternative.

Attachment 1 is the Executive Summary of the SEIS. The full document can be reviewed at: <https://www.psrc.org/vision/seis>. Comments are due to PSRC by April 29, 2019.

The three alternatives under consideration in the SEIS are the "Stay the Course" alternative, the "Transit Focused Growth" alternative and the "Reset Urban Growth" alternative. According to the Executive Summary, "All alternatives assume that all types of communities will grow and accommodate forecast growth (1.8 million additional people and 1.2 million additional jobs by 2050), though at different rates by geography and by county." The following chart from the Executive Summary most clearly outlines the growth expectations for each growth alternative. Kenmore is classified as a High Capacity Transit (HCT) Community.

| Topic                                    | Stay the Course                                                                                                                                                                   | Transit Focused Growth                                                                                                                                                            | Reset Urban Growth                                                                                                                                                                 |
|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| What would the growth pattern look like? | Compact growth focused in Metropolitan and Core cities with regional growth centers. Extends current growth plan.                                                                 | More compact growth focused in high-capacity transit areas in Metropolitan, Core and HCT Communities. Less growth in outlying areas.                                              | Growth is more distributed throughout the urban growth area, while still assuming a large share of growth to Metropolitan and Core cities. More growth in outlying areas.          |
| Where would population growth go?        | <b>Metropolitan Cities:</b> 35%<br><b>Core Cities:</b> 28%<br><b>HCT Communities:</b> 18%<br><b>Cities &amp; Towns:</b> 9%<br><b>Urban Unincorporated:</b> 5%<br><b>Rural:</b> 5% | <b>Metropolitan Cities:</b> 36%<br><b>Core Cities:</b> 29%<br><b>HCT Communities:</b> 23%<br><b>Cities &amp; Towns:</b> 6%<br><b>Urban Unincorporated:</b> 4%<br><b>Rural:</b> 2% | <b>Metropolitan Cities:</b> 31%<br><b>Core Cities:</b> 25%<br><b>HCT Communities:</b> 18%<br><b>Cities &amp; Towns:</b> 8%<br><b>Urban Unincorporated:</b> 12%<br><b>Rural:</b> 6% |
| Where would employment growth go?        | <b>Metropolitan Cities:</b> 44%<br><b>Core Cities:</b> 36%<br><b>HCT Communities:</b> 12%<br><b>Cities &amp; Towns:</b> 5%<br><b>Urban Unincorporated:</b> 3%<br><b>Rural:</b> 1% | <b>Metropolitan Cities:</b> 44%<br><b>Core Cities:</b> 35%<br><b>HCT Communities:</b> 13%<br><b>Cities &amp; Towns:</b> 4%<br><b>Urban Unincorporated:</b> 2%<br><b>Rural:</b> 1% | <b>Metropolitan Cities:</b> 41%<br><b>Core Cities:</b> 32%<br><b>HCT Communities:</b> 12%<br><b>Cities &amp; Towns:</b> 6%<br><b>Urban Unincorporated:</b> 6%<br><b>Rural:</b> 2%  |

Although as stated earlier, staff recommends that the Council endorse the Transit Focused Growth alternative, there are pros and cons to each alternative, described below:

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### **Stay the Course**

In this alternative, Kenmore would continue to be treated as a larger city and its allocated percentage of future growth would not change significantly. Projected growth for Kenmore is less in this alternative than in the Transit Focused Growth alternative.

**Pros:** The general trajectory of growth expectations from the 2015 Comprehensive Plan update could continue. Although population and employment would grow, there may not be a need to address regional expectations for development near transit stations. The City could choose to focus new growth to support a transit- and pedestrian-friendly community, but there may be no regional expectations to satisfy.

**Cons:** This approach does not acknowledge the new role Kenmore could assume with establishment of BRT (or even light rail) along SR-522.

### **Transit Focused Growth**

Under this alternative, Kenmore as a High Capacity Transit Community, would be expected to take on a larger percentage of regional growth than would previously have been expected. The alternative focuses 75% of new regional growth—both jobs and housing—within one-quarter to a half-mile from current and planned high-capacity transit station areas, including light rail, bus rapid transit and ferries. This approach would focus most new growth into the metropolitan communities (Seattle and Bellevue), the core communities (such as Bothell, Redmond, and Kirkland in our area), and communities that are going to be served by high capacity transit such as Kenmore.

**Pros:** This alternative supports Kenmore's evolving role as a community directly served by high capacity transit. Regional acknowledgement of this role could help the City take its place at the table with other HCT Communities and would support new growth in both jobs and housing units in the City. Regionally, this alternative would result in a slight reduction in greenhouse gas emissions compared to Stay the Course, as well as less impervious surface added to the region.

**Cons:** Regional growth expectations could require changes in the City's growth pattern along the SR-522 corridor. Increased residential densities within one-quarter to one-half mile of the stations could be one outcome, including potential impacts to nearby single-family residential areas. Regionally, there would be an elevated risk of housing displacement compared to Stay the Course.

### **Reset Urban Growth**

This alternative spread growth more evenly over the four Puget Sound counties (King, Pierce, Snohomish, and Kitsap) extending it outward toward the urban growth boundary. The alternative would continue to allocate the largest shares of growth to metropolitan communities and core cities, although the overall growth to these geographies and to HCT Communities like Kenmore would be less than in the other two alternatives.

**Pros:** This alternative would potentially reduce new growth expectations for Kenmore. Regionally, there would be a lower risk of housing displacement.

**Cons:** This alternative does not recognize the significant investment the region has made in transit and it does not as clearly support the idea that a strategy focused on centers to support

City of Kenmore - City Council Meeting Minutes  
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transit is important. This alternative would result in a slight increase in greenhouse gas emissions compared to Stay the Course and would add more impervious surface to the region.

The Council and staff engaged in a discussion. The consensus of the Council was to go with the Transit Focused Growth; which was the staff recommendation. The staff will prepare a letter to PSRC.

**ADJOURNMENT**

The meeting adjourned at 8:41 p.m.

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David Baker, Mayor

ATTEST:

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Kelly M. Chelin, City Clerk

**City of Kenmore  
City Council Regular Meeting  
Minutes  
April 22, 2019**

**CALL TO ORDER** - Mayor David Baker called the meeting to order at 6:15 p.m.

**RECESS TO EXECUTIVE SESSION**

The meeting recessed to executive session at 6:15 p.m. pursuant to RCW 42.30.110(1)(i), to discuss Litigation or Potential Litigation for approximately 30 minutes.

**RECONVENE TO REGULAR SESSION**

The meeting reconvened to regular session at 6:40 p.m.

Council took a break from 6:40 p.m. to 7:00 p.m.

**ROLL CALL**

Mayor David Baker  
Deputy Mayor Nigel Herbig  
Councilmember Joe Marshall  
Councilmember Milton Curtis  
Councilmember Debra Srebnik  
Councilmember Stacey Denuski  
Councilmember Brent Smith

**FLAG SALUTE**

**AGENDA APPROVAL**

There were no changes to the agenda.

**PROCLAMATION**

2020 Census Awareness Month - April, 2019

**PRESENTATION**

Introduce Rita Moreno, Recreation Coordinator - Nancy Ousley, Assistant City Manager

Financial Sustainability Discussion - Kurt Triplett, City Manager, City of Kirkland



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City of Kenmore Partnership with the King County-Cities Climate Collaboration - Richard Sawyer, Environmental Services Manager

Regional Water Supply Resiliency - Al Nelson, General Manager, Northshore Utility District; Ethan Maiefski, Director of Maintenance and Operations, Northshore Utility District and Alex Chen, Water Planning and Program Management Division Director, Seattle Public Utilities

### **CITIZEN COMMENTS**

Nadia Reigna Silver  
18230 70<sup>th</sup> Lane NE, Unit 206  
Kirkland, Washington 98028

Ms. Silver reported that there are poop bags and needles along the Tolt Trail. She urged the Council to consider safe injection sites in the City. She also asked the Council to consider latino or latina translation of Council materials.

Vicki Grayland  
2308 73<sup>rd</sup> Avenue NE  
Kenmore, Washington 98028

Ms. Grayland stated that she is very happy about Senate Bill 5116 on climate change. She told the Council about an upcoming K4C summit in Mercer Island. She also urged the Council to never use artificial turf in the City.

Eric Adman  
7815 NE 192<sup>nd</sup> Street  
Kenmore, Washington 98028

Mr. Adman thanked the Council for the work with SnoKing Watershed Council. He stated he was happy to see information in the City newsletter about surface water.

### **CONSENT AGENDA**

**MOTION: Councilmember Densuki made a motion to approve the consent agenda, Deputy Mayor Herbig seconded the motion. The motion passed unanimously.**

The consent agenda included the following:

Total Check #s: 42037 through 42100 in the amount of \$365,786.78.  
Total Payroll/Taxes/Flexible Spending/Retirement & Health Savings Account Electronic Deposits Dated: 3/29/19 in the amount of \$144,042.37.

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Payroll Check #s: 10123-10126 in the amount of \$1,475.01.

City Council Meeting Minutes of March 25, 2019

Authorize the City Manager to Execute Agreement 19-C1978 with Olson Brothers Pro-Vac for Stormwater System Cleaning, Vector Services and Pipe Inspection

Authorize the City Manager to Execute a Contract with the Responsible at Low Bid Contractor for the 2019 Crack Sealing Project

### **BUSINESS AGENDA**

Consider Options and Provide Direction to Staff on Notification of Rent Increases - Debbie Bent, Community Development Director and Lauri Anderson, Principal Planner

Director Bent and Principal Planner Anderson explained that the staff report on options for an increased notification period for rent increases was provided to Council last year and, at a subsequent meeting, the Council asked that the issue be brought back for consideration of an ordinance that would put in place a 90-day notice of rent increase for month-to-month tenants whose rent is proposed to increase by more than 10%. (The City Attorney has cautioned that a notification beyond 60 days could be subject to legal challenge.)

The Washington State legislature currently is considering a bill that would require a 60-day notice of rent increase for all tenants—regardless of the size of the increase. ESHB 1440 passed the House on March 5, 62 to 36, and the bill has been scheduled for a second reading in the Senate. If passed and signed by the Governor, this bill would amend the Residential Landlord-Tenant Act and education and enforcement issues would fall to the State.

The City's Municipal Code presently contains no standards addressing rental housing or the relationship between landlords and tenants. A new Municipal Code chapter would need to be prepared. The primary outstanding policy issues before preparation of a local ordinance relate to (1) code enforcement and (2) requirements for tenant education about the new rule.

#### **Code enforcement**

Earlier research showed that there are two general approaches to enforcement of a rent increase notification requirement:

*Enforcement by the City.* This approach is used in the cities of Seattle and Tacoma. In Seattle, code enforcement officers take the tenant's complaint. The landlord is called and given a warning. Typically, the landlord delays the rent increase as a result. According to City of Seattle staff, this type of code enforcement very rarely goes to a notice of violation. Tacoma's rules just went into effect in February of this year so although enforcement regulations are included in the Tacoma Municipal Code, the track record for experience with enforcement is not yet available.

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*Independent legal action.* In all other jurisdictions surveyed (City of Vancouver, State of Oregon and State of California), enforcement is handled through an independent legal action between the tenant and landlord. In Vancouver, a rent increase that isn't properly noticed is unenforceable and no late fees may be charged or eviction actions taken.

If the City wishes to use the code enforcement approach, the Code will need to so state. If independent legal action is the approach to be taken, Code amendments related to enforcement will not be necessary, but a provision similar to Vancouver's that prohibits the imposition of late fees or eviction action may be desirable.

**Education of Tenants**

Education of tenants about the new notification rules is another policy issue. In Tacoma, it is the landlord's responsibility to provide information to tenants. In fact, the landlord must get the tenant's signature, documenting that they have received the information.

If the City wishes to require tenant education of the rent notification standard, a Municipal Code requirement for landlords could be added to the ordinance. Alternatively, the City could not take regulatory action, but could provide information on the website, for example.

**BACKGROUND**

Rent control is illegal in Washington State (RCW 35.21.830), allowing landlords to raise the rent without restriction as long as they comply with the appropriate notice periods and are not discriminating or retaliating against the tenant.

For leased property, a landlord cannot change the terms during the lease period except by mutual agreement. This means that rent is fixed for the life of the lease.

For month-to-month rentals, the landlord currently must give 30 days written notice of a rent increase to the tenant (RCW 59.18.140). The increase can go into effect at the beginning of the first full month following the notice.

Mobile home tenants (renting the mobile home pad) have different protections (RCW 59.20.090). Unless otherwise agreed, rental agreements must be for the term of one year. A landlord seeking to increase the rent upon expiration of the agreement must notify the tenant in writing three months prior to the effective date of any increase in rent.

Standards from other cities/states also were reviewed:

- City of Seattle: Requires 60 days prior written notice for an increase 10% or more in a 12-month period (SMC 7.24.030).
- City of Tacoma: Requires 60 days prior written notice for all increases (TMC 1.95).

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- City of Vancouver, Washington: Requires a 45-day notification before the end of the rental term for an increase of 10% or more in a 12-month period (VMC 8.46).
- State of Oregon: In a month-to-month tenancy, the landlord may not increase rent during the first year of tenancy. After that, 90 days' written notice of increase is required. The rent increase may begin any time during a month.
- State of California: Advance notice of a rent increase expands from 30 days to 60 days if the increase amounts to more than 10% of the rent during the previous 12 months.

Council and staff engaged in a discussion.

**MOTION:** Councilmember Curtis made a motion to not create a 90-day notice Ordinance and stay with the State's regulations of a 60-day notice, Councilmember Srebnik seconded the motion. The motion failed 3-4-0 with Councilmember Curtis, Councilmember Srebnik and Councilmember Smith in favor.

**MOTION:** Deputy Mayor Herbig made a motion to make it a 90-day notice when it is more than a 10% rent increase otherwise its 60 days, Councilmember Denuski seconded the motion. The motion passed 4-3-0 with Councilmember Curtis, Councilmember Srebnik and Councilmember Smith voting no.

**MOTION:** Councilmember Smith made a motion for code enforcement to be an independent legal action as staff has recommended, Councilmember Denuski seconded the motion. The motion passed unanimously.

**MOTION:** Councilmember Smith made a motion to publicize this in the newsletter and put a link on the website, Councilmember Curtis seconded the motion. The motion passed unanimously.

**ADJOURNMENT**

The meeting adjourned at 9:24 p.m.

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David Baker, Mayor

ATTEST:

City of Kenmore - City Council Meeting Minutes  
April 22, 2019

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Kelly M. Chelin, City Clerk

**City of Kenmore  
City Council Regular Meeting  
Minutes  
April 23, 2019**

**CALL TO ORDER** - Mayor David Baker called the meeting to order at 7:00 p.m.

**ROLL CALL**

Mayor David Baker  
Deputy Mayor Nigel Herbig  
Councilmember Joe Marshall  
Councilmember Milton Curtis  
Councilmember Debra Srebnik  
Councilmember Stacey Denuski  
Councilmember Brent Smith

**FLAG SALUTE**

**AGENDA APPROVAL**

There were no changes to the agenda.

**PRESENTATION**

Financial Sustainability Discussion with the City of Shoreline - Will Hall, Mayor; Debbie Tarry, City Manager and Sara Lane, Administrative Services Director

**ADJOURNMENT**

The meeting adjourned at 8:00 p.m.

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David Baker, Mayor

ATTEST:

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Kelly M. Chelin, City Clerk



City Council Business Agenda Item  
City of Kenmore, WA

Subject/Topic: Purchase and Sale Agreement (Contract 19-C2034) for a portion of vacant parcel (0114100757), located next to 18717 80<sup>th</sup> Avenue NE.

**Proposed Council Action/Motion:** Motion approving a Purchase and Sale Agreement in the amount of \$3,000, Contract 19-C2034, for a portion (6,350SF) of the vacant King County Parcel No. 0114100757 located adjacent to 18717 80<sup>th</sup> Avenue NE and authorizing the City Manager to sign the Agreement.

For Council Meeting Agenda of: May 20, 2019

Department: Community Development

Prepared by: Maureen Colaizzi, Park Project Manager

|                               | <u>Initial &amp; Date</u>      |
|-------------------------------|--------------------------------|
| Approved by Department Head:  | <i>[Signature]</i> 5/10/19     |
| Approved by City Attorney:    | <i>[Signature]</i> 5/10/19     |
| Approved by Finance Director: | <i>[Signature]</i> 5/10/19     |
| Approved by City Manager:     | <i>[Signature]</i> 10 MAY 2019 |

**Exhibits/Attachments:**

Attachment A: Conversion Area and Parcels

Attachment B: Replacement Parcel & Partial Replacement Parcel

Attachment C: Purchase and Sale Agreement, 0114100757 (6,350SF)

**INFORMATION/BACKGROUND:**

Staff recommends that Council approve a motion approving a Purchase and Sale Agreement in the amount of \$3,000, Contract 19-C2034, for a portion (6,350SF) of the vacant King County Parcel No. 0114100757 located adjacent to 18717 80<sup>th</sup> Avenue NE and authorizing the City Manager to sign the Agreement. This acquisition is associated with a recent purchase and sale agreement authorized by City Council on November 26, 2018 - Contract 18-C1889, a purchase and sale agreement for King County Parcel No. 0114100730 located at 7637 NE 192<sup>nd</sup> Street. Acquisition through Contract 18-C1889 and Contract 19-C2034 will address replacement property requirements set by the Recreation and Conservation Office for a land conversion of 1.5 acres at Squire's Landing Park.

As part of the Squire's Landing Park Project, the City will be constructing active recreation facilities on a 1.5-acre portion of three parcels labeled as "Conversion Parcels, 7.25 Acres and outlined in blue on Attachment A. The 1.5-acre portion on which active recreation facilities will be constructed is outlined in red on Attachment A (Conversion Area).

The three parcels, totaling 7.25 acres, are subject to deed restrictions in a 1991 Grant Agreement with the Washington State Recreation and Conservation Office (RCO) that provided funding towards the property purchase. The deed restrictions of the Agreement prohibit active recreation and motorized recreation, such as off-road recreational vehicles, but allow passive recreation. The Agreement also prohibits the city from making or permitting any use of the property that is inconsistent with the Agreement.

The RCO has determined that construction of the active recreation facilities on the Conversion Area violates the deed restrictions. To allow construction of these facilities, the City is pursuing a “conversion process” with RCO to release the deed restrictions on the Conversion Area. The conversion process requires the City to replace the Conversion Area with land that is equal to or greater in value than the Conversion Area. The appraised value of the Conversion Area is \$685,000 (the appraised value of the entire three parcels is \$1,150,000).

The City has identified a 4.7-acre parcel at 7637 NE 192<sup>nd</sup> Street as a replacement for the Conversion Area (Replacement Parcel). The appraised value of the Replacement Parcel is \$900,000, which is greater than the appraised value of the Conversion Area, and thus satisfies the value requirement for the Conversion Area. The owner of the Replacement Parcel has signed a purchase and sale agreement for the Replacement Parcel, authorized by City Council on November 26, 2018.

According to the RCO, any replacement land must be of reasonable equivalent usefulness and location; must meet the funding requirements of the grant agreement; and must satisfy the needs of the City’s Parks, Recreation and Open Space Plan. The Recreation and Conservation Funding Board (RCFB) or RCO’s Director will approve the conversion and the City’s acquisition of the Replacement Parcel. RCO also requires a public comment period of 30-days. The City conducted the public comment period in April which closed on May 3<sup>rd</sup>. The request for public comment was published in the Seattle Times, advertised in the City’s electronic newsletter, posted at the kiosk in Squire’s Landing Park and available on the Squire’s Landing Park Walkways and Waterways Project webpage. The City received two comments. The decision is expected by the end of June.

According to the RCO, the purchase of the Replacement Parcel may not meet the RCO “usefulness” criteria, because only a corner of the Replacement Parcel touches City- owned open space. See Attachment B. If the RCFB or RCO Director determines that the Replacement Land does not meet fully meet this “usefulness” criterion, the City will need to acquire other parcels or portions of other parcels to connect the Replacement Parcel to the City-owned open space. To assure the RCO “usefulness” criteria is being addressed, the City has pursued another purchase and sale agreement for a small portion (6,350SF) of a vacant parcel 0114100757 (Partial Replacement Parcel) which is located adjacent to 18717 80<sup>th</sup> Avenue NE. The owners of parcel 0114100757 have received an offer and purchase and sale agreement for the 6,350SF Partial Replacement Parcel, subject to certain conditions, one of which is approval by the City Council. See Attachment C. One of the conditions set before closing includes the completion of a boundary line adjustment which would attach the 6,350SF Partial Replacement Parcel to City-owned parcel 0114101000, a portion of the Swamp Creek Wetland Complex. See Attachment B.

Due to these RCO requirements and this RCO comment, both purchase and sale agreements are contingent upon land conversion approval by the RCFB or RCO Director. The purchase and sale agreements further state that if the RCFB or the RCO Director fails to approve the land conversion by June 27, 2019, the City may waive the RCFB approval or terminate the purchase and sale agreements.

**FISCAL CONSIDERATION:** P-31 Squire’s Landing Park Acquisition park capital improvement project has \$1.7 million allocated in 2019 for property acquisition to provide replacement land to comply with RCO land conversion requirements at Squires Landing Park. The estimated costs to purchase both Parcel No. 0114100757 and 0114100730 along with other associated costs is approximately \$1.7 Million which is expected to be paid for with \$850,000 in King County Conservation Futures Trust funding and \$850,000 in REET and other city funds.

**COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:**

Goal 1: Implement the Walkways and Waterways Projects.

Goal 6: To continue to implement the Parks Improvement Plan.



## Attachment A: Conversion Area



1.5-acre Conversion Area



## Attachment B: Replacement Parcel & Partial Replacement Parcel

Outline in Yellow:

Replacement Parcel and  
Partial Replacement Parcel (6,350SF)  
of Parcel #0114101000

Outlined in Green:

City Owned Parcel #0014101000 of  
Swamp Creek Wetland Complex

Outlined in Blue:

Three RCO Parcels deed restricted  
parcels with 1.5 acre Conversion  
Area at Squire's Landing Park



Attachment C: 19-C2034 PSA

### **REAL ESTATE PURCHASE AND SALE AGREEMENT**

This REAL ESTATE PURCHASE AND SALE AGREEMENT ( "Agreement") is made and entered into as of the latter of the signature dates below (the "Effective Date") by and between the CITY OF KENMORE, a Washington municipal corporation (the "City") and THOMAS J. BARNARD and LEONA M. BARNARD, husband and wife ("Seller").

#### **RECITALS:**

A. Seller is the owner of real property commonly known as King County Tax Parcel No. 011410-0757 and legally described on **Exhibit A** attached hereto ("Seller's Parcel").

B. City is the owner of real property commonly known as King County Tax Parcel No. 011410-1000 and legally described on **Exhibit B** attached hereto ("City's Parcel").

C. Subject to completion of a boundary line adjustment between Seller's Parcel and City's Parcel and the terms and conditions set forth herein, City desires to purchase from Seller, and Seller desires to sell to City, the approximately 6,350 square foot portion of Seller's Parcel legally described on **Exhibit C** attached hereto and depicted on **Exhibit D** attached hereto (the "Property")

NOW THEREFORE, in consideration of the mutual promises and covenants set forth herein, the parties agree as follows:

1. **Purchase and Sale Terms.** The City shall purchase the Property from Seller and Seller shall sell the Property to the City on the following terms and conditions:

1.1 **Purchase Price for Property.** The Purchase Price to be paid by the City to Seller for the Property shall be Three Thousand and No/100 Dollars (\$3,000.00) (the "Purchase Price"). The Purchase Price shall be paid in cash at Closing.

1.2 **Earnest Money Deposit.** Within three (3) business days after the Effective Date, the City will deliver to the Escrow Agent (as identified in Paragraph 5.1 below), by check or wire transfer the sum of Seven Hundred Fifty and No/100 Dollars (\$750.00) (the "Deposit"). Except as otherwise provided in this Agreement, the Deposit and all accrued interest will be credited to the City at Closing and applied to payment of the Purchase Price.

1.3 **Date of Closing.** The transaction of purchase and sale as set forth in this Agreement shall be closed on the date that is seven (7) business days following City's delivery to Seller of the Closing Notice, as set forth in Section 2.5, below ("Date of Closing").

2. **City's Contingencies.** This Agreement and the City's obligations under this Agreement are conditioned upon the occurrence to City's reasonable satisfaction of each of the following:

-1-

897501.5 - 359830 -0002

XI. E. Authorize the City Manager to Sign a Purchase and Sale Agreement,...

2.1. Condition of Title. City has received from Stewart Title, 981 Powell Ave SW Suite 100, Renton, WA 98057 (the "Title Company") commitment no. 383571 for a standard owner's policy of title insurance for Seller's Parcel dated March 12, 2019, together with full copies of any exceptions set forth therein (the "Preliminary Commitment"). With the understanding that Schedule B Part II Exception Nos. 7, 8, 9, and 10 will be removed from the final policy of title insurance to be issued at Closing, City approves of the condition of title to the Property, as set forth in the Preliminary Commitment; *provided*, however, that all monetary encumbrances and liens, if any shall exist as of Closing, shall be deemed automatically disapproved and shall be paid by Seller at Closing.

If prior to Closing any new exceptions shall appear on any update to the Preliminary Commitment, City shall, within ten (10) days of receipt of the update to the Preliminary Commitment, notify Seller in writing of the City's disapproval of any such exceptions, and Seller shall have ten (10) days from delivery of the City's notice to eliminate any disapproved exceptions from the policy of title insurance to be issued in favor of the City; provided, that, if such exceptions or defects cannot be eliminated within such ten (10) day period, Seller may notify the City in writing of Seller's agreement to remove such exceptions or defects, in which case such exceptions or defects shall be removed from title prior to Closing.

If disapproved exceptions are not eliminated within said ten (10) day period, or if Seller fails to notify the City within ten (10) days of Seller's willingness to remove such exceptions prior to Closing, or if Seller notifies the City in writing that Seller will not eliminate the same, then this Agreement shall terminate, and neither the City nor Seller shall have any further rights, duties or obligations hereunder, unless within five (5) days after the earlier of (i) the expiration of said ten (10) day period, or (ii) the date that Seller notifies the City that Seller will not eliminate the disapproved exceptions, the City waives its prior disapproval and elects to proceed with Closing subject to the disapproved exceptions. The title exceptions approved as provided herein are referred to as the "Permitted Exceptions."

2.2 Due Diligence/Environmental Inspection. The City shall have the period commencing on the Effective Date through June 30, 2019 (the "Due Diligence Period") to fully examine all aspects and conditions of the Property and to determine that the Property and the conditions thereof are fully acceptable for the City's intended purpose.

(a) Access and Inspection. During the Due Diligence Period, the City and its agents, representatives, contractors and subcontractors may, upon twenty-four (24) hours' prior notice to Seller, enter upon the Property to inspect the Property and to conduct such surveys, and to make such engineering and other inspections, tests and studies, as the City determines to be reasonably necessary, including, without limitation, environmental, water and soil studies, utilities availability and capacity, zoning, architectural and engineering studies, and the feasibility and costs of any intended improvements and operation of the Property. The City shall indemnify, defend and hold harmless Seller against all actual injuries, damages, liabilities and claims, including, without limitation, Seller's attorney's fees and defense costs to the extent caused by the City, its agents, representatives, contractors or subcontractors in the exercise of the City's inspection rights hereunder. The City shall fully restore the Property to the extent reasonably feasible following any such testing to its condition immediately preceding such work. The City's

obligations under this subsection shall survive termination of this Agreement, and the City's indemnity obligations shall also survive the Closing of the transaction contemplated hereby.

(b) Document Inspection. Seller agrees to deliver to the City on or before fifteen (15) days after Effective Date of this Agreement, copies of the following information and documentation in Seller's possession or control, or otherwise readily acquirable by Seller, and relating to the Property: (i) any existing ALTA surveys; (ii) copies of soils, wetlands and related reports, documents, correspondence or records; (iii) copies of tax assessments, LID's, etc.; (v) all engineering and related studies in connection with the Property; and (v) any other relevant reports, studies or information in its possession or control. The documents and information required to be delivered by Seller as specified herein are referred to as the "Property Information." Seller shall have an ongoing obligation to supplement the Property Information initially provided to the City in the event additional Property Information becomes available to Seller subsequent to Seller's initial disclosure.

If the City does not notify Seller of its approval of the inspection set forth in this subsection 2.2 by the expiration of the Due Diligence Period, this contingency shall be deemed disapproved and the Agreement shall automatically terminate.

2.3 Approval by City Council. This Agreement is subject to the approval of the City Council no later than May 28, 2019. If the City fails to receive Council approval of the Agreement on or before May 28, 2019, this contingency shall be deemed disapproved and the Agreement shall automatically terminate.

2.4 Recreation and Conservation Funding Board Approval. This Agreement is subject to land conversion approval by the Recreation and Conservation Funding Board as established pursuant to RCW 79A.25.110, or the Director of the Recreation and Conservation Office, on or before June 28, 2019. The City shall promptly notify Seller of receipt of such approval. If the City fails to receive the Recreation and Conservation Funding Board approval as required by City on or before June 28, 2019, City may elect, by written notice to Seller given no later than July 9, 2019, either (a) to waive this contingency, or (b) to terminate this Agreement. If City does not give written notice to Seller of waiver of this contingency on or before July 9, 2019, this Agreement shall automatically terminate.

2.5 Boundary Line Adjustment. This Agreement is subject to approval by the City of Kenmore of a boundary line adjustment of Seller's Parcel and City's Parcel so as to remove the Property from Seller's Parcel and add the Property to City's Parcel. If this Agreement has not been terminated pursuant to Section 2.1, 2.2, 2.3 or 2.4 hereof, City shall engage the services of a qualified surveyor to prepare a site plan or survey of Seller's Parcel, City's Parcel, and the Property, and of Seller's and Buyer's respective properties following completion of a boundary line adjustment (the "BLA Survey"). The surveyor shall have reasonable access to Seller's Parcel to perform the survey work. City shall provide a copy of the Survey promptly upon City's receipt and approval of the Survey, and Seller shall, within ten (10) days thereafter, notify City in writing of any reasonable comments or objections Seller may have to the BLA Survey. If Seller does not provide City with written comments or objections to the Survey within that 10-day period, the Survey will be deemed approved by Seller. If Seller makes timely comments or objections to the



Survey, the parties will work cooperatively with the surveyor to reach mutual approval of the BLA Survey. Upon the parties' final approval of the BLA Survey, the parties agree to execute an amendment to this Agreement substantially in the form attached as **Exhibit E** hereto confirming the legal descriptions of the Property and the parties' respective Parcels as determined by the BLA Survey.

As soon as reasonably possible following the parties' mutual approval of the BLA Survey, City shall make application to the City's Department of Development Services for approval of a boundary line adjustment (the "Boundary Line Adjustment") consistent with the BLA Survey. Seller agrees, at City's cost (if any) fully to cooperate with City and City's consultants and agents and promptly to execute such documents as may be reasonably required or advisable to apply for, process, and obtain final approval of the Boundary Line Adjustment. City agrees to give Seller and Escrow Agent written notice (the "Closing Notice") of City's receipt of final approval of the Boundary Line Adjustment. If City has not received final approval of the Boundary Line Adjustment within seven (7) months from the Effective Date of this Agreement, City may terminate this Agreement upon written notice given to Seller at any time before receipt of final approval of the Boundary Line Adjustment. If City has not delivered the Closing Notice to Seller within eight (8) months from the Effective Date, then Seller may terminate this Agreement upon written notice to City, in which event this Agreement shall terminate on the tenth (10<sup>th</sup>) day following Seller's termination notice, unless City, within such 10-day period, delivers the Closing Notice to Seller.

**2.5 Waiver of Contingencies.** If the City notifies Seller in writing that the contingencies set forth herein have been waived, or if the contingencies otherwise are satisfied or expire on their own terms, the Closing of this transaction shall thereafter proceed in accordance with the terms hereof.

**2.6 Failure of Contingency.** The conditions contained in Subsections 2.1, 2.2, 2.3, and 2.4 are intended solely for the benefit of the City. Except as otherwise expressly provided herein, if any of the foregoing conditions are not satisfied, and the City does not otherwise notify Seller in writing that the City has, in its sole discretion, elected to waive the condition in question and proceed with the transaction, then this Agreement shall automatically terminate and be of no further force or effect, whereupon, except as otherwise provided in this Agreement, neither party hereto will have any further rights, duties or obligations under this Agreement and the Deposit previously delivered by the City, and any interest accrued thereon, shall be immediately return to the City.

**3. Conveyance of Title.** On the Date of Closing, the title to the Property shall be conveyed to the City by statutory warranty deed subject only to the Permitted Exceptions. Prior to or concurrent with the delivery of the statutory warranty deed, Seller shall also deliver or cause to be delivered to the City, for the City's benefit and at City's cost, a final ALTA Standard Coverage Owner's Policy of Title Insurance for the Property in the City's name and in the amount of the Purchase Price, containing only those Permitted Exceptions. The City may, in its discretion and at City's cost, elect to obtain an extended coverage owner's policy.

**4. Closing and Escrow**

4.1 Escrow Agent. The Title Company shall act as the escrow agent for this transaction (the "Escrow Agent"). Upon the Effective Date of this Agreement, the City shall deposit an executed counterpart with the Escrow Agent for consummation of the purchase and sale contemplated hereby. Seller and the City shall execute such additional and supplementary escrow instructions as may be reasonable or appropriate to enable the Escrow Agent to comply with the terms of this Agreement. In the event of a conflict between the provisions of this Agreement and any escrow instructions, the terms of this Agreement shall govern.

4.2 Prorations. All taxes and assessments for the Property shall be prorated as of the Date of Closing.

4.3 Fees, Closing Costs, Taxes and Commissions. On Closing, City shall pay: (i) all recording fees; (ii) escrow fees charged by the Escrow Agent; (iii) pay all real estate excise taxes associated with the sale of the Property; and (iv) the premium for the title insurance to be issued by the Title Company for the benefit of the City in the amount of the Purchase Price; together with any additional costs associated with an extended coverage owner's policy, as applicable. Seller shall pay all commissions and brokerage fees associated with or arising from this transaction, if any, and Seller shall defend and indemnify the City from all liability to pay any commission or broker's fee or other compensation.

4.4 Closing Obligations of City. On or before Closing the City shall deliver to the Escrow Agent the following:

4.4.1 The Purchase Price, in all cash.

4.4.2 A Closing Statement in form and content reasonably satisfactory to the parties.

4.4.3 The Boundary Line Adjustment.

4.4.4 A Real Estate Excise Tax Affidavit executed by City in the form required by law.

4.4.5 Any other documents necessary to effect the transaction contemplated in this Agreement.

4.5 Closing Obligations of Seller. At Closing, Seller shall deliver to the Escrow Agent the following duly executed and acknowledged documents (where appropriate):

4.5.1 A statutory warranty deed sufficient to convey fee simple title to the Property, subject only to the Permitted Exceptions.

4.5.2 A Closing Statement in form and content reasonably satisfactory to the parties.

4.5.3 A FIRPTA certification.

4.5.4 A Real Estate Excise Tax Affidavit executed by Seller in form required by law.

4.5.5 Any other documents necessary to affect the transaction contemplated in this Agreement.

4.6 Possession. The City shall be entitled to possession upon Closing. "Closing" means the date on which all documents are recorded, and the sale proceeds are available for unconditional disbursement to Seller.

5. **Default.** In the event that Seller breaches this Agreement, the City shall, in its sole discretion, (i) have the right to pursue specific performance of this Agreement or (ii) receive the Deposit and terminate this Agreement; in either case, such remedy shall be the City's sole and exclusive remedy for Seller's breach hereof. If the City is the defaulting party, then Seller may retain the Deposit as liquidated damages (and not as a penalty) as the sole and exclusive remedy available to Seller for such failure.

Seller's Initials \_\_\_\_\_

The City's Initials \_\_\_\_\_

6. **Seller's Representations and Warranties.** Seller represents and warrants to the City as follows:

6.1 Ownership; Non-Foreign Status. Seller owns the Property and has the right to sell the Property and is not a foreign person as defined by the Foreign Investment in Real Property Tax Act, IRS Section 1445(b)(2), as amended.

6.2 Property Information. To the best of Seller's knowledge, the information regarding the Property as provided by Seller is complete, accurate, true and correct and does not fail to state any fact without which such information would be misleading.

6.3 Hazardous Materials: To the best of Seller's knowledge, no hazardous or toxic waste or other hazardous materials have been deposited or spilled on or under the Property or exist on or under the Property. For purposes of this Agreement, "hazardous materials" shall mean any material which is defined as hazardous, toxic or radioactive in any federal, state or local statute, regulation, ordinance or law applicable to the Property, or which is otherwise publicly regulated for reasons of human health or the environment, including, without limitation, asbestos and petrochemicals.

6.4 Notices of Violation. To the best of Seller's knowledge, the Property is not in violation of any applicable covenant, condition or restriction or any applicable statute, ordinance, regulation, order, permit, rule or law, including without limitation, any building, zoning or environmental restriction or requirement concerning filing, use, construction, maintenance, repair, replacement, operation or occupancy, and Seller has not received from any governmental agency any notice of the existence of any such violations.



6.5 Pending Actions. To the best of Seller's knowledge, there is no action or proceeding pending or threatened against Seller or the Property, including but not limited to condemnation proceedings, which challenges or impairs Seller's ability to execute or perform its obligations under this Agreement.

6.3 Survival of Warranties. All of Seller's representations and warranties provided in this Agreement shall survive Closing.

7. Condition of Property. The City acknowledges that after the Due Diligence Period and at Closing, Seller is selling the Property "as is, where is and with all faults" without representation, warranty or covenant (express or implied) except as specifically set forth herein. Seller has not made and shall not be deemed to have made any representation, warranty or covenant (express or implied) and shall not have any liability whatsoever as to the title, value, habitability, use, design, operation or fitness for use of the Property, except as specifically set forth herein.

8. Miscellaneous.

8.1 City's Funds to Close. The City represents that it has sufficient funds to close this sale in accordance with this Agreement, and it is not relying on any contingent source of funds or gifts unless expressly set forth elsewhere in this Agreement.

8.2. Attorney's Fees. In the event of any dispute, including arbitration or litigation concerning this Agreement or if this Agreement is otherwise placed with an attorney for action, then the prevailing party shall be awarded all costs and expenses, and reasonable attorney's fees. In the event of trial, the amount of the attorney fees shall be fixed by the court. The venue of any such suit shall be King County, Washington.

8.3 Entire Agreement. This Agreement constitutes the full and entire understanding between Seller and the City. There are no verbal agreements that modify or affect this Agreement.

8.4 Binding Effect. This Agreement applies to, inures to the benefit of, and is binding on not only the parties hereto, but on their heirs, devisees, legatees, administrators, executors and assigns.

8.5 Computation of Time. Any time limit in or applicable to a notice shall commence on the day following receipt of the notice and shall expire at midnight of the last calendar day of the specified period of time, unless the last day is Saturday, Sunday or legal holiday as defined in RCW 1.16.050, in which event the time limit shall expire at midnight of the next business day. Any specified period of five (5) days or less shall include business days only. Time is of the essence on this Agreement.

8.7 Notices. All notices, demands, consents, approvals and other communications which are required or desired to be given by either party to the other hereunder shall be in writing and shall be personally delivered, delivered by nationally recognized overnight

courier, mailed by first class mail, postage prepaid, or, if the receiving party has provided a fax or email address, delivered or sent by fax or email to the parties as set forth below. Notices shall be deemed effective (i) if delivered by overnight courier or by personal delivery, then on the date of delivery; (ii) if mailed, on the earlier of actual delivery or on the third business day after posting in the United States mail, postage prepaid, or (iii) if given by fax or email, when sent; provided, that if a notice sent via fax or email is sent on a day other than a business day, the notice shall be deemed effective on the first business day after being sent. At the request of either party, or the Escrow Agent, the parties will confirm facsimile or email transmitted documents by signing an original document.

To City: City of Kenmore  
Attn: City Manager  
18120 – 68<sup>th</sup> Avenue NE  
Kenmore, Washington 98028  
Email: [rkarinsey@kenmorewa.gov](mailto:rkarinsey@kenmorewa.gov)  
Fax: (425) 481-3236  
Phone: (425) 398-8900

To Seller: Thomas J. Barnard and Leona M. Barnard  
18717 – 80<sup>th</sup> Avenue NE  
Kenmore, WA 98028  
Email: None  
Fax: None  
Phone: (206) 349-7428

8.8 Assignment. Except as specifically permitted herein, this Agreement shall not be assigned without the express written consent of the other party, which consent shall not be unreasonably withheld. Such assignment shall be contingent upon the assignee assuming all responsibilities, obligations and liabilities hereunder. Said assignment shall not relieve the assignor from liability hereunder and assignor shall remain jointly and severally liable with assignee in the event of any breach of this Agreement by assignee or assignor.

8.9 Counterparts. This Agreement and any amendments hereto may be executed in one or more identical counterparts, and the counterparts, when taken together, shall constitute one and the same instrument, binding upon the parties hereto, notwithstanding that both parties are not signatories to the original or the same counterpart.

8.10 Recitals and Exhibits. The Recitals and Exhibits hereto are made a part of and incorporated into and made an express part of this Agreement.

EXECUTED by each party as of the date next to that party's signature.

**SELLER:**

\_\_\_\_\_  
**Thomas J. Barnard**

Date: \_\_\_\_\_

\_\_\_\_\_  
**Leona M. Barnard**

Date: \_\_\_\_\_

**THE CITY:**

**City of Kenmore,**  
a Washington municipal corporation

By \_\_\_\_\_

Name: \_\_\_\_\_

Its \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT A**  
**to**  
**REAL ESTATE PURCHASE AND SALE AGREEMENT**

**Legal Description of Seller's Parcel**

That portion of Lot 11, Block 13, Alderwood Manor No. 14, according to the plat thereof recorded in Volume 26 of Plats, Page(s) 4, records of King County, Washington, lying North of a line described as follows:

Beginning at a point on the East line thereof midway between the Northeast corner and the Southeast corner;  
Thence West parallel with the South line of said tract 891.40 feet;  
Thence Northwesterly to a point on the West line of said tract midway between the Northwest corner and the Southwest corner thereof;

Except the North 93.565 feet of the East 200 feet thereof;

Situate in King County, Washington

**EXHIBIT B**  
**to**  
**REAL ESTATE PURCHASE AND SALE AGREEMENT**

**Legal Description of City's Parcel**

Lot 57, Block 13, Alderwood Manor No. 14, according to the plat thereof  
recorded in Volume 26 of Plats, Page 4, records of King County, Washington

Situate in King County, Washington.

**EXHIBIT C**  
**to**  
**REAL ESTATE PURCHASE AND SALE AGREEMENT**

**Legal Description of the Property**

THAT PORTION OF LOT 11, BLOCK 13, ALDERWOOD MANOR NO. 14,  
ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 26 OF PLATS,  
PAGE 4, RECORDS OF KING COUNTY, WASHINGTON; DESCRIBED AS  
FOLLOWS:

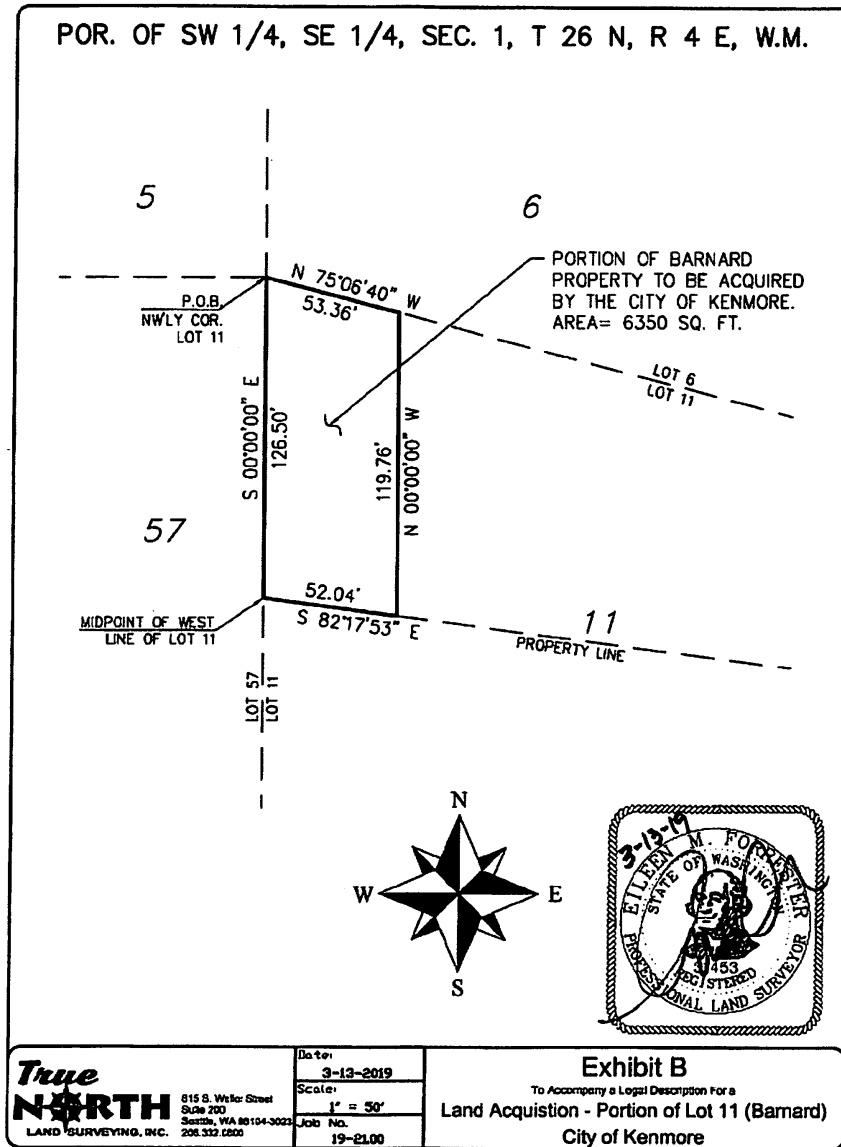
BEGINNING AT THE NORTHWESTERLY CORNER OF SAID LOT 11;  
THENCE ALONG THE WEST LINE OF SAID LOT, SOUTH 00°00'00" EAST 126.50  
FEET TO THE MIDPOINT OF SAID WEST LINE;  
THENCE SOUTH 82°17'53" EAST 52.04 FEET;  
THENCE ALONG A LINE PARALLEL WITH SAID WEST LINE,  
NORTH 00°00'00" WEST 119.76 FEET TO THE NORTHERLY LINE OF SAID LOT;  
THENCE ALONG SAID NORTHERLY LINE, NORTH 75°06'40" WEST 53.36 FEET  
TO THE POINT OF BEGINNING.

CONTAINING: 6350 SQUARE FEET, MORE OR LESS.

SITUATE IN KING COUNTY, WASHINGTON

**EXHIBIT D**  
to  
**REAL ESTATE PURCHASE AND SALE AGREEMENT**

**Depiction of the Property**



**EXHIBIT E**  
**to**  
**REAL ESTATE PURCHASE AND SALE AGREEMENT**  
**Amendment Confirming Legal Description**  
*[See Attached]*



**AMENDMENT CONFIRMING  
LEGAL DESCRIPTION**

THIS AMENDMENT CONFIRMING LEGAL DESCRIPTION ("Amendment") effective as of the latter of the signature dates below (the "Effective Date"), is by and between the CITY OF KENMORE, a Washington municipal corporation (the "City"), and THOMAS J. BARNARD and LEONA M. BARNARD, husband and wife ("Seller").

**RECITALS:**

A. City and Seller entered into a Real Estate Purchase and Sale Agreement effective \_\_\_\_\_, 2019 (the "Agreement") pursuant to which Seller agreed to sell, and Buyer agreed to purchase certain real property described and depicted therein as the "Property."

B. Pursuant to Section 2.5 of the Agreement, a BLA Survey of Property has been completed and the parties desire to confirm the legal description of the Property.

NOW, THEREFORE, the parties agree that the legal description of the Property to be conveyed to Buyer pursuant to the Agreement is as follows:

THAT PORTION OF LOT 11, BLOCK 13, ALDERWOOD MANOR NO. 14,  
ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 26 OF PLATS,  
PAGE 4, RECORDS OF KING COUNTY, WASHINGTON; DESCRIBED AS  
FOLLOWS:

BEGINNING AT THE NORTHWESTERLY CORNER OF SAID LOT 11;  
THENCE ALONG THE WEST LINE OF SAID LOT, SOUTH 00°00'00" EAST 126.50  
FEET TO THE MIDPOINT OF SAID WEST LINE;  
THENCE SOUTH 82°17'53" EAST 52.04 FEET;  
THENCE ALONG A LINE PARALLEL WITH SAID WEST LINE,  
NORTH 00°00'00" WEST 119.76 FEET TO THE NORTHERLY LINE OF SAID LOT;  
THENCE ALONG SAID NORTHERLY LINE, NORTH 75°06'40" WEST 53.36 FEET  
TO THE POINT OF BEGINNING.

CONTAINING: 6350 SQUARE FEET, MORE OR LESS.

SITUATE IN KING COUNTY, WASHINGTON

Accordingly, the legal description of Seller's Parcel following Closing shall be:

*[Insert Legal Description]*

and the legal description of City's Parcel following Closing shall be:

*[Insert Legal Description]*

Except as expressly set forth herein, the parties' Agreement is unmodified and shall continue in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment.

**SELLER:**

\_\_\_\_\_  
**Thomas J. Barnard**

Date: \_\_\_\_\_

\_\_\_\_\_  
**Leona M. Barnard**

Date: \_\_\_\_\_

**THE CITY:**

**City of Kenmore,**  
a Washington municipal corporation

By \_\_\_\_\_

Name: \_\_\_\_\_

Its \_\_\_\_\_

Date: \_\_\_\_\_



City Council Business Agenda Item  
City of Kenmore, WA

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Subject/Topic: Puget Sound Energy, Inc.,<br/>Master Lighting Services Agreement</p> <p>Proposed Council Action/Motion: Motion to adopt Resolution No. 19-321, approving the Master Lighting Services Agreement for street lighting services.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <p>For Council Meeting Agenda of: May 20, 2019</p> <p>Department: Public Works Operations</p> <p>Prepared by: Jennifer Gordon, Public Works Operations Manager</p> <p style="text-align: right;"><u>Initial &amp; Date</u></p> <p>Approved by Department Head: _____</p> <p>Approved by City Attorney: _____</p> <p>Approved by Finance Director: <u>JG 5/14/19</u></p> <p>Approved by City Manager: <u>RJK</u></p> <p>Exhibits/Attachments:</p> <p>Exhibit A: Master Lighting Services Agreement</p> <p>Exhibit B: PSE Tariffs 51, 52 and 53.</p> <p>Exhibit C: Examples of PSE Streetlight Orders</p> <p>Exhibit D: Resolution No. 19-321</p> |
| <p><b><u>INFORMATION/BACKGROUND:</u></b></p> <p>Puget Sound Energy Inc. (PSE) owns and operates the public streetlights in Kenmore.</p> <p>For future streetlight service and operations, PSE is requiring all PSE-served cities to enter into the "Master Lighting Services Agreement" (Exhibit A), which more specifically details the obligations of each party. PSE's operation and provision of electricity to serve streetlights is regulated by tariffs adopted by the Washington Utilities and Transportation Commission (WUTC) under Rate Schedule 51, 52 and 53 (Exhibit B).</p> <p>All future streetlight orders from the City will need to be processed under the Master Lighting Services Agreement, which will serve as the umbrella for applicable terms and conditions for all PSE operated lighting services. No new streetlight orders can be processed until the Master Lighting Services Agreement is executed. Once executed, all future streetlight projects will be linked to the Master Lighting Services Agreement through separate street lighting orders. PSE has provided examples of streetlight orders executed by other agencies under the Master Lighting Services Agreement (Exhibit C).</p> <p>The proposed agreement has been reviewed by Staff and the City Attorney's office, and has been determined to adequately represent the City. Staff recommends that the City Council adopt the proposed resolution (Exhibit D) which approves the Master Lighting Services Agreement and authorizes the City Manager to sign the agreement.</p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

**FISCAL CONSIDERATION:**

The electrical rates for streetlight operation are set by WUTC adopted tariff, as identified in Tariff 51, 52 and 53 (Exhibit B). The tariffs also control the costs associated with streetlight orders that will be processed under the Master Lighting Services Agreement.

**COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:**

Efficient and effective services.

## EXHIBIT A

### MASTER LIGHTING SERVICES AGREEMENT NO. 0006

This Master Lighting Services Agreement (this “Agreement”) is made effective as of **11/1/2018** (the “Effective Date”), by and between Puget Sound Energy, Inc. (“PSE”), and **City of Kenmore** (“Customer”) (each a “Party,” and collectively the “Parties”).

#### RECITALS

A. PSE is in the business of, among other things, providing custom lighting services (“Lighting Services”) under and pursuant to Schedule 51, Schedule 52, Schedule 53 and/or any other applicable schedule included in PSE’s Electric Tariff G (each, a “Schedule”) on file with the Washington Utilities and Transportation Commission (“WUTC”).

B. The Customer desires PSE to provide certain Lighting Services to the Customer as set forth in each Custom Street Lighting Order, substantially in the form attached hereto as Exhibit A to this Agreement, entered into by the Parties from time to time during the term of this Agreement that references this Agreement and is signed by both Parties (each, an “Order”).

C. PSE is willing to provide such Lighting Services to the Customer subject to and in accordance with the terms and conditions set forth in this Agreement, in the applicable Order and in the associated Schedule.

#### AGREEMENT

The Parties, therefore, agree as follows:

##### Section 1. Lighting Services

**1.1 Products and Services.** PSE will provide to the Customer the Lighting Services set forth in each Order and the most current version of the Schedule applicable to the Lighting Services covered by such Order (the “Services”). Each Order will describe and identify the Lighting Services and the associated Schedule applicable to the Lighting Services covered by the Order and set forth all materials, information, property and other items provided for, used or incorporated into the Services (collectively, the “Facilities”). Each such Order and associated Schedule are hereby incorporated into and made a part of this Agreement by this reference.

**1.2 Performance of Services.** Subject to the terms and conditions of this Agreement and any applicable tariffs on file with the WUTC, including the applicable Schedule(s), PSE shall use reasonable efforts to perform the Services. PSE shall perform the Services in accordance with the schedule provided in the applicable Order or associated Schedule with reasonable diligence in the ordinary course of its business and in light of any operational issues as to the remainder of its utility systems that may be influenced by the Services.

**1.3 Adjustments to the Services.** PSE shall notify the Customer in writing of any reasonably anticipated adjustments to the Services that result from delays in PSE’s performance of the Services caused by the Customer (or its agents, servants, employees, contractors, subcontractors, or representatives), or any conditions beyond PSE’s control. The Parties

acknowledge that additional requirements not contemplated by the Parties may arise during the performance of the Services. In the event such additional requirements arise, the Parties shall provide written notice thereof and shall use reasonable efforts to promptly respond to such requirements.

**1.4 Performance by Customer.** The Customer shall pay PSE for the Services in accordance with the applicable Order and the associated Schedule. In the event the Customer is unable to perform any of its obligations under this Agreement to PSE's satisfaction, the Parties shall use reasonable efforts to adjust the Services to allow additional time for the Customer to perform such obligations. If the Parties cannot reasonably agree upon such a schedule adjustment, PSE may, at its option, terminate this Agreement by giving written notice to the Customer, and the Customer shall promptly pay PSE the amounts payable to PSE in connection with such termination under Section 1.5.

**1.5 Term and Termination.** The term of this Agreement will commence on the Effective Date and will end thirty (30) days after the expiration or termination of all Orders entered into by the Parties under this Agreement, unless earlier terminated by mutual written agreement of the Parties. Service under each Order is effective for as long as such Order remains in effect, as specified in the Order and/or in the then-current version of the Schedule applicable to the Lighting Services covered by the Order. The effect of termination of any given Order, including the Parties' respective responsibilities for the costs of removal or salvage of any Facilities associated with the Services, will be as set forth in the Order or associated Schedule.

## **Section 2. Permits.**

The Customer shall be solely responsible for any costs related to the acquisition of any and all operating rights, permits, licenses, certificates, inspections, reviews, impact statements, determinations, authorizations, exemptions or any other form of review or approval necessary or convenient for the Services (collectively, "Permits"). PSE shall obtain all necessary Permits and shall have the right to review and provide comments on the Permits. PSE shall not be obligated to commence construction for the Services, or otherwise in any way change, limit, curtail, impair or otherwise affect the normal and reliable operation of the Facilities, unless and until PSE is in possession of all Permits necessary for the Services and all rights of appeal with respect to the Permits shall have been exhausted. The Customer shall be responsible for performance of and any costs associated with any mitigation required by the Permits.

## **Section 3. Easements.**

The Customer shall be solely responsible for any costs related to the acquisition of any and all easements, right-of-ways, or any other property rights necessary or convenient for the Services (collectively, "Easements"). The Easements shall be on such terms and conditions as PSE shall, in its sole discretion, determine to be appropriate to its needs. PSE shall not be obligated to commence performance of the Services, or otherwise in any way change, limit, curtail, impair or otherwise affect the normal and reliable operation of the Facilities, unless and until PSE is in possession of all Easements necessary for the Services and all rights of appeal with respect to the Easements shall have been exhausted. The Customer shall be responsible for performance of and any costs associated with any mitigation required by the Easements.

#### **Section 4. Construction Services**

**4.1 Construction Services.** The Customer shall be solely responsible for, or shall reimburse PSE for, all costs and expenses for any construction or installation services necessary to perform the Services as set forth in each Order ("Construction Services"), which may include any restoration costs and/or the removal of excavated materials; costs and expenses to relocate or rebury Facilities if the area is not within grade; costs and expenses for trenching and backfilling of pole holes; costs and expenses associated with any unforeseen soil or pavement conditions that would increase the cost of service; and all costs and expenses associated with any other unforeseen Construction Services that would increase the cost of service. The costs for the Construction Services ("Construction Costs") shall include, without limitation, any and all direct and indirect costs incurred by PSE in connection with the costs enumerated in this Section, including, but not limited to, labor, personnel, supplies, materials, overheads, contractors, consultants, attorneys and other professionals, administration and general expenses and taxes.

**4.2 Payment.** The Customer shall pay PSE for the Construction Costs in accordance with the applicable Order.

#### **Section 5. Transfer of Assets**

If the Customer and PSE have agreed that, as part of any Order, the Customer shall transfer certain assets to PSE, Customer shall, contemporaneously with the execution of the applicable Order, duly execute and deliver to PSE a Bill of Sale in form and content as mutually agreed upon between the Parties and, pursuant to the terms of the Bill of Sale, sell, transfer, assign, convey and deliver to PSE all right, title and interest in the assets set forth or otherwise described in the Bill of Sale.

#### **Section 6. Disclaimers and Limitation of Liability**

**6.1 Disclaimer.** Without limiting any express obligations PSE has under this Agreement or under the applicable Order or associated Schedule (or other applicable tariff on file with the WUTC), PSE makes no representations or warranties of any kind, express or implied, with respect to the Services or other items or services provided under this Agreement including, but not limited to, any implied warranty of merchantability or fitness for a particular purpose or implied warranty arising out of course of performance, course of dealing or usage of trade.

**6.2 Limitation of Liability.** In no event shall either party be liable, whether in contract, warranty, tort or otherwise, to any other party or to any other person for any indirect, incidental, special or consequential damages arising out of the performance or nonperformance of the Services or this Agreement, and will not limit PSE liability to any third party arising out of the negligent acts of PSE, its employees, agents, officers, successors or assigns.

#### **Section 7. Miscellaneous**

**7.1 Tariffs Control.** This Agreement is in all respects subject to all applicable tariffs of PSE now or hereafter in effect and on file with the WUTC, including the applicable Schedule(s). In the event of any conflict or inconsistency between any provision of this Agreement and any such tariff, the terms of the tariff shall govern and control.

**7.2 Survival.** Sections 1.5, 4.2, 5, 6 and 7 shall survive any expiration or termination of this Agreement. Except as otherwise provided herein, following expiration or termination of this Agreement neither Party shall have any further obligations arising under this Agreement.

**7.3 Waiver.** The failure of any Party to enforce or insist upon strict performance of any provision of this Agreement shall not be construed to be a waiver or relinquishment of any such provision.

**7.4 Entire Agreement.** This Agreement, including any exhibits hereto, sets forth the complete and integrated agreement of the Parties. This Agreement cannot be amended or changed except by written instrument signed by both Parties.

**7.5 Force Majeure.** In the event that either Party is prevented or delayed in the performance of any of its obligations under this Agreement by reason beyond its reasonable control (a "Force Majeure Event"), then that Party's performance shall be excused during the Force Majeure Event. Force Majeure Events shall include, without limitation, war; civil disturbance; storm, flood, earthquake or other Act of God; storm, earthquake or other condition which necessitates the mobilization of the personnel of a Party or its contractors to restore utility service to customers; laws, regulations, rules or orders of any governmental agency; sabotage; strikes or similar labor disputes involving personnel of a Party, its contractors or a third party; or any failure or delay in the performance by the other Party, or a third party who is not an employee, agent or contractor of the Party claiming a Force Majeure Event, in connection with the Services or this Agreement. Upon removal or termination of the Force Majeure Event, the Party claiming a Force Majeure Event shall promptly perform the affected obligation in an orderly and expedited manner under this Agreement or procure a substitute for such obligation. The Parties shall use all commercially reasonable efforts to eliminate or minimize any delay cause by a Force Majeure Event.

**7.6 Enforceability.** The invalidity or unenforceability of any provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

**7.7 Notice.** Any notice or other communication under this Agreement given by either Party to the other Party shall be in writing and shall be delivered in person or mailed to the attention of the signatories below. Either Party may change such address or contact by written notice to the other Party.

**7.8 Governing Law.** This Agreement shall be interpreted, construed and enforced in accordance with the laws of the State of Washington without reference to its choice of law provisions. This Agreement shall be fully binding upon the Parties and their respective successors, assigns and legal representatives.

In witness whereof, the Parties have executed this Agreement as of the date set forth above.



PSE:

**Puget Sound Energy, Inc.**

By \_\_\_\_\_

Its \_\_\_\_\_

Address: \_\_\_\_\_

Attn: \_\_\_\_\_

Customer:

\_\_\_\_\_

By \_\_\_\_\_

Its \_\_\_\_\_

Address: \_\_\_\_\_

Attn: \_\_\_\_\_

**EXHIBIT B**

Twentieth Revision of Sheet No. 51  
Canceling Nineteenth Revision  
WN U-60 of Sheet No. 51

**PUGET SOUND ENERGY, INC.  
Electric Tariff G**

**SCHEDULE 51  
LED (Light Emitting Diode) LIGHTING SERVICE  
COMPANY OWNED**

**AVAILABILITY OF CUSTOM LED LIGHTING SERVICE:**

(C)

1. This schedule is available to all Customers contracting for Company owned and maintained LED lighting service for illumination of streets, highways, and other areas with a new or existing lighting system.
2. Service under this schedule may be pursuant to a service agreement, which shall be consistent with this schedule and shall be of a standard form provided by and satisfactory to the Company.
3. All non-standard equipment is subject to approval by the Company prior to installation.
4. Service under this schedule is effective for a minimum period of fifteen (15) years for lights installed by the Company on or after August 1, 2000, unless
  - (a) a subsequent customer requests service or;
  - (b) the facilities are removed, whereupon appropriate removal charges shall be paid.
 After expiration of such term, service shall continue on a year-to-year basis until terminated upon one (1) year's notice in writing. Such term may be adjusted by the Company for existing systems purchased by the Company, based on the estimated remaining life and purchase price.
5. Where necessary, the Customer shall obtain for, or grant to, the Company necessary permits and/or operating rights to place and/or maintain lighting facilities on public streets, highways, and public areas without expense to the Company. In conditions where it is necessary to place any lighting facilities on private property, the customer shall obtain and furnish suitable easements without expense to the Company.
6. Service under this schedule is available only for (i) lighting systems that are newly constructed and Company owned that utilize underground circuitry or, upon approval of the Company, utilize overhead circuitry and (ii) existing LED lighting systems upon purchase by the Company. The Company shall not be obligated to install overhead circuitry or purchase an existing system. Lighting systems shall include all of the following: decorative or custom poles, circuitry, decorative or custom LED luminaires, photocells and necessary bracket arms. The Company will furnish all necessary labor, material and supplies for the installation, servicing and maintenance of lights under this schedule, except as provided in paragraph 8 of the Special Terms and Conditions herein.

**TYPE OF SERVICE:**

Service under this schedule applies to dusk-to-dawn lighting of streets, alleys, and other areas which can be served from the Company's distribution system.

Issued: October 9, 2013  
Advice No.: 2013-24

Effective: November 16, 2013

Issued By Puget Sound Energy, Inc.

By:



Ken Johnson

Title: Director, State Regulatory Affairs

Seventh Revision of Sheet No. 51-A  
Canceling Sixth Revision of  
WN U-60 Sheet No. 51-a

**PUGET SOUND ENERGY, INC.**  
**Electric Tariff G**

**SCHEDULE 51**  
**LED (Light Emitting Diode) LIGHTING SERVICE (Continued)**  
**COMPANY OWNED**

**MONTHLY RATES:**

The sum of Lamp and Facilities charges: (T)

Definitions: The following terms, as defined below, shall apply in this Schedule. (N)

1. **Estimated Installed Cost:** The Estimated Installed Cost is the estimated installed cost of the lighting system, including but not limited to, luminaires, poles, distribution facilities, labor, overheads and includes the effect of applicable taxes (when applicable). (K)
2. **Estimated System Cost:** The Estimated System Cost is the estimated installed cost of the lighting system including, but not limited to, luminaires, poles, distribution facilities, labor, and overheads but excludes the effect of applicable taxes.

**Rate Changes:**

Due to the fact that LED luminaire technology is changing so quickly the Lamp and Facilities Charges may change significantly in the future. These changed charges will apply to all lights installed under this schedule. The Lamp Charges reflect the cost of energy. The Facilities Charge reflects the cost of future replacement and O&M costs based on industry projections and use of long-life photocells. (K)

**Lamp Charges:**

The monthly lamp charge per LED luminaire is in accordance with the LED lamp wattage listed on the following two pages. (K)

(K) Transferred to Sheet Nos. 51-D and 51-D, respectively

Issued: October 9, 2013  
Advice No.: 2013-24

Effective: November 16, 2013

Issued By Puget Sound Energy, Inc.

By: 

Ken Johnson

Title: Director, State Regulatory Affairs

4<sup>th</sup> Revision of Sheet No. 51-B  
Canceling 3<sup>rd</sup> Revision  
of Sheet No. 51-B

WN U-60

**PUGET SOUND ENERGY**  
**Electric Tariff G**

**SCHEDULE 51**  
**LED (Light Emitting Diode) LIGHTING SERVICE (Continued)**  
**COMPANY OWNED**

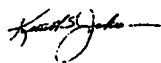
**MONTHLY LAMP CHARGES FOR COMPANY-OWNED LIGHTS:**

| LED Lamp Wattage | Rate per Month per lamp |     |
|------------------|-------------------------|-----|
| 30-60            | \$1.39                  | (R) |
| 60.01-90         | \$2.32                  | (R) |
| 90.01-120        | \$3.24                  | (R) |
| 120.01-150       | \$4.17                  | (R) |
| 150.01-180       | \$5.09                  | (R) |

**Issued: March 30, 2018**  
**Advice No.: 2018-20**

**Effective: May 1, 2018**

By:



**Issued By Puget Sound Energy**

Ken Johnson

**Title: Vice President, Regulatory and  
Government Affairs**

4<sup>th</sup> Revision of Sheet No. 51-C  
Canceling 3<sup>rd</sup> Revision  
of Sheet No. 51-C

WN U-60

**PUGET SOUND ENERGY**  
**Electric Tariff G**

**SCHEDULE 51**  
**LED (Light Emitting Diode) LIGHTING SERVICE (Continued)**  
**COMPANY OWNED**

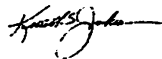
**MONTHLY LAMP CHARGES FOR COMPANY-OWNED LIGHTS (Continued):**

| <u>LED Lamp Wattage</u> | <u>Rate per Month per lamp</u> |     |
|-------------------------|--------------------------------|-----|
| 180.01-210              | \$6.02                         | (R) |
| 210.01-240              | \$6.95                         | (R) |
| 240.01-270              | \$7.87                         | (R) |
| 270.01-300              | \$8.80                         | (R) |

Issued: March 30, 2018  
Advice No.: 2018-20

Effective: May 1, 2018

By:



**Issued By Puget Sound Energy**

Ken Johnson

**Title: Vice President, Regulatory and  
Government Affairs**

5<sup>th</sup> Revision of Sheet No. 51-D  
Canceling 4<sup>th</sup> Revision  
of Sheet No. 51-D  
WN U-60

**PUGET SOUND ENERGY**  
**Electric Tariff G**

**SCHEDULE 51**  
**LED (Light Emitting Diode) LIGHTING SERVICE (Continued)**  
**COMPANY OWNED**

**Facilities Charges:**

**Amounts of the facilities charges:**

Option A: 1.328% times the Estimated System Cost per month. (R)

Under Option A the Customer makes no payment up-front. The monthly facilities charge covers taxes, depreciation, insurance, return and routine maintenance. At any time, upon notice to the Company, the Customer may pay the unamortized balance of the Estimated Installed Cost and thereafter pay the monthly facilities charge under Option B for the remainder of the term.

Option B: 0.074% times the Estimated System Cost per month. (R)

The Customer shall pay the Estimated Installed Cost up-front, prior to the installation of the lighting system. The monthly facilities charge covers routine maintenance.

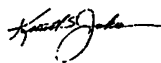
**SPECIAL TERMS AND CONDITIONS:**

1. **Notification of Inoperable Lights:** For lights where the Company provides routine maintenance, it shall be the responsibility of the Customer to notify the Company of LED lights that are not working. Upon notification, within seventy-two (72) hours, excluding Saturdays, Sundays and holidays, the Company will investigate and take corrective action if such action is the responsibility of the Company. If such Company investigation/corrective action is not taken within seventy-two (72) hours for each such light, the Customer's billing shall be credited an amount equal to the monthly Lamp Charges normally billed for that light. This seventy-two (72) hour guarantee of service is in lieu of the provisions of Schedule 130 which are not available under this schedule. The Company will be excused from providing maintenance service within seventy-two (72) hours in the event of significant adverse events, such as storms, earthquakes, or other events beyond the Company's control including those enumerated in Schedule 80, paragraph 12.a of this tariff.
2. **Hours of service:** Service under this schedule is for dusk-to-dawn lighting, or lighting service for the average number of hours of darkness per month (approximately 4,200 hours per year).

Issued: May 1, 2018  
Advice No.: 2018-25

Effective: June 1, 2018

By:



Issued By Puget Sound Energy

Ken Johnson

Title: Vice President, Regulatory and  
Government Affairs

2<sup>nd</sup> Revision of Sheet No. 51-E  
 Canceling 1<sup>st</sup> Revision  
 of Sheet No. 51-E

WN U-60

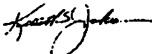
**PUGET SOUND ENERGY**  
**Electric Tariff G**

**SCHEDULE 51**  
**LED (Light Emitting Diode) LIGHTING SERVICE (Continued)**  
**COMPANY OWNED**

3. Removal, Relocation or Modification of Light Facilities: Lighting facilities will be removed, turned off, relocated or modified by the Company only after receipt of a letter signed by the Customer or its assignee who is in authority to order such action. Only the Company may remove, relocate or modify Company owned lighting facilities. Modification includes changes in type of lighting fixture, photocell or changes in bracket length or mounting height due to Customer, city, county or state requests or requirements. Relocation includes relocation of supporting poles and conversion of the serving distribution facilities to underground due to Customer, city, county or state request or requirement. In advance of any removal, relocation or modification, the Customer shall pay an amount equal to the estimated cost of such removal, relocation or modification. This estimated charge shall include the cost of removal of facilities that now serve light load only. All facilities installed or removed remain the sole property of the Company. The cost of removal, relocation or modification also includes any costs of traffic control or other associated costs. At the time when no Customer is taking service for lights under this schedule, the Company, at its sole option, may remove all facilities used in providing service. Lights that are removed because there is no longer a Customer to accept service will be considered removals requested by the last Customer of record for the purposes of assessing the charges contained in this schedule. (N)
4. Additional Removal Charges: In addition to the charge for the cost of the removal, relocation or modification the following charges apply:
- a. If a light to be removed has been installed for less than fifteen (15) years, a charge equal to the total original estimated installed cost less (i) any up-front customer contribution toward the cost of salvageable items and (ii) estimated salvage value of the facilities removed.
  - b. If lights to be removed were transferred to Company ownership for nominal compensation, there will be no additional charge upon removal.
5. Future Replacement: Due to the fact that the technology is changing so quickly with LED luminaires, those installed may become obsolete and may no longer be available. In this situation, the Company will try to replace luminaires that fail with a luminaire that is as close as possible to the look and style of the original luminaire.

Issued: October 13, 2017  
 Advice No.: 2017-16

Effective: November 13, 2017

By: 

Issued By Puget Sound Energy

Ken Johnson

Title: Director, State Regulatory Affairs

2<sup>nd</sup> Revision of Sheet No. 51-F  
Canceling 1<sup>st</sup> Revision  
of Sheet No. 51-F

WN U-60

**PUGET SOUND ENERGY**  
**Electric Tariff G**

**SCHEDULE 51**  
**LED (Light Emitting Diode) LIGHTING SERVICE (Continued)**  
**COMPANY OWNED**

6. Other Loads on Lighting System: Where unmetered lighting circuits include provisions for other or additional usage such as electric outlets (festoon outlets) the Company may require that service be metered and billed under the appropriate general service schedule.
7. Billing Information to be Provided by the Company: For each type and wattage of light the Company shall provide the total number of lights billed and the total dollar amount for the month by lamp size range and type. (C)
8. Ownership of Facilities: The Company shall own, operate, and maintain all facilities installed under this schedule.
9. Non-Standard Equipment: Non-Standard Equipment ("Non-Standard Equipment") is defined herein as: equipment which is not standard to the Company and not included in the Company's inventory for maintenance. LED luminaires are considered to be Non-Standard Equipment until the Company decides otherwise and modifies this provision indicating such decision. Non-Standard Equipment (including but not limited to poles, arms and luminaires) installed under this Schedule is subject to the following conditions.
  - a. Non-Standard Equipment will not be kept in the Company's inventory for the purpose of maintenance. The Customer may choose to keep an inventory of such Non-Standard Equipment and make it available to the Company. If the Customer inventory is made available to the Company at costs that the Company would otherwise pay for such equipment, the Company will use the Customer inventory and reimburse the Customer for materials used within thirty days after receipt of a bill therefore.
  - b. If Non-Standard Equipment is not available for maintenance from the Customer as described in 9.a. above, and it is necessary to provide temporary lighting service when requested by the Customer in writing, the Customer shall be responsible for all costs the Company incurs for such temporary facilities. Temporary lighting service may be service with a high pressure sodium luminaire if requested in writing by the Customer. The Customer shall reimburse the Company for such costs within thirty (30) days after receipt of a bill therefore. If Non-Standard Equipment is not available for maintenance, the Company will not be obligated to comply with paragraphs 1 and 2 of the Special Terms and Conditions section of this schedule.

**Issued: December 11, 2017**

**Effective: December 19, 2017**

**Advice No.: 2017-24**

By Authority of Order 08 of the Washington Utilities and Transportation Commission in Dockets UE-170033 & UG-170034

**Issued By Puget Sound Energy**

By:



Ken Johnson

Title: Director, State Regulatory Affairs



1<sup>st</sup> Revision of Sheet No. 51-G  
Canceling Original  
of Sheet No. 51-G

WN U-60

**PUGET SOUND ENERGY**  
**Electric Tariff G**

**SCHEDULE 51**  
**LED (Light Emitting Diode) LIGHTING SERVICE (Continued)**  
**COMPANY OWNED**

- c. Should the Non-Standard Equipment become unavailable for purchase and require custom fabrication or special ordering, the Facilities Charge shall be adjusted to reflect any increase in cost.
- d. LED lighting controls are considered to be Non-Standard Equipment until the Company decides otherwise and modifies this provision indicating such decision. (N)

**INDEMNIFICATION:** The Customer shall indemnify and hold harmless the Company, its successors and assigns, from and against all claims, actions, liability, cost and expense by reason of injury to or death of persons or damage to property arising or resulting from (a) any interruption of modification of service requested or caused by the Customer; (b) any defects in any Non-Standard Equipment; (c) a failure or inability of the Customer to provide necessary Non-Standard Equipment components in a timely fashion that allows Company to meet its obligations under paragraph 1. of the Special Terms and Conditions of this schedule when so requested by the Company; (d) any lighting replaced with a different type of technology that causes the installation to no longer meet IES Recommended Practices (including, but not limited to replacement of high pressure sodium luminaires with LED luminaires); or (e) any lighting, requested or approved by Customer or third party, which does not conform to the Illuminating Engineering Society (IES) Recommended Practices. (T)

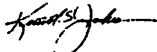
**TREE TRIMMING:** It shall be the responsibility of the Customer to provide tree trimming services in areas that are below the height of luminaires installed under this schedule except when luminaires are installed within the area of energized electrical wires that is restricted to qualified utility workers. The Company shall be responsible for tree trimming within this restricted area. (T)

**ADJUSTMENTS:** Rates in this schedule are subject to adjustment by such other schedules in this tariff as may apply. The adjusting schedules that apply to this schedule are the same as those schedules that are applicable to all lighting schedules. For sizes of lights not listed in the adjusting schedule the adjustment rates are to be based on the same average rate per kWh that is applicable to all other lighting schedules. (T)

**THIRD PARTY DAMAGE:** If lighting facilities experience malicious and/or recurring damage caused by actions of third parties the Company may remove such facilities or, alternatively, such facilities may remain in place upon payment by the Customer for such damage. (T)

Issued: October 13, 2017  
Advice No.: 2017-16

Effective: November 13, 2017

By: 

Issued By Puget Sound Energy

Ken Johnson

Title: Director, State Regulatory Affairs

First Revision of Sheet No. 51-H

Canceling

WN U-60

Original Sheet No. 51-h

**PUGET SOUND ENERGY, INC.**  
**Electric Tariff G**

**SCHEDULE 51****LED (Light Emitting Diode) LIGHTING SERVICE (Continued)****COMPANY OWNED**

**ADDITIONAL COSTS:** The manner and type of construction, maintenance and outdoor lighting standards are subject to applicable governmental authority or law. Where a Customer or a government body makes a request or requires a change that increases the Company's cost of providing service or maintenance under this Schedule and that increased cost is not reimbursed by an agency of the government or other person or entity, the increased cost shall be paid by the Customer. For example, where a permit is required to be purchased which increases costs for maintenance of street lighting, the cost of the permit plus Company costs and overheads shall be paid by the Customer. (T)

Where the applicable governmental author or law has the effect of, or results in, the Company not being able to respond within seventy-two (72) hours to a notification of an inoperable light, the Company shall not be responsible to credit the Customer's billing as provided in the "Notification of Inoperable Lights" section above. For example, if the Company has to obtain a permit prior to responding, there shall not be any credit to the Customer's billing.

**AVAILABILITY OF OPTION A FACILITIES CHARGE:** Option A is available to all Customers except, (N)  
 Option A is not available to homeowner or condo associations or similar organizations until the homes or  
 condos have been fully built-out and occupied. At any time the Company may require that the Customer  
 provide sufficient security up to the amount of the Estimated Installed Cost in a form and for a term  
 acceptable to the Company. Any Customer wishing to discontinue service (including changing of account  
 responsibility) must pay the unamortized balance of the Estimated Installed Cost at the time service is  
 discontinued. (N)

**GENERAL RULES AND PROVISIONS:** Service under this schedule is subject to the General Rules and (T)  
 Provisions contained in this tariff.

Issued: October 9, 2013  
 Advice No.: 2013-24

Effective: November 16, 2013

Issued By Puget Sound Energy, Inc.

By:



Ken Johnson

Title: Director, State Regulatory Affairs

Twenty First Revised Sheet No. 52  
Canceling Twentieth Revised  
WN U-60 Sheet No. 52

**PUGET SOUND ENERGY**  
**Electric Tariff G**

**SCHEDULE 52**  
**CUSTOM LIGHTING SERVICE**  
**COMPANY OWNED**

**AVAILABILITY:**

1. This schedule is available to all Customers contracting for Company owned and maintained sodium vapor or metal halide lighting service for illumination of streets, highways, and other areas.
2. Service under this schedule may be pursuant to a service agreement, which shall be consistent with this schedule and shall be of a standard form provided by and satisfactory to the Company.
3. All non-standard equipment is subject to approval by the Company prior to installation.
4. Service under this schedule is effective for a minimum period of fifteen (15) years for lights installed by the Company on or after August 1, 2000, unless
  - (a) a subsequent customer requests service or;
  - (b) the facilities are removed, whereupon appropriate removal charges shall be paid.
After expiration of such term, service shall continue on a year-to-year basis until terminated upon one (1) year's notice in writing.
5. Where necessary, the Customer shall obtain for, or grant to, the Company necessary permits and/or operating rights to place and/or maintain lighting facilities on public streets, highways, and public areas without expense to the Company. In conditions where it is necessary to place any lighting facilities on private property, the customer shall obtain and furnish suitable easements without expense to the Company.
6. Service under this schedule is available only for newly constructed Company owned lighting systems utilizing underground circuitry, decorative or custom lighting systems utilizing overhead circuitry, or existing lighting systems upon purchase by the Company. The Company will furnish all necessary labor, material and supplies for the installation, servicing and maintenance of lights under this schedule, except as provided in paragraph 8 of the Special Terms and Conditions herein.

**TYPE OF SERVICE:**

Service under this schedule applies to dusk-to-dawn lighting of streets, alleys, and other areas which can be served from the Company's distribution system.

**MONTHLY RATES:**

The sum of Lamp and Facilities charges:

Issued: June 26, 2000  
Advice No. 2000-10

Effective: August 1, 2000

Issued By Puget Sound Energy

By:

  
Steve Secrist

Director, Rates & Regulation

24<sup>th</sup> Revision of Sheet No. 52-A  
Canceling 23<sup>rd</sup> Revision  
of Sheet No. 52-A

WN U-60

**PUGET SOUND ENERGY**  
**Electric Tariff G**

**SCHEDULE 52**  
**CUSTOM LIGHTING SERVICE (Continued)**  
**COMPANY OWNED**

**Lamp Charges:**

| <u>Sodium Vapor Lamp Wattage</u> | <u>Rates per Month per lamp</u> |
|----------------------------------|---------------------------------|
| 50                               | \$1.54                          |
| 70                               | \$2.16                          |
| 100                              | \$3.09                          |
| 150                              | \$4.63                          |
| 200                              | \$6.17                          |
| 250                              | \$7.72                          |
| 310                              | \$9.57                          |
| 400                              | \$12.35                         |
| <u>Metal Halide Lamp Wattage</u> | <u>Rates per Month per lamp</u> |
| 70                               | \$2.16                          |
| 100                              | \$3.09                          |
| 150                              | \$4.63                          |
| 175                              | \$5.40                          |
| 250                              | \$7.72                          |
| 400                              | \$12.35                         |
| 1000                             | \$30.87                         |

**Facilities Charge:**

**Options A and B Terms:**

1. **Estimated Installed Cost:** The Estimated Installed Cost is the estimated installed cost of the lighting system, including but not limited to, luminaires, poles, distribution facilities, labor, overheads and includes the effect of applicable taxes (when applicable).
2. **Estimated System Cost:** The Estimated System Cost is the estimated installed cost of the lighting system including, but not limited to, luminaires, poles, distribution facilities, labor, overheads but excludes the effect of applicable taxes.

**Amounts of the facilities charges:**

Option A: 1.493% times the Estimated System Cost per month.

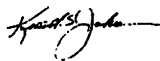
Under Option A the Customer makes no payment up-front. The monthly facilities charge covers taxes, depreciation, insurance, return and routine maintenance. At any time, upon notice to the Company, the Customer may pay the unamortized balance of the Estimated Installed Cost and thereafter pay the monthly facilities charge under Option B for the remainder of the term.

(1)

**Issued: May 1, 2018**  
**Advice No.: 2018-25**

**Effective: June 1, 2018**

By:



**Issued By Puget Sound Energy**

Ken Johnson

**Title: Vice President, Regulatory and  
Government Affairs**

10<sup>th</sup> Revision of Sheet No. 52-B  
Canceling 9<sup>th</sup> Revision  
of Sheet No. 52-B

WN U-60

**PUGET SOUND ENERGY**  
**Electric Tariff G**

**SCHEDULE 52**  
**CUSTOM LIGHTING SERVICE (Continued)**  
**COMPANY OWNED**

**Option B:**

0.239% times the Estimated System Cost per month.

Under Option B the Customer pays the Estimated Installed Cost up-front. The monthly facilities charge covers routine maintenance.

(1)

**Availability of Option A Facilities Charge:**

Option A is available to all Customers except, Option A is not available to homeowner or condo associations or similar organizations until the homes or condos have been fully built-out and occupied. At any time the Company may require that the Customer provide sufficient security up to the amount of the Estimated Installed Cost in a form and for a term acceptable to the Company. Any Customer wishing to discontinue service (including changing of account responsibility) must pay the unamortized balance of the Estimated Installed Cost at the time service is discontinued.

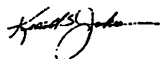
**SPECIAL TERMS AND CONDITIONS:**

1. **Notification of Inoperable Lights:** For lights where the Company provides routine maintenance, it shall be the responsibility of the Customer to notify the Company of Custom lights that are not working. Upon notification, within seventy-two (72) hours, excluding Saturdays, Sundays and holidays, the Company will investigate and take corrective action if such action is the responsibility of the Company. If such Company investigation/corrective action is not taken within seventy-two (72) hours for each such light, the Customer's billing shall be credited an amount equal to the monthly Lamp Charges normally billed for that light. This seventy-two (72) hour guarantee of service is in lieu of the provisions of Schedule 130 which are not available under this schedule. The Company will be excused from providing maintenance service within seventy-two (72) hours in the event of significant adverse events, such as storms, earthquakes, or other events beyond the Company's control including those enumerated in Schedule 80, paragraph 12.a. of this tariff.
2. **Hours of service:** Service under this schedule is for dusk-to-dawn lighting, or lighting service for the average number of hours of darkness per month (approximately 4,200 hours per year).

Issued: May 1, 2018  
Advice No.: 2018-25

Effective: June 1, 2018

By:



**Issued By Puget Sound Energy**

Ken Johnson

**Title:** Vice President, Regulatory and  
Government Affairs

3<sup>rd</sup> Revision of Sheet No. 52-C  
Canceling 2<sup>nd</sup> Revision  
of Sheet No. 52-C

WN U-60

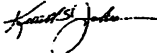
**PUGET SOUND ENERGY**  
**Electric Tariff G**

**SCHEDULE 52**  
**CUSTOM LIGHTING SERVICE (Continued)**  
**COMPANY OWNED**

3. Removal, Relocation or Modification of Lighting Facilities: Lighting facilities will be removed, turned off, relocated or modified by the Company only (i) after receipt of a letter signed by the Customer or its assignee who is in authority to order such action or (ii) when equipment is no longer available for purchase or has become obsolete. Only the Company may remove, relocate or modify Company owned lighting facilities. Modification includes changes in type of lighting fixture or changes in bracket length or mounting height due to (i) Customer, city, county or state requests or requirements or (ii) when equipment is no longer available for purchase or has become obsolete. Relocation includes relocation of supporting poles and conversion of the serving distribution facilities to underground due to Customer, city, county or state request or requirement. In advance of any removal, relocation or modification, the Customer shall pay an amount equal to the estimated cost of such removal, relocation or modification. The Customer will not pay any cost of modification when equipment is no longer available for purchase or has become obsolete. This estimated charge shall include the cost of removal of facilities that now serve lighting load only. All facilities installed or removed remain the sole property of the Company. The cost of removal, relocation or modification also includes any costs of traffic control or other associated costs. At the time when no Customer is taking service for lights under this schedule, the Company, at its sole option, may remove all facilities used in providing service. Lights that are removed because there is no longer a Customer to accept service will be considered removals requested by the last Customer of record for the purposes of assessing the charges contained in this schedule.
- (C)  
|  
(C)  
  
(C)  
|  
(C)  
  
(C)  
|  
(C)
4. Additional Removal Charges: In addition to the charge for the cost of the removal, relocation or modification the following charges apply:
- a. If a light to be removed has been installed for less than ten (10) years and was installed prior to August 1, 2000; or a light installed after July 31, 2000, has been installed for less than fifteen (15) years, a charge equal to the total original estimated installed cost less (i) any up-front Customer contribution toward the cost of salvageable items and (ii) estimated salvage value of the facilities removed.
  - b. If lights to be removed were transferred to Company ownership for nominal compensation, there will be no additional charge upon removal.

Issued: October 13, 2017  
Advice No.: 2017-16

Effective: November 13, 2017

By: 

Issued By Puget Sound Energy

Ken Johnson

Title: Director, State Regulatory Affairs

2<sup>nd</sup> Revision of Sheet No. 52-D  
Canceling 1<sup>st</sup> Revision  
of Sheet No. 52-D  
WN U-60

**PUGET SOUND ENERGY**  
**Electric Tariff G**

**SCHEDULE 52**  
**CUSTOM LIGHTING SERVICE (Continued)**  
**COMPANY OWNED**

(O)

5. Other Loads on Lighting System: Where unmetered lighting circuits include provisions for other or additional usage such as electric outlets (festoon outlets) the Company may require that service be metered and billed under the appropriate general service schedule.

6. Billing Information to be Provided by the Company: For each type and wattage of light the Company shall provide the total number of lights billed and the total dollar amount for the month by lamp size range and type.

(C)

7. Ownership of Facilities: The Company shall own, operate, and maintain all facilities installed under this schedule.

8. Non-Standard Equipment: Non-Standard Equipment ("Non-Standard Equipment") is defined herein as: equipment which is not standard to the Company and not included in the Company's inventory for maintenance. Non-Standard Equipment (including but not limited to poles, arms and luminaires) installed under this Schedule is subject to the following conditions.

- a. Non-Standard Equipment will not be kept in the Company's inventory for the purpose of maintenance. The Customer may choose to keep an inventory of such Non-Standard Equipment and make it available to the Company. If the Customer inventory is made available to the Company at costs that the Company would otherwise pay for such equipment, the Company will use the Customer inventory and reimburse the Customer for materials used within thirty days after receipt of a bill therefore.
- b. If Non-Standard Equipment is not available for maintenance from the Customer as described in 8.a. above, and it is necessary to provide temporary lighting service, when requested by the Customer in writing, the Customer shall be responsible for all costs the Company incurs for such temporary facilities. The Customer shall reimburse the Company for such costs within thirty (30) days after receipt of a bill therefore. If Non-Standard Equipment is not available for maintenance the Company will not be obligated to comply with paragraphs 1 and 2 of the Special Terms and Conditions section of this schedule.

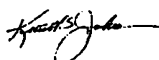
Issued: December 11, 2017

Effective: December 19, 2017

Advice No.: 2017-24

By Authority of Order 08 of the Washington Utilities and Transportation Commission in Dockets UE-170033 & UG-170034

**Issued By Puget Sound Energy**

By: 

Ken Johnson

Title: Director, State Regulatory Affairs

4<sup>th</sup> Revision of Sheet No. 52-E  
Canceling 3<sup>rd</sup> Revision  
of Sheet No. 52-E  
WN U-60

**PUGET SOUND ENERGY**  
**Electric Tariff G**

**SCHEDULE 52**  
**CUSTOM LIGHTING SERVICE (Continued)**  
**COMPANY OWNED**

(O)

- c. Should the Non-Standard Equipment become unavailable for purchase and require custom fabrication or special ordering, the Facilities Charge shall be adjusted to reflect any increase in cost.

9. Limited Availability: The Company may limit or not offer new or replacement street lights of any type or wattage at any time, even though rates for such lights may be in this Schedule. Existing lights may remain until replaced. (C)  
|  
(C)
10. Conversion of Lights to Light Emitting Diode (LED): When equipment is no longer available for purchase or has become obsolete, the Company will modify sodium vapor or metal halide lights to LED luminaires and the Customer will take service under Schedule 51. (N)  
|  
(N)

**INDEMNIFICATION:** The Customer shall indemnify and hold harmless the Company, its successors and assigns, from and against all claims, actions, liability, cost and expense by reason of injury to or death of persons or damage to property arising or resulting from (a) any interruption of modification of service requested or caused by the Customer; (b) any defects in any Non-Standard Equipment; (c) a failure or inability of the Customer to provide necessary Non-Standard Equipment components in a timely fashion that allows Company to meet its obligations under paragraph 1. of the Special Terms And Conditions of this schedule when so requested by the Company; or (d) any lighting, requested or approved by Customer or third party, which does not conform to the Illuminating Engineering Society (IES) Standards.

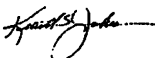
**TREE TRIMMING:** It shall be the responsibility of the Customer to provide tree trimming services in areas that are below the height of luminaires installed under this schedule except when luminaires are installed within the area of energized electrical wires that is restricted to qualified utility workers. The Company shall be responsible for tree trimming within this restricted area.

**ADJUSTMENTS:** Rates in this schedule are subject to adjustment by such other schedules in this tariff as may apply.

**THIRD PARTY DAMAGE:** If Custom lighting facilities experience malicious and/or recurring damage caused by actions of third parties the Company may remove such facilities or, alternatively, such facilities may remain in place upon payment by the Customer for such damage.

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Advice No.: 2017-16

Effective: November 13, 2017

By: 

Issued By Puget Sound Energy

Ken Johnson

Title: Director, State Regulatory Affairs



WN U-60

Original Sheet No. 52-f

**PUGET SOUND ENERGY  
Electric Tariff G**

**SCHEDULE 52  
CUSTOM LIGHTING SERVICE  
COMPANY OWNED  
(Continued)**

**ADDITIONAL COSTS:**

The manner and type of construction, maintenance and outdoor lighting standards are subject to applicable governmental authority or law. Where a Customer or a government body makes a request or requires a change that increases the Company's cost of providing service or maintenance under this Schedule and that increased cost is not reimbursed by an agency of the government or other person or entity, the increased cost shall be paid by the Customer. For example, where a permit is required to be purchased which increases costs for maintenance of street lighting, the cost of the permit plus Company costs and overheads shall be paid by the Customer.

(N)

Where the applicable governmental authority or law has the effect of, or results in, the Company not being able to respond within seventy-two (72) hours to a notification of an inoperable light, the Company shall not be responsible to credit the Customer's billing as provided in the "Notification of Inoperable Lights" section above. For example, if the Company has to obtain a permit prior to responding, there shall not be any credit to the Customer's billing.

(N)

**GENERAL RULES AND PROVISIONS:**

Service under this schedule is subject to the General Rules and Provisions contained in this tariff.

(K)

(K)

(K) Transferred from Sheet No. 52-e

Issued: June 11, 2008

Effective: July 12, 2008

Advice No. 2008-13

Issued By Puget Sound Energy

By:

Tom DeBoer

Tom DeBoer

Title: Director, Rates &amp; Regulatory Affairs

WN U-60

22<sup>nd</sup> Revision of Sheet No. 53  
Canceling 21<sup>st</sup> Revision  
of Sheet No. 53

**PUGET SOUND ENERGY**  
**Electric Tariff G**

**SCHEDULE 53**  
**STREET LIGHTING SERVICE**

**AVAILABILITY:**

1. Service is available for new and existing Customer-owned lighting and for existing Company-owned lighting but service for new Company-owned lighting is limited as described herein.
2. All non-standard equipment is subject to approval by the Company prior to installation. For this purpose, Light Emitting Diode ("LED") equipment and lighting controls are considered non-standard. (N)
3. Where necessary, the Customer shall obtain for, or grant to, the Company necessary permits or operating rights to place lighting facilities on public streets, highways, and public areas without expense to the Company. In conditions where it is necessary to place any lighting facilities on private property, the Customer shall obtain and furnish suitable easements without expense to the Company.
4. In areas with Company-owned underground electric distribution facilities the Company shall only connect Customer-owned street lights utilizing underground circuitry.
5. In areas with Company-owned overhead electric distribution facilities the Company shall only connect (1) Company-owned lighting systems utilizing overhead circuitry or; (2) Customer-owned lighting systems utilizing underground circuitry or (3) Customer-owned lighting systems utilizing overhead circuitry attached only to Customer-owned poles except at the source.

**LIMITED SERVICE:**

1. For Company-owned lights, service is available under this schedule for new high pressure sodium vapor ("HPS"), LED, or metal halide ("MH") lights installed on existing poles and on new poles installed for purposes other than street lighting.
2. For Company-owned lights, that are to be located in areas where the electrical distribution system and street light circuitry are located underground, service under this schedule is limited to existing lighting systems receiving service as of June 1, 1998.

**TYPES OF SERVICE:**

1. Service under this schedule applies to dusk-to-dawn lighting of streets, alleys, other public thoroughfares and other areas which can be served from the Company's distribution system for
  - a. Company-owned lighting systems with energy and all maintenance services provided by the Company or;
  - b. Customer-owned lighting systems with energy and routine maintenance provided by the Company.

Issued: October 13, 2017  
Advice No.: 2017-16

Effective: November 13, 2017

By: 

Issued By Puget Sound Energy

Ken Johnson

Title: Director, State Regulatory Affairs

22<sup>nd</sup> Revision of Sheet No. 53-ACanceling 21<sup>st</sup> Revision

WN U-60

of Sheet No. 53-A

**PUGET SOUND ENERGY**  
**Electric Tariff G**

**SCHEDULE 53**  
**STREET LIGHTING SERVICE (Continued)**

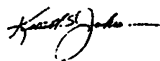
**COMPANY-OWNED LIGHTS:****MONTHLY RATES PER LAMP FOR COMPANY-OWNED LIGHTS:**

| <u>HPS Lamp Wattage</u>          | <u>Rate per Month per lamp</u> |     |
|----------------------------------|--------------------------------|-----|
| 50                               | \$10.72                        | (l) |
| 70                               | \$11.50                        |     |
| 100                              | \$12.68                        |     |
| 150                              | \$14.64                        |     |
| 200                              | \$16.61                        |     |
| 250                              | \$18.57                        |     |
| 310                              | \$20.93                        |     |
| 400                              | \$24.46                        |     |
| 1000                             | \$48.03                        | (l) |
| <br>                             |                                |     |
| <u>Metal Halide Lamp Wattage</u> | <u>Rate per Month per lamp</u> |     |
| 70                               | \$14.18                        | (l) |
| 100                              | \$15.44                        |     |
| 150                              | \$17.52                        |     |
| 250                              | \$21.69                        |     |
| 400                              | \$27.95                        | (l) |

Issued: May 1, 2018  
Advice No.: 2018-25

Effective: June 1, 2018

By:


**Issued By Puget Sound Energy**

Ken Johnson

**Title: Vice President, Regulatory and  
Government Affairs**

19<sup>th</sup> Revision of Sheet No. 53-B  
Canceling 18<sup>th</sup> Revision  
of Sheet No. 53-B

**WN U-60**

**PUGET SOUND ENERGY**  
**Electric Tariff G**

**SCHEDULE 53**  
**STREET LIGHTING SERVICE (Continued)**

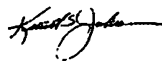
**MONTHLY RATES PER LAMP FOR COMPANY-OWNED LIGHTS (Continued):**

| <u>LED Lamp Wattage</u> | <u>Rate per Month per lamp</u> |     |
|-------------------------|--------------------------------|-----|
| 30-60                   | \$9.97                         | (R) |
| 60.01-90                | \$11.03                        | (R) |
| 90.01-120               | \$12.10                        | (R) |
| 120.01-150              | \$13.16                        | (R) |
| 150.01-180              | \$14.23                        | (R) |

**Issued: May 1, 2018**  
**Advice No.: 2018-25**

**Effective: June 1, 2018**

By:



**Issued By Puget Sound Energy**

**Ken Johnson**

**Title: Vice President, Regulatory and  
Government Affairs**

13<sup>th</sup> Revision of Sheet No. 53-C  
 Canceling 12<sup>th</sup> Revision  
 of Sheet No. 53-C

WN U-60

**PUGET SOUND ENERGY**  
**Electric Tariff G**

**SCHEDULE 53**  
**STREET LIGHTING SERVICE (Continued)**

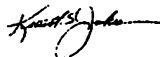
**MONTHLY RATES PER LAMP FOR COMPANY-OWNED LIGHTS (Continued):**

| <u>LED Lamp Wattage</u> | <u>Rate per Month per lamp</u> |     |
|-------------------------|--------------------------------|-----|
| 180.01-210              | \$15.29                        | (R) |
| 210.01-240              | \$16.36                        | (R) |
| 240.01-270              | \$17.42                        | (R) |
| 270.01-300              | \$18.49                        | (R) |

Issued: May 1, 2018  
 Advice No.: 2018-25

Effective: June 1, 2018

By:



**Issued By Puget Sound Energy**

Ken Johnson

**Title:** Vice President, Regulatory and  
 Government Affairs

5<sup>th</sup> Revision of Sheet No. 53-D  
Canceling 4<sup>th</sup> Revision  
of Sheet No. 53-D

WN U-60

**PUGET SOUND ENERGY**  
**Electric Tariff G**

**SCHEDULE 53**  
**STREET LIGHTING SERVICE (Continued)**

**COMPANY-OWNED LIGHTS – SPECIAL TERMS AND CONDITIONS:**

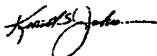
1. **Installation and Maintenance:** The Company will install new lights upon request and shall provide all engineering and mapping, and shall provide and install (a) Luminaire, (b) Lamp, (c) Photocell, (d) Bracket, (e) Secondary voltage circuitry, and (f) secondary voltage connectors and fusing. The Customer shall pay only the additional installed cost of bracket arms in excess of 8 feet, and the additional cost of luminaires costing more than the Company standard HPS luminaires. For the purpose of this rate the Company-owned cobra head style HPS, Metal Halide or LED luminaires are the Company standards. Payments made for additional costs are not refundable. Company repairs and maintenance shall be in accordance with Company standards.
2. **Ownership of Facilities:** The Company shall own, operate, and maintain all facilities installed by the Company under this schedule.
3. **Types of Luminaires:** Only luminaires with maintenance costs and energy use comparable to or less than Company standard luminaires and of sizes and types stocked by the Company will be served under this schedule. Luminaires of types that are not approved for service under this schedule may be suitable for service under Schedules 51 or 52 of this tariff.
4. **Removal, Relocation or Modification of Lighting Facilities:** Lighting facilities will be removed, turned off, relocated or modified only (i) after receipt of a letter signed by the Customer or its assignee who is in authority to order such action or (ii) when equipment is no longer available for purchase or has become obsolete. Only the Company may remove, relocate or modify Company-owned lighting facilities. Modification includes changes in type of lighting fixture, photocell or changes in bracket length or mounting height due to (i) Customer, city, county or state requests or requirements or (ii) when equipment is no longer available for purchase or has become obsolete. Requests for removal and subsequent re-installation of a lighting fixture in order to meet applicable ordinances or law pertaining to the type of lighting facilities or requirements for bracket length or mounting height will be considered a modification for the purposes of charges herein. Relocation includes relocation of supporting poles and conversion of the serving distribution facilities to underground due to Customer, city, county or state request or requirement. In advance of any removal, relocation or modification, the Customer shall pay an amount equal to the estimated cost of such removal, relocation or modification. The Customer will not pay any cost of modification when equipment is no longer available for purchase or has become obsolete. This estimated charge shall include the cost of removal of facilities that now serve lighting load only. All facilities installed or removed remain the sole property of the Company.

(C)  
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(N)  
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(C)

Issued: October 13, 2017  
Advice No.: 2017-16

Effective: November 13, 2017

Issued By Puget Sound Energy

By: 

Ken Johnson

Title: Director, State Regulatory Affairs

Fourth Revision of Sheet No. 53-e  
Canceling Third Revision  
of Sheet No. 53-e  
**WN U-60**

**PUGET SOUND ENERGY**  
**Electric Tariff G**

**SCHEDULE 53**  
**STREET LIGHTING SERVICE**  
(Continued)

**COMPANY-OWNED LIGHTS – SPECIAL TERMS AND CONDITIONS (Continued):**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | (K) | (T) |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----|
| 4. (Continued)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | (K) | (T) |
| The cost of removal, relocation or modification also includes any costs of traffic control or other associated costs. Charges for relocation or modification apply to all lights of any age. Charges for removal apply to lights that are (a) installed after June 1, 1998, and (b) have been in service for less than 25 years and (c) are removed (i) due to Customer request or (ii) because there is no longer a Customer to accept service. Where there is no longer a Customer to accept service, the removal will be considered a removal requested by the last Customer of record for the purposes of assessing the charges contained in this schedule. The provisions of this paragraph are modified by the provisions of the Conversion to LED paragraph below when a modification is of a HPS luminaire to an LED luminaire. | (M) | (K) |
| 5. <u>Installation Costs Charge Upon Removal:</u> In addition to the charge for the cost of the removal, the following charges apply:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |     |     |
| a. If a light installed after June 1, 1998, is to be removed and has been installed for less than ten (10) years, a charge equal to the total original estimated installed cost less (i) any up-front customer contribution toward the cost of salvageable items and (ii) estimated salvage value of the facilities removed.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |     |     |
| b. Transfer to Company: If lights are transferred to Company ownership for nominal compensation, the charges in a. above will not apply.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | (M) |     |
| 6. <u>Conversion to LED:</u> The conversion of existing HPS luminaires to LED and the installation of new LED luminaires is subject to the Customer paying the estimated installed cost of the LED luminaire minus the estimated installed cost of a HPS luminaire (which will be the Company's investment in the LED luminaire).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | (N) |     |
| 7. <u>LED Rates Subject to Change:</u> Due to the fact that LED luminaire technology is changing so quickly rates may change significantly in the future. The LED rates above are bundled rates which include components for the recovery of Company costs related to the capital investment, cost of operation and maintenance (O&M), and costs of energy. The rate component related to the capital investment is based on the investment in each LED luminaire and the existing bracket arm and circuitry, the rate component for O&M costs is based on industry projections and use of long-life photocells.                                                                                                                                                                                                                        | (N) | (T) |
| (M) Transferred from Sheet Nos. 53-b                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |     | (K) |
| (K) Transferred to Sheet Nos. 53-j and 53-k, respectively.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |     |     |

Issued: July 17, 2012  
Advice No.: 2012-21

Effective: September 1, 2012

Issued By Puget Sound Energy

By: Tom DeBoer

Tom DeBoer

Title: Director, Federal & State Regulatory Affairs

7<sup>th</sup> Revision of Sheet No. 53-F  
Canceling 6<sup>th</sup> Revision  
of Sheet No. 53-F

WN U-60

**PUGET SOUND ENERGY**  
**Electric Tariff G**

**SCHEDULE 53**  
**STREET LIGHTING SERVICE (Continued)**

**COMPANY-OWNED LIGHTS – SPECIAL TERMS AND CONDITIONS (Continued):**

7. LED Rates Subject to Change (Continued): Upon failure in the future, the Company will replace the LED luminaire at no charge to the Customer however, if the actual future cost is different than the Company's investment in the luminaire, this may result in a change in rates. The O&M cost component is estimated based on manufacturer's representations, if actual O&M costs differ from this estimate this may result in a change in rates.
8. Photocell with LED Luminaires: The photocell receptacle shall accept a locking type 120 volt photocell complying with ANSI C136.10 – 1988 or subsequent revision.
9. Availability: The Company may limit or not offer new street lights of any type or wattage at any time, even though rates for such lights may be in this Schedule. Existing lights may remain until replaced.

**CUSTOMER-OWNED LIGHTS:**

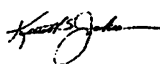
**MONTHLY RATES PER LAMP FOR CUSTOMER-OWNED LIGHTS:**

| HPS Lamp Wattage          | Rate per Month per Lamp |     |
|---------------------------|-------------------------|-----|
| 50                        | \$3.64                  | (R) |
| 70                        | \$4.26                  |     |
| 100                       | \$5.19                  |     |
| 150                       | \$6.73                  |     |
| 200                       | \$8.27                  |     |
| 250                       | \$9.82                  |     |
| 310                       | \$11.67                 |     |
| 400                       | \$14.45                 |     |
| 1000                      | \$32.97                 | (R) |
| Metal Halide Lamp Wattage | Rate per Month per lamp |     |
| 70                        | \$6.36                  | (R) |
| 100                       | \$7.28                  |     |
| 150                       | \$8.83                  |     |
| 175                       | \$9.60                  |     |
| 250                       | \$11.91                 |     |
| 400                       | \$16.55                 | (R) |

**Issued: March 30, 2018**  
**Advice No.: 2018-20**

**Effective: May 1, 2018**

By:



**Issued By Puget Sound Energy**

Ken Johnson

**Title: Vice President, Regulatory and  
Government Affairs**



4<sup>th</sup> Revision of Sheet No. 53-G  
Canceling 3<sup>rd</sup> Revision  
of Sheet No. 53-G

WN U-60

**PUGET SOUND ENERGY**  
**Electric Tariff G**

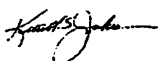
**SCHEDULE 53**  
**STREET LIGHTING SERVICE (Continued)**

**MONTHLY RATES PER LAMP FOR CUSTOMER-OWNED LIGHTS (Continued):**

| LED Lamp Wattage | Rate per Month per Lamp |     |
|------------------|-------------------------|-----|
| 30-60            | \$1.81                  | (R) |
| 60.01-90         | \$2.74                  | (R) |
| 90.01-120        | \$3.66                  | (R) |
| 120.01-150       | \$4.59                  | (R) |
| 150.01-180       | \$5.51                  | (R) |

Issued: March 30, 2018  
Advice No.: 2018-20

Effective: May 1, 2018

By: 

Issued By Puget Sound Energy  
Ken Johnson

Title: Vice President, Regulatory and  
Government Affairs

3<sup>rd</sup> Revision of Sheet No. 53-H  
Canceling 2<sup>nd</sup> Revision  
of Sheet No. 53-H

WN U-60

**PUGET SOUND ENERGY**  
**Electric Tariff G**

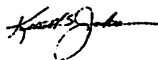
**SCHEDULE 53**  
**STREET LIGHTING SERVICE (Continued)**

**MONTHLY RATES PER LAMP FOR CUSTOMER-OWNED LIGHTS (Continued):**

| LED Lamp Wattage | Rate per Month per lamp |     |
|------------------|-------------------------|-----|
| 180.01-210       | \$6.44                  | (R) |
| 210.01-240       | \$7.37                  | (R) |
| 240.01-270       | \$8.29                  | (R) |
| 270.01-300       | \$9.22                  | (R) |

**Issued: March 30, 2018**  
**Advice No.: 2018-20**

**Effective: May 1, 2018**

By: 

**Issued By Puget Sound Energy**  
Ken Johnson

**Title: Vice President, Regulatory and**  
**Government Affairs**

1<sup>st</sup> Revision of Sheet No. 53-I

Canceling Original

of Sheet No. 53-I

WN U-60

**PUGET SOUND ENERGY**  
**Electric Tariff G**

**SCHEDULE 53**  
**STREET LIGHTING SERVICE (Continued)**

**CUSTOMER-OWNED LIGHTS – SPECIAL TERMS AND CONDITIONS:**

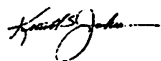
1. **Installation and Maintenance:** A system installed and wholly owned by the Customer shall conform to the Company's specifications for such type of system in effect at the time of installation and shall be installed without expense to the Company. The Customer shall be responsible for providing the entire lighting system including the initial lamp of a type and wattage reflected in this schedule and the initial photocell. The Customer shall be responsible for furnishing the maintenance to the luminaire, poles and brackets, wiring in/on poles, and circuitry and duct. Other maintenance shall be furnished by the Company in accordance with the paragraph titled "Maintenance Service Provided" below.
2. **Installation of New Lights – Notification:** The Customer shall notify the Company on a timely basis of any new lights installed. Such notification shall include the information required in the paragraph titled "Inventory" below.
3. **Connection of Street Light Systems:** The Company will connect all electrical loads to, or disconnect the same from, the Company's electric distribution facilities.
4. **Company Approval of Luminaires:** Only HPS or MH luminaires with maintenance costs and energy use comparable to Company standard luminaires and of sizes stocked by the Company will be served under this schedule. All LED luminaires are approved for use under this schedule. HPS and MH luminaires shall accept a Company standard lamp(s) (mogul base lamp) and all luminaires shall have a photocell receptacle that will accept the locking type of 120 volt photocell complying with ANSI C136.10 – 1988 or subsequent revision. Rates under this Schedule are not adjusted when street light controls are installed. Luminaires of types that are not approved for service under this schedule may be suitable for service under Schedules 51 or 52 of this tariff. (N)  
(N)
5. **Maintenance Service Provided:** For HPS and MH luminaires, the Company will furnish the necessary energy, repairs and routine maintenance work in accordance with Company standards as follows.
  - a. Spot lamp replacement
  - b. Group lamp replacement as determined necessary by the Company
  - c. Photocell replacement
  - d. Cleaning of reflectors and refractors (excludes replacement)
  - e. Replacement of fuses located in PSE owned vaults or handholes
  - f. All required maintenance in PSE owned vaults

Issued: October 13, 2017  
Advice No.: 2017-16

Effective: November 13, 2017

Issued By Puget Sound Energy

By:



Ken Johnson

Title: Director, State Regulatory Affairs

1<sup>st</sup> Revision of Sheet No. 53-J  
Canceling Original  
of Sheet No. 53-J

WN U-60

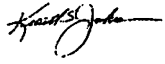
**PUGET SOUND ENERGY**  
**Electric Tariff G**

**SCHEDULE 53**  
**STREET LIGHTING SERVICE (Continued)**

- g. Maintenance of secondary service line from PSE pole or handhole to the Customer's Point of Delivery, the initial cost of which was paid by the Customer in accordance with the paragraph titled "Line Extensions" below.  
For LED luminaires, the Company will furnish the necessary energy, repairs and routine maintenance work in items c., and e. through g. above in accordance with Company standards.
6. Customer Trench: Customer-owned and constructed underground street light circuitry shall be in a separate trench from the Company's secondary or primary voltage circuitry. Customer-owned overhead street light circuitry shall be in a location acceptable to the Company if the Company has or will have overhead facilities along the same street.
7. Removal of Lights: The Customer shall notify the Company of all removals of Customer-owned lights on a timely basis. This notification shall include lights to be removed from the Customer's billing due to annexation or other transfer to another Customer.
8. Audit: The Company may from time to time, at its discretion, audit the Customer's installations. In the event discrepancies are discovered in the audited sample, the Company may audit the entire Customer system. If the audit shows that the Customer has unduly added lights or other lighting facilities without the Company's consent, the audit will be at the expense of the Customer and all lights and lighting facilities not included or included at an incorrect size or type will be billed effective from the first date of connection, if ascertainable, or for the last 3 years, whichever is less. If the audit shows that the Customer has reduced the number of lights or lighting facilities in use, the audit will be at the expense of the Company, and the Customer will get a credit effective from the first date of removal from service.
9. Relocation: The Customer shall notify the Company of each street light relocated, such notification shall include the information required in the paragraph titled "Inventory" above.
10. Limited Availability: The Company may limit or not offer new or replacement street lights of any type or wattage at any time, even though rates for such lights may be in this Schedule. Existing lights may remain until replaced. (C)  
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|  
(C)
11. Due to the fact that LED luminaire technology is changing quickly the charges for LED luminaires may change significantly in the future.

Issued: October 13, 2017  
Advice No.: 2017-16

Effective: November 13, 2017

By: 

Issued By Puget Sound Energy

Ken Johnson

Title: Director, State Regulatory Affairs

1<sup>st</sup> Revision of Sheet No. 53-K  
Canceling Original  
of Sheet No. 53-K

WN U-60

**PUGET SOUND ENERGY**  
**Electric Tariff G**

**SCHEDULE 53**  
**STREET LIGHTING SERVICE (Continued)**

(O)

**COMPANY AND CUSTOMER-OWNED LIGHTS – TERMS AND CONDITIONS:**

1. **Notification of Inoperable Lights:** For lights where the Company provides routine maintenance, it shall be the responsibility of the Customer to notify the Company of lights that are not working. Upon notification, within seventy-two (72) hours, excluding Saturdays, Sundays and holidays, the Company will investigate and take corrective action if such action is the responsibility of the Company. If such Company investigation/corrective action is not taken within seventy-two (72) hours for each such light, the Customer's billing shall be credited an amount equal to the monthly rate per lamp normally billed for the same wattage and type of Schedule 54 lamp or in the case of LED lights, the amount of the bill calculated on a per kWh per month basis. This seventy-two (72) hour guarantee of service is in lieu of the provisions of Schedule 130 which are not available under this schedule. The Company will be excused from providing maintenance service within seventy-two (72) hours in the event of significant adverse events, such as storms, earthquakes, or other events beyond the Company's control including those enumerated in Schedule 80, paragraph 12.a. of this tariff.
2. **Other Loads on Lighting System:** Where unmetered lighting circuits include provisions for other or additional usage such as electric outlets (festoon outlets) the Company may require that service be metered and billed under the appropriate general service schedule.
3. **Billing Information to be Provided by the Company:** For each type and wattage of light the Company shall provide the total number of lights billed and the total dollar amount for the month by lamp size range and type.
4. **Hours of Service:** Service under this schedule is for dusk-to-dawn lighting, or lighting service for the average number of hours of darkness per month (approximately 4,200 hours per year).
5. **Line Extensions:** The Company's primary or secondary distribution circuits will be extended by the Company for service under this schedule at the Customer's expense.

(C)

**Issued: December 11, 2017**

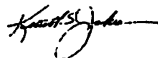
**Effective: December 19, 2017**

**Advice No.: 2017-24**

By Authority of Order 08 of the Washington Utilities and Transportation Commission in Dockets UE-170033 & UG-170034

**Issued By Puget Sound Energy**

By:



Ken Johnson

Title: Director, State Regulatory Affairs

First Revision of Sheet No. 53-L  
Canceling  
WN U-60 Original Sheet No. 53-I

**PUGET SOUND ENERGY, INC.  
Electric Tariff G**

**SCHEDULE 53  
STREET LIGHTING SERVICE (Continued)**

**COMPANY AND CUSTOMER-OWNED LIGHTS – TERMS AND CONDITIONS (Continued):**

6. Choice of Lamp Size, Type and Location: The Company will provide such assistance that the Customer needs or requests for the Customer to decide the type of service, lamp size, and location of street lights from the types, sizes and locations available under this Schedule.
7. Liability of PSE: PSE shall not, by taking action pursuant to its tariffs, be liable for any loss, damage, or injury, established or alleged, which may result, or be claimed to result, therefrom.
8. Tree Trimming: It shall be the responsibility of the Customer to provide tree trimming services in areas that are below the height of luminaires installed under this schedule except when Company-owned luminaires are installed within the area of energized electrical wires that is restricted to qualified utility workers. Customer-owned luminaires may not be included in this restricted area. The Company shall be responsible for tree trimming within this restricted area.
9. Adjustments: Rates in this schedule are subject to adjustment by such other schedules in this tariff as may apply. The adjusting schedules that apply to this schedule are the same as those adjusting schedules that are applicable to all lighting schedules. For sizes or types of lights not listed in the adjusting schedule, the adjustment rates are to be based on the same average rate per kWh that is applicable to all other lighting schedules. (C)  
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(C)
10. Third Party Damage:  
Company-Owned Installations: Street lighting facilities which experience malicious and/or recurring damage caused by actions of third parties shall be subject to removal by the Company and/or payment by the Customer for such damage.  
Customer-Owned Installations: The Customer shall pay for repair and/or maintenance work required (including replacement of damaged parts, if necessary) caused by actions of third parties, whether by accident or otherwise.

Issued: October 9, 2013  
Advice No.: 2013-21

Effective: November 16, 2013

Issued By Puget Sound Energy, Inc.

By:



Ken Johnson

Title: Director, State Regulatory Affairs

WN U-60

Original Sheet No. 53-m

**PUGET SOUND ENERGY  
Electric Tariff G**

**SCHEDULE 53  
STREET LIGHTING SERVICE  
(Continued)**

**COMPANY AND CUSTOMER-OWNED LIGHTS – TERMS AND CONDITIONS (Continued):**

(T)

11. Additional Costs: The manner and type of construction, maintenance and outdoor lighting standards are subject to applicable governmental authority or law. Where a Customer or a government body makes a request or requires a change that increases the Company's cost of providing service or maintenance under this Schedule and that increased cost is not reimbursed by an agency of the government or other person or entity, the increased cost shall be paid by the customer. For example, where a permit is required to be purchased which increases costs for maintenance of street lighting, the cost of the permit plus Company costs and overheads shall be paid by the Customer.
- Where the applicable governmental authority or law has the effect of, or results in, the Company not being able to respond within seventy-two (72) hours to a notification of an inoperable light, the Company shall not be responsible to credit the Customer's billing as provided in the "Notification of Inoperable Lights" section above. For example, if the Company has to obtain a permit prior to responding, there shall not be any credit to the Customer's billing.
12. Inventory: Notifications regarding new street lights or changes in existing street lights shall include the following information: the wattage of the light generating component, the wattage of the ballast or driver or similar device, the name of the manufacturer, the type of street lights (HPS, LED, etc.), the approximate street address of the location of the street light and if available, the PSE/Intolight tag number on the pole.

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(N)

**GENERAL RULES AND PROVISIONS:**

Service under this schedule is subject to the General Rules and Provisions contained in this tariff.

(M) Transferred from Sheet No. 53-f

Issued: July 17, 2012  
Advice No.: 2012-21

Effective: September 1, 2012

Issued By Puget Sound Energy

By: Tom DeBoer

Tom DeBoer

Title: Director, Federal &amp; State Regulatory Affairs

**EXHIBIT C**

DocuSign Envelope ID: 5ECFB922-3AA0-4382-B249-E67FC8A45C82

**EXHIBIT A****Form of Custom Street Lighting Order**

PROJECT NAME: ~~XXXXXXXXXXXXXXXXXXXX~~  
 LOCATION: ~~XXXXXXXXXXXXXXXXXXXX~~

Order #: 105090111

**CUSTOM STREET LIGHTING ORDER – SCHEDULE 51**

This Custom Street Lighting Order (this "Order"), dated 4/1/2019, is made and entered into by and between PUGET SOUND ENERGY, INC. ("PSE") and ~~XXXXXXXXXXXXXXXXXXXX~~ ("Customer") (each a "Party," and collectively the "Parties") under and pursuant to the terms of that certain Master Lighting Services Agreement No. 0269, dated 4/1/2019, between the Parties (the "Agreement"). This Order covers certain Lighting and Construction Services authorized by this Order and is, along with the associated Schedule, incorporated into and made a part of the Agreement. Unless specifically defined otherwise herein, terms used in this Order with initial letters capitalized have the meanings given them in the Agreement. The Parties agree as follows:

**ASSOCIATED SCHEDULE:**

This Order is also entered into between the Parties in accordance with PSE's Schedule 51, Electric Tariff G, and any future modifications of or changes to such Schedule as may be approved by the WUTC.

**LIGHTING SERVICES DESCRIPTION:**

The installation charge of the listed lighting units was estimated to be \$6,345.79.

Description:

Install (2) new 25' silver fiberglass poles with new 31W LED Type II 4000K Cobraheads and new 8' arms. This is based on the description in the Construction Services Description. This estimate is valid for 30 days.

**Fixture and Pole Type**

- (2) 31W LED Type II 4000K Cobrahead fixture
- (2) 25' silver fiberglass pole
- (2) 8' aluminum arm

**CONSTRUCTION SERVICES DESCRIPTION:**

1. The City has approved the lighting design.
2. In the area where we are placing our cables and equipment, it is necessary that area be within four (4) inches of grade. If not, you may be required to pay the cost of relocating or reburying our facilities.
3. Restoration is not included for present construction or is the removal of any excavated materials. Unforeseen soil and pavement conditions are not included and it is your responsibility to reimburse PSE these costs.
4. PSE will provide and install all poles, luminaires, and circuitry.
5. Customer is responsible for trenching, backfilling, conduit and pole holes to the appropriate depth.



DocuSign Envelope ID: 5ECFB922-3AA0-4382-B249-E67FC6A45C82

6. Customer is responsible for pole and tube locations. The tube is to be 5' x 18" for the 25' silver fiberglass pole. Tube is to be black plastic corrugated, no paper-based tubes.
7. If Permits or Flaggers are required for present construction, it is your responsibility to reimburse PSE these costs.

**BILLING:**

Billing under this Order will be in accordance with the terms and conditions contained in the terms & conditions of Schedule 51, Electric Tariff G, and the Agreement, and any future modifications of or changes to such Schedule as may be approved by the WUTC.

The basis of the monthly energy charge for the Lighting Services as currently constituted under Rate Schedule 51 is as follows:

Monthly facilities cost is equal to the Value of the System (VOS) x facilities rate. VOS is the estimated installation cost less applicable taxes. Monthly energy cost is equal to the energy rate x number of Units. Energy rate is determined by wattage of unit as currently constituted under the rate schedule.

Value of System: \$ 5,731.90      Facilities Rate: \$4.24

Units and Wattage breakdown:

(2) 31W LED @ \$1.50 ea. a month.

The total monthly charge for this installation is as follows:

|                              |               |
|------------------------------|---------------|
| Monthly facilities charge    | \$4.24        |
| Monthly energy charge        | \$3.00        |
| <b>Total monthly charge:</b> | <b>\$7.24</b> |

For Construction Services and Costs, these costs will be billed as follows:

At the initiation of the Agreement, PSE will provide the Customer with an invoice for the estimated Construction Costs incurred by PSE. Customer shall remit payment to PSE for the Construction Costs within thirty (30) days of receiving the invoice. If the actual Construction Costs either exceed, or are below, the estimated Construction Costs, the Customer will be billed or credited the difference between the estimated Construction Costs and the actual Construction Costs.

**SERVICE TERM/REMOVAL AND SALVAGE COSTS:**

Service under this Order is effective for a minimum of fifteen (15) years from the date of this Order (the "Base Term") unless earlier terminated as provided for in the Agreement. If this Order is terminated for any reason during the Base Term, the Customer shall be responsible for all costs of removal of any Facilities associated with the Services, as well as any costs associated with PSE's efforts to salvage the removed Facilities, as set forth in the applicable Schedule. After the expiration of the Base Term, this Order shall continue on a year-to-year basis until terminated by either Party upon at least one (1) year's notice in writing (each, an "Extended Term" and, together with the Base Term, the "Term") unless earlier terminated as provided for elsewhere in this Agreement. The Term may be adjusted by PSE in writing for existing systems purchased by PSE, based on the estimated remaining life and purchase price. If this Order is terminated during any Extended Term, the Customer shall not be responsible for the costs of removal of any Facilities associated with the Services, or any costs associated with PSE's efforts to salvage the removed Facilities.

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**ADDITIONAL TERMS:**

1. To transfer the energy and maintenance monthly billing, the new billing party must contact PSE in writing.
2. Non-standard facilities are not kept in PSE inventory for the purpose of maintenance; therefore replacement of non-standard components may not be within the same time as replacement of standard components.

Are non-standard components included in this Order? Yes ☒ No ☐

3. The monthly billing party for the energy and maintenance will be: Initial billing will go to [REDACTED], see Term 1\*.

This Order, executed by Customer's duly authorized representative as of the date first written above, is for the Lighting Services described above delivered under PSE's Schedule 51.

Customer: [REDACTED]  
 Signature: [REDACTED] Date: 4/2/2019  
 Printed Name: [REDACTED]  
 Title: Construction Manager

Company: Puget Sound Energy, Inc.  
 Signature: Brynja Almazan Date: 4/1/2019  
 Printed Name: Brynja Almazan  
 Title: Account Sales Manager

DocuSign Envelope ID: FC3D7A60-BF02-4631-B8F8-AB2E12934AB5



**EXHIBIT A**

**Form of Custom Street Lighting Order**

PROJECT NAME: [REDACTED] Order #: 105090783  
 LOCATION: [REDACTED]

**CUSTOM STREET LIGHTING ORDER – SCHEDULE 53**

This Custom Street Lighting Order (this "Order"), dated 3/27/2019, is made and entered into by and between PUGET SOUND ENERGY, INC. ("PSE") and [REDACTED] ("Customer") (each a "Party," and collectively the "Parties") under and pursuant to the terms of that certain Master Lighting Services Agreement No. 0268, dated 3/27/2019, between the Parties (the "Agreement"). This Order covers certain Lighting and Construction Services authorized by this Order and is, along with the associated Schedule, incorporated into and made a part of the Agreement. Unless specifically defined otherwise herein, terms used in this Order with initial letters capitalized have the meanings given them in the Agreement. The Parties agree as follows:

**ASSOCIATED SCHEDULE:**

This Order is also entered into between the Parties in accordance with PSE's Schedule 53, Electric Tariff G, and any future modifications of or changes to such Schedule as may be approved by the WUTC.

**LIGHTING SERVICES DESCRIPTION:**

The installation charge of the listed lighting units was estimated to be \$660.39 (includes flagging). Payment will be required prior to construction.

Description:

Change-out (1) existing 100W HPS Cobrahead fixture to a new 47W LED Type III 4000K Cobrahead fixture, on existing arm and pole, and install (1) new 31W LED Cobrahead fixture, new 8' arm and on existing pole. See work sketch for further detail.

**CONSTRUCTION SERVICES DESCRIPTION:**

The following are conditions that may be required before construction of this system:

1. The City has approved the lighting design.
2. PSE will provide and install all arms, luminaires, and circuitry.
3. If Permits or Flaggers are required for present construction, it is your responsibility to reimburse PSE these costs.

**BILLING:**

Billing under this Order will be in accordance with the terms and conditions contained in the terms & conditions of Schedule 53, Electric Tariff G, and the Agreement, and any future modifications of or changes to such Schedule as may be approved by the WUTC.

The basis of the monthly energy charge for the Lighting Services as currently constituted under Rate Schedule 53 is as follows:

Units and Wattage breakdown:  
 (1) 31W LED @ \$10.68 a month each.

DocuSign Envelope ID: FC3D7A60-BF02-4631-B8F8-AB2E12934AB5

(1) 47W LED @ \$10.68 a month each.

The total monthly charge for this installation is as follows:

**Total monthly charge:** \$21.36

For Construction Services and Costs, these costs will be billed as follows:

At the initiation of the Agreement, PSE will provide the Customer with an invoice for the estimated Construction Costs incurred by PSE. Customer shall remit payment to PSE for the Construction Costs within thirty (30) days of receiving the invoice. If the actual Construction Costs either exceed, or are below, the estimated Construction Costs, the Customer will be billed or credited the difference between the estimated Construction Costs and the actual Construction Costs.

#### **SERVICE TERM/REMOVAL AND SALVAGE COSTS:**

Service under this Order is effective for a minimum of twenty five (25) years from the date of this Order (the "Base Term") unless earlier terminated as provided for in the Agreement. If this Order is terminated for any reason during the Base Term, the Customer shall be responsible for all costs of removal of any Facilities associated with the Services, as well as any costs associated with PSE's efforts to salvage the removed Facilities, as set forth in the applicable Schedule. After the expiration of the Base Term, this Order shall continue on a year-to-year basis until terminated by either Party upon at least one (1) year's notice in writing (each, an "Extended Term" and, together with the Base Term, the "Term") unless earlier terminated as provided for elsewhere in this Agreement. The Term may be adjusted by PSE in writing for existing systems purchased by PSE, based on the estimated remaining life and purchase price. If this Order is terminated during any Extended Term, the Customer shall not be responsible for the costs of removal of any Facilities associated with the Services, or any costs associated with PSE's efforts to salvage the removed Facilities.

#### **ADDITIONAL TERMS:**

1. To transfer the energy and maintenance monthly billing, the new billing party must contact PSE in writing.
2. Non-standard facilities are not kept in PSE inventory for the purpose of maintenance; therefore replacement of non-standard components may not be within the same time as replacement of standard components.

Are non-standard components included in this Order? Yes ☒ No ☐

3. The monthly billing party for the energy and maintenance will be: SL1 will remain with the [REDACTED]  
SL2 will initially be billed to developer.

This Order, executed by Customer's duly authorized representative as of the date first written above, is for the Lighting Services described above delivered under PSE's Schedule 53.

Customer: [REDACTED]

Signature: [REDACTED]

Date: 3/27/2019

Printed Name: [REDACTED]

Title: President

DocuSign Envelope ID: FC3D7A60-BF02-4631-B8F8-AB2E12934AB5

Company: **Puget Sound Energy, Inc.**

Signature: **Brynja Almazan**

Date: **3/27/2019**

Printed Name: **Brynja Almazan**

Title: **Account Sales Manager**

**EXHIBIT D**

**CITY OF KENMORE  
WASHINGTON  
RESOLUTION NO. 19-321**

**A RESOLUTION OF THE CITY OF KENMORE,  
WASHINGTON, APPROVING A MASTER SERVICES  
AGREEMENT WITH PUGET SOUND ENERGY, INC., AND  
AUTHORIZING THE CITY MANAGER TO EXECUTE  
THE AGREEMENT.**

WHEREAS, the majority of street lighting services with the City of Kenmore are provided by Puget Sound Energy, Inc. (PSE); and

WHEREAS, PSE has enhanced their street lighting agreements to more specifically detail the obligations of each party; and

WHEREAS, the Master Lighting Services Agreement will serve as the umbrella for applicable terms and condition for all PSE operated lighting services; and

WHEREAS, the City Council desires to approve the Master Lighting Services Agreement which will regulate future PSE operations of streetlights within the City;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF  
KENMORE, WASHINGTON, DOES HEARBY RESOLVE AS FOLLOWS:**

Section 1. Approval. The City Council hereby approves the Master Lighting Services Agreement as set forth in Exhibit 1, attached hereto and incorporated by reference.

Section 2. Authority. The City Manager is authorized to sign the Master Lighting Services Agreement, and all subsequent streetlight orders that fall under the City Manager's purchasing authority under Resolution No. 17-303, "Purchasing Policies".

**PASSED BY THE CITY COUNCIL OF THE CITY OF KENMORE,  
WASHINGTON, AT A REGULAR MEETING THEREOF THIS \_\_\_\_ DAY OF  
\_\_\_\_\_ 2019.**

CITY OF KENMORE

\_\_\_\_\_  
David Baker, Mayor

ATTEST/AUTHENTICATED:

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Kelly Chelin, City Clerk

Approved as to form:

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Rod Kaseguma, City Attorney

Filed with the City Clerk:  
Passed by the City Council:  
Resolution No.:



City Council Business Agenda Item  
City of Kenmore, WA

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Subject/Topic:</b></p> <p>Consideration of Ordinance 19-0484 codifying a longer notice of rent increase</p> <p><b>Proposed Council Action/Motion:</b></p> <p>Adoption of Ordinance 19-0484 codifying a longer notice of rent increase</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <p>For Council Meeting Agenda of: 5/20/19</p> <p><b>Department:</b> <u>Community Development</u></p> <p><b>Prepared by:</b> <u>Debbie Bent, Community Development Director and Lauri Anderson, Principal Planner</u></p> <p><b>Initial &amp; Date</b></p> <p>Approved by Department Head: <u>AS 5/19/19</u></p> <p>Approved by City Attorney: <u>CA, email, 5/2/19</u></p> <p>Approved by Finance Director: <u>[Signature]</u></p> <p>Approved by City Manager: <u>AK 5-9-19</u></p> <p><b>Exhibits/Attachments:</b></p> <ol style="list-style-type: none"> <li>1. Ordinance 19-0484</li> <li>2. ESHB 1440</li> </ol> |
| <p><b><u>INFORMATION/BACKGROUND:</u></b></p> <p>At the Council meeting on April 22, 2019, Council requested that staff prepare an ordinance that would put in place a 90-day notice of rent increase when a tenant's rent is proposed to increase by more than 10%. The ordinance is attached for your consideration (see Attachment 1).</p> <p>The new chapter clarifies that if a notice of rent increase provision differing from the new standard is included in a rental agreement, that agreement becomes null and void (new section 8.55.030). This allows the tenant to pursue enforcement but does not make enforcement a City responsibility. New section 8.55.040 allows the landlord and tenant to reach mutual agreement on different notice standards if they so choose.</p> <p>On April 23, 2019, the Governor signed ESHB 1440 mandating a 60-day notice of rent increase for all tenants—regardless of the size of the increase (see Attachment 2). Kenmore's ordinance would supplement that requirement for larger rent increases and would go into effect on September 1, 2019.</p> <p>As Council directed, this new requirement, if adopted by Council, will be publicized in the City's newsletter and on the website.</p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <p><b><u>FISCAL CONSIDERATION:</u></b></p> <p>None at this time.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <p><b><u>COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:</u></b></p> <p>Council Goal 3: Increase and preserve the options for affordable housing stock.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

I:/City Clerk/Agenda Items/Templates



**CITY OF KENMORE  
WASHINGTON  
ORDINANCE NO. 19-0484**

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**AN ORDINANCE OF THE CITY OF KENMORE,  
WASHINGTON, RELATING TO NOTICE OF RENT  
INCREASES; ADDING A NEW CHAPTER 8.55 TO THE  
KENMORE MUNICIPAL CODE; AND PROVIDING AN  
EFFECTIVE DATE.**

WHEREAS, the City of Kenmore is experiencing increasing rents and some rent increases have been dramatic; and

WHEREAS, the average rent for all units in greater Kenmore in September 2017 was \$1,596 compared to \$1,031 in September 2012--an increase of 55%; and

WHEREAS, the Washington State Apartment Market Report produced by the Runstad Department of Real Estate at the University of Washington states that King County had an apartment vacancy rate of 3.8 % in spring 2018 and 5.2% in fall 2018 despite the significant numbers of new housing units being constructed; and

WHEREAS, vacancy rates below 5% are usually considered the threshold for a tight rental market; and

WHEREAS, tenants often include senior citizens on fixed incomes, low-income tenants, or families with children in school; and

WHEREAS, increasing rent with little notice can create a real emergency for some tenants, with the rent increase essentially functioning as an eviction; and

WHEREAS, an increased notice period for rent increases allows time for tenants to find new housing that fits their budget; and

WHEREAS, an increased notice period for rent increases allows time for tenants to find new affordable housing near jobs and schools; and

WHEREAS, by recent amendment effective July 28, 2019, the state legislature amended RCW 59.18.140 to require a minimum of sixty (60) days advance notice to a tenant of an increase in rent, except in limited circumstances; and

WHEREAS, some cities in Washington including Vancouver, Bellingham, Seattle and Tacoma have historically enacted legislation to require a minimum notice period in excess of the period required by state law; and

WHEREAS, on July 16, 2018, July 23, 2018 and April 22, 2019 the City Council received background information and discussed policy options related to this topic; and

WHEREAS, on April 22, 2019, the City Council directed Staff to prepare amendments to require a 90-day advance notice of rent increase when rents are proposed to increase by more than 10% in a given year; and

WHEREAS, this Ordinance and the amendments therein are an exercise of the City of Kenmore's police and regulatory authority derived from Wash. Const. art. XI, Section 111, and are consistent with RCW 35.22.280;

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

Section 1. Findings Adopted. The City Council adopts the foregoing recitals as findings, which are incorporated herein as if set forth in full.

Section 2. Amendments to the Kenmore Municipal Code. The City Council adds a new Chapter 8.55 of the Kenmore Municipal Code, as set forth in Exhibit A, attached hereto and incorporated by reference.

Section 3. Severability. If any section, sentence, clause or phrase (i.e., provision) of this Ordinance or its application to any person or circumstance is held invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other provision and the remainder of this Ordinance, or its application of such provisions to other persons or circumstances, shall not be affected.

Section 4. Effective Date. This Ordinance shall be published in the official newspaper of the City, and shall take effect and be in full force on September 1, 2019.

PASSED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE \_\_\_\_TH DAY OF \_\_\_\_\_, 2019.

CITY OF KENMORE

\_\_\_\_\_  
David Baker, Mayor

ATTEST/AUTHENTICATED:

\_\_\_\_\_  
Kelly Chelin, City Clerk

Approved as to form:

\_\_\_\_\_

Rod P. Kaseguma, City Attorney

Filed with the City Clerk:  
Passed by the City Council:  
Ordinance No.:  
Date of Publication:  
Effective Date:

DRAFT

EXHIBIT A

Chapter 8.55  
NOTICE OF RENT INCREASE

Section:

**8.55.010 Definitions.**

**8.55.020 Regulations.**

**8.55.030 Provisions in violations of restrictions null and void.**

**8.55.040 Rental agreement that waives tenant's remedies prohibited – Exception.**

**8.55.010 Definitions.**

A. "Landlord" means a "landlord" as defined in and within the scope of RCW 59.18.030 and RCW 59.18.040 of the Residential Landlord Tenant Act of 1973 ("RLTA") in effect at the time the rental agreement is executed. At the time of passage of the ordinance codified in this chapter, RLTA defined "landlord" as "the owner, lessor, or sublessor of the dwelling unit or the property of which it is a part," and included any person designated as representative of the landlord, including, but not limited to, an agent, a resident manager, or a designated property manager.

B. "Rental agreement" means a "rental agreement" as defined in and within the scope of RCW 59.18.030 and RCW 59.18.040 of the RLTA in effect at the time the rental agreement is executed. At the time of the passage of the ordinance codified in this chapter, the RLTA defined "rental agreement" as "all agreements which establish or modify the terms, conditions, rules, regulations, or any other provisions concerning the use and occupancy of a dwelling unit."

C. "Rental unit" means a residential dwelling unit as defined in KMC Section 18.20.810 occupied or rented by a tenant.

C. "Tenant" means a "tenant" as defined in and within the scope of RCW 59.18.030 and RCW 59.18.040 of the RLTA in effect at the time the rental agreement is executed. At the time of passage of the ordinance codified in this chapter, the RLTA defined "tenant" as "any person who is entitled to occupy a dwelling unit primarily for living or dwelling purposes under a rental agreement."

**8.55.020 Regulations.**

For any *rental agreement* or renewal of a *rental agreement* for a residential *rental unit* in the City of Kenmore entered into after (add effective date of ordinance), the *landlord* shall include or shall be deemed to include a provision requiring a minimum of ninety (90) days' prior written notice whenever the periodic or monthly housing costs to be charged a *tenant* are to increase by ten (10) percent or more over

**EXHIBIT A**

the periodic or monthly rental rate charged the same *tenant* for the same *rental unit* and same services for any period or month during the preceding twelve (12) month period.

**8.55.030 Provisions in violation of restrictions null and void.**

Any provisions in violation of KMC 8.55.020 in a *rental agreement* are null and void and of no lawful force and effect.

**8.55.040 Rental agreement that waives tenant's remedies prohibited - Exception.**

A. No rental agreement, whether oral or written, may provide that the tenant waives or foregoes rights or remedies under this chapter, except as provided by subsection B below.

B. A landlord and tenant may agree, in writing, to waive specific requirements of this chapter if all of the following conditions have been met:

1. The agreement to waive specific provisions is in writing and identifies the specific provisions to be waived; and
2. The agreement may not appear in a standard form written lease or rental agreement; and
3. There is no substantial inequality in the bargaining position of the two (2) parties; and
4. The attorney for the tenant has approved in writing the agreement as complying with subsections (B) (1), (B) (2) and (B) (3) of this section.

Attachment 2

CERTIFICATION OF ENROLLMENT  
**ENGROSSED SUBSTITUTE HOUSE BILL 1440**

Chapter 105, Laws of 2019

66th Legislature  
2019 Regular Session

LANDLORDS--NOTICE OF RENT INCREASES

EFFECTIVE DATE: July 28, 2019

Passed by the House March 5, 2019  
Yeas 62 Nays 36

FRANK CHOPP  
**Speaker of the House of Representatives**

Passed by the Senate April 10, 2019  
Yeas 29 Nays 18

CYRUS HABIB  
**President of the Senate**  
Approved April 23, 2019 3:56 PM

JAY INSLEE  
**Governor of the State of Washington**

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE HOUSE BILL 1440** as passed by House of Representatives and the Senate on the dates hereon set forth.

BERNARD DEAN  
**Chief Clerk**

FILED  
April 24, 2019

**Secretary of State  
State of Washington**

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ENGROSSED SUBSTITUTE HOUSE BILL 1440

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Passed Legislature - 2019 Regular Session

State of Washington                      66th Legislature                      2019 Regular Session

By House Civil Rights & Judiciary (originally sponsored by  
Representatives Robinson, Macri, Riccelli, Gregerson, Doglio,  
Tarleton, Kloba, Frame, Jenkins, Morgan, Ortiz-Self, and Ormsby)

READ FIRST TIME 02/19/19.

1            AN ACT Relating to providing longer notice of rent increases; and  
2            amending RCW 59.18.140.

3            BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4            **Sec. 1.** RCW 59.18.140 and 2010 c 8 s 19022 are each amended to  
5            read as follows:

6            (1) The tenant shall conform to all reasonable obligations or  
7            restrictions, whether denominated by the landlord as rules, rental  
8            agreement, rent, or otherwise, concerning the use, occupation, and  
9            maintenance of his or her dwelling unit, appurtenances thereto, and  
10           the property of which the dwelling unit is a part if such obligations  
11           and restrictions are not in violation of any of the terms of this  
12           chapter and are not otherwise contrary to law, and if such  
13           obligations and restrictions are brought to the attention of the  
14           tenant at the time of his or her initial occupancy of the dwelling  
15           unit and thus become part of the rental agreement.

16           (2) Except for termination of tenancy and an increase in the  
17           amount of rent, after thirty days written notice to each affected  
18           tenant, a new rule of tenancy (~~((including a change in the amount of~~  
19           ~~rent))~~) may become effective upon completion of the term of the rental  
20           agreement or sooner upon mutual consent.

1       (3)(a) Except as provided in (b) of this subsection, a landlord  
2 shall provide a minimum of sixty days' prior written notice of an  
3 increase in the amount of rent to each affected tenant, and any  
4 increase in the amount of rent may not become effective prior to the  
5 completion of the term of the rental agreement.  
6       (b) If the rental agreement governs a subsidized tenancy where  
7 the amount of rent is based on the income of the tenant or  
8 circumstances specific to the subsidized household, a landlord shall  
9 provide a minimum of thirty days' prior written notice of an increase  
10 in the amount of rent to each affected tenant. An increase in the  
11 amount of rent may become effective upon completion of the term of  
12 the rental agreement or sooner upon mutual consent.

Passed by the House March 5, 2019.  
Passed by the Senate April 10, 2019.  
Approved by the Governor April 23, 2019.  
Filed in Office of Secretary of State April 24, 2019.

--- END ---





**City Council Business Agenda Item**  
**City of Kenmore, WA**

**Subject/Topic:**

Log Boom Park Waterfront Access Project -  
 Amendment No. 4 to Mott MacDonald  
 Professional Services Contract 17-C1656 for  
 Permit Level Design and Engineering/Building  
 Permit Assistance.

**Proposed Council Action/Motion:**

Motion to authorize the City Manager to  
 execute Amendment No. 4 of Contract 17-  
 C1656 with Mott MacDonald in an amount up  
 to \$250,000.

For Council Meeting Agenda of: May 20, 2019

Department: Community Development

Prepared by: Maureen Colaizzi

Initial & Date

Approved by Department Head:

*PR Slidig*

Approved by City Attorney:

Approved by Finance Director:

*June 5/10/19*  
*NKO RWRK*  
*10 MAY 2019*

Approved by City Manager:

Exhibits/Attachments: Attachment A:

Phase Two Scope of Work and Fee Estimate

**INFORMATION/BACKGROUND:**

Staff recommends that Council approve a motion authorizing the City Manager to execute Amendment No. 4 of Contract 17-C1656 with Mott MacDonald up to an amount of \$250,000 to begin Phase Two, the engineering and building permit level design phase, for the Log Boom Park Waterfront Access and Viewing Project. Attachment A includes the scope of work and fee estimate for Amendment No. 4 in an amount of \$227,116. With approval of Amendment No. 4, the total contract amount will be \$612,343.65. Council authorization of Amendment No. 4 would allow the City Manager to approve an additional amendment of \$22,884 to the full amount of \$250,000 if required. Also, it is estimated that approximately \$130,000 will be needed in a future amendment to complete Phase Three, construction documents for bidding and support services during construction.

**Contract 17-C1656:** Mott MacDonald was selected through RFQ 15-C1375 for Waterfront Access Improvements for Log Boom Park to provide for consulting services from concept plan through engineering support services during construction. On February 27, 2017, City Council passed a motion giving the authority to the City Manager to execute Contract 17-C1656 for an amount up to \$388,500 to advance the Log Boom Park project from conceptual design through preliminary design and environmental permitting. Contract 17-C1656 was executed by the City Manager on March 15, 2017. There is approximately \$24,000 remaining in Phase One of Contract 17-C1656 to assist staff with regulatory agency coordination questions related to receipt of environmental permits.

Contract 17-C1656 has been amended three times since execution. Amendment No. 3 executed on September 28, 2018, increased the contract amount by \$33,846.65 to \$385,227.65 to provide additional assistance to address regulatory agency questions during the land use permit process. Amendment No. 2 executed on April 16, 2018 extended the contract agreement until October 31, 2018. Amendment No. 1 executed on October 20, 2017 extended the contract duration to April 30, 2019 and amended tasks but not the contract amount.

**FISCAL CONSIDERATION:**

The total project budget (2013-2024) in the Park Capital Improvement Program is \$3,353,660 including prior year expenditures of \$447,227. The 2019-2024 Park Capital Improvement Program adopted September 17, 2018 (Ordinance 18-0469) allocates \$420,000 in the next biennium. No additional funding in the 2019-2020 budget is needed at this time for contract Amendment No. 4. Staff anticipates presenting an update on the project cost estimates at the June 10<sup>th</sup> City Council meeting.

**COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:**

2. Implement the Walkways and Waterways Projects.

Attachment A Scope of Work



**City of Kenmore  
Log Boom Park Waterfront Access Improvement Project  
Permit Level Design Phase  
Scope of Work & Fee Estimate**

**CONTRACT NO. 17-C1656  
ADDENDUM NO. 4, EXHIBIT A**

**INTRODUCTION**

Redevelopment of the Log Boom Waterfront Park is planned to be conducted as part of the Walkways and Waterways Proposition 1. Mott MacDonald was selected under RFQ 15-C1375 to provide planning and design services for waterfront park development projects. Prior work (Phase 1 under Contract #17-C1656) was conducted to assist the City of Kenmore (the City) with planning, preliminary 30% design and regulatory permit application development (land use and environmental) for the planned improvements.

Phase 2 and Phase 3 of design is all work needed to advance the design concepts developed and described in the regulatory permit application documents (dated Feb 2019) from a 30% design level (prior phase 1) to a bid ready set of Plans, Specifications and Estimates (PS&E). The work conducted in this scope will be for Phase 2 and includes advancing the design from a 30% preliminary design to a permit level design for building and grading permit application submission. A future phase 3 would include development of PS&E and engineering support during construction. The following outlines those phases of work from preliminary through final design and bid ready set of PS&E:

- Phase 1 (prior phase work) – Preliminary Engineering (30%) & Regulatory Permitting. This phase is 98% complete under contract #17-C1656. Remaining work includes assistance with regulatory agency questions during the land use and environmental permitting phase.
- Phase 2 (This scope of work) –Permit Level Design (90% for Engineering/Building Permit Submittals). This phase will develop a refined, engineering and building permit ready design from the 30% design concept developed to approximately 90% level of detail prior to final Plans Specifications & Engineer’s Estimate (PS&E) for construction bidding. The focus of the work is to provide professional services to select final materials, structure types, geometries and other operational and maintenance related decisions. Completion of work during this phase will be plans for submission to the City for engineering and building permit applications and support during the permitting process.
- Phase 3 (Future phase of work) – Final 100% Engineering Design and engineering support during construction. Focus is finalizing phase 2 permit level design into a final bid ready set of PS&E.

**CONSULTANT TEAM ROLES & RESPONSIBILITIES**

- Project Manager & Consultant Team (CT) Lead – Mott MacDonald.
- Waterfront Engineering (Concrete slab, seat walls, swamp creek mitigation, civil/grading plans, beach, nearshore habitat enhancement, assist with maintenance plan) – Mott MacDonald.

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Log Boom Park – Permit Level Design (Phase 2)  
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- Landscape Architecture (Planting plans, hardscape detailing support (seat walls and concrete paving finishes coordinated with Mott MacDonald), landscaping, trails, maintenance plan lead, support with park grading design) – Limited coordination with artist. J.A. Brennan.
- Civil Engineering (Utilities (except power), stormwater, grading, assist with maintenance plan) – Davido Consulting Group.
- Regulatory Permitting & Habitat (Ongoing support for environmental regulatory permitting and design assistance with mitigation, Habitat Conservation & Stewardship Plan Lead, assistance with maintenance plan, cultural resources if needed) – Confluence Environmental.
- Architecture (Boat House Structure) – J3 Architects, LLC.
- Electrical/Mechanical (Electrical Power) – Pressler Engineering.
- Geotechnical Engineering (Recommendations for final design) – Landau Associates.
- Public Art & Interpretive Signage Consultants. To be provided by the City to coordinate with project team.

#### GENERAL ASSUMPTIONS

- No major site plan changes are anticipated. This design effort will be based on the existing 30% design.
- Data Collection. No new data collection is required for the permit level design work. Assumed no field data collection will be needed for any cultural resources work if required by the Tribe.
- Final Design Phase. The work is assumed to occur in the following manner.
  - Phase 2 Permit Level Design phase will be based on 90% design documents.
  - Phase 3 Final Design Phase (Final PS&E). Development of final PS&E will occur in a future phase and is not part of the current phase of work.
- Construction Easements. Acquisition of temporary construction and use easements (King County, North Utility District) and supporting documentation is not part of this scope and will be provided by the City as needed. CT will provide support with development of graphics.
- Interpretive & Signage. Consulting work will be provided by others under contract to the City. City will coordinate any details that pertain to the park design throughout the design process.
- Deliverables: All plans will be provided in ACAD DWG and Adobe PDF formats. All reports, technical memorandums, and presentations will be provided in Adobe PDF and MS Word formats. All cost estimates will be provided in Adobe PDF and MS Excel format.
- Soil Quality. Contaminated soil remediation is not anticipated as part of the park development work.

#### SCOPE OF WORK

##### Task 2 – Permit Level Design (90%)

- Task 2.1 – Permit Level Design Development
  - Site Assessment. Team to visit the site with City (including maintenance and operations staff) to walk through preliminary plans and discuss details of proposed features relative to current conditions at the start of the work; in the field kickoff meeting. Flag project

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features in advance of the meeting to aid in visualization of the proposed project for discussion of onsite work approach and any required design refinements.

- **Materials Selection.** Finalize selection of materials and geometries for all project components. Conduct meeting with City to gather input prior to advancing the design effort.
- **Basis of Design.** Update from prior phase for permit design and incorporate decisions from materials selection and operations meeting results.
- **Constructability Review.** Conduct outreach to contractors to gain input for consideration in the development of the permit design plans, site use and materials selection and aid in the development of gaining interest from the Contracting community to bid the project.
- **Value Engineering.** Conduct value engineering assessment utilizing a cost estimator to review the consultant team cost estimate and selection of materials and incorporate into the phase 2 design work.
- **Develop a Phase 3 Final Design & Bid Package Strategy.**
  - Conduct strategy meeting to discuss approach for bidding and contracting including the following:
    - Assessment of swamp creek mitigation construction work timing relative to permit requirements (determination of whether to include as a part of Squires Landing project or separate out Log Boom park project mitigation requirements to be included in the log boom bid package).
    - Discuss specification format requirements and approach for development of specifications for parks project utilizing WSDOT/City standard documents.
- **City Permitting Coordination Meeting.** Conduct building permit pre-application meeting to acquire information needed for conducting the phase 2 work with respect to plans, calculation packages and other required supporting documentation.
- **Plans.** Develop design plans in full size City format required for Permit Submission such as the following:
  - Cover sheet, existing conditions plan, survey control plan, demolition plan, traffic and pedestrian control plan, drainage plan, site layout plan, grading plan, irrigation plan, planting plan, structures plans, hardscape plans, TESC plan, and associated typical sections and details appropriate to a 90% permit level design.
- **Develop Specification Outline.** Focus on development of key special provision sections and those that may require special attention due to nature of work relative to WSDOT standard specifications.
- **Develop updated cost estimate** in format for bid sheet with bid item terms.
- **Advance King County Technical Information Report (TIR)** from 30% to Building permit submittal.

**Deliverables:**

- Site Assessment & Kickoff Meeting Notes.
- Design Reports.



- Materials Selection Memorandums – Landscaping, Civil, Building, Beach areas.
- Constructability Memorandum – Summary of construction requirements and use of site to aid phase 2 permit design and initiation of any easements.
- Phase 3 Strategy Memorandum – Summary of Phase 3 Final Design and Bid Package strategy based on outcome from strategy meeting.
- Technical Information Report (updated from 30% design)
- Basis of Design (updated from 30% design).
- Plans for Building Permit submittal, specification outline, cost estimate.

Assumptions.

- Reviews. Assumed 1 round of review for each submittal.
- Mitigation Design. Offsite mitigation for log boom work at swamp creek to be conducted under a separate scope of work.
- Architect Support. JAB will support with architecture site planning and coordination up 18 hours.

• Task 2.2 – Meetings.

○ Scope.

- City Design Meetings.
  - Materials Selection & Future Use/Operations Meeting – (3) in person attended by MM, JAB, DCG, Con.
  - Design progress meeting – (2) via skype and (1) in person.
- City Review Meetings.
  - Design Review meetings for 60% and 90% in person at City Hall – (2) in person
- City Phase 3 strategy meeting – (1) in person
- City Council Meetings.
  - Attend and provide assistance at 1 city council meeting. (2) personnel from MM Team.
  - Development of graphics to support presentation to council.
- Public Meeting.
  - Assist with preparation and attendance at (1) public open house. (1) person from each key team member (MM, JAB, DCG, Con).
  - Provide development of graphics to support public open house; boards and materials samples.

○ Deliverables.

- Graphics support for public and council meetings in jpg, pdf or MS ppt format.
- Meeting minutes and notes in MS Word format.

○ Assumptions.



- Stakeholder Coordination. Coordination with effected stakeholders (King County, Boater User Groups, etc.) will be led by the City. No meetings will be provided for stakeholder coordination. Assistance with development of graphics and supplemental materials assumed to be up to 4 hours of support.
  - Public Meeting. Conducted near the end of Phase 2.
- Task 2.3 – Regulatory Permitting Support
    - Scope.
      - Engineering & Building Permit Application Submission Assistance. Develop permit application documentation, attend 1 meeting with City staff, assist with packaging up documents for City project manager to submit to City for permit review.
      - Habitat Conservation and Stewardship Plan Outline Development. Develop an outline and understanding of habitat conservation/stewardship plan requirements and content to better refine the requirements for the next phase 3 document preparation. The plan outline will focus on the project improvement and mitigation areas at Log Boom Park that includes maintenance and operations requirements. Develop updated graphics regarding mitigation areas and subareas for the updated design and discussions with regulatory agencies.
      - Land Use/Environmental Permitting Assistance. The following support will be provided for permits submitted during phase 1 of the project.
        - Communication with Regulatory Agencies. Provide periodic communication via email and phone with regulatory agencies to check into status of review process. Include City PM in communication process with regulatory agencies.
        - Miscellaneous response development. Assist with development of regulatory agency comment response letters and table summaries. Provide supplementary information to WDFW for HPA process when needed.
        - Offsite Mitigation Plan Coordination & Strategy Development. Develop updated mitigation plan graphics and description based on discussions and comments from regulatory agencies. Develop strategy for design and construction of offsite mitigation relative to project schedule (single contract versus multiple contracts).
        - Land Use/Environmental Permit Application Document Revision. Modification of permit application documents and development of supplementary technical memorandum will be developed as needed.
      - Graphics Support. Provide graphics support for easements being developed by the City.
    - Meetings. Assume 1 in person and 3 skype meetings of 1-hour duration will be required during the execution of the task.
    - Deliverables.
      - Memorandum, response letters, meeting notes and revised plans as needed based on the permit application review process.
      - Habitat Conservation and Stewardship Plan Outline.

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Log Boom Park – Permit Level Design (Phase 2)  
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- Updated mitigation plan graphics and description.
  - Assumptions
    - Habitat Conservation & Stewardship Plan Outline. This phase focuses on outlining the plan and developing a better understanding of the content and requirements in coordination with the City and regulatory agencies. The development of the plan document will occur in phase 3.
    - Land Use/Environmental Regulatory Permitting. Regulatory support focuses on environmental and land use permitting process initiated in phase 1 with a focus on responses to agency comments and providing ongoing support after submission of permit application documents.
    - Land Use/Environmental Permit Document Revisions. A level of effort of 30 total hours is assumed for this effort and will be provided if needed based on comments received from the regulatory agencies.
    - Engineering/Building Permits. Post submission support for building and engineering permit processes is assumed to be provided as part of the future phase 3 work. Permit application documents and supporting documentation required for submission is based on our understanding the City requirements as outlined in the pre-consultation letter dated April 4, 2018 and a review of the online City requirements. An amendment could be needed if additional requirements are discovered during consultation with the City building department prior to submission.
- Task 2.4 –Project Management
  - Provide ongoing coordination with the City and management of the project tasks for the consultant team in order to provide an effective and efficient distribution of project information to ensure the project remains on schedule. Provide monthly reporting, periodic updating of project schedules, subcontracting, review and coordinate subconsultant work and invoices, and coordinate invoicing and changes in scope with subconsultants.
  - Art Coordination Assistance. Provide assistance to City PM regarding coordination of art elements into the permit level design plan.
  - Deliverables.
    - Weekly updates (email and teleconference) to City staff.
    - Monthly Progress Reports.
    - Periodic Schedule Updating.
    - Meeting Minutes.
  - Assumptions.
    - City provided Public Art. Consultant team to provide coordination with City selected public artist consultant for permit level design phase. Assumed that 1 additional meeting is required and coordination time up to 16 hours. An amendment may need to occur if additional coordination time or time to integrate public art into the design is needed. Phase 3 will develop construction documents that will require additional coordination with public artist.





#### **SCHEDULE**

The following is the anticipated schedule for the work which the scope of services is based upon.

- Task 2.1 – Total duration estimated to be 7 months from NTP.
- Task 2.2 – Concurrent with task 2.1.
- Task 2.3 – Concurrent with task 2.1.
- Task 2.4 – Concurrent with task 2.1.

#### **COSTS**

The work will be conducted on a time and material basis with not to exceed amount of \$227,116. The total contract amount will increase from \$385,227.65 (at amendment #3) to a new contract amount of \$612,343.65. See the attached fee estimate as part of Exhibit A for a cost change summary.

## Attachment A Scope of Work Fee Estimates

| 5/8/2019                                                                                               |                      |             |              |               |              |             |              |            |       |             |             |              |          |          |           |          |          |          |         |         |                |           |           |
|--------------------------------------------------------------------------------------------------------|----------------------|-------------|--------------|---------------|--------------|-------------|--------------|------------|-------|-------------|-------------|--------------|----------|----------|-----------|----------|----------|----------|---------|---------|----------------|-----------|-----------|
| MOTT MacDonald<br>Project: City of Keosauqua Log Boom Park<br>Fee Estimation Matrix<br>Prepared By: SP |                      |             |              |               |              |             |              |            |       |             |             |              |          |          |           |          |          |          |         |         |                |           |           |
| Tasks & Subtasks                                                                                       | Principal Engineer # | Engineer I# | Engineer II# | Engineer III# | Engineer IV# | Engineer V# | CAD Designer | CAD Tech # | Admin | Total Hours | MM Subtotal | Direct Costs | MM Total | JAB      | CERC      | CCO      | Preparer | JA       | Landau  | T Adams | Tree Solutions | 25% Bonus | Total     |
| 2.1. Permit Land Design (80%)                                                                          |                      |             |              |               |              |             |              |            |       |             |             |              |          |          |           |          |          |          |         |         |                |           |           |
| Site Assessment & Site Visit                                                                           | 4                    |             |              |               |              |             | 2            | 4          | 2     | 10          | \$1,557     | \$50         | \$1,607  | \$43,647 | \$977     | \$18,410 | \$9,543  | \$17,587 | \$1,538 | \$6,125 |                | \$60,305  | \$151,698 |
| Materials Selection                                                                                    | 4                    |             |              |               |              |             | 2            | 6          |       | 12          | \$1,838     | \$50         | \$1,888  |          |           |          |          |          |         |         |                |           |           |
| Review of Design Memo                                                                                  | 2                    |             |              |               |              |             | 2            | 6          | 1     | 9           | \$1,228     | \$50         | \$1,278  |          |           |          |          |          |         |         |                |           |           |
| Contractability Review/Assessment                                                                      | 4                    |             |              |               |              |             | 2            | 10         | 1     | 17          | \$2,433     | \$50         | \$2,483  |          |           |          |          |          |         |         |                |           |           |
| Permit Land Plan Development - Engineering Design, Analysis, Calc.                                     | 10                   |             |              |               |              |             | 26           | 45         |       | 69          | \$1,684     |              | \$1,684  |          |           |          |          |          |         |         |                |           |           |
| Specification Outline                                                                                  | 7                    |             |              |               |              |             | 1            | 6          |       | 9           | \$1,273     |              | \$1,273  |          |           |          |          |          |         |         |                |           |           |
| QA/QC - Surveying Memory                                                                               | 2                    |             |              |               |              |             | 4            |            |       | 6           | \$812       |              | \$812    |          |           |          |          |          |         |         |                |           |           |
| Materials Selection Memo                                                                               | 2                    |             |              |               |              |             | 1            | 8          | 2     | 14          | \$1,871     |              | \$1,871  |          |           |          |          |          |         |         |                |           |           |
| Contractability Memorandum                                                                             | 3                    |             |              |               |              |             | 1            | 10         |       | 20          | \$2,637     |              | \$2,637  |          |           |          |          |          |         |         |                |           |           |
| Final 1/2 Scale Map                                                                                    | 3                    |             |              |               |              |             | 4            | 2          | 2     | 10          | \$1,512     |              | \$1,512  |          |           |          |          |          |         |         |                |           |           |
| Final Engineering                                                                                      | 2                    |             |              |               |              |             | 10           | 4          |       | 12          | \$1,619     |              | \$1,619  |          |           |          |          |          |         |         |                |           |           |
| Final 1/2 Scale Map                                                                                    | 2                    |             |              |               |              |             | 6            | 6          |       | 12          | \$1,619     |              | \$1,619  |          |           |          |          |          |         |         |                |           |           |
| Permit Land Plan Subtotal                                                                              |                      |             |              |               |              |             | 2            | 16         | 16    | 42          | \$5,157     |              | \$5,157  |          |           |          |          |          |         |         |                |           |           |
| 2.2. Meetings                                                                                          |                      |             |              |               |              |             |              |            |       |             |             |              |          |          |           |          |          |          |         |         |                |           |           |
| City Design Meeting - Material Selection (1 in Person)                                                 | 3                    |             |              |               |              |             |              |            |       | 6           | \$964       | \$50         | \$1,014  | \$10,661 | \$3,186   | \$4,332  | \$1,538  | \$3,805  | \$1,025 |         |                | \$14,628  | \$37,364  |
| City Design Meeting - Program (1 in Person)                                                            | 4                    |             |              |               |              |             |              |            |       | 8           | \$1,312     |              | \$1,312  |          |           |          |          |          |         |         |                |           |           |
| City Design Meeting - Program (1 in Person)                                                            | 3                    |             |              |               |              |             |              |            |       | 6           | \$864       | \$50         | \$914    |          |           |          |          |          |         |         |                |           |           |
| City Review Meeting - (2 in Person) - 40% & 90%                                                        | 6                    |             |              |               |              |             |              |            |       | 12          | \$1,868     | \$50         | \$1,918  |          |           |          |          |          |         |         |                |           |           |
| City Review Meeting - (2 in Person) - 40% & 90%                                                        | 6                    |             |              |               |              |             |              |            |       | 12          | \$1,868     | \$50         | \$1,918  |          |           |          |          |          |         |         |                |           |           |
| City Council Meeting - (1 in Person)                                                                   | 3                    |             |              |               |              |             |              |            |       | 6           | \$864       | \$50         | \$914    |          |           |          |          |          |         |         |                |           |           |
| Public Meeting - (1 in Person)                                                                         | 3                    |             |              |               |              |             |              |            |       | 6           | \$864       | \$50         | \$914    |          |           |          |          |          |         |         |                |           |           |
| Graphics Support for Meeting (including 1 stakeholder meeting)                                         | 3                    |             |              |               |              |             |              |            |       | 22          | \$2,528     | \$200        | \$2,728  |          |           |          |          |          |         |         |                |           |           |
| Meeting Minutes Development & Circulation                                                              | 1                    |             |              |               |              |             |              |            |       | 8           | \$1,154     |              | \$1,154  |          |           |          |          |          |         |         |                |           |           |
| Meeting Minutes Development & Circulation                                                              | 2                    |             |              |               |              |             |              |            |       | 6           | \$592       |              | \$592    |          |           |          |          |          |         |         |                |           |           |
| Building Permit Application Meeting                                                                    |                      |             |              |               |              |             |              |            |       |             |             |              |          |          |           |          |          |          |         |         |                |           |           |
| 2.3. Regulatory Permitting Support                                                                     |                      |             |              |               |              |             |              |            |       |             |             |              |          |          |           |          |          |          |         |         |                |           |           |
| Submit Construction & Stormwater Plan (Conformance List)                                               | 1                    |             |              |               |              |             |              |            |       | 5           | \$691       |              | \$691    | \$10,661 | \$3,186   | \$14,037 | \$2,124  | \$2,54   |         |         |                | \$13,659  | \$27,682  |
| Submit Construction & Stormwater Plan (Conformance List)                                               | 1                    |             |              |               |              |             |              |            |       | 5           | \$691       |              | \$691    |          |           |          |          |          |         |         |                |           |           |
| Submit Construction & Stormwater Plan (Conformance List)                                               | 3                    |             |              |               |              |             |              |            |       | 9           | \$1,076     |              | \$1,076  |          |           |          |          |          |         |         |                |           |           |
| Final Application Document Revisions                                                                   | 4                    |             |              |               |              |             |              |            |       | 16          | \$2,284     |              | \$2,284  |          |           |          |          |          |         |         |                |           |           |
| In Person Regulatory Meeting (1) 2 hr duration each                                                    | 3                    |             |              |               |              |             |              |            |       | 4           | \$748       | \$50         | \$798    |          |           |          |          |          |         |         |                |           |           |
| In Person Regulatory Meeting (1) 2 hr duration each                                                    | 3                    |             |              |               |              |             |              |            |       | 4           | \$748       | \$50         | \$798    |          |           |          |          |          |         |         |                |           |           |
| Statement of Work, support                                                                             | 4                    |             |              |               |              |             |              |            |       | 22          | \$2,603     |              | \$2,603  |          |           |          |          |          |         |         |                |           |           |
| Preparation of Building Permits for Submission                                                         | 4                    |             |              |               |              |             |              |            |       | 22          | \$2,603     |              | \$2,603  |          |           |          |          |          |         |         |                |           |           |
| 2.4. Project Management                                                                                |                      |             |              |               |              |             |              |            |       |             |             |              |          |          |           |          |          |          |         |         |                |           |           |
| Construction Coordination                                                                              | 6                    |             |              |               |              |             |              |            |       | 26          | \$3,638     |              | \$3,638  | \$10,661 | \$3,186   | \$17,485 | \$2,124  | \$2,54   |         |         |                | \$16,795  | \$30,171  |
| Client Progress Meetings                                                                               | 6                    |             |              |               |              |             |              |            |       | 18          | \$2,676     | \$100        | \$2,776  |          |           |          |          |          |         |         |                |           |           |
| Monthly Progress Reports & Budget Reviews                                                              | 4                    |             |              |               |              |             |              |            |       | 14          | \$2,020     |              | \$2,020  |          |           |          |          |          |         |         |                |           |           |
| QA/QC                                                                                                  | 2                    |             |              |               |              |             |              |            | 3     | 9           | \$1,181     |              | \$1,181  |          |           |          |          |          |         |         |                |           |           |
| QA/QC                                                                                                  | 2                    |             |              |               |              |             |              |            |       | 18          | \$2,360     |              | \$2,360  |          |           |          |          |          |         |         |                |           |           |
| M                                                                                                      |                      |             |              |               |              |             |              |            |       |             |             |              |          |          |           |          |          |          |         |         |                |           |           |
| M                                                                                                      |                      |             |              |               |              |             |              |            |       |             |             |              |          |          |           |          |          |          |         |         |                |           |           |
| MOTT MACDONALD                                                                                         |                      |             |              |               |              |             |              |            |       |             |             |              |          |          |           |          |          |          |         |         |                |           |           |
| TOTAL PROJECT COST                                                                                     |                      |             |              |               |              |             |              |            |       |             |             |              |          |          |           |          |          |          |         |         |                |           |           |
| Total Hours                                                                                            | 115                  | 23          | 11           | 7             | 249          | 87          | 12           | 10         | 514   | \$73,206    | \$750       | \$73,956     | \$75,656 | \$98,725 | \$107,711 | \$25,591 | \$7,893  | \$17,525 | \$2,873 | \$5,125 |                | \$3,688   | \$227,116 |
| Subtotal Costs                                                                                         | \$24,150             | \$4,200     | \$1,505      | \$1,015       | \$29,382     | \$10,672    | \$1,225      | \$988      |       |             |             |              |          |          |           |          |          |          |         |         |                |           |           |
| Subcontractors (x2.5%) and Direct Costs                                                                | \$24,150             | \$4,200     | \$1,505      | \$1,015       | \$29,382     | \$10,672    | \$1,225      | \$988      |       |             |             |              |          |          |           |          |          |          |         |         |                |           |           |



**City Council Business Agenda Item**  
**City of Kenmore, WA**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Subject/Topic:</b><br/> Interagency Agreement for the North Sound<br/> RADAR Navigator Program</p><br><br><br><br><br><br><br><br><br><br><p><b>Proposed Council Action/Motion:</b><br/> Authorize the City Manager to sign the<br/> Interagency Agreement for the North Sound<br/> RADAR Navigator Program</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <p>For Council Meeting Agenda of: May 20, 2019</p> <p>Department: Police</p> <p>Prepared by: Peter Horvath, Police Chief</p><br><div style="text-align: right; margin-bottom: 5px;"><u>Initial &amp; Date</u></div> <p>Approved by Department Head: _____</p> <p>Approved by City Attorney: _____</p> <p>Approved by Finance Director: ✓ _____</p> <p>Approved by City Manager: ✓ _____</p><br><p>Exhibits/Attachments: North Sound RADAR<br/> Program ILA</p> |
| <p><b>INFORMATION/BACKGROUND:</b></p> <p>The North Sound RADAR Navigator Program enables a group of municipalities partnering to provide its members with an economical mechanism for the efficient administration and coordination of a program for Response Awareness, De-escalation and Referral (“RADAR”) to be used in the event of behavioral health crises.</p> <p>Over the past decade, police agencies have changed the way they respond to mental health related calls for service. Police officers no longer can just arrive at a scene, arrest a person in mental health crisis, then move onto the next call. Rather, police officers are expected to de-escalate the situation, provide real-time services to those in crisis, and conduct follow-up on the affected parties. This is a huge shift in the way policing has been conducted in the past.</p> <p>The goals of the Program are to strengthen community/police partnerships, to increase the connection of at-risk individuals with effective behavioral health services and treatments, and to enhance community and first responder safety by reducing the potential for police use of physical force. The Program endeavors to provide shared resources for mental health professionals (MHP) to partner with law enforcement to connect at-risk individuals to the proper services. The Program will provide law enforcement officers with response plans designed to assist in the field with de-escalation and crisis intervention response. The Program seeks to protect the public peace, health, and safety; to preserve the lives and property of the people served by the Parties; and to ensure the safety of the residents in each community.</p> <p>The current partners include the following Cities: Lake Forest Park, Shoreline, Kenmore, Bothell, and Kirkland. The program has received funds from a Federal Department of Justice Grant, a Washington State Association of Sheriffs and Police Chiefs Grant, and a large endowment from King County.</p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

Within weeks, a full-time Program Coordinator will be brought on to grow the program. The vision will be to have 6-8 part-time MHP's shared among member Cities.

**FISCAL CONSIDERATION:**

The financial impact is expected to be cost neutral; however, there is the possibility of overtime for officers while conducting follow-up with the MHP.

## Interlocal Agreement for North Sound RADAR Navigator Program

**Bothell Contract No.** \_\_\_\_\_  
**Lake Forest Park Contract No.** \_\_\_\_\_  
**Kenmore Contract No.** \_\_\_\_\_  
**Kirkland Contract No.** \_\_\_\_\_  
**Shoreline Contract No.** \_\_\_\_\_

This interlocal agreement for regional Mental Health Professional (MHP) services ("Agreement") is made pursuant to the Interlocal Cooperation Act, chapter 39.34 RCW, by and between the following parties:

- The City of Bothell, a Washington State municipal corporation, ("Bothell")
- The City of Lake Forest Park, a Washington State municipal corporation, ("LFP")
- The City of Kenmore, a Washington State municipal corporation, ("Kenmore")
- The City of Kirkland, a Washington State municipal corporation, ("Kirkland")
- The City of Shoreline, a Washington State municipal corporation, ("Shoreline")

Bothell, LFP, Kenmore, Kirkland, and Shoreline, are also referred to collectively as "Parties" and individually as "Party."

### RECITALS

- The Parties are cities in close proximity to each other located in the north part of King County.
- Each Party has responsibilities and obligations to respond to emergent situations involving individuals and associated persons experiencing behavioral health crises.
- The Parties agree that it is in the best interest of their local communities to administer and coordinate a standardized set of protocols for assisting those experiencing a behavioral health crisis.
- The Parties further agree that it is in their best interests to share resources for behavioral health professionals to partner with law enforcement to connect at-risk individuals to the proper services.

### AGREEMENT

To that end, the Parties agree as follows:

1. **Purpose.** The purpose and intent of this Agreement is to create the North Sound RADAR Navigator Program ("Program"): a group of municipalities partnering to provide its members with an economical mechanism for the efficient administration and coordination of a program for Response Awareness, De-escalation and Referral ("RADAR") to be used in the event of behavioral health crises. The goals of the Program are to strengthen community/police partnerships, to increase the connection of at-risk individuals with effective behavioral health services and treatments, and to enhance community and first responder safety by reducing the potential for police use of physical force. The Program endeavors to provide shared resources for mental health professionals to partner with law enforcement to connect at-risk individuals to the proper services. The Program will provide law enforcement officers with response plans designed to assist in the field with de-escalation and crisis intervention response.

The Program seeks to protect the public peace, health, and safety; to preserve the lives and property of the people served by the Parties; and to ensure the safety of the residents in each community.

2. Effective Date and Duration. This Agreement shall take effect retroactively from January 1, 2019, and shall remain in effect for a period of 36 months (the "Initial Term"), although the term of the agreement will also be subject to available grant funding.
3. Term Extension and Early Termination. Following the Initial Term, this Agreement shall extend automatically between all parties for additional twelve-month periods until terminated by a Party, in which case the agreement will still remain in effect between the remaining Parties until terminated. A Party may terminate participation in the Program by giving notice to all other Parties at least six (6) months prior to the end of the then-current term or as provided in Section 6 below. A Party terminating its participation remains liable for any residual liabilities, obligations, or costs incurred prior to its termination of participation in this Agreement.
4. No Separate Entity. No separate legal or administrative entity is created by this Agreement. Rather, this Agreement establishes a joint operation of the Parties. The joint operation will be called the "North Sound RADAR Navigator Program" or "RADAR."
5. No Joint Venture. Nothing contained in this Agreement shall be construed as creating any type or manner of partnership, joint venture, or other enterprise between the Parties.
6. Administration.
  - a. Subject to the directives of the North Sound RADAR Navigator Program Executive Board ("Board") established in Section 7 below, Bothell shall serve as the Lead Agency ("Lead Agency") for the Program. As Lead Agency, and with the approval of the Committee, Bothell shall select and hire the program manager for the Program ("Program Manager"). As the Program Manager's employer, Bothell is responsible for assigning and directing the Program Manager's job duties. The Lead Agency shall share all reports, documents, and written work products created for the Program with all Parties.
  - b. The Program Manager shall possess a Master's degree in social work, psychology, counseling, or a related field; possess a valid Washington State Department of Health license (LICSW, LASW, LICSWA, LMHC, LMHCA, LCPC, LCP, or other related license); and have at least two years' post-graduate experience working directly with individuals experiencing mental illness, homelessness, and/or substance use disorder. The Program Manager shall administer and coordinate the Program operations, and serve as the point of contact for all Parties. Additional duties of the Program Manager are described in Exhibit A, attached and incorporated by this reference.
7. Governance. A joint decision-making body, the North Sound RADAR Navigator Program Executive Board, shall govern and administer this Agreement and direct the Lead Agency's actions, functions, and duties, consistent with the terms and conditions of this Agreement and consistent with the policies outlined in the Program's Standard Operating Procedures to be created and adopted by the Board. Each Party shall appoint one representative to the Board. The Board shall meet at least quarterly and at such other times as is determined by the Board. At the request of one Party for a special or

emergency meeting, the Board shall meet within a reasonable time after the request. The Board shall strive to make decisions by consensus. In the event consensus cannot be reached, a decision can be made by a majority vote. Voting shall be on a "one party, one vote" basis. The Board shall comply with all provisions of Washington's Open Public Meetings Act and Public Records Act. Bothell is entitled to make employer-related decisions regarding the Program Manager without Board input.

8. Operating Budget. The operating budget will be set annually. The Board shall meet as soon as possible in the first quarter of 2019 to set the budget for 2019. The Program's operating budget for 2019 will consist of funds received from King County Mental Illness and Drug Dependency (MIDD) Grant. The 2019 budget may include any other costs incurred by the Lead Agency or any Party for or on behalf of the Program but must be approved in advance by the Board in writing. Beyond the 2019 budget, the Board shall meet in the second calendar quarter of each calendar year to approve and finalize the operating budget for the following calendar year.
9. Costs. Each Party shall be responsible for its own internal costs of participating in the Program, such as costs for staff time and facilities used for planning, training, and meetings. This Agreement assumes funding for the Program Manager and other RADAR Navigator mental health professionals will come from outside agency grant funding and not from the Parties.
10. Finance and Accounting Services. The Lead Agency will provide finance and accounting services for the Program and will maintain a separate fund in its accounting system for this purpose. Lead Agency accounting services shall be compensated by program funding per the Lead Agency's City budget rules.
11. Ownership of Property. Except as agreed otherwise by the Parties in writing, title to property owned by a Party and used for the Program shall not be transferred to the Program or any other Party. All Parties must agree in advance to the acquisition or lease of property for the Program, and such property shall be jointly owned by all Parties unless agreed otherwise by the Parties in writing.
12. Regular Agency Operations: Each Party shall continue to fulfill its respective municipal functions and duties without reimbursement from any other Party to this Agreement. Although the Parties are administering and coordinating their Program response plans and programs under this Agreement, each Party shall retain sole discretion and full control over its own plans, programs, and resources.
13. Notices: Each Party is responsible for promptly notifying all other Parties of any personnel change or change in contact email or mailing address listed here. All Program-related email notices shall be sent to the Parties at the following addresses:

|         |                   |                                     |
|---------|-------------------|-------------------------------------|
| Bothell | Carol Cummings    | Carol.cummings@bothellwa.gov        |
| Bothell | Mike Johnson      | Mike.Johnson@bothellwa.gov          |
| Bothell | Jennifer Phillips | Jennifer.phillips@bothellwa.gov     |
| LFP     | Phil Hill         | phill@ci.lake-forest-park.wa.us     |
| LFP     | Steve Sutton      | ssutton@ci.lake-forest-park.wa.us   |
| LFP     | Paul Armbrust     | parmbrust@ci.lake-forest-park.wa.us |
| Kenmore | Pete Horvath      | peter.Horvath@kingcounty.gov        |

2019 RADAR Interlocal Agreement 1/15/19 revised

|           |               |                              |
|-----------|---------------|------------------------------|
| Kenmore   | Rob Karlinsey | rKarlinsey@kenmorewa.gov     |
| Kirkland  | Cherie Harris | CHarris@kirklandwa.gov       |
| Kirkland  | Mike Ursino   | MUrsino@kirklandwa.gov       |
| Kirkland  | Tracey Dunlap | tdunlap@kirklandwa.gov       |
| Shoreline | Debbie Tarry  | dtarry@shorelinewa.gov       |
| Shoreline | Shawn Ledford | Shawn.Ledford@kingcounty.gov |

All Program-related written notices shall be sent by mail or hand-delivered to:

Phil Hill, City Administrator  
**City of Lake Forest Park**  
 17425 Ballinger Way NE  
 Lake Forest Park, WA 98155

Rob Karlinsey, City Manager  
**City of Kenmore**  
 18120 68th Ave NE  
 Kenmore, WA 98028

Jennifer Phillips, City Manager  
**City of Bothell**  
 18415 101st Avenue NE  
 Bothell, WA 98011

Tracey Dunlap, Deputy City Manager  
**City of Kirkland**  
 123 Fifth Avenue  
 Kirkland, Washington 98033

Debbie Tarry, City Manager  
**City of Shoreline**  
 17500 Midvale Ave N  
 Shoreline, WA 98133-4905

14. Indemnification: To the extent permitted by state law, and for the limited purposes set forth in this Agreement, each Party shall defend, hold harmless, and indemnify each other Party, its officers, elected officials, agents, and employees, while acting within the scope of their employment as such, from and against any and all claims (including demands, suits, penalties, liabilities, damages, costs, expenses, or losses of any kind or nature whatsoever including attorney's fees) arising out of or in any way resulting from such Party's own negligent acts, errors, or omissions or willful misconduct related to such Party's participation and obligations under this Agreement, but only to the extent of each such Party's negligence. Each Party agrees that its obligations under this section 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 Party, by mutual negotiation, hereby waives, with respect to the other Parties only, any immunity that would otherwise be available against such claims under the industrial insurance act provisions of Title 51 RCW.
15. No Third-Party Beneficiaries: This Agreement is for the sole benefit of the Parties. No other persons shall be deemed to have any rights in, under, or to this Agreement.



2019 RADAR Interlocal Agreement 1/15/19 revised

The Parties have executed this Agreement on the dates written below:

Lake Forest Park:

\_\_\_\_\_  
By Phil Hill, its City Administrator  
City of Lake Forest Park

Date Signed: \_\_\_\_\_

The Parties have executed this Agreement on the dates written below:

Kenmore:

\_\_\_\_\_  
By Rob Karlinsey, its City Manager  
City of Kenmore

Date Signed: \_\_\_\_\_

The Parties have executed this Agreement on the dates written below:

Kirkland:

\_\_\_\_\_  
By Tracey Dunlap, its Deputy City Manager  
City of Kirkland

Date Signed: \_\_\_\_\_

The Parties have executed this Agreement on the dates written below:

Shoreline:

\_\_\_\_\_  
By Debbie Tarry, its City Manager  
City of Shoreline

Date Signed: \_\_\_\_\_

The Parties have executed this Agreement on the dates written below:

Bothell:

\_\_\_\_\_  
By Jennifer Phillips, its City Manager  
City of Bothell

Date Signed: \_\_\_\_\_

## **EXHIBIT “A”**

### **RADAR Program Manager Duties and Responsibilities**

The following is a list of job duties and responsibilities of the RADAR Program Manager. The list includes examples of the duties and responsibilities and shall not be considered exhaustive or complete.

**Functions and Activities:**

- Develop job description and compensation for Mental Health Professionals (MHPs) to include qualification standards.
- Develop a team of Navigators.
- Assist in determining the number of Navigators needed.
- Meet with CJTC CIT staff.
- Coordinate administrative issues for the Navigators.
- Assist Navigators with administrative needs.
- Serve as the point of contact for the community on Navigator-related issues.
- Organize internal and external meetings related to the Navigator program.
- Work with community partners and program stakeholders.
- Attends regional meetings.
- Track outreach activities of the Navigator program.
- Assist the Program sergeant, Navigators, and CIT Officers with case tracking and referrals.
- Oversee RADAR alerts and Response Plan management to ensure consistency and accuracy.
- Assist with the sharing of RADAR alerts and Response Plans between cooperating agencies.
- Keep track of program statistics, including generating comprehensive reports as needed.
- Ensure inputting of WASPC Open Lattice data is regularly completed.
- Coordinate the development of the North Sounds RADAR Navigator policy.
- Oversee the program budget and grant(s).
- Ensure grant documentation requirements are met.
- Track budget expenditures.
- Track grant funds.



**City Council Consent Agenda Item  
City of Kenmore, WA**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Subject/Topic:</b><br/>Agreement 19-C2015 to construct stormwater conveyance improvements to the existing drainage system on NE Arrowhead DR to eliminate recurring flooding issues.</p> <p><b>Proposed Council Action/Motion:</b><br/>Authorize the City Manager to execute Agreement 19-C2015 with Grade, Inc. in an amount not to exceed \$145,846.50.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <p>For Council Meeting Agenda of: May 20, 2019</p> <p>Department: Public Works</p> <p>Prepared by: Richard Sawyer, Environmental Services Manager</p> <p align="right"><u>Initial &amp; Date</u></p> <p>Approved by Department Head: <u>RL</u></p> <p>Approved by City Attorney: <u>[Signature]</u></p> <p>Approved by Finance Director: <u>[Signature]</u></p> <p>Approved by City Manager: <u>Nico F. RK</u><br/>10 May 2019</p> <p>Exhibits/Attachments: NA</p> |
| <p><b><u>INFORMATION/BACKGROUND:</u></b></p> <p>This capital project is identified as SW-030 in the Surface Water Capital Improvement Program (CIP), which was approved by Council in the six-year CIP via Ordinance No. 18-0469 on September 17, 2018. This project addresses flooding issues between the 15300 to 15100 block of NE Arrowhead DR.</p> <p>The existing drainage system along the bottom of NE Arrowhead DR does not have the capacity to contain all of the stormwater runoff during heavy rainfall events, which results in the flooding of the roadway and adjacent properties. Due to complications such as multiple utility conflicts, this project will install a new drainage system that parallels the existing system instead of replacing the existing system with a larger one. During heavy rainfall events, excess runoff will be directed to the new portion of the system and eliminate flooding of the roadway and adjacent properties. The new system will reconnect with the existing system at the same outfall location. Staff anticipates that construction will begin in mid-June and will last up to 25 working days.</p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <p><b><u>FISCAL CONSIDERATION:</u></b></p> <p>The City's approved 2019-2020 biennium budget has \$175,000 allocated for this project. The low bid to construct the project was \$145,846.50 and staff estimate that construction management costs will be \$15,000.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <p><b><u>COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:</u></b></p> <p>Goal #10 – Protect and enhance the climate, water, air and forest environment.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |



**City Council Business Agenda Item**  
**City of Kenmore, WA**

**Subject/Topic:** Public Hearing, Deliberation and Action Regarding Open Space Classification for the Minard Property

**For Council Meeting Agenda of:** May 20, 2019

**Department:** Development Services

**Prepared by:** Bryan Hampson, Development Services Director & Megan Kim, King County Department of Natural Resources and Parks

**Proposed Council Action/Motion:**  
Motion to adopt Resolution No. 19-320, Approving an Open Space Classification for the Minard Property, King County Tax Parcel No. 1426049013

Initial & Date

Approved by Department Head: BA 5/19/19  
 Approved by City Attorney: ✓ RK  
 Approved by Finance Director: [Signature]  
 Approved by City Manager: [Signature]

**Exhibits/Attachments:**

**Exhibit A:** Aerial Map

**Exhibit B:** Resolution No. 19-320

**Exhibit C:** Open Space Classification Application – File #E18CT022KE(Minard)

**Exhibit D:** King County Department of Natural Resources and Parks, Water and Land Resources Division's Report to the City of Kenmore for Property Enrolled in the Public Benefit Rating System Current Use Taxation Program

**INFORMATION/BACKGROUND:**

King County's Department of Natural Resources and Parks, Water and Land Resources Division (DNR&P) received an application from Michael, Frank and Sara Minard (Applicants) to enroll their property in King County's Public Benefit Rating System (PBRs) Current Use Taxation Program as authorized under RCW Chapter 84.34 and KCC 20.36.

The Applicants own an undeveloped parcel, 6.46 acres in size, directly north of the Saint Edward State Park. The property is identified as King County Assessor Parcel No. 1426049013 (reference **Exhibit A**).

The application has been processed by the DNR&P and must be approved by both the King County Council's Mobility and Environment Committee and the Kenmore City Council. (See **Exhibit B**).

The Applicants are seeking this parcel be classified as open space. If the application is approved, the property will receive a classification that will result in lower real property taxes, as explained below. The application (**Exhibit C**) was received by the City on February 21, 2019 from the County. In accordance with RCW 84.34.041(2), both the King County Council Committee and the City Council must act on and approve the application before July 1, 2019 in order for the tax reduction to take effect for the 2020 fiscal year. If approved by both, the Applicants will need to enter into an Open Space Taxation Agreement with King County and the City.



The State RCW 84.34, provides for assessment practices to reflect current use of property, rather than “highest and best use”, as an incentive to property owners to conserve and preserve natural resources on private property. The Open Space Taxation Act provides for three current use classifications: open space land, farm and agricultural land, and timber land. This open space current use taxation program is implemented in King County through the PBRs program, which provides a point system to rate properties.

A property must contain one or more open space resources (as defined by PBRs) and have at least 5 points to be eligible to participate in PBRs. Once enrolled in PBRs, then the King County Assessor will assess the portion of the property participating in PBRs at “current use” value instead of at its highest and best use. The annual tax reduction ranges from 50 percent to 90 percent for the property enrolled. The PBRs lists 19 categories of open space resources that a property owner can seek to protect (e.g. agricultural land, surface water quality buffer, forest stewardship, public access). Each open space resource is assigned a point value where the more points the property earns the more property tax reduction may be awarded.

The DNR&P analyzed the application for an open space or current use assessment and recommended the property be enrolled in the PBRs Current Use Taxation Program (reference Exhibit D). As such, the DNR&P recommends that the application be granted due to the character of the property as open space. The DNR&P report concludes that the Applicants property is entitled to a public benefit rating of 41 points under the PBRs. One valuation level of the PBRs, 35-52 points, allows a current use value of 10% of market value. A public benefit rating of 41 points, therefore, allow the Minard property to have a current use value of 10% of market value, a reduction of 90% in market value of the property. The appraised value of the Minard property and property taxes collected for 2019, based on the King County Department of Assessments information, is as follows:

| Assessor's Parcel No. | Land Value  | Improvement Value | Total Assessed Value | Tax Applied |
|-----------------------|-------------|-------------------|----------------------|-------------|
| 1426049013            | \$4,604,000 | \$0               | \$4,604,000          | \$49,618.14 |

City staff agrees with the County's recommendation to grant the application, which will allow the property to be classified as open space. Maintaining and preserving the open space and public recreational area on this property will be a benefit to the public. In 2018, Daniels Real Estate purchased the undeveloped parcel (9.77 acres in size) to the south of this parcel and deeded it to the State, to offset any loss to the public for the use of the Seminary building. Now the Minard's property is contiguous to Saint Edward State Park and has trails linking the Parks trails to 59<sup>th</sup> PL NE.

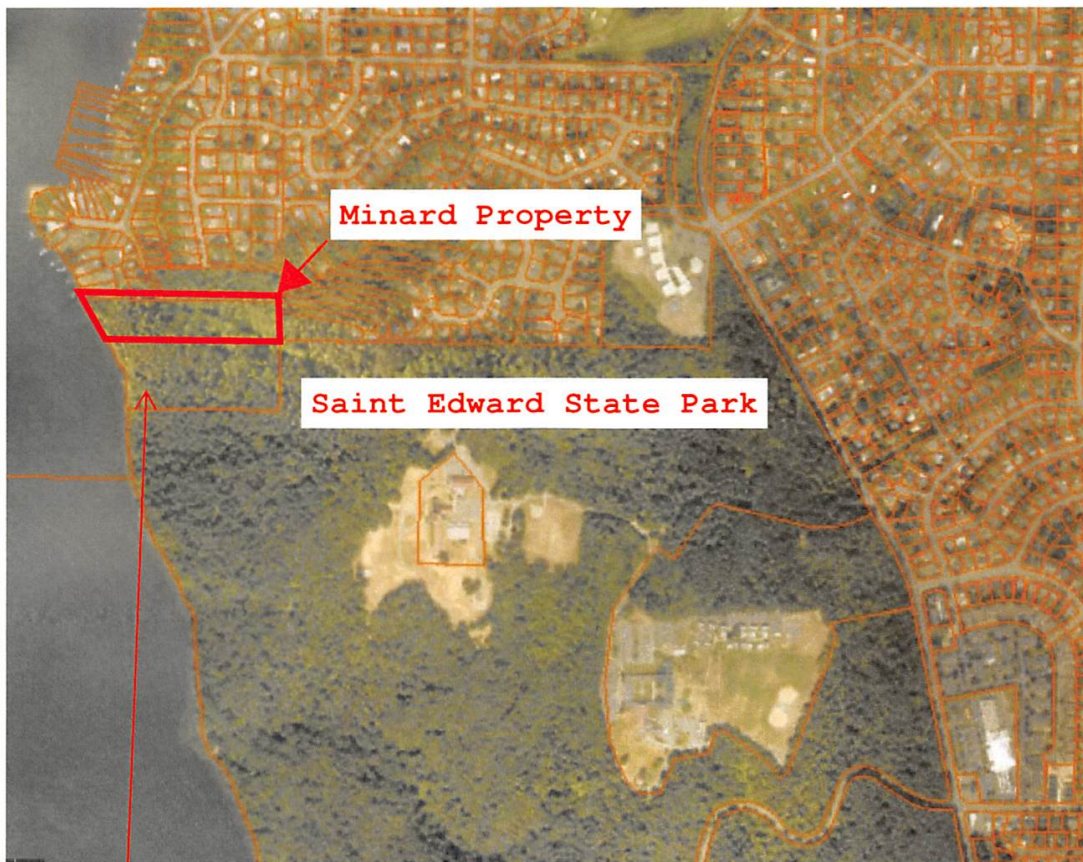
**FISCAL CONSIDERATION:**

The total tax on the full market value of \$4,604,000 is \$49,618.14. The City of Kenmore's regular rate is 1.04164 plus G.O. Bond of .25312 for a total rate of 1.29476 for 2019. Which would result in \$5,961 taxes to the City of Kenmore from the Minard property at the full market value. 10% of market value is \$460,400, the City of Kenmore's portion of taxes would be \$596.11. That is a difference of \$5,364.97 for the 2019 taxes from the Minard property owner. It should be noted that once the property tax reduction is awarded there is a tax shift whereby all other property tax payers in the district share in making up the lost revenue.

**COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:**

2018-19 Council Goal #8; To protect and enhance the water, air, and forest environment.

Exhibit A



Parcel deeded to the  
State in 2018 through  
a property exchange.  
Now Park property.

**EXHIBIT B**

**CITY OF KENMORE  
WASHINGTON  
RESOLUTION NO. 19-320**

**A RESOLUTION OF THE CITY OF KENMORE,  
WASHINGTON, APPROVING AN OPEN SPACE  
CLASSIFICATION FOR THE MINARD PROPERTY, KING  
COUNTY TAX PARCEL NO. 1426049013.**

WHEREAS, in RCW Chapter 84.34, the legislature has declared that it is in the best interest of the state to maintain, preserve, conserve and otherwise continue in existence adequate open space lands to assure the use and enjoyment of natural resources and scenic beauty for the economic and social well-being of the state and its citizens; and

WHEREAS, RCW Chapter 84.34 provides that an owner of land may apply to the county legislative authority to have the owner's land classified as "open space land" for purposes of determining real property taxes; and

WHEREAS, RCW Chapter 84.34 authorizes a county legislative authority to adopt an open space plan and public benefit rating system to determine whether an application for open space classification or current use assessment (hereafter referred to as "open space classification") should be approved or disapproved; and

WHEREAS, if a county legislative authority has adopted a public benefit rating system, the assessed value of open space land may be based on the public benefit rating system; and

WHEREAS, King County has adopted a public benefit rating system, which is codified in KCC Chapter 20.36; and

WHEREAS, the King County Public Benefit Rating System ("PBRs") requires an open space classification property to contain one or more qualifying open space resources, as identified in the PBRs, and to have at least five points under the PBRs; and

WHEREAS, under the PBRs, the current use value, which is a percentage of market value, is based on the number of awarded points (for example, 35-52 points results in a current use value of ten percent (10%) of market value); and

WHEREAS, KCC Chapter 20.36 requires the King County Department of Natural Resources and Parks ("DNR&P") to review each application for open space classification and recommend award of credit for current use of property, in accordance with a point system set forth in the Chapter; and

WHEREAS, KCC Chapter 20.36 requires the DNR&P to transmit an application for land located within a city to the affected city, and further requires both the city council and the King County Council's Transportation, Economy and Environment Committee and the City Council to approve the application, after a public hearing by each; and

WHEREAS, on December 17, 2018, Michael, Frank and Sara Minard submitted an application for open space classification to the DNR&P ("Minard Application") for their property located in the City of Kenmore (Tax Parcel No.1426049013) ("Property"); and

WHEREAS, as required by KCC Chapter 20.36, the DNR&P prepared a report to the City regarding an open space classification for the Property, dated May 20, 2019 (but received by the City on February 21, 2019) ("DNR&P Report"); and

WHEREAS, the DNR&P Report stated facts for the Property; summarized the PBRs requirements and considerations for open space classification, including point eligibility; summarized applicable King County Comprehensive Plan policies and text; stated the PBRs categories requested by the Minards; recommended or denied credits for categories requested by the Minards; concluded that the Property qualified for 41 points under the PBRs; and recommended that the request for open space classification be approved, subject to eleven (11) requirements or conditions; and

WHEREAS, the Kenmore City County held a public hearing on Minard Application on May 20, 2019; and

WHEREAS, based upon the DNR&P Report, and the best interests of the City of Kenmore, the City Council desires to approve the Minard Application and the open space classification for the Property, as recommended in the DNR&P Report;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF KENMORE, WASHINGTON, DOES HEREBY RESOLVE AS FOLLOWS:**

Section 1. Adoption of DNR&P Report and Recommendation. The City Council hereby adopts the "Report to the City of Kenmore for Property Enrollment in the Public Benefit Rating System (PBRs)," prepared by the King County Department of Natural Resources and Parks, Water and Land Resources Division, and dated May 20, 2019. This Report relates to the open space classification and current use assessment application filed by Stephen, Frank and Sara Minard (File No. E18CT022KE) ("Minard Application") for King County Tax Parcel No. 1426049013 in the City of Kenmore ("Minard Property").

Section 2. Approval of Application. The City Council hereby approves the Minard Application for the Minard Property.

**Section 3. Severability.** Should any section, paragraph, sentence, clause or phrase of the Resolution, or its application to any person or circumstances, be declared unconstitutional or otherwise invalid for any reason, or should any portion of the Resolution be pre-empted by state or federal law or regulation, such decision or preemption shall not affect the validity of the remaining portions of this Resolution or its application to other persons or circumstances.

**PASSED BY THE CITY COUNCIL OF THE CITY OF KENMORE,  
WASHINGTON, AT A REGULAR MEETING THEREOF THIS 20<sup>TH</sup> DAY OF  
MAY 2019.**

CITY OF KENMORE

\_\_\_\_\_  
David Baker, Mayor

ATTEST/AUTHENTICATED:

\_\_\_\_\_  
Kelly Chelin, City Clerk

Approved as to form:

\_\_\_\_\_  
Dawn Reitan, City Attorney

Filed with the City Clerk:  
Passed by the City Council:  
Resolution No.:

**Exhibit C**



**King County**

**Water and Land Resources Division**

Department of Natural Resources and Parks  
King Street Center  
201 South Jackson Street, Suite 600  
Seattle, WA 98104-3855  
206-477-4800 Fax 206-296-0192  
TTY Relay: 711

RECEIVED

FEB 21 2019

CITY OF KENMORE

February 19, 2019

Rob Karlinsey, City Manager  
City of Kenmore  
18120 68th Ave NE  
Kenmore, WA 98028

**RE: Public Benefit Rating System Application - File #E18CT022KE(Minard)**

Dear Mr. Karlinsey,

Enclosed please find a copy of an application to the Public Benefit Rating System (PBRs). This application is being forwarded to you as required by the Revised Code of Washington (RCW 84.34.037) for an evaluation and recommendation by the City of Kenmore.

For a property located within an incorporated area, RCW 84.34.037(1) states an application for PBRs "shall be acted upon [after a public hearing] by: (a) A granting authority composed of three members of the county legislative body and three members of the city legislative body in which the land is located in a meeting where members may be physically absent but participating through telephonic connection; or (b) separate affirmative acts by both the county and city legislative bodies where both bodies affirm the entirety of an application without modification or both bodies affirm an application with identical modifications." Historically this approval process has been achieved by separate hearings by both the city and county councils.

For a property enrolling in PBRs, the hearing process and the other steps listed below must occur.

- ☐ Review of the application by county and city staff
- ☐ Conduct scheduled site visit for resource/property analysis
- ☐ Prepare report/recommendation (applicant, city and assessor receive a copy)
- ☐ Present report and comments at scheduled public hearing held before the city council
- ☐ Present report and comments at scheduled public hearing held before the Metropolitan King County Council Transportation, Economy and Environment Committee (*approval from both Granting Authorities is needed to enroll a property located within a city*)
- ☐ Open Space Taxation Agreement prepared by PBRs staff
- ☐ Agreement signed by Chair of County Council and sent to landowner(s) for signature
- ☐ Agreement recorded by the Department of Assessments with the King County Records, Elections and Licensing Services Division (copy sent to owner and city)

Mr. Karlinsey  
February 19, 2019  
Page 2

This approval process must be completed by June 30, 2019 and I look forward to working with the city throughout the process.

Thank you for the assistance.

Sincerely,

A handwritten signature in black ink that reads "Megan Kim". The signature is written in a cursive, flowing style.

Megan Kim  
(206) 477-4788  
PBRs Program Analyst  
Rural and Regional Services Section

Enclosures

cc: Bryan Hampson, Development Services Director

**PUBLIC BENEFIT RATING SYSTEM**  
**Application**

**Open Space Land Classification For Property Within King County, Washington**  
**In Accordance With RCW 84.34 and K.C.C. 20.36**

Original Application AND 4 Copies of All Documents Must Be Submitted To:  
King County Water and Land Resources Division, Rural and Regional Services Section  
201 South Jackson Street, Suite 600, Seattle, WA 98104-3855

1. NAME of APPLICANT: S Michael Minard, Frank Minard, & Sara Minard  
Day Phone: 206-566-9369 Evening Phone: \_\_\_\_\_ Email: smminard@seattleschools.org
2. MAILING ADDRESS of APPLICANT: 5722 NE 61st St  
Seattle, WA 98115
3. PROPERTY ADDRESS: There is no address as it is undeveloped land.  
Parcel number is: 142604-9013  
  
Is the property located in an incorporated city? Yes X City: Kenmore No \_\_\_\_\_  
From what road is the property accessed? 59th Pl NE
4. PROPERTY HISTORY: Is the property presently participating in a current use assessment program (RCW 84.34 or RCW 84.33)? Yes \_\_\_\_\_ No X
5. APPLICANT'S INTEREST in PROPERTY: Owner Yes XX No \_\_\_\_\_  
Purchasing through contract Yes \_\_\_\_\_ No XX  
Other \_\_\_\_\_ Explain \_\_\_\_\_
6. PARCEL NUMBER and ACREAGE:

| <u>Tax Assessor Parcel #</u> | <u>Total Acres in Parcel</u> | <u>Acres Requested for PBRS</u> |
|------------------------------|------------------------------|---------------------------------|
| a. <u>142604-9013</u>        | <u>6.46</u>                  | <u>6.46</u>                     |
| b. _____                     | _____                        | _____                           |
| c. _____                     | _____                        | _____                           |
| TOTAL                        | <u>6.46</u>                  | <u>6.46</u>                     |

County use only:

Date Received 12/17/18 BD

File NO.

E180T022

PBRS App March 2013

A-1

**EXHIBIT**



**AFFIRMATION**

As owner(s) of the land described above, I hereby indicate by my signature that I am aware of the potential tax liability involved when the land ceases to be classified under the provisions of Chapter 84.34 RCW. I also declare under the penalties for false swearing that this application and any accompanying documents have been examined by me and to the best of my knowledge it is a true, correct, and complete statement.

The agreement to tax according to use of the property is not a contract and can be annulled or canceled at any time by the Legislature (RCW 84.34.070).

|            |           |
|------------|-----------|
| _____      | _____     |
| Print Name | Signature |
| _____      | _____     |
| Print Name | Signature |
| _____      | _____     |
| Print Name | Signature |

State of Washington  
County of \_\_\_\_\_

Subscribed and affirmed to before me this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

|                    |                        |
|--------------------|------------------------|
| _____              | _____                  |
| Notary's Signature | My Appointment Expires |

**Statement Of Additional Tax, Interest, And Penalty Due Upon Removal Of Classification**

1. Upon removal of classification, an additional tax shall be imposed which shall be due and payable to the county treasurer 30 days after removal or upon sale or transfer, unless the new owner has signed the Notice of Continuance. The additional tax shall be the sum of the following:
  - (a) The difference between the property tax paid as "Open Space Land" and the amount of property tax otherwise due and payable for the last seven years had the land not been so classified; plus
  - (b) Interest upon the amounts of the difference (a), paid at the same statutory rate charged on delinquent property taxes.

**PUBLIC BENEFIT RATING SYSTEM  
Application**

**Open Space Land Classification For Property Within King County, Washington  
In Accordance With RCW 84.34 and K.C.C. 20.36**

Original Application AND 4 Copies of All Documents Must Be Submitted To:  
King County Water and Land Resources Division, Rural and Regional Services Section  
201 South Jackson Street, Suite 600, Seattle, WA 98104-3855

1. NAME of APPLICANT: Minard Family Ltd. Partnership  
 Day Phone: <sup>206-</sup>218-3347 Evening Phone: <sup>206-</sup>218-3347 Email: frwami@gmail.com
2. MAILING ADDRESS of APPLICANT: Frank Minard - General Partner  
3545 46th Ave NE  
Seattle WA 98105
3. PROPERTY ADDRESS: Lot 14-26-04  
Block 9013 Code 1442 Sec. 14 TWP 26 RG 04  
 Is the property located in an incorporated city? Yes ☒ City: Kenmore No ☐  
 From what road is the property accessed? \_\_\_\_\_
4. PROPERTY HISTORY: Is the property presently participating in a current use assessment program (RCW 84.34 or RCW 84.33)? Yes ☐ No ☒
5. APPLICANT'S INTEREST in PROPERTY: Owner Yes ☒ No ☐  
 Purchasing through contract Yes ☐ No ☒  
 Other ☐ Explain \_\_\_\_\_
6. PARCEL NUMBER and ACREAGE:

| <u>Tax Assessor Parcel #</u> | <u>Total Acres in Parcel</u> | <u>Acres Requested for PBRS</u> |
|------------------------------|------------------------------|---------------------------------|
| a. <u>142604-9013-06</u>     | _____                        | _____                           |
| b. _____                     | _____                        | _____                           |
| c. _____                     | _____                        | _____                           |
| TOTAL                        | _____                        | _____                           |

County use only:

Date Received \_\_\_\_\_

File NO. \_\_\_\_\_

**AFFIRMATION**

As owner(s) of the land described above, I hereby indicate by my signature that I am aware of the potential tax liability involved when the land ceases to be classified under the provisions of Chapter 84.34 RCW. I also declare under the penalties for false swearing that this application and any accompanying documents have been examined by me and to the best of my knowledge it is a true, correct, and complete statement.

The agreement to tax according to use of the property is not a contract and can be annulled or canceled at any time by the Legislature (RCW 84.34.070).

Frank Minard

Print Name

[Signature]

Signature

Print Name

Signature



State of Washington

County of King

Subscribed and affirmed to before me this 10 day of Dec., 2018

[Signature]

Notary's Signature

Roger A. Bruckshen

3-30-22

My Appointment Expires

**Statement Of Additional Tax, Interest, And Penalty Due Upon Removal Of Classification**

1. Upon removal of classification, an additional tax shall be imposed which shall be due and payable to the county treasurer 30 days after removal or upon sale or transfer, unless the new owner has signed the Notice of Continuance. The additional tax shall be the sum of the following:
  - (a) The difference between the property tax paid as "Open Space Land" and the amount of property tax otherwise due and payable for the last seven years had the land not been so classified; plus
  - (b) Interest upon the amounts of the difference (a), paid at the same statutory rate charged on delinquent property taxes.

**AFFIRMATION**

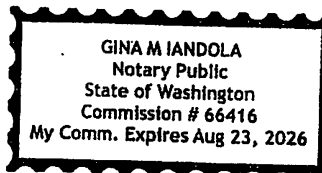
As owner(s) of the land described above, I hereby indicate by my signature that I am aware of the potential tax liability involved when the land ceases to be classified under the provisions of Chapter 84.34 RCW. I also declare under the penalties for false swearing that this application and any accompanying documents have been examined by me and to the best of my knowledge it is a true, correct, and complete statement.

The agreement to tax according to use of the property is not a contract and can be annulled or canceled at any time by the Legislature (RCW 84.34.070).

STEPHEN MICHAEL MELARD [Signature]  
 Print Name Signature

\_\_\_\_\_  
 Print Name Signature

State of Washington  
 County of KING



Subscribed and affirmed to before me this 7TH day of DEC, 2018

[Signature] 08-23-2026  
 Notary's Signature My Appointment Expires

**Statement Of Additional Tax, Interest, And Penalty Due Upon Removal Of Classification**

1. Upon removal of classification, an additional tax shall be imposed which shall be due and payable to the county treasurer 30 days after removal or upon sale or transfer, unless the new owner has signed the Notice of Continuance. The additional tax shall be the sum of the following:
  - (a) The difference between the property tax paid as "Open Space Land" and the amount of property tax otherwise due and payable for the last seven years had the land not been so classified; plus
  - (b) Interest upon the amounts of the difference (a), paid at the same statutory rate charged on delinquent property taxes.

**AFFIRMATION**

As owner(s) of the land described above, I hereby indicate by my signature that I am aware of the potential tax liability involved when the land ceases to be classified under the provisions of Chapter 84.34 RCW. I also declare under the penalties for false swearing that this application and any accompanying documents have been examined by me and to the best of my knowledge it is a true, correct, and complete statement.

The agreement to tax according to use of the property is not a contract and can be annulled or canceled at any time by the Legislature (RCW 84.34.070).

SARA MINARD

Print Name

Phil

Signature

Print Name

Signature

State of ~~Washington~~ New York  
County of New York

**SARA Q. COBB**  
Notary Public, State of New York  
No. 81-02CO4999387  
Qualified in New York County  
Commission Expires 8/23/2022

Subscribed and affirmed to before me this 6<sup>th</sup> day of December, 2018

Sara Q. Cobb  
Notary's Signature

8/23/2022  
My Appointment Expires

**Statement Of Additional Tax, Interest, And Penalty Due Upon Removal Of Classification**

1. Upon removal of classification, an additional tax shall be imposed which shall be due and payable to the county treasurer 30 days after removal or upon sale or transfer, unless the new owner has signed the Notice of Continuance. The additional tax shall be the sum of the following:
  - (a) The difference between the property tax paid as "Open Space Land" and the amount of property tax otherwise due and payable for the last seven years had the land not been so classified; plus
  - (b) Interest upon the amounts of the difference (a), paid at the same statutory rate charged on delinquent property taxes.

- (c) A penalty of 20% shall be applied to the additional tax if the classified land is applied to some other use except through compliance with the property owner's request for withdrawal process, or except as a result of those conditions listed in (2) below.
2. The additional tax, interest, and penalty specified in (1) above shall not be imposed if removal resulted solely from:
- (a) Transfer to a government entity in exchange for other land located within the State of Washington.
  - (b) A taking through the exercise of the power of eminent domain, or sale or transfer to an entity having the power of eminent domain in anticipation of the exercise of such power.
  - (c) A natural disaster such as a flood, windstorm, earthquake, or other such calamity rather than by virtue of the act of the landowner changing the use of such property.
  - (d) Official action by an agency of the State of Washington or by the county or city where the land is located disallows the present use of such land.
  - (e) Transfer of land to a church when such land would qualify for exemption pursuant to RCW 84.36.020.
  - (f) Acquisition of property interests by State agencies or agencies or organizations qualified under RCW 84.34.210 and 64.04.130 (See RCW 84.34.108(6)(f)).
  - (g) Removal of land classified as farm and agricultural land under RCW 84.34.020(2)(e) (farm homesite).
  - (h) Removal of land from classification after enactment of a statutory exemption that qualifies the land for exemption and receipt of notice from the owner to remove the land from classification.
  - (i) The creation, sale, or transfer of forestry riparian easements under RCW 76.13.120.
  - (j) The creation, sale, or transfer of a fee interest or a conservation easement for the riparian open space program under RCW 76.09.040.
  - (k) The sale or transfer of land within two years after the death of the owner of at least a fifty percent interest in the land if the land has been assessed and valued as designated forest land under chapter 84.33 RCW, or classified under this chapter 84.34 RCW continuously since 1993. The date of death shown on a death certificate is the date used.
  - (l) The discovery that the land was classified in error through no fault of the owner.

**I. GENERAL**

- A. Describe all present and proposed uses within the PBRs area (**participating area**). Uses might include enjoyment of paths/trails, bird watching, forestry, farm activities or simply staying out of the open space. Please attach additional sheets if necessary.  
There are multiple paths that run through the property. These paths can be used by walkers, joggers, pet walkers, bike riders, equestrians, ect.  
The 6+ acres can be enjoyed by bird watchers and nature lovers of all kinds.  
The semi dense forest, now almost 100 years old, runs to the waterline.  
The property provides lovely views of Lake Washington as well as multiple access points to the lake itself
- B. Describe all existing improvements on the property (**excluded area**). This would include home, driveway, road, drainage system, well, yard, landscaping, garden and other personal-use areas. Please attach additional sheets if necessary.  
There are no improvements on the site. Personal uses.  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
- C. Describe all potential or planned improvements and where they might be located on the property. Excluding an area now that might be later developed, such as a future home site, should be considered, but is not required. Please attach additional sheets if necessary.  
The Partners intend for no potential or planned improvements for this property.  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
- D. Is the land subject to lease or other agreements (such as CCR's, utility, natural or native growth protection, conservation, trail, or road easement) that may limit the property's use or development?  
 Yes \_\_\_\_\_ No XX  
 If "yes", then what type of lease/agreement/easement is it? \_\_\_\_\_  
**Please attach copies of all leases, options, easements or any other such agreements.**

## II. RESOURCE INVENTORY/PBRS Categories

Property may receive points as indicated for an open space resource or bonus category listed below. On page A-7, please provide justification for each category requested (refer to the *Public Benefit Rating System Resource Information* document found at [www.kingcounty.gov/incentives](http://www.kingcounty.gov/incentives)).

### Open Space Resources

- |               |                                                                                     |
|---------------|-------------------------------------------------------------------------------------|
| <u>  X  </u>  | 1. Public recreation area - 5 points                                                |
| <u>      </u> | 2. Aquifer protection area - 5 points                                               |
| <u>  X  </u>  | 3. Buffer to public or current use classified land - 3 points                       |
| <u>      </u> | 4. Equestrian-pedestrian-bicycle trail linkage - 35 points                          |
| <u>  X  </u>  | 5. Active trail linkage - 15 or 25 points                                           |
| <u>      </u> | 6. Farm and agricultural conservation land - 5 points                               |
| <u>      </u> | 7. Forest stewardship land - 5 points                                               |
| <u>      </u> | 8. Historic landmark or archaeological site: buffer to a designated site - 3 points |
| <u>      </u> | 9. Historic landmark or archaeological site: designated site - 5 points             |
| <u>      </u> | 10. Historic landmark or archaeological site: eligible site - 3 points              |
| <u>      </u> | 11. Rural open space - 5 points                                                     |
| <u>      </u> | 12. Rural stewardship land - 5 points                                               |
| <u>  X  </u>  | 13. Scenic resource, viewpoint or view corridor - 5 points                          |
| <u>      </u> | 14. Significant plant or ecological site - 5 points                                 |
| <u>  X  </u>  | 15. Significant wildlife or salmonid habitat - 5 points                             |
| <u>  X  </u>  | 16. Special animal site - 3 points                                                  |
| <u>  X  </u>  | 17. Surface water quality buffer - 5 points                                         |
| <u>      </u> | 18. Urban open space - 5 points                                                     |
| <u>      </u> | 19. Watershed protection area - 5 points                                            |
| <u>  43  </u> | = total open space resource points                                                  |

### Bonus Categories

- |               |                                                                               |
|---------------|-------------------------------------------------------------------------------|
| <u>      </u> | 1. Resource restoration - 5 points                                            |
| <u>      </u> | 2. Additional surface water quality buffer - 3 or 5 points                    |
| <u>      </u> | 3. Contiguous parcels under separate ownership – minimal 2 points             |
| <u>      </u> | 4. Conservation easement or historic easement - 15 points                     |
| <u>  X  </u>  | 5. Public access – points depend on type and frequency of access allowed      |
|               | <u>      </u> Unlimited public access - 5 points                              |
|               | <u>  X  </u> Limited public access because of resource sensitivity - 5 points |
|               | <u>      </u> Environmental education access - 3 points                       |
|               | <u>      </u> Seasonally limited public access - 3 points                     |
|               | <u>      </u> None or members only - 0 points                                 |
| <u>      </u> | 6. Easement and access - 35 points                                            |
| <u>  5  </u>  | = total bonus category points                                                 |

  35-52   = Total of open space resource and bonus category points results in a Public Benefit Rating (see valuation schedule on page A-6)



If public access points are requested, please list the user group(s) presently allowed access to the property. For what purpose does the public use the property? Please attach documentation that supports this type of use, such as letters from user groups. **For a property to be eligible, the owner must demonstrate that the property is open to public access and is used by the public.**

User groups include people who walk, jog, and walk pets on the trail. Other users are bird watchers, nature seekers, swimmers, boaters, and fishers.

If proposing public access, describe how the land can be reached. Are there private or public roads to the site? Are there any restrictions, such as an easement or physical barriers, which would inhibit public access? Are there any specific restrictions you think are necessary, such as hours, seasons, activities?

The land can be reached through a road on the north and a trail from Saint Edward State Park. from the South Side. Boaters and Swimmers could also easily access the property from the lake front.

### III. Estimate of Percentage Reduction (for your information only)

Please remember county/city staff will review your application and an approval/decision will be made by the granting authority. When estimating the actual effect on your property's valuation and your tax bill, please remember your assessment as open-space/current use land will be calculated **only on the land value of the portion of the property enrolled.** *The property will still be assessed at "highest and best use" rates for the residence/improvements and for other non-enrolled open-space land.*

|           |                                                         |
|-----------|---------------------------------------------------------|
| <u>43</u> | Open space resource points                              |
| <u>5</u>  | Bonus category points                                   |
| <u>48</u> | = Total of points, resulting in a Public Benefit Rating |

#### **VALUATION SCHEDULE**

| <u>Public Benefit Rating</u> | <u>Assessed Value Reduction</u> | <u>Current Use Value</u> |
|------------------------------|---------------------------------|--------------------------|
| 0 - 4 points                 | 0 %                             | 100 % of Market Value    |
| 5 - 10 points                | 50 %                            | 50 % of Market Value     |
| 11 - 15 points               | 60 %                            | 40 % of Market Value     |
| 16 - 20 points               | 70 %                            | 30 % of Market Value     |
| 21 - 34 points               | 80 %                            | 20 % of Market Value     |
| 35 - 52 points               | 90 %                            | 10 % of Market Value     |

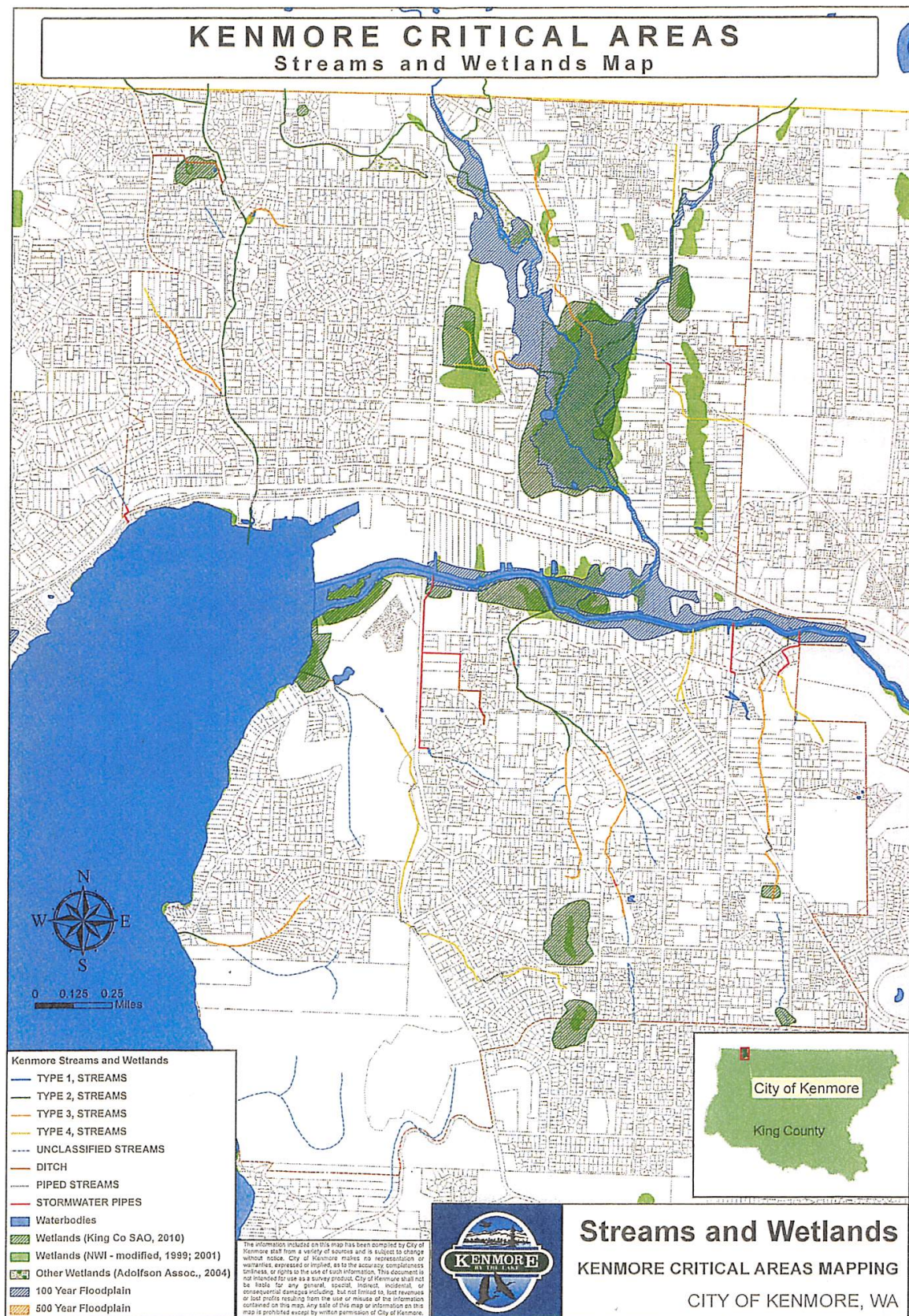
#### IV. RESOURCE CATEGORY JUSTIFICATION

**In the space provided, please explain why credit should be awarded for each category marked on page A-5. If additional space is needed, please use a separate sheet of paper and attach it to back of the application.**

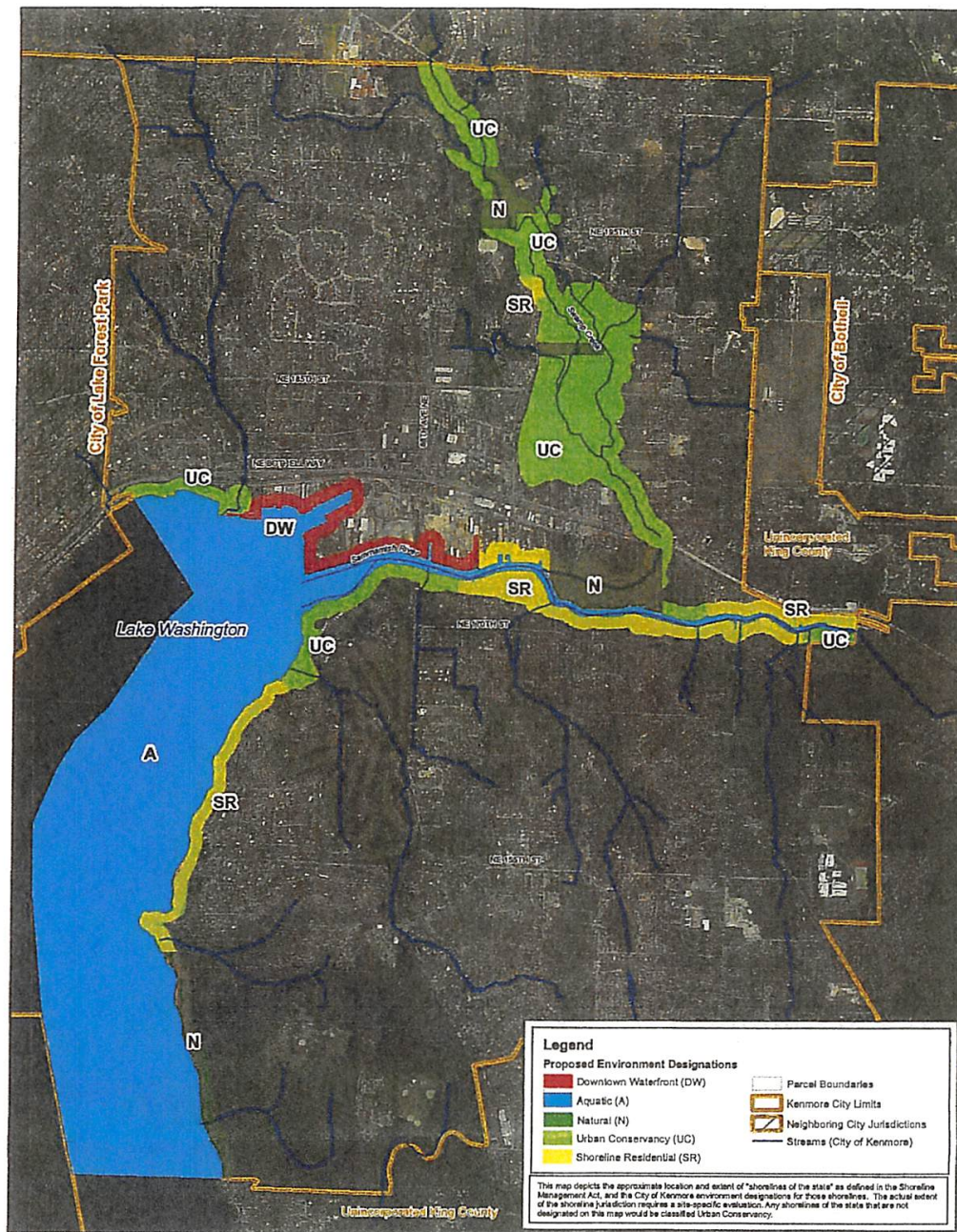
1. The property is devoted to providing natural recreation; no motorized vehicles are allowed
2. No
3. This undeveloped parcel flourishes with Douglas Fir, western hemlock, big leaf maple, western red cedar, madrona, and salal, and sword fern. It has not been logged in about 100 years. Note that this parcel is adjacent to a similar parcel recently purchased by Washington State Parks to combine with Saint Edward's Park.
4. No
5. Soft-surface, non-paved trails on this property connect to similar trails emanating from Saint Edward State Park. We the Partners agree to allow public access to the trails as well as to the pocket beaches on the Lake Washington shoreline.
6. No
7. No
8. No
9. No
10. No
11. No
12. No
13. This acreage is both scenic resource and viewpoint. The large, undisturbed forest footprint is naturally scenic. The views of original Lake Washington shoreline fauna, and of Lake Washington combine for wonderful viewing.
14. No
15. This parcel has 240 feet of shoreline on Lake Washington, a lake that is home to endangered sockeye and other salmonids. In addition, a forked creek with egress to the lake flows through this land. The property remains undeveloped to a depth of almost 1200 feet from shore, providing healthy water filtration and nourishment for all lake life.
16. No
17. This parcel has 240 feet of shoreline on Lake Washington which contains endangered sockeye and other Salmonids. The property remains un-developed back to almost 1200 feet providing protection to those species in the water adjacent to the property. The shoreline is 240 feet which is longer than 25 feet and extends back 1150 feet which is much more than 50% of the buffers required by the county.
18. This land is located in the city of Kenmore; it is 6.46 acres; it is zoned R4 but not developed ; it protects a stream; it enhances the value of St. Edwards Park; it promotes conservation of the shoreline; it gladdens the souls of those who visit it.
19. No

Bonus:

1. Yes, there is public access; it is limited due to shoreline and creek sensitivity.



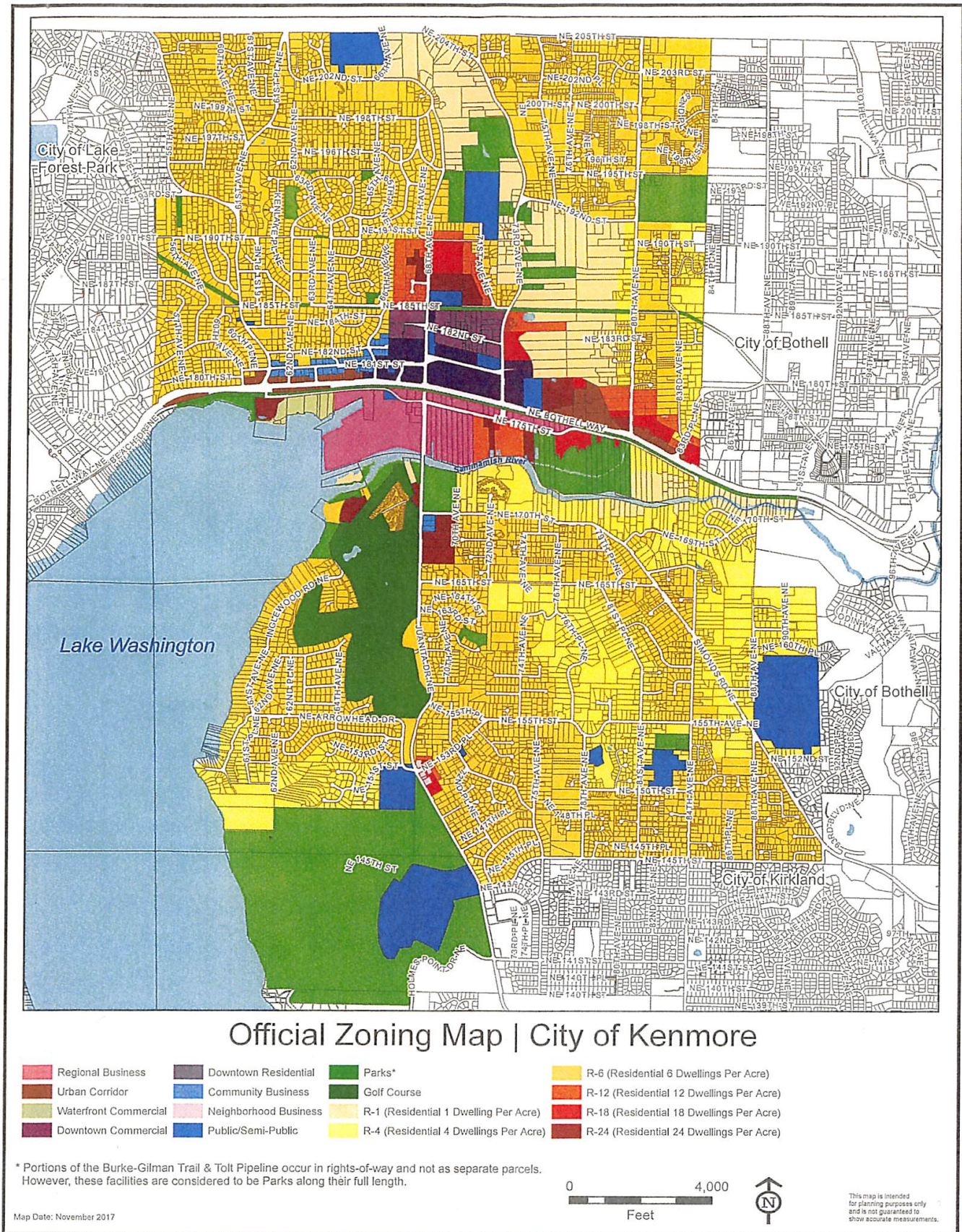




| Shoreline Master Program Update<br>City of Kenmore                                  |                                                                                     |                                                                                     |                                                                                                                          |
|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|
|  |  |  | Shoreline Environment Designations Map<br><br>SOURCE: King County, (2002)2007; City of Kenmore, 2007; ESA Adolfson, 2008 |

Exhibit 4







## Article XII. Streams – Performance Standards

### 18.55.420 Performance standards – General.

A. Establishment of *Stream Buffers*. The establishment of *buffer* areas shall be required for all *development proposals* and activities in or adjacent to *streams*. The purpose of the *buffer* shall be to protect the integrity, function, and value of the *stream* and provide habitat for heron and other wildlife. *Buffers* shall be protected during construction by placement of a temporary barricade, on-site notice for construction crews of the presence of the *stream*, and implementation of appropriate *erosion* and *sedimentation* controls. *Native vegetation* removal or disturbance is not allowed in established *buffers*.

Required *buffer* widths shall reflect the sensitivity of the *stream* or the risks associated with *development* and, in those circumstances permitted by these regulations, the type and intensity of human activity and site design proposed to be conducted on or near the *critical area*.

#### B. *Stream Buffers*.

1. The following *buffers* are established for *streams* to protect *functions and values*, including heron habitat:

| <b><i>Stream Type</i></b>     | <b><i>Buffer Width (Feet)</i></b> |
|-------------------------------|-----------------------------------|
| Type 1 and Little Swamp Creek | 150                               |
| Type 2                        | 100                               |
| Type 3                        | 50                                |
| Type 4                        | 25                                |

2. Measurement of *Stream Buffers*. *Stream buffers* shall be measured perpendicularly from the *ordinary high water mark*.

3. Increased *Stream Buffer* Widths. The *city manager* shall require increased *buffer* widths in accordance with the recommendations of a *qualified professional* and the *best available science* on a case-by-case basis when a larger *buffer* is necessary to protect *stream functions and values* based on site-specific characteristics. This determination shall be based on one or more of the following criteria:

a. A larger *buffer* is needed to protect other *critical areas*;

b. The *buffer* has a slope greater than 30 percent or is susceptible to *erosion* and standard *erosion*-control measures will not prevent adverse impacts to the *stream*. The *buffer* should be measured from the toe of the slope. In such cases, the *buffer* shall be increased to include the slope or the standard *buffer* shall be drawn from the top of the slope, whichever provides greater protection.

4. *Buffer Reduction with Enhancement*. Standard *buffer* widths for degraded *buffers* may be reduced through a combination of *buffer enhancement* and *low impact development* strategies. The *applicant* shall demonstrate that through enhancing the *buffer* and use of *low impact development* strategies the reduced *buffer* will function at a higher level than the standard *buffer*. *Buffers* may be reduced in the following manner according to *stream* type:

| <i>Stream Type</i>               | Maximum<br><i>Buffer</i><br>Reduction | Minimum<br><i>Buffer</i><br>Width (Feet) |
|----------------------------------|---------------------------------------|------------------------------------------|
| Type 1 and Little<br>Swamp Creek | 25 percent                            | 112.5 feet                               |
| Type 2                           | 25 percent                            | 75 feet                                  |
| Type 3                           | 25 percent                            | 37.5 feet                                |
| Type 4                           | 25 percent                            | 18.75 feet                               |

a. Prior to approval of a reduced *buffer*, a *critical areas* application shall meet all of the decisional criteria listed below. A reduced *buffer* will be approved in a degraded *stream buffer* only if:

- (1) It will provide an overall improvement in water quality;
- (2) It will provide an overall *enhancement* to fish, wildlife, or their habitat;
- (3) It will provide a net improvement in drainage and/or stormwater detention capabilities;
- (4) It will not lead to unstable earth conditions or create an *erosion* hazard;
- (5) It will not be materially detrimental to any other property or the *City* as a whole;  
and
- (6) All exposed areas are stabilized with *native vegetation*, as appropriate.

b. As part of the *buffer* reduction request, the *applicant* shall submit a *buffer enhancement* plan prepared by a *qualified professional* and fund a review of the plan by the *City's* wetland consultant. The plan shall assess the habitat, water quality, stormwater detention, ground water recharge, shoreline protection, and *erosion* protection functions of the *buffer*, assess the effects of the proposed modification on those functions; and address the six criteria listed in subsection (B)(4)(a) of this section.

5. *Buffer Conditions Shall Be Maintained.* Except as otherwise specified or allowed in accordance with this chapter, *stream buffers* shall be retained in an undisturbed condition.

6. *Buffer Uses.* The following *uses* may be permitted within a *stream buffer* in accordance with the review procedures of this chapter, provided they are not prohibited by any other applicable law and they are conducted in a manner so as to minimize impacts to the *buffer* and adjacent *stream*:

a. *Conservation and Restoration Activities.* Conservation or *restoration* activities aimed at protecting the soil, water, *vegetation*, or wildlife;

b. *Passive Recreation.* Passive recreation facilities designed in accordance with an approved *critical areas* report, including:

(1) Walkways and *trails*; provided, that those pathways that are generally parallel to the perimeter of the *stream* shall be located in the outer 25 percent of the *buffer* area;

(2) Walkway and *trail* surfaces shall be made of pervious materials except that public multipurpose *trails* may be of impervious materials if they meet all other requirements, including water quality;

(3) Wildlife viewing *structures*; and

(4) Fishing access areas.

c. *Stormwater Management Facilities.* Grass-lined swales and dispersal trenches may be located in the outer 25 percent of the *buffer* area. All other surface water management facilities are not allowed within the *buffer* area.

7. *Building Setback.* A building *setback* is required from the edge of the *buffer* per KMC 18.55.270.



C. *Stream Crossings*. *Stream* crossings may be allowed and may encroach on the otherwise required *stream buffer* if:

1. All crossings use bridges or other construction techniques which do not disturb the *stream* bed or bank, except that bottomless culverts or other appropriate methods demonstrated to provide fisheries protection may be used for Type 2 or 3 *streams* if the *applicant* demonstrates that such methods and their implementation will pose no harm to the *stream* nor inhibit migration of fish;
2. All crossings are constructed during the summer low flow and are timed to avoid *stream* disturbance during periods when use is critical to *salmonids*;
3. Crossings do not occur over *salmonid* spawning areas unless the *City* determines that no other possible crossing site exists;
4. Bridge piers or abutments are not placed within the *Federal Emergency Management Agency (FEMA) floodway* or below the *ordinary high water mark*;
5. Crossings do not diminish the flood-carrying capacity of the *stream*;
6. Underground utility crossings are laterally drilled and located at a depth of four feet below the maximum depth of scour for the *base flood* predicted by a civil engineer licensed by the State of Washington. Temporary bore pits to perform such crossings may be permitted within the *stream buffer* established in this chapter; and
7. Crossings are minimized and serve multiple purposes and properties whenever possible.

D. *Stream Relocations*.

1. *Stream* relocations may be allowed only for:
  - a. All *stream* types as part of a public project for which a public agency and utility exception is granted pursuant to this chapter; or
  - b. Type 3 or 4 *streams* for the purpose of enhancing resources in the *stream* if:
    - (1) Appropriate *floodplain* protection measures are used; and
  - c. The location occurs on-site except that relocation off-site may be allowed if the *applicant* demonstrates that any on-site relocation is impracticable, the *applicant*

provides all necessary easements and waivers from affected property owners and the off-site location is in the same drainage *sub-basin* as the original *stream*.

2. For any relocation allowed by this section, the *applicant* shall demonstrate, based on information provided by a civil engineer and a qualified *biologist*, that:

- a. The equivalent *base flood* storage volume and function will be maintained;
- b. There will be no adverse impact to local ground water;
- c. There will be no increase in velocity;
- d. There will be no interbasin transfer of water;
- e. There will be no increase in the sediment load;
- f. There is an overall increase in habitat function and value for *salmonids* and other fish;
- g. Requirements set out in the *mitigation* plan are met;
- h. The relocation conforms to other applicable laws; and
- i. All work will be carried out under the direct supervision of a qualified *biologist*.

E. *Stream Enhancement*. *Stream enhancement* not associated with any other *development proposal* may be allowed if accomplished according to a plan for its design, implementation, maintenance and *monitoring* prepared by a civil engineer and a qualified *biologist* and carried out under the direction of a qualified *biologist*.

F. *Minor Stream Restoration*. A minor *stream restoration* project for *fish habitat enhancement* may be allowed if:

1. The project results in an increase in *stream functions and values*;
2. The *restoration* is sponsored by a *public agency* with a mandate to do such work;
3. The *restoration* is not associated with *mitigation* of a specific *development proposal*;
4. The *restoration* is limited to removal of non-native *vegetation* and *enhancement* of *riparian vegetation*, placement of rock weirs, log controls, spawning gravel and other specific *salmonid* habitat improvements;

5. The *restoration* only involves the use of hand labor and *light equipment*; or the use of helicopters, cranes, or aerial equipment which deliver supplies to the project *site*; provided, that they have no contact with *critical areas* or their *buffers*; and

6. The *restoration* is performed under the direction of a qualified *biologist*. [Ord. 11-0329 § 3 (Exh. 1).]

**18.55.430 Performance standards – Mitigation requirements.**

A. *Stream Mitigation*. Mitigation of adverse impacts to *riparian* habitat areas shall result in equivalent *functions and values* on a per function basis, be located as near to the *alteration* as feasible, and be located in the same *subdrainage basin* as the impacted habitat.

B. *Alternative Mitigation for Stream Areas*. The performance standards set forth in this section may be modified at the *City's* discretion if the *applicant* demonstrates that greater habitat functions, on a per function basis, can be obtained in the affected *subdrainage basin* as a result of alternative *mitigation* measures. [Ord. 11-0329 § 3 (Exh. 1).]

**Exhibit D**

**KING COUNTY  
DEPARTMENT OF NATURAL RESOURCES AND PARKS  
WATER AND LAND RESOURCES DIVISION**

**REVISED Report to the City of Kenmore for Property  
Enrollment in the Public Benefit Rating System (PBRs)  
May 20, 2019**

**APPLICANTS: Stephen, Frank and Sara Minard**

**File No. E18CT022KE**

**A. GENERAL INFORMATION:**

1. Owners: Stephen, Frank and Sara Minard  
5722 NE 61st Street  
Seattle, WA 98115
2. Property location: south and abutting parcel 028010-0020 14925 59TH PL NE,  
Kenmore, WA 98028  
  
north of and abutting Saint Edward State Park (324 acres)
3. Zoning: R4
4. STR: SW-14-26-04
5. PBRs categories requested by applicant and *suggested by program staff*:

**Open space resources**

- \*Public recreation area
- \*Buffer to public or current use classified land
- Active trail linkage
- Scenic resource, view point, or view corridor
- \*Significant wildlife or salmonid habitat
- \**Special animal site*
- \*Surface water quality buffer
- \*Urban open space
- \**Watershed protection area*

**Bonus categories**

- \**Additional surface water quality buffer*
- \**Unlimited public access*
- Limited public access

NOTE: \*Staff recommends credit be awarded for these PBRs categories.

|                          |             |
|--------------------------|-------------|
| 6. Parcel:               | 142604-9013 |
| Total acreage:           | 6.46        |
| Requested PBRS:          | 6.46        |
| Home site/excluded area: | 0.00        |
| <b>Recommended PBRS:</b> | <b>6.46</b> |

NOTE: The portion recommended for enrollment in PBRS is the entire property less the excluded area as measured. The attached 2017 aerial photo outlines the parcel in yellow. In the event the Assessor's official parcel size is revised, PBRS acreage should be administratively adjusted to reflect that change.

#### B. FACTS:

1. Zoning in the vicinity: Properties in the vicinity are zoned R4, ~~R4PSO~~ and Parks.
2. Development of the subject property and resource characteristics of open space area: The property is undeveloped. The open space consists of deciduous and coniferous forest with native understory. The property contains two streams that converge into one stream (all Type 3 under the City's classification system) on the eastern half of the property. One stream enters the property near the southeast corner of the property and flows northwesterly. The other stream enters the property near the northeast corner of the property and flows southwesterly until it converges with the southeastern flowing stream to form a single stream. The stream then flows northwesterly and exits the property near 59th Place NE, eventually emptying into Lake Washington. The western property line abuts Lake Washington. Additionally, there are walking trails on the property as the southern property line abuts Saint Edward State Park. The walking trails connect to Saint Edwards State Park trails.
3. Site use: The property is undeveloped but is used for recreation purposes-, mainly by Saint Edward State Park trail users.
4. Access: The property is accessed from 59th Place NE-via private road (parcel 028010-0040)
5. Appraised value for 2018 (Based on Assessor's information dated 4/16/2019):

| <u>Parcel #142604-9013</u> | <u>Land</u>           | <u>Improvements</u> | <u>Total</u>   |
|----------------------------|-----------------------|---------------------|----------------|
| Assessed value             | <b>\$4,604,000.00</b> | \$0.00              | \$4,604,000.00 |
| Tax applied                | <b>\$ 49,618.14</b>   | \$0.00              | \$49,618.14    |

NOTE: Participation in PBRS reduces the **appraised land value** for the **portion** of the property enrolled resulting in a lower taxable value.

**C. REQUIREMENTS SPECIFIED BY KING COUNTY CODE (KCC):****KCC 20.36.010 Purpose and intent.**

It is in the best interest of the county to maintain, preserve, conserve and otherwise continue in existence adequate open space lands for the production of food, fiber and forest crops, and to assure the use and enjoyment of natural resources and scenic beauty for the economic and social well-being of the county and its citizens.

It is the intent of this chapter to implement RCW Chapter 84.34, as amended, by establishing procedures, rules and fees for the consideration of applications for public benefit rating system assessed valuation on "open space land" and for current use assessment on "farm and agricultural land" and "timber land" as those lands are defined in RCW 84.34.020. The provisions of RCW chapter 84.34, and the regulations adopted thereunder shall govern the matters not expressly covered in this chapter.

**KCC 20.36.100 Public benefit rating system for open space land – definitions and eligibility.**

- A. To be eligible for open space classification under the public benefit rating system, property must contain one or more qualifying open space resources and have at least five points as determined under this section. The department will review each application and recommend award of credit for current use of property that is the subject of the application. In making such recommendation, the department will utilize the point system described in section B. and C. below.
- B. The following open space resources are each eligible for the points indicated:
  - 1. Public recreation area – five points
  - 2. Aquifer protection area – five points
  - 3. Buffer to public or current use classified land – three points
  - 4. Equestrian-pedestrian-bicycle trail linkage – thirty-five points
  - 5. Active trail linkage – fifteen or twenty-five points
  - 6. Farm and agricultural conservation land – five points
  - 7. Forest stewardship land – five points
  - 8. Historic landmark or archaeological site: buffer to a designated site – three points
  - 9. Historic landmark or archaeological site: designated site – five points
  - 10. Historic landmark or archaeological site: eligible site – three points
  - 11. Rural open space – five points
  - 12. Rural stewardship land – five points
  - 13. Scenic resource, viewpoint, or view corridor – five points
  - 14. Significant plant or ecological site – five points
  - 15. Significant wildlife or salmonid habitat – five points
  - 16. Special animal site – three points
  - 17. Surface water quality buffer – five points
  - 18. Urban open space – five points
  - 19. Watershed protection area – five points
- C. Property qualifying for an open space category in subsection B. of this section may receive credit for additional points as follows:

1. Resource restoration - five points
2. Additional surface water quality buffer - three or five points
3. Contiguous parcels under separate ownership - two points
4. Conservation easement of historic easement – fifteen points
5. Public access - points dependent on level of access
  - a. Unlimited public access - five points
  - b. Limited public access - sensitive areas - five points
  - c. Environmental education access – three points
  - d. Seasonal limited public access - three points
  - e. None or members only – zero points
6. Easement and access – thirty-five points

**D. 2016 COMPREHENSIVE PLAN POLICIES AND TEXT:**

**E-101** In addition to its regulatory authority, King County should use incentives to protect and restore the natural environment whenever practicable. Incentives shall be monitored and periodically reviewed to determine their effectiveness in terms of protecting natural resources.

NOTE: Monitoring of participating lands is the responsibility of both department PBRS staff and the landowner. This issue is addressed in the Resource Information document (page 4) and detailed below in Recommendation #B9.

**E-112a** The protection of lands where development would pose hazards to health, property, important ecological functions or environmental quality shall be achieved through acquisition, enhancement, incentive programs and appropriate regulations. The following critical areas are particularly susceptible and shall be protected in King County:

- a. Floodways of 100-year floodplains;
- b. Slopes with a grade of 40% or more or landslide hazards that cannot be mitigated;
- c. Wetlands and their protective buffers;
- d. Aquatic areas, including streams, lakes, marine shorelines and their protective buffers;
- e. Channel migration hazard areas;
- f. Critical Aquifer Recharge Areas;
- g. Fish and Wildlife Habitat Conservation Areas; and
- h. Volcanic hazard areas.

**E-421** Terrestrial and aquatic habitats should be conserved and enhanced to protect and improve conditions for fish and wildlife.

NOTE: PBRS is an incentive program provided to encourage voluntary protection of open space resources and maintain high quality resource lands.

**E-429** King County should provide incentives for private landowners who are seeking to remove invasive plants and noxious weeds and replace them with native plants, such as providing technical assistance or access to appropriate native plants.

NOTE: Participation in PBRS requires landowners address invasive plant and noxious weed control and removal within enrolled portions of a property. Replacement with native vegetation is also encouraged via the implementation of approved forest stewardship, rural stewardship or resource restoration plans.

**E-443** King County should promote voluntary wildlife habitat enhancement projects by private individuals and businesses through educational, active stewardship, and incentive programs.

**E-476** King County should identify upland areas of native vegetation that connect wetlands to upland habitats and that connect upland habitats to each other. The county should seek protection of these areas through acquisition, stewardship plans, and incentive programs such as the Public Benefit Rating System and the Transfer of Development Rights Program.

**E-504** King County should protect native plant communities by encouraging management and control of nonnative invasive plants, including aquatic plants. Environmentally sound methods of vegetation control should be used to control noxious weeds.

NOTE: Lands participating in PBRS provide valuable resource protection and promote the preservation or enhancement of native vegetation. Addressing nonnative vegetation (invasive plant species), through control and eradication is a PBRS requirement.

**E-449** King County shall promote retention of forest cover and significant trees using a mix of regulations, incentives, and technical assistance.

**R-605** Forestry and agriculture best management practices are encouraged because of their multiple benefits, including natural resource preservation and protection.

NOTE: The implementation of an approved forest stewardship, farm management or rural stewardship plan benefits natural resources, such as wildlife habitat, stream buffers and groundwater protection, as well as fosters the preservation of sustainable resources.

**E. PBRS CATEGORIES REQUESTED and DEPARTMENT RECOMMENDATIONS:**

**Open space resources**

- Public recreation area

The property contains a portion of a trail used by the general public that begins at the dead end of 59th Place NE. The trail then goes west towards Lake Washington then along the shore of Lake Washington and then connects Saint Edwards State Park trail system



(noted with a trail marker). Award of this category is appropriate. Credit is recommended.

- Buffer to public current use classified land  
The property is abutting Saint-Edwards State Park (parcel # 142604-9014 to the south). The enrolling open space area is providing a buffer of native vegetation of more than 50 feet to adjacent land, which exceeds the category's requirement. Credit for this category is recommended.
- Active trail linkage  
In order to be eligible for this category the property must allow public access (trail users including equestrians, pedestrians, bicyclists, and other users), provide a connection between trails within the county's regional trails system and local and regional attractions or points of interest. To receive twenty-five points, the property owner must enter into an agreement with the county regarding improvement of the trail pavement and maintenance. To receive fifteen points, the property owner must agree to allow a soft-surface, non-paved trail. Although the landowner allows access to a soft-surface trail on the property, which serves as an extension to the Saint Edwards State Park trail system, the County does not plan to seek a formal agreement with the landowners regarding public trail access and/or maintenance. Credit for this category is not recommended.
- Scenic resource, viewpoint or view corridor  
In order to be eligible for this category, a property must be either a) a scenic natural resource significant to the character of the county, b) provide a viewpoint accessible to the public or c) contribute to a recognized county view corridor. Although the property contributes significantly to the character of the county, the property does not consist of ten acres of native forest. Although, the general public accesses the property to view a noteworthy natural resource, it is not identified by a permanent sign readily visible from a road or public right of way. The property is not part of a recognized view corridor. Credit for this category cannot be recommended.
- Significant wildlife or salmonid habitat  
The property contains habitat for numerous wildlife species, including foraging and nesting habitat for the pileated woodpecker, which is listed as a species of concern by the Washington Department of Fish and Wildlife. Upon conducting a site visit, program staff observed evidence of pileated woodpecker activity and determined the forest on the property is of sufficient age and diversity to support the species regular use of the property. Award of this category is consistent with habitat as defined by KCC 20.36.100, section B.15.a (2). Credit for this category is recommended.
- Special animal site  
Award of credit for this category requires the property to include or be adjacent to a portion of the county's designated wildlife habitat network, or be identified as an urban natural area by the State's priority habitat and species project. While the county's recognized wildlife habitat network is not identified to be on or near the property, the State's habitat designation is located on the property (NOTE: the State urban natural areas designations are now known as biodiversity areas and corridors). Although credit for this category was not requested, credit for this category is recommended.
- Surface water quality buffer  
The property contains two streams that converge into one stream (all Type 3 under the City's classification system) on the eastern half of the property. One stream enters the

property near the southeast corner of the property and flows northwesterly. The other stream enters the property near the northeast corner of the property and flows southwesterly until it converges with the southeastern flowing stream to form a single stream. The stream then flows northwesterly and exits the property near 59th Place NE, eventually emptying into Lake Washington. As required by the City of Kenmore Municipal Code code, Article XII 18.55.420 B, the buffer width required for a Type 3 stream is 50 feet. In order to be eligible for this category, the participating land must provide a buffer greater than 1.5 times that required, or 75 feet in this case. The owner is providing a buffer of native vegetation to the south of this stream that averages 155 feet in width, which is more than three times the buffer required. Credit for this category is recommended.

- Urban open space

The property is located within the City of Kenmore and the landowner will be enrolling the entire property; 6.46 acres of open space. The property conserves and enhances natural resources, such as significant wildlife habitat, as well protects a stream and enhances the value to the public of abutting St. Edward State Park. Credit for this category is recommended.

- Watershed protection area

In order to be eligible for this category, the enrolling area must consist of additional native forest cover beyond that required and be at least 65% of the property acreage. By voluntarily enrolling the property in PBRs and not pursuing development or land use that might be allowed under current zoning regulation, the owners are directly contributing to the preservation of forest and open spaces within the city limits. Retention of this urban forest will surpass this category's requirement and promote wildlife habitat, stabilize and enrich existing soils and slow runoff from precipitation, as well as provide many other resource benefits to the surrounding area and City. The 4.45 acres of enrolling forest represents 91% of the property, which exceeds category requirements and provides valuable watershed protection benefits. Although credit for this category was not requested, credit for this category is recommended.

#### **Bonus categories**

- Additional surface water quality buffer

Although credit for this category was not requested, the property contains two streams that converge into one stream (all Type 3 under the City's classification system) on the eastern half of the property. One stream enters the property near the southeast corner of the property and flows northwesterly. The other stream enters the property near the northeast corner of the property and flows southwesterly until it converges with the southeastern flowing stream to form a single stream. The stream then flows northwesterly and exits the property near 59th Place NE, eventually emptying into Lake Washington. As required by the City of Kenmore code, Article XII 18.55.420 B, the buffer width required for a Type 3 stream is 50 feet. In order to be eligible for this category, the participating land must provide a buffer greater than two times that required (or 100 feet) for three points to be awarded or provide a buffer greater than three times that required (or 150 feet) for five points to be awarded. The owner is providing a buffer of native vegetation to the south of this stream that averages 155 feet in width, which is more than three times the buffer required. Credit for this category is therefore recommended at the five point award level.

- Unlimited public access  
Although credit for this category was not requested, the property contains a portion of a trail used by the general public, located along the north and west part of the property that is accessed without pre-arrangement with the owners. The trail also provides access to Saint Edwards State Park's trail system and is limited to daylight hour use. Credit for this category is recommended.
- Limited public access due to resource sensitivity  
In order to eligible for this category, the resource must be sensitive in nature and access provided only to appropriate user groups which may require special arrangements with the landowner. The land is accessed by the general public with no special arrangements needed in advance. Credit for this category is not recommended.

NOTE: It is important to note that enrollment in the PBRs program requires the control and removal of invasive plant species. This issue is addressed in the Resource Information document (page 3) and below in Recommendation #B7.

## CONCLUSIONS AND RECOMMENDATIONS

### A. CONCLUSIONS:

1. Approval of the subject request would be consistent with the specific purpose and intent of KCC 20.36.010.
2. Approval of the subject request would be consistent with policy E-101 of the King County Comprehensive Plan.
3. Of the points recommended, the subject request meets the mandatory criteria of KCC 20.36.100 as indicated:

#### Open space resources

|                                                |   |
|------------------------------------------------|---|
| • Public recreation area                       | 5 |
| • Buffer to current use classified land        | 3 |
| • Active trail linkage                         | 0 |
| • Scenic resource, view point or view corridor | 0 |
| • Special animal site                          | 3 |
| • Significant wildlife and salmonid habitat    | 5 |
| • Surface water quality buffer                 | 5 |
| • Urban open space                             | 5 |
| • Watershed protection                         | 5 |

#### Bonus categories

|                                                         |   |
|---------------------------------------------------------|---|
| • Additional surface water quality buffer               | 5 |
| • Unlimited public access                               | 5 |
| • Limited public access because of resource sensitivity | 0 |

**TOTAL 41 points**

**PUBLIC BENEFIT RATING**

For the purpose of taxation 41 points result in 10% of market value and a 90% reduction in taxable value for the portion of land enrolled.

**B. RECOMMENDATION:**

APPROVE the request for current use taxation "Open space" classification with a Public Benefit Rating of 41 points, subject to the following requirements:

**Requirements for Property Enrolled in the  
Public Benefit Rating System Current Use Taxation Program**

1. Compliance with these requirements is necessary to continue to receive the tax benefits from the King County Public Benefit Rating System (PBRS) current use taxation program for the property enrolled in the program (Property). Failure to abide by these requirements can result in removal of current use designation and subject the property owner (Owner) to the penalty, tax, and interest provisions of RCW 84.34 and assessment at true and fair value. The County Assessor and the King County Rural and Regional Services Section or its successor may re-evaluate the Property to determine whether removal of the open space designation is appropriate. Removal shall follow the process in RCW 84.34.108.
2. Revisions to these requirements may only occur upon mutual written approval of the Owner and granting authority. These conditions shall apply so long as the Property retains its open space designation. If a conservation easement acceptable to and approved by the City of Kenmore and King County is granted by the Owner or the Owner's successors in interest to the Department of Natural Resources and Parks, King County or a grantee approved by King County, these requirements may be superseded by the terms of such easement, upon written approval by King County.
3. The open space classification for this Property will continue so long as it meets the open space purposes for which it was initially approved. Classification as open space will be removed upon a determination by King County that the Property no longer meets the open space purposes for which it was initially approved. A change in circumstances which diminishes the extent of public benefit from that approved by the City of Kenmore and King County Council in the open space taxation agreement will be cause for removal of the current use assessment classification. It is the Owner's responsibility to notify the Assessor and the King County Rural and Regional Services Section or its successor of a change in circumstance with regard to the Property.
4. When a portion of the open space Property is withdrawn or removed from the program, the King County Rural and Regional Services Section or its successor and the Assessor shall re-evaluate the remaining Property to determine whether it may continue to qualify

under the program. If the remaining portion meets the criteria for priority resources, it may continue under current use taxation.

5. Except as provided for in sections 6 and 7 below, no alteration of the open space land or resources shall occur without prior approval by the City of Kenmore and the King County Rural and Regional Services Section or its successor. **Any unapproved alteration may constitute a departure from an approved open space use and be deemed a change of use, and subject the Property to the additional tax, interest, and penalty provisions of RCW 84.34.080.** "Alteration" means any human-induced action that adversely impacts the existing condition of the open space Property or resources including but not limited to the following: *(Walking, horseback riding, passive recreation or actions taken in conjunction with a resource restoration plan, or other similar approved activities are permitted.)*
  - a. erecting structures;
  - b. grading;
  - c. filling;
  - d. dredging;
  - e. channelizing;
  - f. modifying land or hydrology for surface water management purposes;
  - g. cutting, pruning, limbing or topping, clearing, planting, introducing, relocating or removing vegetation, however, selective cutting may be permitted for firewood;
  - h. applying herbicides or pesticides or any hazardous or toxic substance;
  - i. discharging pollutants excepting stormwater;
  - j. paving, construction, application of gravel;
  - k. storing of equipment, household supplies, play equipment, or compost;
  - l. engaging in any other activity that adversely impacts the existing vegetation, hydrology, wildlife, wildlife habitat, or other open space resources.
6. Notwithstanding the provisions of Section 5 trees posing a hazard to structures or major roads may be removed. Any trees removed must be replaced.
7. If an area of the Property becomes or has become infested with noxious weeds, the Owner may be required to submit a control and enhancement plan to the City of Kenmore ~~Mereef~~ and the King County Rural and Regional Services Section or its successor in order to remove such weeds. If an area of the Property becomes or has become invaded by non-native species, the Owner may be required to submit, or may voluntarily submit, an enhancement plan to the King County Rural and Regional Services Section or its successor, in order to replace such species with native species or other appropriate vegetation.
8. There shall be no motorized vehicle driving or parking allowed on the open space Property.
9. An owner of property enrolled in the program may be required to submit a monitoring report on an annual or less frequent basis as requested by program staff. This report must include a brief description of how the property still qualifies for each awarded resource category. It must also include photographs from established points on the property and

any observations by the owner. The owner must submit this report to the department by email or by other mutually agreed upon method. An environmental consultant need not prepare this report.

10. Public access shall be permitted upon any area of the open space Property that is designated for public access.
11. Enrollment in PBRS does not exempt the Owner from obtaining any required permit or approval for activity or use on the Property.

**TRANSMITTED** to the parties listed hereafter:

Stephen, Frank and Sara Minard, applicants  
Bryan Hampson, Development Services Director, City of Kenmore  
Debra Clark, King County Department of Assessments









**City Council Business Agenda Item  
City of Kenmore, WA**

**Subject/Topic:** Public Hearing, Deliberation and Action Regarding Open Space Classification for the Minard Property

**For Council Meeting Agenda of:** May 20, 2019

**Department:** Development Services

**Prepared by:** Bryan Hampson, Development Services Director & Megan Kim, King County Department of Natural Resources and Parks

**Proposed Council Action/Motion:**  
Motion to adopt Resolution No. 19-320, Approving an Open Space Classification for the Minard Property, King County Tax Parcel No. 1426049013

Initial & Date

Approved by Department Head: BA 5/19/19  
 Approved by City Attorney: ✓ RK  
 Approved by Finance Director: [Signature]  
 Approved by City Manager: [Signature]

**Exhibits/Attachments:**

**Exhibit A:** Aerial Map

**Exhibit B:** Resolution No. 19-320

**Exhibit C:** Open Space Classification Application – File #E18CT022KE(Minard)

**Exhibit D:** King County Department of Natural Resources and Parks, Water and Land Resources Division's Report to the City of Kenmore for Property Enrolled in the Public Benefit Rating System Current Use Taxation Program

**INFORMATION/BACKGROUND:**

King County's Department of Natural Resources and Parks, Water and Land Resources Division (DNR&P) received an application from Michael, Frank and Sara Minard (Applicants) to enroll their property in King County's Public Benefit Rating System (PBRs) Current Use Taxation Program as authorized under RCW Chapter 84.34 and KCC 20.36.

The Applicants own an undeveloped parcel, 6.46 acres in size, directly north of the Saint Edward State Park. The property is identified as King County Assessor Parcel No. 1426049013 (reference **Exhibit A**).

The application has been processed by the DNR&P and must be approved by both the King County Council's Mobility and Environment Committee and the Kenmore City Council. (See **Exhibit B**).

The Applicants are seeking this parcel be classified as open space. If the application is approved, the property will receive a classification that will result in lower real property taxes, as explained below. The application (**Exhibit C**) was received by the City on February 21, 2019 from the County. In accordance with RCW 84.34.041(2), both the King County Council Committee and the City Council must act on and approve the application before July 1, 2019 in order for the tax reduction to take effect for the 2020 fiscal year. If approved by both, the Applicants will need to enter into an Open Space Taxation Agreement with King County and the City.



The State RCW 84.34, provides for assessment practices to reflect current use of property, rather than “highest and best use”, as an incentive to property owners to conserve and preserve natural resources on private property. The Open Space Taxation Act provides for three current use classifications: open space land, farm and agricultural land, and timber land. This open space current use taxation program is implemented in King County through the PBRs program, which provides a point system to rate properties.

A property must contain one or more open space resources (as defined by PBRs) and have at least 5 points to be eligible to participate in PBRs. Once enrolled in PBRs, then the King County Assessor will assess the portion of the property participating in PBRs at “current use” value instead of at its highest and best use. The annual tax reduction ranges from 50 percent to 90 percent for the property enrolled. The PBRs lists 19 categories of open space resources that a property owner can seek to protect (e.g. agricultural land, surface water quality buffer, forest stewardship, public access). Each open space resource is assigned a point value where the more points the property earns the more property tax reduction may be awarded.

The DNR&P analyzed the application for an open space or current use assessment and recommended the property be enrolled in the PBRs Current Use Taxation Program (reference Exhibit D). As such, the DNR&P recommends that the application be granted due to the character of the property as open space. The DNR&P report concludes that the Applicants property is entitled to a public benefit rating of 41 points under the PBRs. One valuation level of the PBRs, 35-52 points, allows a current use value of 10% of market value. A public benefit rating of 41 points, therefore, allow the Minard property to have a current use value of 10% of market value, a reduction of 90% in market value of the property. The appraised value of the Minard property and property taxes collected for 2019, based on the King County Department of Assessments information, is as follows:

| Assessor's Parcel No. | Land Value  | Improvement Value | Total Assessed Value | Tax Applied |
|-----------------------|-------------|-------------------|----------------------|-------------|
| 1426049013            | \$4,604,000 | \$0               | \$4,604,000          | \$49,618.14 |

City staff agrees with the County's recommendation to grant the application, which will allow the property to be classified as open space. Maintaining and preserving the open space and public recreational area on this property will be a benefit to the public. In 2018, Daniels Real Estate purchased the undeveloped parcel (9.77 acres in size) to the south of this parcel and deeded it to the State, to offset any loss to the public for the use of the Seminary building. Now the Minard's property is contiguous to Saint Edward State Park and has trails linking the Parks trails to 59<sup>th</sup> PL NE.

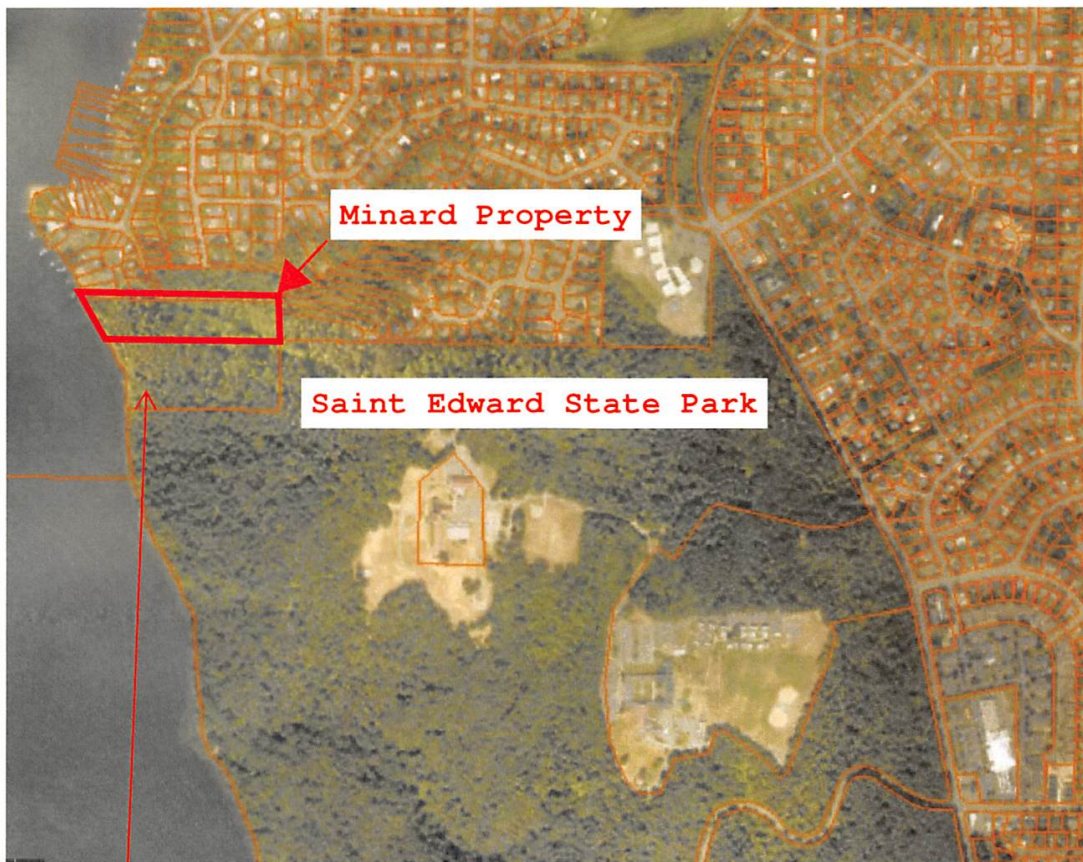
**FISCAL CONSIDERATION:**

The total tax on the full market value of \$4,604,000 is \$49,618.14. The City of Kenmore's regular rate is 1.04164 plus G.O. Bond of .25312 for a total rate of 1.29476 for 2019. Which would result in \$5,961 taxes to the City of Kenmore from the Minard property at the full market value. 10% of market value is \$460,400, the City of Kenmore's portion of taxes would be \$596.11. That is a difference of \$5,364.97 for the 2019 taxes from the Minard property owner. It should be noted that once the property tax reduction is awarded there is a tax shift whereby all other property tax payers in the district share in making up the lost revenue.

**COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:**

2018-19 Council Goal #8; To protect and enhance the water, air, and forest environment.

Exhibit A



Parcel deeded to the  
State in 2018 through  
a property exchange.  
Now Park property.

**EXHIBIT B**

**CITY OF KENMORE  
WASHINGTON  
RESOLUTION NO. 19-320**

**A RESOLUTION OF THE CITY OF KENMORE,  
WASHINGTON, APPROVING AN OPEN SPACE  
CLASSIFICATION FOR THE MINARD PROPERTY, KING  
COUNTY TAX PARCEL NO. 1426049013.**

WHEREAS, in RCW Chapter 84.34, the legislature has declared that it is in the best interest of the state to maintain, preserve, conserve and otherwise continue in existence adequate open space lands to assure the use and enjoyment of natural resources and scenic beauty for the economic and social well-being of the state and its citizens; and

WHEREAS, RCW Chapter 84.34 provides that an owner of land may apply to the county legislative authority to have the owner's land classified as "open space land" for purposes of determining real property taxes; and

WHEREAS, RCW Chapter 84.34 authorizes a county legislative authority to adopt an open space plan and public benefit rating system to determine whether an application for open space classification or current use assessment (hereafter referred to as "open space classification") should be approved or disapproved; and

WHEREAS, if a county legislative authority has adopted a public benefit rating system, the assessed value of open space land may be based on the public benefit rating system; and

WHEREAS, King County has adopted a public benefit rating system, which is codified in KCC Chapter 20.36; and

WHEREAS, the King County Public Benefit Rating System ("PBRs") requires an open space classification property to contain one or more qualifying open space resources, as identified in the PBRs, and to have at least five points under the PBRs; and

WHEREAS, under the PBRs, the current use value, which is a percentage of market value, is based on the number of awarded points (for example, 35-52 points results in a current use value of ten percent (10%) of market value); and

WHEREAS, KCC Chapter 20.36 requires the King County Department of Natural Resources and Parks ("DNR&P") to review each application for open space classification and recommend award of credit for current use of property, in accordance with a point system set forth in the Chapter; and

WHEREAS, KCC Chapter 20.36 requires the DNR&P to transmit an application for land located within a city to the affected city, and further requires both the city council and the King County Council's Transportation, Economy and Environment Committee and the City Council to approve the application, after a public hearing by each; and

WHEREAS, on December 17, 2018, Michael, Frank and Sara Minard submitted an application for open space classification to the DNR&P ("Minard Application") for their property located in the City of Kenmore (Tax Parcel No.1426049013) ("Property"); and

WHEREAS, as required by KCC Chapter 20.36, the DNR&P prepared a report to the City regarding an open space classification for the Property, dated May 20, 2019 (but received by the City on February 21, 2019) ("DNR&P Report"); and

WHEREAS, the DNR&P Report stated facts for the Property; summarized the PBRs requirements and considerations for open space classification, including point eligibility; summarized applicable King County Comprehensive Plan policies and text; stated the PBRs categories requested by the Minards; recommended or denied credits for categories requested by the Minards; concluded that the Property qualified for 41 points under the PBRs; and recommended that the request for open space classification be approved, subject to eleven (11) requirements or conditions; and

WHEREAS, the Kenmore City County held a public hearing on Minard Application on May 20, 2019; and

WHEREAS, based upon the DNR&P Report, and the best interests of the City of Kenmore, the City Council desires to approve the Minard Application and the open space classification for the Property, as recommended in the DNR&P Report;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF KENMORE, WASHINGTON, DOES HEREBY RESOLVE AS FOLLOWS:**

Section 1. Adoption of DNR&P Report and Recommendation. The City Council hereby adopts the "Report to the City of Kenmore for Property Enrollment in the Public Benefit Rating System (PBRs)," prepared by the King County Department of Natural Resources and Parks, Water and Land Resources Division, and dated May 20, 2019. This Report relates to the open space classification and current use assessment application filed by Stephen, Frank and Sara Minard (File No. E18CT022KE) ("Minard Application") for King County Tax Parcel No. 1426049013 in the City of Kenmore ("Minard Property").

Section 2. Approval of Application. The City Council hereby approves the Minard Application for the Minard Property.

**Section 3. Severability.** Should any section, paragraph, sentence, clause or phrase of the Resolution, or its application to any person or circumstances, be declared unconstitutional or otherwise invalid for any reason, or should any portion of the Resolution be pre-empted by state or federal law or regulation, such decision or preemption shall not affect the validity of the remaining portions of this Resolution or its application to other persons or circumstances.

**PASSED BY THE CITY COUNCIL OF THE CITY OF KENMORE,  
WASHINGTON, AT A REGULAR MEETING THEREOF THIS 20<sup>TH</sup> DAY OF  
MAY 2019.**

CITY OF KENMORE

\_\_\_\_\_  
David Baker, Mayor

ATTEST/AUTHENTICATED:

\_\_\_\_\_  
Kelly Chelin, City Clerk

Approved as to form:

\_\_\_\_\_  
Dawn Reitan, City Attorney

Filed with the City Clerk:  
Passed by the City Council:  
Resolution No.:

**Exhibit C**



**King County**

**Water and Land Resources Division**

Department of Natural Resources and Parks  
King Street Center  
201 South Jackson Street, Suite 600  
Seattle, WA 98104-3855  
206-477-4800 Fax 206-296-0192  
TTY Relay: 711

RECEIVED

FEB 21 2019

CITY OF KENMORE

February 19, 2019

Rob Karlinsey, City Manager  
City of Kenmore  
18120 68th Ave NE  
Kenmore, WA 98028

**RE: Public Benefit Rating System Application - File #E18CT022KE(Minard)**

Dear Mr. Karlinsey,

Enclosed please find a copy of an application to the Public Benefit Rating System (PBRs). This application is being forwarded to you as required by the Revised Code of Washington (RCW 84.34.037) for an evaluation and recommendation by the City of Kenmore.

For a property located within an incorporated area, RCW 84.34.037(1) states an application for PBRs "shall be acted upon [after a public hearing] by: (a) A granting authority composed of three members of the county legislative body and three members of the city legislative body in which the land is located in a meeting where members may be physically absent but participating through telephonic connection; or (b) separate affirmative acts by both the county and city legislative bodies where both bodies affirm the entirety of an application without modification or both bodies affirm an application with identical modifications." Historically this approval process has been achieved by separate hearings by both the city and county councils.

For a property enrolling in PBRs, the hearing process and the other steps listed below must occur.

- ☐ Review of the application by county and city staff
- ☐ Conduct scheduled site visit for resource/property analysis
- ☐ Prepare report/recommendation (applicant, city and assessor receive a copy)
- ☐ Present report and comments at scheduled public hearing held before the city council
- ☐ Present report and comments at scheduled public hearing held before the Metropolitan King County Council Transportation, Economy and Environment Committee (*approval from both Granting Authorities is needed to enroll a property located within a city*)
- ☐ Open Space Taxation Agreement prepared by PBRs staff
- ☐ Agreement signed by Chair of County Council and sent to landowner(s) for signature
- ☐ Agreement recorded by the Department of Assessments with the King County Records, Elections and Licensing Services Division (copy sent to owner and city)

Mr. Karlinsey  
February 19, 2019  
Page 2

This approval process must be completed by June 30, 2019 and I look forward to working with the city throughout the process.

Thank you for the assistance.

Sincerely,

A handwritten signature in black ink that reads "Megan Kim". The signature is written in a cursive, flowing style.

Megan Kim  
(206) 477-4788  
PBRs Program Analyst  
Rural and Regional Services Section

Enclosures

cc: Bryan Hampson, Development Services Director

**PUBLIC BENEFIT RATING SYSTEM**  
**Application**

**Open Space Land Classification For Property Within King County, Washington**  
**In Accordance With RCW 84.34 and K.C.C. 20.36**

Original Application AND 4 Copies of All Documents Must Be Submitted To:  
King County Water and Land Resources Division, Rural and Regional Services Section  
201 South Jackson Street, Suite 600, Seattle, WA 98104-3855

1. NAME of APPLICANT: S Michael Minard, Frank Minard, & Sara Minard  
Day Phone: 206-566-9369 Evening Phone: \_\_\_\_\_ Email: smminard@seattleschools.org
2. MAILING ADDRESS of APPLICANT: 5722 NE 61st St  
Seattle, WA 98115
3. PROPERTY ADDRESS: There is no address as it is undeveloped land.  
Parcel number is: 142604-9013  
  
Is the property located in an incorporated city? Yes X City: Kenmore No \_\_\_\_\_  
From what road is the property accessed? 59th Pl NE
4. PROPERTY HISTORY: Is the property presently participating in a current use assessment program (RCW 84.34 or RCW 84.33)? Yes \_\_\_\_\_ No X
5. APPLICANT'S INTEREST in PROPERTY: Owner Yes XX No \_\_\_\_\_  
Purchasing through contract Yes \_\_\_\_\_ No XX  
Other \_\_\_\_\_ Explain \_\_\_\_\_
6. PARCEL NUMBER and ACREAGE:
- | <u>Tax Assessor Parcel #</u> | <u>Total Acres in Parcel</u> | <u>Acres Requested for PBRS</u> |
|------------------------------|------------------------------|---------------------------------|
| a. <u>142604-9013</u>        | <u>6.46</u>                  | <u>6.46</u>                     |
| b. _____                     | _____                        | _____                           |
| c. _____                     | _____                        | _____                           |
| <b>TOTAL</b>                 | <u>6.46</u>                  | <u>6.46</u>                     |

County use only:

Date Received 12/17/18 BD

File NO.

E18C022

PBRS App March 2013

A-1

**EXHIBIT**



### **AFFIRMATION**

As owner(s) of the land described above, I hereby indicate by my signature that I am aware of the potential tax liability involved when the land ceases to be classified under the provisions of Chapter 84.34 RCW. I also declare under the penalties for false swearing that this application and any accompanying documents have been examined by me and to the best of my knowledge it is a true, correct, and complete statement.

The agreement to tax according to use of the property is not a contract and can be annulled or canceled at any time by the Legislature (RCW 84.34.070).

|            |           |
|------------|-----------|
| _____      | _____     |
| Print Name | Signature |
| _____      | _____     |
| Print Name | Signature |
| _____      | _____     |
| Print Name | Signature |

State of Washington  
County of \_\_\_\_\_

Subscribed and affirmed to before me this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

|                    |                        |
|--------------------|------------------------|
| _____              | _____                  |
| Notary's Signature | My Appointment Expires |

### **Statement Of Additional Tax, Interest, And Penalty Due Upon Removal Of Classification**

1. Upon removal of classification, an additional tax shall be imposed which shall be due and payable to the county treasurer 30 days after removal or upon sale or transfer, unless the new owner has signed the Notice of Continuance. The additional tax shall be the sum of the following:
  - (a) The difference between the property tax paid as "Open Space Land" and the amount of property tax otherwise due and payable for the last seven years had the land not been so classified; plus
  - (b) Interest upon the amounts of the difference (a), paid at the same statutory rate charged on delinquent property taxes.

**PUBLIC BENEFIT RATING SYSTEM**  
**Application**

**Open Space Land Classification For Property Within King County, Washington**  
**In Accordance With RCW 84.34 and K.C.C. 20.36**

Original Application AND 4 Copies of All Documents Must Be Submitted To:  
King County Water and Land Resources Division, Rural and Regional Services Section  
201 South Jackson Street, Suite 600, Seattle, WA 98104-3855

1. NAME of APPLICANT: Minard Family Ltd. Partnership  
Day Phone: <sup>206-</sup>218-3347 Evening Phone: <sup>206-</sup>218-3347 Email: frwami@gmail.com
2. MAILING ADDRESS of APPLICANT: Frank Minard - General Partner  
3545 46th Ave NE  
Seattle WA 98105
3. PROPERTY ADDRESS: Lot 14-26-04  
Block 9013 Code 1442 Sec. 14 TWP 26 RG 04  
Is the property located in an incorporated city? Yes ☒ City: Kenmore No ☐  
From what road is the property accessed? \_\_\_\_\_
4. PROPERTY HISTORY: Is the property presently participating in a current use assessment program (RCW 84.34 or RCW 84.33)? Yes ☐ No ☒
5. APPLICANT'S INTEREST in PROPERTY: Owner Yes ☒ No ☐  
Purchasing through contract Yes ☐ No ☒  
Other ☐ Explain \_\_\_\_\_
6. PARCEL NUMBER and ACREAGE:

| <u>Tax Assessor Parcel #</u> | <u>Total Acres in Parcel</u> | <u>Acres Requested for PBRS</u> |
|------------------------------|------------------------------|---------------------------------|
| a. <u>142604-9013-06</u>     | _____                        | _____                           |
| b. _____                     | _____                        | _____                           |
| c. _____                     | _____                        | _____                           |
| TOTAL                        | _____                        | _____                           |

County use only:

Date Received \_\_\_\_\_

File NO. \_\_\_\_\_

**AFFIRMATION**

As owner(s) of the land described above, I hereby indicate by my signature that I am aware of the potential tax liability involved when the land ceases to be classified under the provisions of Chapter 84.34 RCW. I also declare under the penalties for false swearing that this application and any accompanying documents have been examined by me and to the best of my knowledge it is a true, correct, and complete statement.

The agreement to tax according to use of the property is not a contract and can be annulled or canceled at any time by the Legislature (RCW 84.34.070).

Frank Minard

Print Name

[Signature]

Signature

Print Name

Signature



State of Washington

County of King

Subscribed and affirmed to before me this 10 day of Dec., 2018

[Signature]

Notary's Signature

Roger A. Bruckshen

3-30-22

My Appointment Expires

**Statement Of Additional Tax, Interest, And Penalty Due Upon Removal Of Classification**

1. Upon removal of classification, an additional tax shall be imposed which shall be due and payable to the county treasurer 30 days after removal or upon sale or transfer, unless the new owner has signed the Notice of Continuance. The additional tax shall be the sum of the following:
  - (a) The difference between the property tax paid as "Open Space Land" and the amount of property tax otherwise due and payable for the last seven years had the land not been so classified; plus
  - (b) Interest upon the amounts of the difference (a), paid at the same statutory rate charged on delinquent property taxes.

**AFFIRMATION**

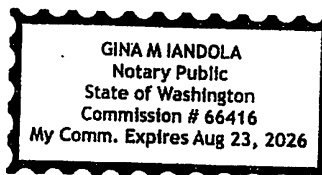
As owner(s) of the land described above, I hereby indicate by my signature that I am aware of the potential tax liability involved when the land ceases to be classified under the provisions of Chapter 84.34 RCW. I also declare under the penalties for false swearing that this application and any accompanying documents have been examined by me and to the best of my knowledge it is a true, correct, and complete statement.

The agreement to tax according to use of the property is not a contract and can be annulled or canceled at any time by the Legislature (RCW 84.34.070).

STEPHEN MICHAEL MELARD [Signature]  
Print Name Signature

\_\_\_\_\_  
Print Name Signature

State of Washington  
County of KING



Subscribed and affirmed to before me this 7TH day of DEC, 2018

[Signature] 08-23-2026  
Notary's Signature My Appointment Expires

**Statement Of Additional Tax, Interest, And Penalty Due Upon Removal Of Classification**

1. Upon removal of classification, an additional tax shall be imposed which shall be due and payable to the county treasurer 30 days after removal or upon sale or transfer, unless the new owner has signed the Notice of Continuance. The additional tax shall be the sum of the following:
  - (a) The difference between the property tax paid as "Open Space Land" and the amount of property tax otherwise due and payable for the last seven years had the land not been so classified; plus
  - (b) Interest upon the amounts of the difference (a), paid at the same statutory rate charged on delinquent property taxes.

**AFFIRMATION**

As owner(s) of the land described above, I hereby indicate by my signature that I am aware of the potential tax liability involved when the land ceases to be classified under the provisions of Chapter 84.34 RCW. I also declare under the penalties for false swearing that this application and any accompanying documents have been examined by me and to the best of my knowledge it is a true, correct, and complete statement.

The agreement to tax according to use of the property is not a contract and can be annulled or canceled at any time by the Legislature (RCW 84.34.070).

SARA MINARD

Print Name

Phil

Signature

Print Name

Signature

State of ~~Washington~~ New York  
County of New York

**SARA Q. COBB**  
Notary Public, State of New York  
No. 81-02CO4999387  
Qualified in New York County  
Commission Expires 8/23/2022

Subscribed and affirmed to before me this 6<sup>th</sup> day of December, 2018

Sara Q. Cobb  
Notary's Signature

8/23/2022  
My Appointment Expires

**Statement Of Additional Tax, Interest, And Penalty Due Upon Removal Of Classification**

1. Upon removal of classification, an additional tax shall be imposed which shall be due and payable to the county treasurer 30 days after removal or upon sale or transfer, unless the new owner has signed the Notice of Continuance. The additional tax shall be the sum of the following:
  - (a) The difference between the property tax paid as "Open Space Land" and the amount of property tax otherwise due and payable for the last seven years had the land not been so classified; plus
  - (b) Interest upon the amounts of the difference (a), paid at the same statutory rate charged on delinquent property taxes.

- (c) A penalty of 20% shall be applied to the additional tax if the classified land is applied to some other use except through compliance with the property owner's request for withdrawal process, or except as a result of those conditions listed in (2) below.
2. The additional tax, interest, and penalty specified in (1) above shall not be imposed if removal resulted solely from:
- (a) Transfer to a government entity in exchange for other land located within the State of Washington.
  - (b) A taking through the exercise of the power of eminent domain, or sale or transfer to an entity having the power of eminent domain in anticipation of the exercise of such power.
  - (c) A natural disaster such as a flood, windstorm, earthquake, or other such calamity rather than by virtue of the act of the landowner changing the use of such property.
  - (d) Official action by an agency of the State of Washington or by the county or city where the land is located disallows the present use of such land.
  - (e) Transfer of land to a church when such land would qualify for exemption pursuant to RCW 84.36.020.
  - (f) Acquisition of property interests by State agencies or agencies or organizations qualified under RCW 84.34.210 and 64.04.130 (See RCW 84.34.108(6)(f)).
  - (g) Removal of land classified as farm and agricultural land under RCW 84.34.020(2)(e) (farm homesite).
  - (h) Removal of land from classification after enactment of a statutory exemption that qualifies the land for exemption and receipt of notice from the owner to remove the land from classification.
  - (i) The creation, sale, or transfer of forestry riparian easements under RCW 76.13.120.
  - (j) The creation, sale, or transfer of a fee interest or a conservation easement for the riparian open space program under RCW 76.09.040.
  - (k) The sale or transfer of land within two years after the death of the owner of at least a fifty percent interest in the land if the land has been assessed and valued as designated forest land under chapter 84.33 RCW, or classified under this chapter 84.34 RCW continuously since 1993. The date of death shown on a death certificate is the date used.
  - (l) The discovery that the land was classified in error through no fault of the owner.

**I. GENERAL**

- A. Describe all present and proposed uses within the PBRs area (**participating area**). Uses might include enjoyment of paths/trails, bird watching, forestry, farm activities or simply staying out of the open space. Please attach additional sheets if necessary.  
There are multiple paths that run through the property. These paths can be  
used by walkers, joggers, pet walkers, bike riders, equestrians, ect.  
The 6+ acres can be enjoyed by bird watchers and nature lovers of all kinds.  
The semi dense forest, now almost 100 years old, runs to the waterline.  
The property provides lovely views of Lake Washington as well as  
multiple access points to the lake itself
- B. Describe all existing improvements on the property (**excluded area**). This would include home, driveway, road, drainage system, well, yard, landscaping, garden and other personal-use areas. Please attach additional sheets if necessary.  
There are no improvements on the site. No personal uses.  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
- C. Describe all potential or planned improvements and where they might be located on the property. Excluding an area now that might be later developed, such as a future home site, should be considered, but is not required. Please attach additional sheets if necessary.  
The Partners intend for no potential or planned improvements for this property.  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
- D. Is the land subject to lease or other agreements (such as CCR's, utility, natural or native growth protection, conservation, trail, or road easement) that may limit the property's use or development?  
 Yes \_\_\_\_\_ No XX  
 If "yes", then what type of lease/agreement/easement is it? \_\_\_\_\_  
**Please attach copies of all leases, options, easements or any other such agreements.**

## II. RESOURCE INVENTORY/PBRS Categories

Property may receive points as indicated for an open space resource or bonus category listed below. On page A-7, please provide justification for each category requested (refer to the *Public Benefit Rating System Resource Information* document found at [www.kingcounty.gov/incentives](http://www.kingcounty.gov/incentives)).

### Open Space Resources

- |               |                                                                                     |
|---------------|-------------------------------------------------------------------------------------|
| <u>  X  </u>  | 1. Public recreation area - 5 points                                                |
| <u>      </u> | 2. Aquifer protection area - 5 points                                               |
| <u>  X  </u>  | 3. Buffer to public or current use classified land - 3 points                       |
| <u>      </u> | 4. Equestrian-pedestrian-bicycle trail linkage - 35 points                          |
| <u>  X  </u>  | 5. Active trail linkage - 15 or 25 points                                           |
| <u>      </u> | 6. Farm and agricultural conservation land - 5 points                               |
| <u>      </u> | 7. Forest stewardship land - 5 points                                               |
| <u>      </u> | 8. Historic landmark or archaeological site: buffer to a designated site - 3 points |
| <u>      </u> | 9. Historic landmark or archaeological site: designated site - 5 points             |
| <u>      </u> | 10. Historic landmark or archaeological site: eligible site - 3 points              |
| <u>      </u> | 11. Rural open space - 5 points                                                     |
| <u>      </u> | 12. Rural stewardship land - 5 points                                               |
| <u>  X  </u>  | 13. Scenic resource, viewpoint or view corridor - 5 points                          |
| <u>      </u> | 14. Significant plant or ecological site - 5 points                                 |
| <u>  X  </u>  | 15. Significant wildlife or salmonid habitat - 5 points                             |
| <u>  X  </u>  | 16. Special animal site - 3 points                                                  |
| <u>  X  </u>  | 17. Surface water quality buffer - 5 points                                         |
| <u>      </u> | 18. Urban open space - 5 points                                                     |
| <u>      </u> | 19. Watershed protection area - 5 points                                            |

  43   = total open space resource points

### Bonus Categories

- |               |                                                                               |
|---------------|-------------------------------------------------------------------------------|
| <u>      </u> | 1. Resource restoration - 5 points                                            |
| <u>      </u> | 2. Additional surface water quality buffer - 3 or 5 points                    |
| <u>      </u> | 3. Contiguous parcels under separate ownership – minimal 2 points             |
| <u>      </u> | 4. Conservation easement or historic easement - 15 points                     |
| <u>  X  </u>  | 5. Public access – points depend on type and frequency of access allowed      |
|               | <u>      </u> Unlimited public access - 5 points                              |
|               | <u>  X  </u> Limited public access because of resource sensitivity - 5 points |
|               | <u>      </u> Environmental education access - 3 points                       |
|               | <u>      </u> Seasonally limited public access - 3 points                     |
|               | <u>      </u> None or members only - 0 points                                 |
| <u>      </u> | 6. Easement and access - 35 points                                            |

    5     = total bonus category points

  35-52   = Total of open space resource and bonus category points results in a Public Benefit Rating (see valuation schedule on page A-6)



If public access points are requested, please list the user group(s) presently allowed access to the property. For what purpose does the public use the property? Please attach documentation that supports this type of use, such as letters from user groups. **For a property to be eligible, the owner must demonstrate that the property is open to public access and is used by the public.**

User groups include people who walk, jog, and walk pets on the trail. Other users are bird watchers, nature seekers, swimmers, boaters, and fishers.

If proposing public access, describe how the land can be reached. Are there private or public roads to the site? Are there any restrictions, such as an easement or physical barriers, which would inhibit public access? Are there any specific restrictions you think are necessary, such as hours, seasons, activities?

The land can be reached through a road on the north and a trail from Saint Edward State Park. from the South Side. Boaters and Swimmers could also easily access the property from the lake front.

### III. Estimate of Percentage Reduction (for your information only)

Please remember county/city staff will review your application and an approval/decision will be made by the granting authority. When estimating the actual effect on your property's valuation and your tax bill, please remember your assessment as open-space/current use land will be calculated **only on the land value of the portion of the property enrolled.** *The property will still be assessed at "highest and best use" rates for the residence/improvements and for other non-enrolled open-space land.*

|           |                                                         |
|-----------|---------------------------------------------------------|
| <u>43</u> | Open space resource points                              |
| <u>5</u>  | Bonus category points                                   |
| <u>48</u> | = Total of points, resulting in a Public Benefit Rating |

#### **VALUATION SCHEDULE**

| <u>Public Benefit Rating</u> | <u>Assessed Value Reduction</u> | <u>Current Use Value</u> |
|------------------------------|---------------------------------|--------------------------|
| 0 - 4 points                 | 0 %                             | 100 % of Market Value    |
| 5 - 10 points                | 50 %                            | 50 % of Market Value     |
| 11 - 15 points               | 60 %                            | 40 % of Market Value     |
| 16 - 20 points               | 70 %                            | 30 % of Market Value     |
| 21 - 34 points               | 80 %                            | 20 % of Market Value     |
| 35 - 52 points               | 90 %                            | 10 % of Market Value     |

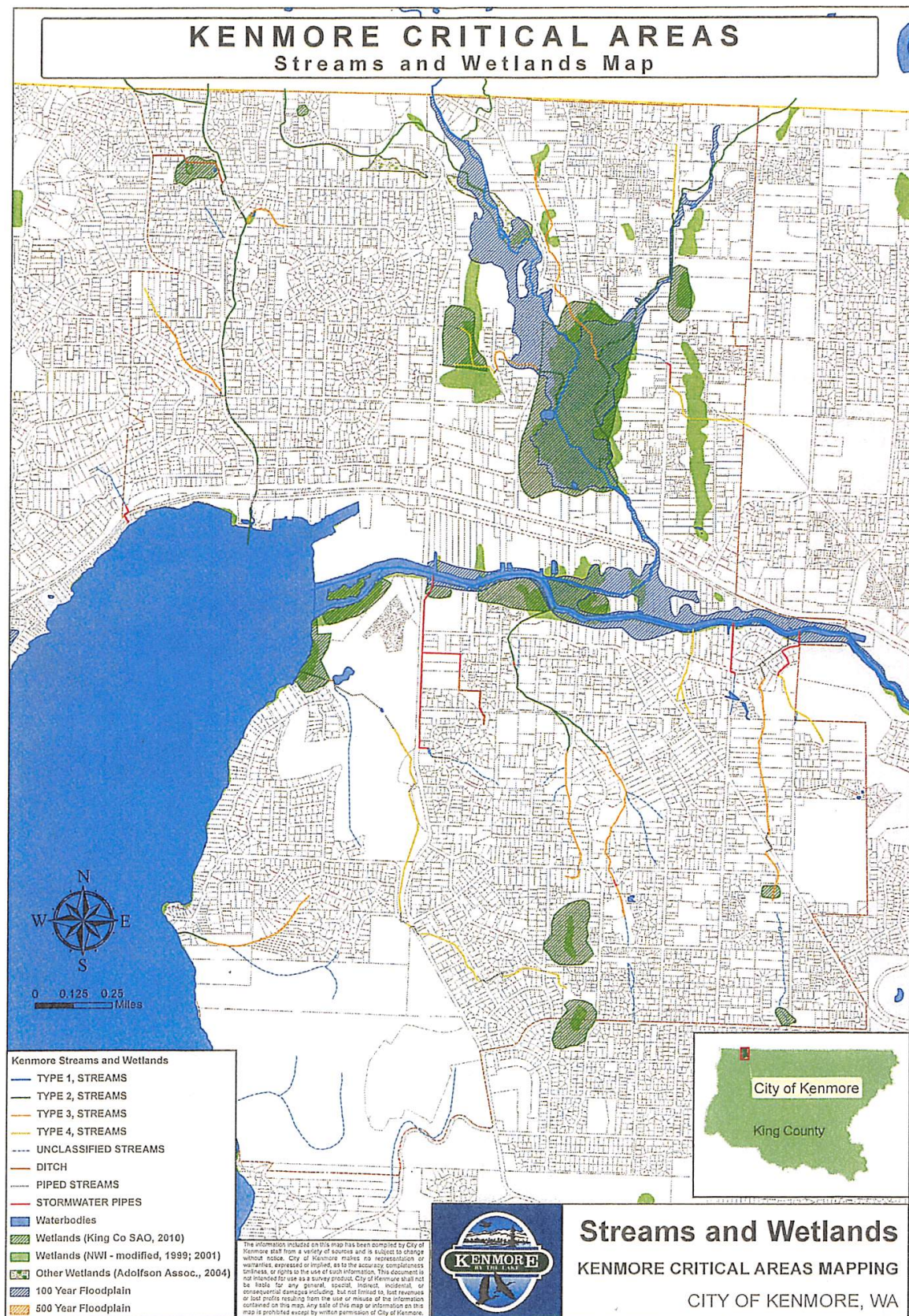
#### IV. RESOURCE CATEGORY JUSTIFICATION

**In the space provided, please explain why credit should be awarded for each category marked on page A-5. If additional space is needed, please use a separate sheet of paper and attach it to back of the application.**

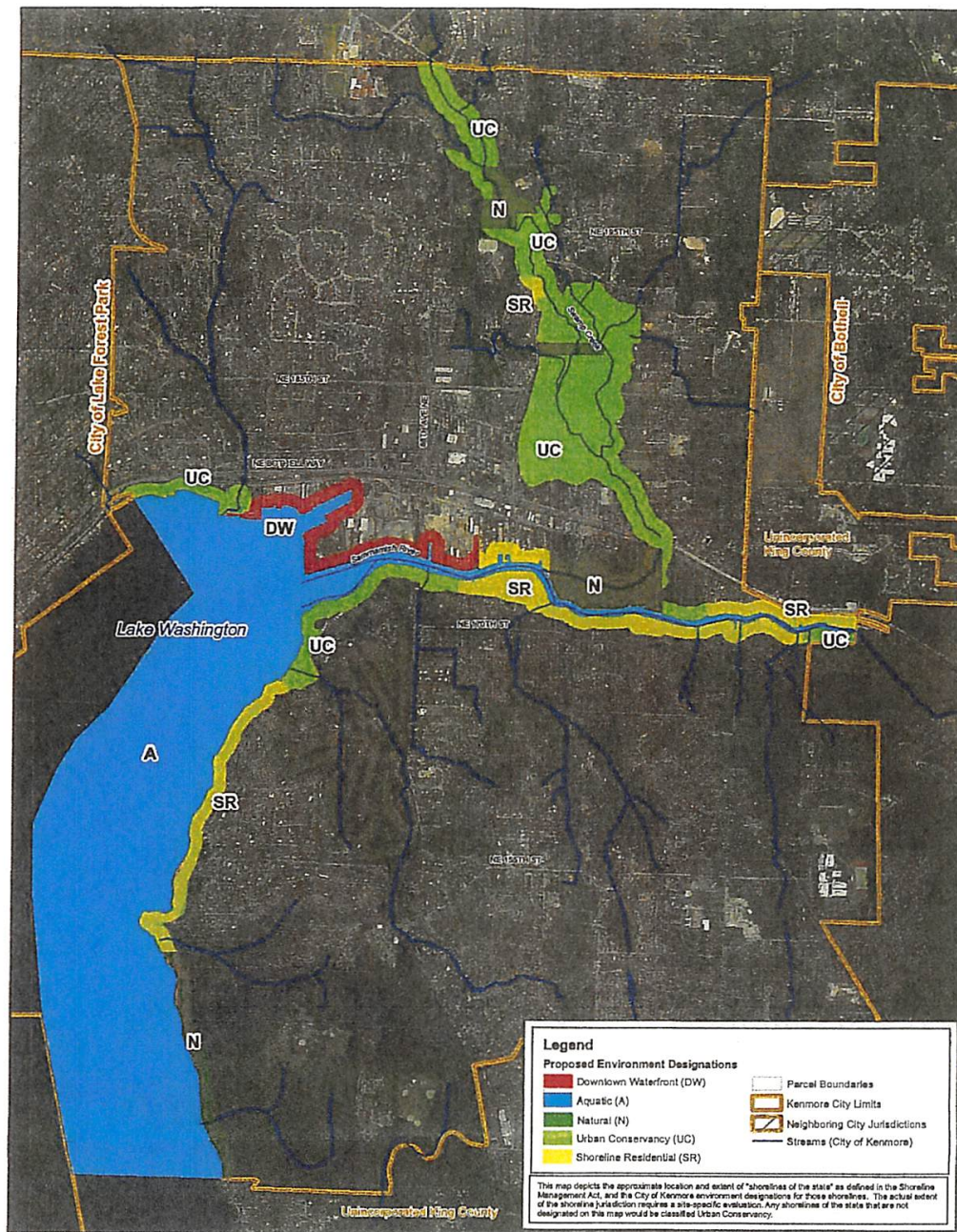
1. The property is devoted to providing natural recreation; no motorized vehicles are allowed
2. No
3. This undeveloped parcel flourishes with Douglas Fir, western hemlock, big leaf maple, western red cedar, madrona, and salal, and sword fern. It has not been logged in about 100 years. Note that this parcel is adjacent to a similar parcel recently purchased by Washington State Parks to combine with Saint Edward's Park.
4. No
5. Soft-surface, non-paved trails on this property connect to similar trails emanating from Saint Edward State Park. We the Partners agree to allow public access to the trails as well as to the pocket beaches on the Lake Washington shoreline.
6. No
7. No
8. No
9. No
10. No
11. No
12. No
13. This acreage is both scenic resource and viewpoint. The large, undisturbed forest footprint is naturally scenic. The views of original Lake Washington shoreline fauna, and of Lake Washington combine for wonderful viewing.
14. No
15. This parcel has 240 feet of shoreline on Lake Washington, a lake that is home to endangered sockeye and other salmonids. In addition, a forked creek with egress to the lake flows through this land. The property remains undeveloped to a depth of almost 1200 feet from shore, providing healthy water filtration and nourishment for all lake life.
16. No
17. This parcel has 240 feet of shoreline on Lake Washington which contains endangered sockeye and other Salmonids. The property remains un-developed back to almost 1200 feet providing protection to those species in the water adjacent to the property. The shoreline is 240 feet which is longer than 25 feet and extends back 1150 feet which is much more than 50% of the buffers required by the county.
18. This land is located in the city of Kenmore; it is 6.46 acres; it is zoned R4 but not developed ; it protects a stream; it enhances the value of St. Edwards Park; it promotes conservation of the shoreline; it gladdens the souls of those who visit it.
19. No

Bonus:

1. Yes, there is public access; it is limited due to shoreline and creek sensitivity.



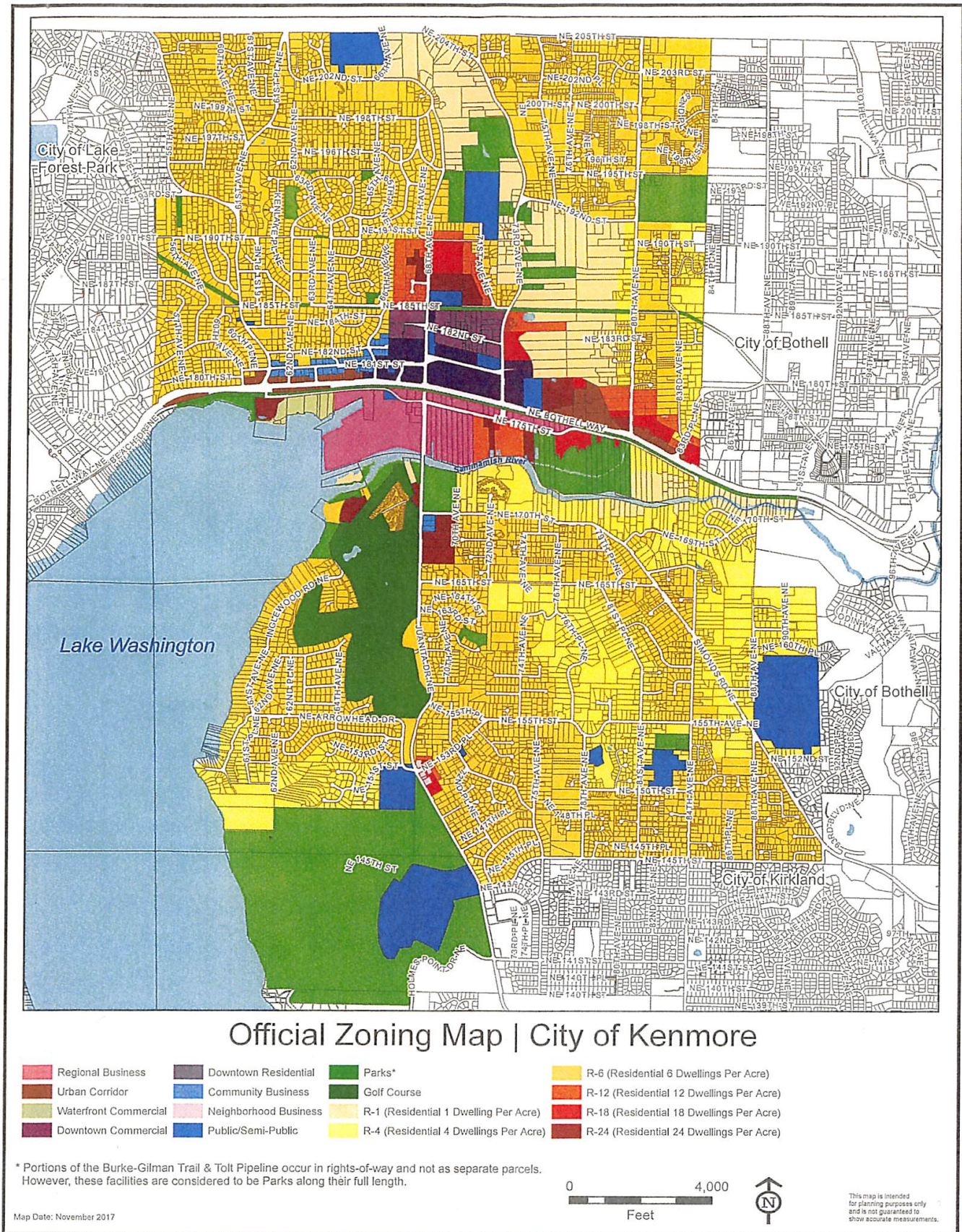




| Shoreline Master Program Update<br>City of Kenmore                                                                               |                                                                                     |                                                                                     |                                                                                           |
|----------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
|                                               |  |  | Shoreline Environment Designations Map                                                    |
| <small>G:\ENVIR\IMPACTS\2007\Project\207204_Kenmore\SMP\GIS_GRAPHICS_GIS_MODELING\GIS_CompPlan_3.ED.mxd (MUL:08/06/2011)</small> |                                                                                     |                                                                                     | <small>SOURCE: King County, (2002)2007; City of Kenmore, 2007; ESA Adolfson, 2008</small> |

Exhibit 4







## Article XII. Streams – Performance Standards

### 18.55.420 Performance standards – General.

A. Establishment of *Stream Buffers*. The establishment of *buffer* areas shall be required for all *development proposals* and activities in or adjacent to *streams*. The purpose of the *buffer* shall be to protect the integrity, function, and value of the *stream* and provide habitat for heron and other wildlife. *Buffers* shall be protected during construction by placement of a temporary barricade, on-site notice for construction crews of the presence of the *stream*, and implementation of appropriate *erosion* and sedimentation controls. *Native vegetation* removal or disturbance is not allowed in established *buffers*.

Required *buffer* widths shall reflect the sensitivity of the *stream* or the risks associated with *development* and, in those circumstances permitted by these regulations, the type and intensity of human activity and site design proposed to be conducted on or near the *critical area*.

#### B. *Stream Buffers*.

1. The following *buffers* are established for *streams* to protect *functions and values*, including heron habitat:

| <b><i>Stream Type</i></b>     | <b><i>Buffer Width (Feet)</i></b> |
|-------------------------------|-----------------------------------|
| Type 1 and Little Swamp Creek | 150                               |
| Type 2                        | 100                               |
| Type 3                        | 50                                |
| Type 4                        | 25                                |

2. Measurement of *Stream Buffers*. *Stream buffers* shall be measured perpendicularly from the *ordinary high water mark*.

3. Increased *Stream Buffer* Widths. The *city manager* shall require increased *buffer* widths in accordance with the recommendations of a *qualified professional* and the *best available science* on a case-by-case basis when a larger *buffer* is necessary to protect *stream functions and values* based on site-specific characteristics. This determination shall be based on one or more of the following criteria:

- a. A larger *buffer* is needed to protect other *critical areas*;

b. The *buffer* has a slope greater than 30 percent or is susceptible to *erosion* and standard *erosion*-control measures will not prevent adverse impacts to the *stream*. The *buffer* should be measured from the toe of the slope. In such cases, the *buffer* shall be increased to include the slope or the standard *buffer* shall be drawn from the top of the slope, whichever provides greater protection.

4. *Buffer Reduction with Enhancement*. Standard *buffer* widths for degraded *buffers* may be reduced through a combination of *buffer enhancement* and *low impact development* strategies. The *applicant* shall demonstrate that through enhancing the *buffer* and use of *low impact development* strategies the reduced *buffer* will function at a higher level than the standard *buffer*. *Buffers* may be reduced in the following manner according to *stream* type:

| <i>Stream Type</i>               | Maximum<br><i>Buffer</i><br>Reduction | Minimum<br><i>Buffer</i><br>Width (Feet) |
|----------------------------------|---------------------------------------|------------------------------------------|
| Type 1 and Little<br>Swamp Creek | 25 percent                            | 112.5 feet                               |
| Type 2                           | 25 percent                            | 75 feet                                  |
| Type 3                           | 25 percent                            | 37.5 feet                                |
| Type 4                           | 25 percent                            | 18.75 feet                               |

a. Prior to approval of a reduced *buffer*, a *critical areas* application shall meet all of the decisional criteria listed below. A reduced *buffer* will be approved in a degraded *stream buffer* only if:

- (1) It will provide an overall improvement in water quality;
- (2) It will provide an overall *enhancement* to fish, wildlife, or their habitat;
- (3) It will provide a net improvement in drainage and/or stormwater detention capabilities;
- (4) It will not lead to unstable earth conditions or create an *erosion* hazard;
- (5) It will not be materially detrimental to any other property or the *City* as a whole;  
and
- (6) All exposed areas are stabilized with *native vegetation*, as appropriate.

b. As part of the *buffer* reduction request, the *applicant* shall submit a *buffer enhancement* plan prepared by a *qualified professional* and fund a review of the plan by the *City's* wetland consultant. The plan shall assess the habitat, water quality, stormwater detention, ground water recharge, shoreline protection, and *erosion* protection functions of the *buffer*, assess the effects of the proposed modification on those functions; and address the six criteria listed in subsection (B)(4)(a) of this section.

5. *Buffer Conditions Shall Be Maintained.* Except as otherwise specified or allowed in accordance with this chapter, *stream buffers* shall be retained in an undisturbed condition.

6. *Buffer Uses.* The following *uses* may be permitted within a *stream buffer* in accordance with the review procedures of this chapter, provided they are not prohibited by any other applicable law and they are conducted in a manner so as to minimize impacts to the *buffer* and adjacent *stream*:

a. *Conservation and Restoration Activities.* Conservation or *restoration* activities aimed at protecting the soil, water, *vegetation*, or wildlife;

b. *Passive Recreation.* Passive recreation facilities designed in accordance with an approved *critical areas* report, including:

(1) Walkways and *trails*; provided, that those pathways that are generally parallel to the perimeter of the *stream* shall be located in the outer 25 percent of the *buffer* area;

(2) Walkway and *trail* surfaces shall be made of pervious materials except that public multipurpose *trails* may be of impervious materials if they meet all other requirements, including water quality;

(3) Wildlife viewing *structures*; and

(4) Fishing access areas.

c. *Stormwater Management Facilities.* Grass-lined swales and dispersal trenches may be located in the outer 25 percent of the *buffer* area. All other surface water management facilities are not allowed within the *buffer* area.

7. *Building Setback.* A building *setback* is required from the edge of the *buffer* per KMC 18.55.270.



C. *Stream Crossings*. *Stream* crossings may be allowed and may encroach on the otherwise required *stream buffer* if:

1. All crossings use bridges or other construction techniques which do not disturb the *stream* bed or bank, except that bottomless culverts or other appropriate methods demonstrated to provide fisheries protection may be used for Type 2 or 3 *streams* if the *applicant* demonstrates that such methods and their implementation will pose no harm to the *stream* nor inhibit migration of fish;
2. All crossings are constructed during the summer low flow and are timed to avoid *stream* disturbance during periods when use is critical to *salmonids*;
3. Crossings do not occur over *salmonid* spawning areas unless the *City* determines that no other possible crossing site exists;
4. Bridge piers or abutments are not placed within the *Federal Emergency Management Agency (FEMA) floodway* or below the *ordinary high water mark*;
5. Crossings do not diminish the flood-carrying capacity of the *stream*;
6. Underground utility crossings are laterally drilled and located at a depth of four feet below the maximum depth of scour for the *base flood* predicted by a civil engineer licensed by the State of Washington. Temporary bore pits to perform such crossings may be permitted within the *stream buffer* established in this chapter; and
7. Crossings are minimized and serve multiple purposes and properties whenever possible.

D. *Stream Relocations*.

1. *Stream* relocations may be allowed only for:
  - a. All *stream* types as part of a public project for which a public agency and utility exception is granted pursuant to this chapter; or
  - b. Type 3 or 4 *streams* for the purpose of enhancing resources in the *stream* if:
    - (1) Appropriate *floodplain* protection measures are used; and
  - c. The location occurs on-site except that relocation off-site may be allowed if the *applicant* demonstrates that any on-site relocation is impracticable, the *applicant*

provides all necessary easements and waivers from affected property owners and the off-site location is in the same drainage *sub-basin* as the original *stream*.

2. For any relocation allowed by this section, the *applicant* shall demonstrate, based on information provided by a civil engineer and a qualified *biologist*, that:

- a. The equivalent *base flood* storage volume and function will be maintained;
- b. There will be no adverse impact to local ground water;
- c. There will be no increase in velocity;
- d. There will be no interbasin transfer of water;
- e. There will be no increase in the sediment load;
- f. There is an overall increase in habitat function and value for *salmonids* and other fish;
- g. Requirements set out in the *mitigation* plan are met;
- h. The relocation conforms to other applicable laws; and
- i. All work will be carried out under the direct supervision of a qualified *biologist*.

E. *Stream Enhancement*. *Stream enhancement* not associated with any other *development proposal* may be allowed if accomplished according to a plan for its design, implementation, maintenance and *monitoring* prepared by a civil engineer and a qualified *biologist* and carried out under the direction of a qualified *biologist*.

F. *Minor Stream Restoration*. A minor *stream restoration* project for *fish habitat enhancement* may be allowed if:

1. The project results in an increase in *stream functions and values*;
2. The *restoration* is sponsored by a *public agency* with a mandate to do such work;
3. The *restoration* is not associated with *mitigation* of a specific *development proposal*;
4. The *restoration* is limited to removal of non-native *vegetation* and *enhancement* of *riparian vegetation*, placement of rock weirs, log controls, spawning gravel and other specific *salmonid* habitat improvements;

5. The *restoration* only involves the use of hand labor and *light equipment*; or the use of helicopters, cranes, or aerial equipment which deliver supplies to the project *site*; provided, that they have no contact with *critical areas* or their *buffers*; and

6. The *restoration* is performed under the direction of a qualified *biologist*. [Ord. 11-0329 § 3 (Exh. 1).]

**18.55.430 Performance standards – Mitigation requirements.**

A. *Stream Mitigation*. Mitigation of adverse impacts to *riparian* habitat areas shall result in equivalent *functions and values* on a per function basis, be located as near to the *alteration* as feasible, and be located in the same *subdrainage basin* as the impacted habitat.

B. *Alternative Mitigation for Stream Areas*. The performance standards set forth in this section may be modified at the *City's* discretion if the *applicant* demonstrates that greater habitat functions, on a per function basis, can be obtained in the affected *subdrainage basin* as a result of alternative *mitigation* measures. [Ord. 11-0329 § 3 (Exh. 1).]

**Exhibit D**

**KING COUNTY  
DEPARTMENT OF NATURAL RESOURCES AND PARKS  
WATER AND LAND RESOURCES DIVISION**

**REVISED Report to the City of Kenmore for Property  
Enrollment in the Public Benefit Rating System (PBRs)  
May 20, 2019**

**APPLICANTS: Stephen, Frank and Sara Minard**

**File No. E18CT022KE**

**A. GENERAL INFORMATION:**

1. Owners: Stephen, Frank and Sara Minard  
5722 NE 61st Street  
Seattle, WA 98115
2. Property location: south and abutting parcel 028010-0020 14925 59TH PL NE,  
Kenmore, WA 98028  
  
north of and abutting Saint Edward State Park (324 acres)
3. Zoning: R4
4. STR: SW-14-26-04
5. PBRs categories requested by applicant and *suggested by program staff*:

**Open space resources**

- \*Public recreation area
- \*Buffer to public or current use classified land
- Active trail linkage
- Scenic resource, view point, or view corridor
- \*Significant wildlife or salmonid habitat
- \**Special animal site*
- \*Surface water quality buffer
- \*Urban open space
- \**Watershed protection area*

**Bonus categories**

- \**Additional surface water quality buffer*
- \**Unlimited public access*
- Limited public access

NOTE: \*Staff recommends credit be awarded for these PBRs categories.

|                          |             |
|--------------------------|-------------|
| 6. Parcel:               | 142604-9013 |
| Total acreage:           | 6.46        |
| Requested PBRS:          | 6.46        |
| Home site/excluded area: | 0.00        |
| <b>Recommended PBRS:</b> | <b>6.46</b> |

NOTE: The portion recommended for enrollment in PBRS is the entire property less the excluded area as measured. The attached 2017 aerial photo outlines the parcel in yellow. In the event the Assessor's official parcel size is revised, PBRS acreage should be administratively adjusted to reflect that change.

#### B. FACTS:

1. Zoning in the vicinity: Properties in the vicinity are zoned R4, ~~R4PSO~~ and Parks.
2. Development of the subject property and resource characteristics of open space area: The property is undeveloped. The open space consists of deciduous and coniferous forest with native understory. The property contains two streams that converge into one stream (all Type 3 under the City's classification system) on the eastern half of the property. One stream enters the property near the southeast corner of the property and flows northwesterly. The other stream enters the property near the northeast corner of the property and flows southwesterly until it converges with the southeastern flowing stream to form a single stream. The stream then flows northwesterly and exits the property near 59th Place NE, eventually emptying into Lake Washington. The western property line abuts Lake Washington. Additionally, there are walking trails on the property as the southern property line abuts Saint Edward State Park. The walking trails connect to Saint Edwards State Park trails.
3. Site use: The property is undeveloped but is used for recreation purposes-, mainly by Saint Edward State Park trail users.
4. Access: The property is accessed from 59th Place NE-via private road (parcel 028010-0040)
5. Appraised value for 2018 (Based on Assessor's information dated 4/16/2019):

| <u>Parcel #142604-9013</u> | <u>Land</u>           | <u>Improvements</u> | <u>Total</u>   |
|----------------------------|-----------------------|---------------------|----------------|
| Assessed value             | <b>\$4,604,000.00</b> | \$0.00              | \$4,604,000.00 |
| Tax applied                | <b>\$ 49,618.14</b>   | \$0.00              | \$49,618.14    |

NOTE: Participation in PBRS reduces the **appraised land value** for the **portion** of the property enrolled resulting in a lower taxable value.

**C. REQUIREMENTS SPECIFIED BY KING COUNTY CODE (KCC):****KCC 20.36.010 Purpose and intent.**

It is in the best interest of the county to maintain, preserve, conserve and otherwise continue in existence adequate open space lands for the production of food, fiber and forest crops, and to assure the use and enjoyment of natural resources and scenic beauty for the economic and social well-being of the county and its citizens.

It is the intent of this chapter to implement RCW Chapter 84.34, as amended, by establishing procedures, rules and fees for the consideration of applications for public benefit rating system assessed valuation on "open space land" and for current use assessment on "farm and agricultural land" and "timber land" as those lands are defined in RCW 84.34.020. The provisions of RCW chapter 84.34, and the regulations adopted thereunder shall govern the matters not expressly covered in this chapter.

**KCC 20.36.100 Public benefit rating system for open space land – definitions and eligibility.**

- A. To be eligible for open space classification under the public benefit rating system, property must contain one or more qualifying open space resources and have at least five points as determined under this section. The department will review each application and recommend award of credit for current use of property that is the subject of the application. In making such recommendation, the department will utilize the point system described in section B. and C. below.
- B. The following open space resources are each eligible for the points indicated:
  - 1. Public recreation area – five points
  - 2. Aquifer protection area – five points
  - 3. Buffer to public or current use classified land – three points
  - 4. Equestrian-pedestrian-bicycle trail linkage – thirty-five points
  - 5. Active trail linkage – fifteen or twenty-five points
  - 6. Farm and agricultural conservation land – five points
  - 7. Forest stewardship land – five points
  - 8. Historic landmark or archaeological site: buffer to a designated site – three points
  - 9. Historic landmark or archaeological site: designated site – five points
  - 10. Historic landmark or archaeological site: eligible site – three points
  - 11. Rural open space – five points
  - 12. Rural stewardship land – five points
  - 13. Scenic resource, viewpoint, or view corridor – five points
  - 14. Significant plant or ecological site – five points
  - 15. Significant wildlife or salmonid habitat – five points
  - 16. Special animal site – three points
  - 17. Surface water quality buffer – five points
  - 18. Urban open space – five points
  - 19. Watershed protection area – five points
- C. Property qualifying for an open space category in subsection B. of this section may receive credit for additional points as follows:

1. Resource restoration - five points
2. Additional surface water quality buffer - three or five points
3. Contiguous parcels under separate ownership - two points
4. Conservation easement of historic easement – fifteen points
5. Public access - points dependent on level of access
  - a. Unlimited public access - five points
  - b. Limited public access - sensitive areas - five points
  - c. Environmental education access – three points
  - d. Seasonal limited public access - three points
  - e. None or members only – zero points
6. Easement and access – thirty-five points

**D. 2016 COMPREHENSIVE PLAN POLICIES AND TEXT:**

**E-101** In addition to its regulatory authority, King County should use incentives to protect and restore the natural environment whenever practicable. Incentives shall be monitored and periodically reviewed to determine their effectiveness in terms of protecting natural resources.

NOTE: Monitoring of participating lands is the responsibility of both department PBRS staff and the landowner. This issue is addressed in the Resource Information document (page 4) and detailed below in Recommendation #B9.

**E-112a** The protection of lands where development would pose hazards to health, property, important ecological functions or environmental quality shall be achieved through acquisition, enhancement, incentive programs and appropriate regulations. The following critical areas are particularly susceptible and shall be protected in King County:

- a. Floodways of 100-year floodplains;
- b. Slopes with a grade of 40% or more or landslide hazards that cannot be mitigated;
- c. Wetlands and their protective buffers;
- d. Aquatic areas, including streams, lakes, marine shorelines and their protective buffers;
- e. Channel migration hazard areas;
- f. Critical Aquifer Recharge Areas;
- g. Fish and Wildlife Habitat Conservation Areas; and
- h. Volcanic hazard areas.

**E-421** Terrestrial and aquatic habitats should be conserved and enhanced to protect and improve conditions for fish and wildlife.

NOTE: PBRS is an incentive program provided to encourage voluntary protection of open space resources and maintain high quality resource lands.

**E-429** King County should provide incentives for private landowners who are seeking to remove invasive plants and noxious weeds and replace them with native plants, such as providing technical assistance or access to appropriate native plants.

NOTE: Participation in PBRS requires landowners address invasive plant and noxious weed control and removal within enrolled portions of a property. Replacement with native vegetation is also encouraged via the implementation of approved forest stewardship, rural stewardship or resource restoration plans.

**E-443** King County should promote voluntary wildlife habitat enhancement projects by private individuals and businesses through educational, active stewardship, and incentive programs.

**E-476** King County should identify upland areas of native vegetation that connect wetlands to upland habitats and that connect upland habitats to each other. The county should seek protection of these areas through acquisition, stewardship plans, and incentive programs such as the Public Benefit Rating System and the Transfer of Development Rights Program.

**E-504** King County should protect native plant communities by encouraging management and control of nonnative invasive plants, including aquatic plants. Environmentally sound methods of vegetation control should be used to control noxious weeds.

NOTE: Lands participating in PBRS provide valuable resource protection and promote the preservation or enhancement of native vegetation. Addressing nonnative vegetation (invasive plant species), through control and eradication is a PBRS requirement.

**E-449** King County shall promote retention of forest cover and significant trees using a mix of regulations, incentives, and technical assistance.

**R-605** Forestry and agriculture best management practices are encouraged because of their multiple benefits, including natural resource preservation and protection.

NOTE: The implementation of an approved forest stewardship, farm management or rural stewardship plan benefits natural resources, such as wildlife habitat, stream buffers and groundwater protection, as well as fosters the preservation of sustainable resources.

**E. PBRS CATEGORIES REQUESTED and DEPARTMENT RECOMMENDATIONS:**

**Open space resources**

- Public recreation area

The property contains a portion of a trail used by the general public that begins at the dead end of 59th Place NE. The trail then goes west towards Lake Washington then along the shore of Lake Washington and then connects Saint Edwards State Park trail system



(noted with a trail marker). Award of this category is appropriate. Credit is recommended.

- Buffer to public current use classified land  
The property is abutting Saint-Edwards State Park (parcel # 142604-9014 to the south). The enrolling open space area is providing a buffer of native vegetation of more than 50 feet to adjacent land, which exceeds the category's requirement. Credit for this category is recommended.
- Active trail linkage  
In order to be eligible for this category the property must allow public access (trail users including equestrians, pedestrians, bicyclists, and other users), provide a connection between trails within the county's regional trails system and local and regional attractions or points of interest. To receive twenty-five points, the property owner must enter into an agreement with the county regarding improvement of the trail pavement and maintenance. To receive fifteen points, the property owner must agree to allow a soft-surface, non-paved trail. Although the landowner allows access to a soft-surface trail on the property, which serves as an extension to the Saint Edwards State Park trail system, the County does not plan to seek a formal agreement with the landowners regarding public trail access and/or maintenance. Credit for this category is not recommended.
- Scenic resource, viewpoint or view corridor  
In order to be eligible for this category, a property must be either a) a scenic natural resource significant to the character of the county, b) provide a viewpoint accessible to the public or c) contribute to a recognized county view corridor. Although the property contributes significantly to the character of the county, the property does not consist of ten acres of native forest. Although, the general public accesses the property to view a noteworthy natural resource, it is not identified by a permanent sign readily visible from a road or public right of way. The property is not part of a recognized view corridor. Credit for this category cannot be recommended.
- Significant wildlife or salmonid habitat  
The property contains habitat for numerous wildlife species, including foraging and nesting habitat for the pileated woodpecker, which is listed as a species of concern by the Washington Department of Fish and Wildlife. Upon conducting a site visit, program staff observed evidence of pileated woodpecker activity and determined the forest on the property is of sufficient age and diversity to support the species regular use of the property. Award of this category is consistent with habitat as defined by KCC 20.36.100, section B.15.a (2). Credit for this category is recommended.
- Special animal site  
Award of credit for this category requires the property to include or be adjacent to a portion of the county's designated wildlife habitat network, or be identified as an urban natural area by the State's priority habitat and species project. While the county's recognized wildlife habitat network is not identified to be on or near the property, the State's habitat designation is located on the property (NOTE: the State urban natural areas designations are now known as biodiversity areas and corridors). Although credit for this category was not requested, credit for this category is recommended.
- Surface water quality buffer  
The property contains two streams that converge into one stream (all Type 3 under the City's classification system) on the eastern half of the property. One stream enters the

property near the southeast corner of the property and flows northwesterly. The other stream enters the property near the northeast corner of the property and flows southwesterly until it converges with the southeastern flowing stream to form a single stream. The stream then flows northwesterly and exits the property near 59th Place NE, eventually emptying into Lake Washington. As required by the City of Kenmore Municipal Code code, Article XII 18.55.420 B, the buffer width required for a Type 3 stream is 50 feet. In order to be eligible for this category, the participating land must provide a buffer greater than 1.5 times that required, or 75 feet in this case. The owner is providing a buffer of native vegetation to the south of this stream that averages 155 feet in width, which is more than three times the buffer required. Credit for this category is recommended.

- Urban open space

The property is located within the City of Kenmore and the landowner will be enrolling the entire property; 6.46 acres of open space. The property conserves and enhances natural resources, such as significant wildlife habitat, as well protects a stream and enhances the value to the public of abutting St. Edward State Park. Credit for this category is recommended.

- Watershed protection area

In order to be eligible for this category, the enrolling area must consist of additional native forest cover beyond that required and be at least 65% of the property acreage. By voluntarily enrolling the property in PBRs and not pursuing development or land use that might be allowed under current zoning regulation, the owners are directly contributing to the preservation of forest and open spaces within the city limits. Retention of this urban forest will surpass this category's requirement and promote wildlife habitat, stabilize and enrich existing soils and slow runoff from precipitation, as well as provide many other resource benefits to the surrounding area and City. The 4.45 acres of enrolling forest represents 91% of the property, which exceeds category requirements and provides valuable watershed protection benefits. Although credit for this category was not requested, credit for this category is recommended.

#### **Bonus categories**

- Additional surface water quality buffer

Although credit for this category was not requested, the property contains two streams that converge into one stream (all Type 3 under the City's classification system) on the eastern half of the property. One stream enters the property near the southeast corner of the property and flows northwesterly. The other stream enters the property near the northeast corner of the property and flows southwesterly until it converges with the southeastern flowing stream to form a single stream. The stream then flows northwesterly and exits the property near 59th Place NE, eventually emptying into Lake Washington. As required by the City of Kenmore code, Article XII 18.55.420 B, the buffer width required for a Type 3 stream is 50 feet. In order to be eligible for this category, the participating land must provide a buffer greater than two times that required (or 100 feet) for three points to be awarded or provide a buffer greater than three times that required (or 150 feet) for five points to be awarded. The owner is providing a buffer of native vegetation to the south of this stream that averages 155 feet in width, which is more than three times the buffer required. Credit for this category is therefore recommended at the five point award level.

- **Unlimited public access**  
Although credit for this category was not requested, the property contains a portion of a trail used by the general public, located along the north and west part of the property that is accessed without pre-arrangement with the owners. The trail also provides access to Saint Edwards State Park's trail system and is limited to daylight hour use. Credit for this category is recommended.
- **Limited public access due to resource sensitivity**  
In order to eligible for this category, the resource must be sensitive in nature and access provided only to appropriate user groups which may require special arrangements with the landowner. The land is accessed by the general public with no special arrangements needed in advance. Credit for this category is not recommended.

NOTE: It is important to note that enrollment in the PBRs program requires the control and removal of invasive plant species. This issue is addressed in the Resource Information document (page 3) and below in Recommendation #B7.

## **CONCLUSIONS AND RECOMMENDATIONS**

### **A. CONCLUSIONS:**

1. Approval of the subject request would be consistent with the specific purpose and intent of KCC 20.36.010.
2. Approval of the subject request would be consistent with policy E-101 of the King County Comprehensive Plan.
3. Of the points recommended, the subject request meets the mandatory criteria of KCC 20.36.100 as indicated:

#### **Open space resources**

|                                                |   |
|------------------------------------------------|---|
| • Public recreation area                       | 5 |
| • Buffer to current use classified land        | 3 |
| • Active trail linkage                         | 0 |
| • Scenic resource, view point or view corridor | 0 |
| • Special animal site                          | 3 |
| • Significant wildlife and salmonid habitat    | 5 |
| • Surface water quality buffer                 | 5 |
| • Urban open space                             | 5 |
| • Watershed protection                         | 5 |

#### **Bonus categories**

|                                                         |   |
|---------------------------------------------------------|---|
| • Additional surface water quality buffer               | 5 |
| • Unlimited public access                               | 5 |
| • Limited public access because of resource sensitivity | 0 |

**TOTAL 41 points**

**PUBLIC BENEFIT RATING**

For the purpose of taxation 41 points result in 10% of market value and a 90% reduction in taxable value for the portion of land enrolled.

**B. RECOMMENDATION:**

APPROVE the request for current use taxation "Open space" classification with a Public Benefit Rating of 41 points, subject to the following requirements:

**Requirements for Property Enrolled in the  
Public Benefit Rating System Current Use Taxation Program**

1. Compliance with these requirements is necessary to continue to receive the tax benefits from the King County Public Benefit Rating System (PBRS) current use taxation program for the property enrolled in the program (Property). Failure to abide by these requirements can result in removal of current use designation and subject the property owner (Owner) to the penalty, tax, and interest provisions of RCW 84.34 and assessment at true and fair value. The County Assessor and the King County Rural and Regional Services Section or its successor may re-evaluate the Property to determine whether removal of the open space designation is appropriate. Removal shall follow the process in RCW 84.34.108.
2. Revisions to these requirements may only occur upon mutual written approval of the Owner and granting authority. These conditions shall apply so long as the Property retains its open space designation. If a conservation easement acceptable to and approved by the City of Kenmore and King County is granted by the Owner or the Owner's successors in interest to the Department of Natural Resources and Parks, King County or a grantee approved by King County, these requirements may be superseded by the terms of such easement, upon written approval by King County.
3. The open space classification for this Property will continue so long as it meets the open space purposes for which it was initially approved. Classification as open space will be removed upon a determination by King County that the Property no longer meets the open space purposes for which it was initially approved. A change in circumstances which diminishes the extent of public benefit from that approved by the City of Kenmore and King County Council in the open space taxation agreement will be cause for removal of the current use assessment classification. It is the Owner's responsibility to notify the Assessor and the King County Rural and Regional Services Section or its successor of a change in circumstance with regard to the Property.
4. When a portion of the open space Property is withdrawn or removed from the program, the King County Rural and Regional Services Section or its successor and the Assessor shall re-evaluate the remaining Property to determine whether it may continue to qualify

under the program. If the remaining portion meets the criteria for priority resources, it may continue under current use taxation.

5. Except as provided for in sections 6 and 7 below, no alteration of the open space land or resources shall occur without prior approval by the City of Kenmore and the King County Rural and Regional Services Section or its successor. **Any unapproved alteration may constitute a departure from an approved open space use and be deemed a change of use, and subject the Property to the additional tax, interest, and penalty provisions of RCW 84.34.080.** "Alteration" means any human-induced action that adversely impacts the existing condition of the open space Property or resources including but not limited to the following: *(Walking, horseback riding, passive recreation or actions taken in conjunction with a resource restoration plan, or other similar approved activities are permitted.)*
  - a. erecting structures;
  - b. grading;
  - c. filling;
  - d. dredging;
  - e. channelizing;
  - f. modifying land or hydrology for surface water management purposes;
  - g. cutting, pruning, limbing or topping, clearing, planting, introducing, relocating or removing vegetation, however, selective cutting may be permitted for firewood;
  - h. applying herbicides or pesticides or any hazardous or toxic substance;
  - i. discharging pollutants excepting stormwater;
  - j. paving, construction, application of gravel;
  - k. storing of equipment, household supplies, play equipment, or compost;
  - l. engaging in any other activity that adversely impacts the existing vegetation, hydrology, wildlife, wildlife habitat, or other open space resources.
6. Notwithstanding the provisions of Section 5 trees posing a hazard to structures or major roads may be removed. Any trees removed must be replaced.
7. If an area of the Property becomes or has become infested with noxious weeds, the Owner may be required to submit a control and enhancement plan to the City of Kenmore ~~Mereef~~ and the King County Rural and Regional Services Section or its successor in order to remove such weeds. If an area of the Property becomes or has become invaded by non-native species, the Owner may be required to submit, or may voluntarily submit, an enhancement plan to the King County Rural and Regional Services Section or its successor, in order to replace such species with native species or other appropriate vegetation.
8. There shall be no motorized vehicle driving or parking allowed on the open space Property.
9. An owner of property enrolled in the program may be required to submit a monitoring report on an annual or less frequent basis as requested by program staff. This report must include a brief description of how the property still qualifies for each awarded resource category. It must also include photographs from established points on the property and

any observations by the owner. The owner must submit this report to the department by email or by other mutually agreed upon method. An environmental consultant need not prepare this report.

10. Public access shall be permitted upon any area of the open space Property that is designated for public access.
11. Enrollment in PBRS does not exempt the Owner from obtaining any required permit or approval for activity or use on the Property.

**TRANSMITTED** to the parties listed hereafter:

Stephen, Frank and Sara Minard, applicants  
Bryan Hampson, Development Services Director, City of Kenmore  
Debra Clark, King County Department of Assessments









**City Council Business Agenda Item**  
**City of Kenmore, WA**

| <p><b>Subject/Topic:</b> Park Impact Fee Rate Study</p> <p><b>Proposed Council Action/Motion:</b> Provide staff with direction on:</p> <ol style="list-style-type: none"><li>1. The updated park impact fee rates recommended for residential development per Table 1;</li><li>2. When fees should go into effect;</li><li>3. Preparing an ordinance to consider adoption of the rate study, recommended rates and associated regulations;</li><li>4. Scheduling a Public Hearing and adoption date.</li></ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <p><b>For Council Meeting Agenda of:</b> April 22, 2019<br/>Rescheduled to May 20, 2019</p> <p><b>Department:</b> Community Development</p> <p><b>Prepared by:</b> Debbie Bent, Community Development Director<br/>Maureen Colaizzi, Parks Project Manager</p> <p><b>Approved by Department Head:</b> <u>DD. 4/9/19</u><br/><b>Approved by City Attorney:</b> <u>by email 4.8.19</u><br/><b>Approved by Finance Director:</b> <u>Joe 4/9/19</u><br/><b>Approved by City Manager:</b> <u>Nico 4/9/19</u><br/>9 APR 2019</p> <p><b>Exhibits/Attachments:</b><br/><b>Attachment A:</b> Park Impact Fee Rate Study</p> |                                                                                                                                                                                                                                            |                 |                                               |               |         |                                                                                                                                                           |              |         |                                                 |             |         |                                                                                                                                                                                                                                            |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------------------------------------|---------------|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|---------|-------------------------------------------------|-------------|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>INFORMATION/BACKGROUND:</b> At the 4/22/19 Council meeting, staff and Ben Yazici, with MuniManage LLC (City consultant) will give a PowerPoint presentation explaining the methodology and the results of the 2019 Park Impact Fee Rate Study (Attachment A). Park impact fees are charges paid by new residential development to reimburse the city for the costs of new public park facilities and improvements that will reasonably benefit the occupants of the new development.</p> <p>Staff will be asking for Council direction on park impact fee rates for new single-family and multi-family development and timing for when new rates would go into effect. Based on Council direction, staff will prepare an Ordinance for Council consideration including adoption of the Park Impact Fee Rate Study along with any required amendments to development regulations (e.g. changing the Parks Study definition to reference the 2019 park impact fee rate study rather than the 2001 study). Impact Fee Regulations are within the Kenmore Municipal, Chapter 20.47. A Public Hearing is required prior to ordinance adoption. Staff recommends that the City Council adopt new Park Impact Fee (PIF) rates as set forth in Table 1 below beginning January 2, 2020:</p> <p><b>Table 1: Recommended Park Impact Fees for Residential Development</b></p> <table><tr><th>Residential Development Type</th><th>Recommended Fee</th><th>Conditions Fee Applies per Dwelling Unit Type</th></tr><tr><td>Single-Family</td><td>\$3,885</td><td><u>On a Lot:</u><ul style="list-style-type: none"><li>• Single Detached (KMC 18.20.840)</li><li>• Designated Manufactured Home (KMC 18.20.695)</li></ul></td></tr><tr><td>Multi-Family</td><td>\$2,980</td><td><u>Attached:</u> Multi-Family (KMC 18.20.835) *</td></tr><tr><td>Mobile Home</td><td>\$1,942</td><td><u>Detached in a Mobile Home Park (KMC 18.20.1750):</u><ul style="list-style-type: none"><li>• Mobile Home (KMC 18.20.1750)</li><li>• Manufactured Home (KMC 18.20.1675)</li><li>• Designated Manufactured Home (KMC 18.20.695)</li></ul></td></tr></table> <p>*includes owned or leased apartments and townhomes</p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Residential Development Type                                                                                                                                                                                                               | Recommended Fee | Conditions Fee Applies per Dwelling Unit Type | Single-Family | \$3,885 | <u>On a Lot:</u> <ul style="list-style-type: none"><li>• Single Detached (KMC 18.20.840)</li><li>• Designated Manufactured Home (KMC 18.20.695)</li></ul> | Multi-Family | \$2,980 | <u>Attached:</u> Multi-Family (KMC 18.20.835) * | Mobile Home | \$1,942 | <u>Detached in a Mobile Home Park (KMC 18.20.1750):</u> <ul style="list-style-type: none"><li>• Mobile Home (KMC 18.20.1750)</li><li>• Manufactured Home (KMC 18.20.1675)</li><li>• Designated Manufactured Home (KMC 18.20.695)</li></ul> |
| Residential Development Type                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Recommended Fee                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Conditions Fee Applies per Dwelling Unit Type                                                                                                                                                                                              |                 |                                               |               |         |                                                                                                                                                           |              |         |                                                 |             |         |                                                                                                                                                                                                                                            |
| Single-Family                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | \$3,885                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <u>On a Lot:</u> <ul style="list-style-type: none"><li>• Single Detached (KMC 18.20.840)</li><li>• Designated Manufactured Home (KMC 18.20.695)</li></ul>                                                                                  |                 |                                               |               |         |                                                                                                                                                           |              |         |                                                 |             |         |                                                                                                                                                                                                                                            |
| Multi-Family                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | \$2,980                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <u>Attached:</u> Multi-Family (KMC 18.20.835) *                                                                                                                                                                                            |                 |                                               |               |         |                                                                                                                                                           |              |         |                                                 |             |         |                                                                                                                                                                                                                                            |
| Mobile Home                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | \$1,942                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <u>Detached in a Mobile Home Park (KMC 18.20.1750):</u> <ul style="list-style-type: none"><li>• Mobile Home (KMC 18.20.1750)</li><li>• Manufactured Home (KMC 18.20.1675)</li><li>• Designated Manufactured Home (KMC 18.20.695)</li></ul> |                 |                                               |               |         |                                                                                                                                                           |              |         |                                                 |             |         |                                                                                                                                                                                                                                            |



**Staff Recommendation Background:**

Kenmore adopted Park Impact Fee rates in 2001 through a rate study. The City has annually considered adjustment of fees based on October to October CPI-W for Seattle without a study to review of the rate methodology. This year, staff worked with Ben Yazici of MuniManage LLC. to develop a new Park Impact Fee Rate Study (Attachment A). The study provides analysis of state statutes and updates the methodology used to calculate the PIF rates. The study determined the maximum rates that would be allowed by state law. The Rate Study resulted in maximum rates substantially higher than rates found in nearby cities. All six nearby municipalities have updated their PIF rate methodology and increased their rates within the last five years. Most have chosen to adopt lower rates than the maximum allowed by law established by their updated rate studies (Table 2).

Staff Recommended rates (Table 1) are proposed at the average of fees collected by surrounding cities as shown in Table 2.

**Table 2: Park Impact Fee Comparison by City**

| Yr. Study Updated | City               | 2019 Fee Single-Family | 2019 Fee Multi-Family |
|-------------------|--------------------|------------------------|-----------------------|
| 2017              | Redmond            | \$4,585                | \$3,183               |
| 2017              | Bothell            | \$4,165                | \$3,412               |
| 2015              | Kirkland           | \$4,168                | \$3,168               |
| 2017              | Shoreline          | \$4,090                | \$2,683               |
| 2015              | Woodinville        | \$3,175                | \$3,175               |
| 2017              | Mount Lake Terrace | \$3,126                | \$2,260               |

Table 3 compares the staff recommended park impact fee rates with the maximum rates set by the 2019 rate study, the current 2019 rates set in the adopted fee schedule and the rates set by the 2001 rate study.

**Table 3: Kenmore Park Impact Fee Rate Comparison**

| Rate Category | Rate Study Maximum | 2020 Staff Recommendation*** | Current 2019 | 2001      |
|---------------|--------------------|------------------------------|--------------|-----------|
| Single-Family | \$6,663            | \$3,885                      | \$2,737.11   | \$1086.80 |
| Multi-Family  | \$5,591*           | \$2,980                      | \$1,789.17   | \$710.60  |
| Mobile Home   | \$6,663**          | \$1,942                      | \$ 850.56    | \$627.00  |

\* Includes owned or leased apartments and townhomes

\*\* Included as a Single-Family category in the 2019 rate study

\*\*\* Staff's recommended rates (Table 1) are set at the average of fees collected by surrounding cities (Table 2)

Single-Family Rate Comparison: The maximum rate in the Study for the Single-Family category is \$6,663. The staff recommended rate is \$3,885, which is a 44% reduction from \$6,663.

Multi-Family Rate Comparison: The Study's maximum rate for Multi-Family is \$5,591. Staff's recommended rate is \$3,885, which is also a 44% reduction from \$5,591.

Mobile Home Rate Comparison: Manufactured homes are included in the Single-Family category in the Study. Staff is recommending a rate for the Mobile Home category of \$1,942, which is a 71% reduction from \$6,663. This reduction would keep the rate more consistent with the current (\$850.56) and historic rate of (\$627.00).

**Kenmore Impact Fee Rate Comparison Background:**

Park Impact fees are one of several rates collected by the City for new development. Table 4 and Table 5 compares 2019 and 2020 fees that would be collected for single-family and multi-family residential development. School impact fees are collected on behalf of the Northshore School District, but the City determines the fee for Kenmore. Park impact fees and school impact fees are only collected for residential development. Traffic impact fees and surface water utility rates are also collected for commercial development but are not represented in Table 4 and 5 below.

**Table 4: Comparison of 2019 Rates Collected by Type of Dwelling Unit**

| Unit Category | Park Impact Fees | Traffic Impact Fees | School Impact fees | Surface Water Rates | Total         |
|---------------|------------------|---------------------|--------------------|---------------------|---------------|
| Single-Family | \$2,737.11       | \$9,945.64          | \$10,573           | \$3,500             | \$26,755.75   |
| Townhome***   | \$1,789.17       | \$6,181.12          | \$0                | \$3,500             | \$11,470.29   |
| Apartment***  | \$1,789.17       | \$7,369.79          | \$0                | \$*                 | \$9,158.96 ** |
| Mobile Home   | \$850.56         | \$6,647.28          | \$10,573           | \$3,500             | \$21,570.84   |

\* Not based on unit fee, calculation based on percentage of impervious.

\*\* Does not include surface water rates

\*\*\*Owned or leased

**Table 5: Comparison of 2020 Rates Collected by Type of Dwelling Unit**

| Unit Category | Park Impact Fees (1) | Traffic Impact Fees (2) | School Impact fees (3) | Surface Water Rates (4) | Total         |
|---------------|----------------------|-------------------------|------------------------|-------------------------|---------------|
| Single-Family | \$3,885              | \$9,945.64              | \$16,038               | \$3,500                 | \$33,368.64   |
| Townhome***   | \$2,980              | \$6,181.12              | \$1,818                | \$3,500                 | \$14,479.12   |
| Apartment***  | \$2,980              | \$7,369.79              | \$1,818                | \$*                     | \$12,167.79** |
| Mobile Home   | \$1,942              | \$6,647.28              | \$16,038               | \$3,500                 | \$26,185.28   |

\* Not based on unit fee, calculation based on percentage of impervious.

\*\* Does not include surface water rates

\*\*\*Owned or leased

1. Based on Staff recommendation from Table 2.
2. Assumes no increase in 2020. However, the fee may be adjusted annually in accordance with a five-year rolling average of the Washington State Department of Transportation Construction Cost Index.
3. Based on Northshore District's 2018 Capital Facilities Plan (Note: Council will discuss School Impact fees later this year, and could adopt lower fees)
4. Assumes no increase in 2020.

**FISCAL CONSIDERATION:**

The 2019-2020 biennial budget anticipates a beginning Park Impact Fee fund balance of \$333,931 and receipts of \$486,892. Park Impact Fees are budgeted by project in accordance with the approved capital facilities plan and transferred to the Park Capital Fund as a resource for park improvements. The total 2020 ending fund balance is anticipated to be \$478,795. Receipt estimates are based on the current impact fee rates.

**COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:**

Goal 8. To continue to implement a Parks Improvement Plan.

Attachment A: Park Impact Fee Rate Study, April 2019



**CITY OF KENMORE**  
**PARKS AND RECREATION IMPACT FEE REPORT**

April 2019

Prepared by:



3717 Beach Drive SW, No. 118

Seattle, WA 98116

Phone: 206-619-7890

Fax: 206-981-2981

## INTRODUCTION

RCW 82.02.050 through 82.02.110 ("Impact Fee Law") authorizes cities to impose impact fees for publicly-owned parks, open space and recreation facilities (hereafter "park facilities"). These impact fees for park facilities ("impact fees") can be imposed on development as a condition of development approval to pay for park facilities that are needed to serve new growth and development activity means any construction or expansion of a building, structure, or use, any change in use of a building or structure, or any changes in the use of land, that creates additional demand and need for park facilities.

Under the Impact Fee Law, the park impact fees must be used for system improvements, which are public facilities that are included a city's capital facilities plan and are designed to provide service to service areas within the community at large, in contrast to project improvements, which are site improvements and facilities that are planned and designed to provide service to a particular development project and that are necessary for the use and convenience of the occupants or users of the project. The impact fees cannot be used to pay for maintenance and repair, and cannot exceed the development's proportionate share of the public facilities costs. The impact fees must be spent or encumbered within ten years of receipt (unless there is an extraordinary and compelling reason for the fees to be held longer than ten years. In addition, a city cannot finance public facilities entirely with impact fees; the financing of public facilities must have a balance of impact fees and other sources of public funds.

Under the Impact Fee Law, cities can set a "level of service" standard for park facilities that is different from level of service standards for other facilities that are not financed in part by impact fees. If a city's current system of park facilities has less investment than called for by the level of service standard, then there is a "deficiency;" if the current system of park facilities exceeds the level of service standard, then there is a "reserve capacity." Impact fees cannot be used to address deficiencies, though they can be used to reimburse a city for reserve capacity.

The City of Kenmore has elected to use a standard that is equal to the current level of public facilities per capita. This means that there is no deficiency and no reserve capacity, and that the impact fees will sustain the current level of service by keeping up with growth.

Updating the City's park impact fees (hereafter "impact fees") is one of the 2019 budget goals for the City. The City first adopted an impact fees in 2001. Since then, the City has purchased park lands and built park facilities for all residents. Thus, park level of service has increased significantly. The City wants to make sure that the current park level of service is maintained for all citizens and that new residents will pay for their fair share of future park facilities.

## CALCULATIONS

### Population Forecast:

The City's estimated population in 2035 will be 28,573, based on the City's Comprehensive Plan. This represents a 5,553 population increase from the City's current population of 22,920 (2018).

### Per Capita Park Value:

The City's per capita park level of service is determined by taking the value of the current park facilities and dividing it by the current city population. Table 1 below shows the list of current park facilities and the value of the City's park system facilities.

*Total Value of Existing Park Facilities System ÷ Current Kenmore Population = Per Capita Park Value (LOS)*

Per Capita Park Value (LOS) is =  $\$74,705,497 \div 22,920 = \$3,259$

**Table 1 – Value of City's Park Facilities System**

| Asset Type                      | Total | Unit   | Unit Measure (4) | Value/Unit (2) | Total               |
|---------------------------------|-------|--------|------------------|----------------|---------------------|
| Public Art                      | 2     | 2      | Each             | \$5,000.00     | \$10,000            |
| Ped Bridges                     | 2     | 2      | Each             | \$117,885      | \$235,770           |
| Pier                            | 1     | 17500  | Square Feet      | \$600.00       | \$10,500,000        |
| Floating Docks                  | 3     | 3      | Each             | \$160,000      | \$480,000           |
| Trails- Boardwalk               | 1     | 1872   | Square Feet      | \$129.50       | \$242,424           |
| Outdoor Restrooms               | 3     | 1263   | Square Feet      | \$145.00       | \$183,135           |
| Buildings                       | 2     | 10640  | Square Feet      | \$300.00       | \$3,192,000         |
| Minor Structures                |       | 3695   |                  | \$80.00        | \$295,600           |
| Basketball Courts               | 1     | 3165   | each             | \$31.60        | \$100,014           |
| Skate Court                     | 1     | 5542   | Square Feet      | \$60.00        | \$332,520           |
| Drinking Fountains              | 4     | 4      | Each             | \$12,000.00    | \$48,000            |
| Fencing                         | 11    | 4043   | Linear Feet      | \$30.00        | \$121,290           |
| Baseball Field                  | 1     | 55780  | Square Feet      | \$10.75        | \$599,635           |
| General Use Field Area 8+       |       | 106841 | Square Feet      | \$2.10         | \$224,366           |
| Litter Receptacle               | 43    | 43     | Each             | \$500.00       | \$21,500            |
| Benches                         | 49    | 49     | Each             | \$750.00       | \$36,750            |
| Picnic Tables                   | 31    | 31     | Each             | \$1,500.00     | \$46,500            |
| Picnic Shelter                  | 2     | 1250   | Square Feet      | \$70.00        | \$87,500            |
| Playgrounds                     | 7     | 25869  | Square Feet      | \$18.65        | \$482,457           |
| Railings                        |       | 648    | Linear Feet      | \$90.00        | \$58,320            |
| Signs- Entry                    | 21    | 21     | Each             | \$13,000.00    | \$273,000           |
| Signs-Educational               | 19    | 19     | Each             | \$1,000.00     | \$19,000            |
| Signs- Regulatory               | 46    | 46     | Each             | \$250.00       | \$11,500            |
| Signs-Directional               | 7     | 7      | Each             | \$3,000.00     | \$21,000            |
| Plaques                         | 1     | 1      | Each             | \$500.00       | \$500               |
| Lights-Pedestrian               | 4     | 4      | Each             | \$1,000.00     | \$4,000             |
| Lights-Security                 | 1     | 1      | Each             | \$6,250.00     | \$6,250             |
| Lights-Street                   | 3     | 3      | Each             | \$6,250.00     | \$18,750            |
| Trails - Asphalt                |       | 4339   | Square Yard      | \$28.00        | \$121,492           |
| Trails - Concrete               |       | 2796   | Square Yard      | \$32.00        | \$89,472            |
| Trails - Gravel                 |       | 2873   | Square Yard      | \$75.00        | \$215,475           |
| Trails - Native                 |       | 1148   | Square Yard      | \$37.00        | \$42,476            |
| Trails - Other (Step Stc        | 1     | 25     | Square Yard      | \$37.00        | \$925               |
| Walls                           | 2     | 220    | Linear Feet      | \$38.00        | \$8,360             |
| Hardscape-Parking Lot           | 7     | 6419   | Square Yard      | \$37.00        | \$237,503           |
| Hardscape-Plazas                |       | 1338   | Square Yard      | \$32.00        | \$42,816            |
| Hardscape-Roads                 |       | 191    | Square Yard      | \$37.00        | \$7,067             |
| Landscape                       |       | 171613 | Square Feet      | \$10.00        | \$1,716,130         |
| Irrigation                      |       | 10     | Acre             | \$20,000       | \$200,000           |
| (1)(3) Parkland                 | 12    | 138    | Acre             | \$394,000      | \$54,372,000        |
| <b>TOTAL PARK SYSTEM VALUE:</b> |       |        |                  |                | <b>\$74,705,497</b> |

**Footnotes:**

- (1) Park land and per unit costs provided by City of Kenmore staff unless otherwise stated.
- (2) Costs per unit were established based on the cost of current (2016-18) capital improvement project costs in Kenmore and throughout the region.
- (3) Unit cost for the City of Kenmore parkland is based on the average land value per acre from recently appraised City of Kenmore properties.
- (4) Unit Cost Assumptions are available in Appendix A.

**Service Area Consideration:**

It is assumed that all City citizens have access to all park facilities. Thus, all land within the City is the service area for purposes of these calculations.

**Investment Needed for Growth;**

Multiplying existing per capita park value by the projected population growth over the 2019-2035 period yields the total dollar investment in parks facilities that will be needed in present value to keep up with growth demands and provide the same level of service currently enjoyed by Kenmore citizens.

$$\text{Investment Needed for Growth} = \text{Per Capita Park Value} \times \text{Population Increase}$$

**Table 2 – Investment Needed for Growth**

|                                                   |               |
|---------------------------------------------------|---------------|
| Current Population                                | 22,920        |
| Projected 2035 Population (Per Comp. Plan)        | 28,473        |
| Population Increase                               | 5,553         |
| Per Capita Park Value                             | \$ 3,259      |
| Investment Needed for Growth = ( \$3,259 X 5,553) | \$ 18,097,227 |

**CAPITAL FACILITIES PLAN**

Because impact fees can only be spent on park facilities that are included in a capital facilities plan (as mentioned above), the City adopted the Park Capital Facilities Plan (2015-2035) as part of the City's Comprehensive Plan in 2015 ("CFP").

As mentioned above, impact fees can be imposed on development only to pay for park facilities that needed to serve new growth and development, and that is reasonably related to the new development that creates additional demand and need for park facilities, that is a proportionate cost of park facilities, and that is used for park facilities that reasonably benefit the new development.

Table 3 below depicts all parks facilities in the CFP which have not been built yet, since the plan was adopted in 2015 and revised in 2018. The cost and determination of "growth related" versus "non-growth related" was analyzed and updated by the City Staff. Total CFP project cost is \$42,136,420, of which \$39,037,528 is growth related and \$3,099,022 is non-growth related (maintaining the existing park facilities).

The "investment needed for growth" figure is a representation of the growth-related capital needed to sustain the current level of service. It is important to compare that figure with the total CFP, because the CFP represents an estimate of the capital needs that is practical, not theoretical. The City cannot use the calculated "investment needed for growth" figure as the

basis for the impact fee unless there is at least that amount in identified park facilities that the City has planned to spend money on over the forecast period. Clearly, the City has more growth-related park facilities cost than the investment needed for growth. If the reverse were true, investment needed for the future would have to be reduced accordingly.

**Table 3 – Capital Facilities Plan – Growth and Non-Growth-Related Projects**

| Project Number | Project Description                            | 2013 Cost Assumptions | 2019 Total Cost     | % Respond to Growth | Growth Related       | Non-Growth Related |
|----------------|------------------------------------------------|-----------------------|---------------------|---------------------|----------------------|--------------------|
| A1/D1          | Water Walk Master Plan                         | \$200,000             | \$200,000           | 100%                | \$ 200,000           | \$0                |
| A3             | Lake Washington Waterfront Park Acquisitions   | Unknown               | \$3,707,190         | 100%                | \$ 3,707,190         | \$0                |
| A5             | Sammamish River Waterfront Park Acquisitions   | \$3,300,000           | \$8,897,256         | 100%                | \$ 8,897,256         | \$0                |
| A7             | Swamp Creek Open Space Acquisitions            | \$1,060,000           | \$4,800,000         | 100%                | \$ 4,800,000         | \$0                |
| A8             | Heron Rookery Acquisition                      | \$0                   | \$800,000           | 100%                | \$ 800,000           | \$0                |
| A9             | Community Park Land Acquisition                | \$10 Mil to \$15 Mil  | \$6,698,000         | 100%                | \$ 6,698,000         | \$0                |
| A10            | Moorlands Park Property Expansion              | \$624K to \$1 Mil     | \$394,000           | 100%                | \$ 394,000           | \$0                |
| A11            | Partnership Community Center Acquisition       | \$ 2,799,000          | \$1,576,000         | 100%                | \$ 1,576,000         | \$0                |
| D3             | Log Boom Park Waterfront Access Development    | \$ 2,640,000          | \$423,644           | 46%                 | \$ 194,876           | \$228,768          |
| D5             | Wallace Swamp Creek Park Development           | \$ 721,000            | \$1,081,500         | 90%                 | \$ 973,350           | \$108,150          |
| D7             | City Gateway Entry Signs                       | \$ 287,000            | \$80,000            | 0%                  | \$ -                 | \$80,000           |
| D9             | Twin Springs Park Development                  | \$1.3 to \$2.4 Mil    | \$400,000           | 100%                | \$ 400,000           | \$0                |
| D10            | Athletic Field Development                     | \$2.7 Mil             | \$7,000,000         | 75%                 | \$ 5,250,000         | \$1,750,000        |
| D11            | Picnic Facility Developments                   | Unknown               | \$100,000           | 0%                  | \$ -                 | \$100,000          |
| D12            | Swamp Creek Nature Trail Development           | \$ 1,150,000          | \$2,000,000         | 100%                | \$ 2,000,000         | \$0                |
| D13            | Sport Court Developments                       | Unknown               | \$150,000           | 0%                  | \$ -                 | \$150,000          |
| D14            | Off-Leash Dog Area Development                 | \$ 739,000            | \$739,000           | 100%                | \$ 739,000           | \$0                |
| D18            | Tolt Pipeline Trail Phase 2 Development        | \$ 136,000            | \$500,000           | 100%                | \$ 500,000           | \$0                |
| D19            | Squire's Landing Waterfront Access Development | \$ 15,305,000         | \$1,532,190         | 90%                 | \$ 1,378,971         | \$153,219          |
| R3             | Linwood Park Renovation                        | \$ 587,000            | \$1,057,770         | 50%                 | \$ 528,885           | \$528,885          |
|                | <b>TOTAL</b>                                   |                       | <b>\$42,136,550</b> |                     | <b>\$ 39,037,528</b> | <b>\$3,099,022</b> |

(1) Capital Facilities Project costs are established by specific project cost estimates.

(2) Costs include: project administration, acquisition, design, construction & contingency, escalation.

(3) Unit Cost Assumptions are available in Appendix A.

(4) Waterfront Property Cost Estimate is taken from average of all land value in Kenmore by KC Assessor's \$741,438.

(5) All other land acquisition costs for parks is based on average recent park appraisals - \$394,000

(6) Wetland land acquisition costs are based on approx half of average recent park appraisals - \$200,000



### PROPORTIONATE SHARE ADJUSTMENTS

The Impact Fee Law requires the City to make various adjustments to the “Investment Needed for Growth” number. The City has identified five specific areas to review to estimate proportionate share of new growth; 1) existing impact fees collected, 2) amount of City revenues paying for growth, 3) general obligation bonds related to park facilities, 4) surface water management capital facilities revenues related to park facilities, and 5) reserve capacity value.

#### 1 Impact Fee Revenue Adjustment

City has collected \$430,748 of impact fees as of March 2019. Even though some of these funds are obligated for the future park facilities in the CFP, they need to be deducted from the investment needed for growth to avoid double payment for the same facilities.

#### 2 Non-Impact Fee Revenue Adjustment

Based on the City’s last five-year historical park funding data and five-year future park facilities improvement plan, the City estimates it will contribute \$235,535 per year for the park facilities (growth and non-growth-related projects).

**Table 4 – Non-Impact Fee Revenues**

|                               |           |                |
|-------------------------------|-----------|----------------|
| King County Levy              | \$        | 53,335         |
| Real Estate Excuse Tax (REET) | \$        | 180,000        |
| Donations                     | \$        | 2,000          |
| <b>TOTAL</b>                  | <b>\$</b> | <b>235,335</b> |

Following calculations were performed to identify \$1,618,759 to be deducted from the investment needed for growth number.

**Table 5 – Non-Impact Fee Reduction**

|                                                                                                        |    |           |
|--------------------------------------------------------------------------------------------------------|----|-----------|
| Annual City Contributions                                                                              | \$ | 235,535   |
| <i>Total Non-Impact Fee Revenues = Annual Amount X 16 years</i>                                        |    |           |
| Total Non-Impact Fee Revenues = \$235,535 X 16                                                         | \$ | 3,768,560 |
| City will use Non-Impact fee revenues to fund entire Capital Facilities Plan.                          |    |           |
| <i>Percentage of Non-Impact Fee Contribution = Non-Impact Fee Revenues / Planned Park Improvements</i> |    |           |
| Percentage of Non-Impact Fee Contribution = \$3,768,560 / \$42,136,550                                 |    | 8.94%     |
| <i>Future Investment Needed for Growth= Future Investment Needed for Growth X 8.94%</i>                |    |           |
| Amount to be Deducted = \$18,099,460 X 8.94%                                                           | \$ | 1,618,759 |

### 3 General Obligation Bonds:

City issued general obligation bonds to pay a portion of capacity related to two park facilities: Squire's Landing Park and Log Boom Park. Total bond fund contribution for these facilities is \$8,300,000. New development activity will assume its proportionate share of this bond obligation through payment of property taxes. The City estimates this share to be \$1,618,723 as follows:

**Table 6 – General Obligation Bond Reduction**

|                                                                                                       |             |
|-------------------------------------------------------------------------------------------------------|-------------|
| Bond Contributions                                                                                    | \$8,300,000 |
| <i>Growth Share of this bond contribution is = Future Population Growth / Total Future Population</i> |             |
| Growth Share = 5,553 / 28,473                                                                         | 19.50%      |
| Bond related reduction amount is = (\$8,300,000 X 19.5%)                                              | \$1,618,723 |

### 4 Surface Water Management (SWM) Capital Facilities Charge (CFC) Reduction.

The City recently adopted a Stormwater Capital Facilities Charge (CFC). The City anticipates collecting \$310,000 in CFC's from the new growth for the Squire's Landing and the Log Boom Parks. This amount will also have to be deducted from the investment needed from growth.

### 5 Value of Reserve Capacity (if any):

The City has chosen for its park system standard for the current level of parks and recreation facilities per capita. This means that there is no deficiency and no reserve capacity; the impact fee is simply designed to sustain the current level of service by keeping up with growth.

**Table 7 - Total Adjustments**

|   |                          |                    |
|---|--------------------------|--------------------|
| 1 | Park Impact Fee Revenues | \$430,748          |
| 2 | Non-Impact Fee Revenues  | \$1,618,759        |
| 3 | Bond Revenues            | \$1,618,723        |
| 4 | Surface Water Management | \$310,000          |
| 5 | Reserve Capacity         | \$0                |
|   | <b>Total Adjustments</b> | <b>\$3,978,230</b> |

### PROPOSED PARK IMPACT FEE

Total adjustments (\$3,978,230) need to be deducted from the Investment Needed for Growth (\$18,099,460) to calculate the impact fee. That number is divided by the population growth number to determine a per capita park impact fee. Multiplying the per capita impact fee number with single family and multifamily occupancy rates would result in the final impact fee calculations as follows:

**Table 8 – Final Impact Fee Calculations**

|                                                                               |                 |
|-------------------------------------------------------------------------------|-----------------|
| Investment Needed for Growth                                                  | \$ 18,099,460   |
| Total Deductions/Credits                                                      | \$ 3,978,230    |
| Impact Fee Amount = (Investment Needed for Growth - Total Deductions/Credits) | \$ 14,121,230   |
| Population growth                                                             | 5553            |
| Impact Fee Per Capita = (Impact Fee Amount / Number of People)                | \$ 2,543        |
| *Average Occupancy of a Single Family in Kenmore                              | 2.62            |
| *Average Occupancy of a Multi Family in Kenmore                               | 2.34            |
| Park Impact Fee Per Capita                                                    | \$ 2,543        |
| <b>Park Impact Fee for Single Family = Impact Fee Per Capita X 2.62</b>       | <b>\$ 6,663</b> |
| <b>Park Impact Fee for Multi Family = Impact Fee Per Capita X 2.34</b>        | <b>\$ 5,951</b> |

*\* Source - 2017 American Community Survey*

*Single Family occupancy rate category includes manufactured homes.*

*Multi Family occupancy rate category includes owned and leased apartments and townhomes.*

### CONCLUSION

High quality parks facilities have made and will make the City an appealing location for new homes and apartments. Rapid development, in turn, drives up land values, which increases the cost of expanding and improving the parks system to keep up with growth. Keeping the park impact fee up-to-date will provide funding to sustain the City's level of service for parks facilities, which benefits new residents and provides for growth to pay for growth.

### Appendix A

| Asset Type              | Unit Cost Assumptions                                                                               |
|-------------------------|-----------------------------------------------------------------------------------------------------|
| Public Art              | Value of similar public art pieces.                                                                 |
| Ped Bridges             | 2016 Log Boom Park Pedestrian Bridge Replacement.                                                   |
| Pier                    | 2017 Seattle's Pier 62 Rebuild Project.                                                             |
| Floating Docks          | 2017 Float costs at Rhododendron, Log Boom and Squires Landing Parks                                |
| Trails- Boardwalk       | 2017 Rhododendron Park Boardwalk.                                                                   |
| Outdoor Restrooms       | 2017 Moorlands Park Restroom.                                                                       |
| Buildings               | 2016 Hangar Building.                                                                               |
| Minor Structures        | 2017 Moorlands Park Shed.                                                                           |
| Basketball Courts       | 2010 City of Shoreline Cromwell Park Basketball Court with 6% escalation per year for 2019 dollars. |
| Skate Court             | 2015 City Hall Skate Court with 6% escalation per year for 2019 dollars.                            |
| Drinking Fountains      | 2019 Elkay Drinking Fountain Website.                                                               |
| Fencing                 | 2019 Public Works Yard Fence.                                                                       |
| Baseball Field          | 2017 Moorlands Park Baseball/Softball Field                                                         |
| General Use Field Areas | 2017 Moorlands Park Baseball/Softball Field                                                         |
| Litter Receptacle       | 2017 Moorlands Park Project                                                                         |
| Benches                 | 2017 Moorlands Park Project                                                                         |
| Picnic Tables           | 2017 Moorlands Park Project                                                                         |
| Picnic Shelter          | 2017 Moorlands Park Project                                                                         |
| Playgrounds             | 2017 Moorlands Park Project                                                                         |
| Railings                | 2017 City of Shoreline Park Impact Fee Rate Study Asset Inventory and Capital Values                |

|                           |                                                                                                                             |
|---------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| Signs- Entry              | 2017 Moorlands Park Entry Sign                                                                                              |
| Signs-Educational         | City of Shoreline Educational Signage Quotes 2017 PIF -Folia                                                                |
| Signs- Regulatory         | Moorland Park Directional Sign                                                                                              |
| Signs-Directional         | Moorlands Park Regulatory Sign                                                                                              |
| Plaques                   | City of Shoreline Project Dedication Plaques                                                                                |
| Lights-Pedestrian         | City of Shoreline 2017 Park PIF Rate Study Asset Inventory and Capital Value                                                |
| Trails – Other Step Stone | 2018 Pacific Top Soil Website                                                                                               |
| Walls                     | City of Shoreline 2017 Park PIF Rate Study Asset Inventory and Capital Value                                                |
| Hardscape-Parking Lots    | City of Shoreline 2017 Park PIF Rate Study Asset Inventory and Capital Value                                                |
| Hardscape-Plazas          | 2018 Squire's Landing Park Project                                                                                          |
| Hardscape-Roads           | 2018 Squire's Landing Park Project                                                                                          |
| Landscape                 | 2018 Squire's Landing Park Project                                                                                          |
| Irrigation                | 2017 Moorlands Park Project                                                                                                 |
| Parkland                  | Based on average of recent City of Kenmore Park Project appraised properties - removed highest and lowest appraised values. |

## Appendix B

Park Impact Fee Rate Comparison by City

| Yr.<br>Study<br>Updated | City               | Single<br>Family | Multi<br>Family |
|-------------------------|--------------------|------------------|-----------------|
| 2017                    | Redmond            | \$4,585          | \$3,183         |
| 2017                    | Bothell            | \$4,165          | \$3,412         |
| 2015                    | Kirkland           | \$4,168          | \$3,168         |
| 2017                    | Shoreline          | \$4,090          | \$2,683         |
| 2015                    | Woodinville        | \$3,175          | \$3,175         |
| 2017                    | Mount Lake Terrace | \$3,126          | \$2,260         |



# CITY OF KENMORE

## Park Impact Fee Update



May 20, 2019



# *What are Park Impact Fees?*

- Collected from owner of a new housing development
- Ensures new development helps pay for new park facilities
- In other words...“Growth pays for growth”
- Authorized by the State Growth Management Act and RCW
- Other impact fees collected by the City – Transportation and Schools





## *State Law Requirements*

- Funds may only be used for park projects that also serve new development.
- Funds may not be used to address existing park system deficiencies (i.e. repairs or replacements).
- City must contribute to the cost of new park development.
- Park Impact Fees collected must be expended within 10 years.



## *Level of Service*

- Level of Service (LOS) standard is based on investment per capita.
- Plain English...we calculate the value of our parks system and divide it by the number of people in Kenmore...and that number is our LOS standard.
- This LOS standard is used to identify investment needed to support future growth...which is the basis for the Park Impact Fee formula.





# *What is the value of Kenmore's parks system?*

| Year | Estimated Value |
|------|-----------------|
| 2019 | \$74,705,497    |

- 2018 Asset Inventory
- Based on the recent project costs
- And by recent land appraisals



# What is the value of Kenmore's parks system?

| Asset Type              | Total | Unit   | Unit Measure (4) | Value/Unit (2) | Total        |
|-------------------------|-------|--------|------------------|----------------|--------------|
| Public Art              | 2     | 2Each  |                  | \$5,000.00     | \$10,000     |
| Ped Bridges             | 2     | 2Each  |                  | \$117,885      | \$235,770    |
| Pier                    | 1     | 17500  | Square Feet      | \$600.00       | \$10,500,000 |
| Floating Docks          | 3     | 3Each  |                  | \$160,000      | \$480,000    |
| Trails- Boardwalk       | 1     | 1872   | Square Feet      | \$129.50       | \$242,424    |
| Outdoor Restrooms       | 3     | 1263   | Square Feet      | \$145.00       | \$183,135    |
| Buildings               | 2     | 10640  | Square Feet      | \$300.00       | \$3,192,000  |
| Minor Strucutres        |       | 3695   |                  | \$80.00        | \$295,600    |
| Basketball Courts       | 1     | 3165   | each             | \$31.60        | \$100,014    |
| Skate Court             | 1     | 5542   | Square Feet      | \$60.00        | \$332,520    |
| Drinking Fountains      | 4     | 4Each  |                  | \$12,000.00    | \$48,000     |
| Fencing                 | 11    | 4043   | Linear Feet      | \$30.00        | \$121,290    |
| Baseball Field          | 1     | 55780  | Square Feet      | \$10.75        | \$599,635    |
| General Use Field Areas | 8+    | 106841 | Square Feet      | \$2.10         | \$224,366    |
| Litter Receptacle       | 43    | 43Each |                  | \$500.00       | \$21,500     |
| Benches                 | 49    | 49Each |                  | \$750.00       | \$36,750     |
| Picnic Tables           | 31    | 31Each |                  | \$1,500.00     | \$46,500     |
| Picnic Shelter          | 2     | 1250   | Square Feet      | \$70.00        | \$87,500     |
| Playgrounds             | 7     | 25869  | Square Feet      | \$18.65        | \$482,457    |
| Railings                |       | 648    | Linear Feet      | \$90.00        | \$58,320     |
| Signs- Entry            | 21    | 21Each |                  | \$13,000.00    | \$273,000    |

| Asset Type                  | Total | Unit   | Unit Measure (4) | Value/Unit (2) | Total        |
|-----------------------------|-------|--------|------------------|----------------|--------------|
| Signs-Educational           | 19    | 19Each |                  | \$1,000.00     | \$19,000     |
| Signs- Regulatory           | 46    | 46Each |                  | \$250.00       | \$11,500     |
| Signs-Directional           | 7     | 7Each  |                  | \$3,000.00     | \$21,000     |
| Plaques                     | 1     | 1Each  |                  | \$500.00       | \$500        |
| Lights-Pedestrian           | 4     | 4Each  |                  | \$1,000.00     | \$4,000      |
| Lights-Security             | 1     | 1Each  |                  | \$6,250.00     | \$6,250      |
| Lights-Street               | 3     | 3Each  |                  | \$6,250.00     | \$18,750     |
| Trails - Asphalt            |       | 4339   | Square Yard      | \$28.00        | \$121,492    |
| Trails - Concrete           |       | 2796   | Square Yard      | \$32.00        | \$89,472     |
| Trails - Gravel             |       | 2873   | Square Yard      | \$75.00        | \$215,475    |
| Trails - Native             |       | 1148   | Square Yard      | \$37.00        | \$42,476     |
| Trails - Other (Step Stone) | 1     | 25     | Square Yard      | \$37.00        | \$925        |
| Walls                       | 2     | 220    | Linear Feet      | \$38.00        | \$8,360      |
| Hardscape-Parking Lots      | 7     | 6419   | Square Yard      | \$37.00        | \$237,503    |
| Hardscape-Plazas            |       | 1338   | Square Yard      | \$32.00        | \$42,816     |
| Hardscape-Roads             |       | 191    | Square Yard      | \$37.00        | \$7,067      |
| Landscape                   |       | 171613 | Square Feet      | \$10.00        | \$1,716,130  |
| Irrigation                  |       | 10     | Acre             | \$20,000       | \$200,000    |
| (1)(3) Parkland             | 12    | 138    | Acre             | \$394,000      | \$54,372,000 |
| TOTAL PARK SYSTEM VALUE:    |       |        |                  |                | \$74,705,497 |

(1) Park land and per unit costs provided by City of Kenmore staff unless otherwise stated.

(2) Costs per unit were established based on the cost of current (2016-18) capital improvement project costs in Kenmore and throughout the region.

(3) Unit cost for the City of Kenmore parkland is based on the average land value per acre from recently appraised City of Kenmore properties.

(4) Unit Cost Assumptions are available in Appendix A.



# *What is our current population?*

| Year | Population |
|------|------------|
| 2019 | 22,920     |



# *What is the Impact Fee Level of Service?*



| Level of Service | 2019         |
|------------------|--------------|
| Total Value      | \$74,705,497 |
| Population       | 22,920       |
| Value per capita | \$3,259      |

- Level of service = “value per capita.”
- Per capita investment needed to maintain park system LOS standard as growth occurs.



# *What is our population growth projection?*

2035 our population is expected to be **28,473** residents (2015 Comp Plan)

Between 2019 – 2035, population growth is **5,553** new residents



# *What investment is needed to support growth?*

|                                         |              |
|-----------------------------------------|--------------|
| Capital Investment per person (2019)    | \$3,259      |
| 2019 - 2035 Projected Population Growth | 5,553        |
| Investment Needed for Growth            | \$18,097,227 |







## *Park Capital Facilities Plan*

- PIF Rates calculated based on adopted Capital Facilities Plan (CFP) projects
- Used adopted 2015 Capital Facilities Plan, updated in 2018
- Updated cost estimates
- Removed completed projects
- Separated expansion (Growth) projects from repair and replacement of existing assets (Non-Growth)
- General obligation bond funds were deducted

# Growth Projects

| Project Number | Project Description                            | 2013 Cost Assumptions | 2019 Total Cost     | % Respond to Growth | Growth Related       | Non-Growth Related |
|----------------|------------------------------------------------|-----------------------|---------------------|---------------------|----------------------|--------------------|
| A1/D1          | Water Walk Master Plan                         | \$200,000             | \$200,000           | 100%                | \$ 200,000           | \$0                |
| A3             | Lake Washington Waterfront Park Acquisitions   | Unknown               | \$3,707,190         | 100%                | \$ 3,707,190         | \$0                |
| A5             | Sammamish River Waterfront Park Acquisitions   | \$3,300,000           | \$8,897,256         | 100%                | \$ 8,897,256         | \$0                |
| A7             | Swamp Creek Open Space Acquisitions            | \$1,060,000           | \$4,800,000         | 100%                | \$ 4,800,000         | \$0                |
| A8             | Heron Rookery Acquisition                      | \$0                   | \$800,000           | 100%                | \$ 800,000           | \$0                |
| A9             | Community Park Land Acquisition                | \$10 Mil to \$15 Mil  | \$6,698,000         | 100%                | \$ 6,698,000         | \$0                |
| A10            | Moorlands Park Property Expansion              | \$624K to \$1 Mil     | \$394,000           | 100%                | \$ 394,000           | \$0                |
| A11            | Partnership Community Center Acquisition       | \$ 2,799,000          | \$1,576,000         | 100%                | \$ 1,576,000         | \$0                |
| D3             | Log Boom Park Waterfront Access Development    | \$ 2,640,000          | \$423,644           | 46%                 | \$ 194,876           | \$228,768          |
| D5             | Wallace Swamp Creek Park Development           | \$ 721,000            | \$1,081,500         | 90%                 | \$ 973,350           | \$108,150          |
| D7             | City Gateway Entry Signs                       | \$ 287,000            | \$80,000            | 0%                  | \$ -                 | \$80,000           |
| D9             | Twin Springs Park Development                  | \$1.3 to \$2.4 Mil    | \$400,000           | 100%                | \$ 400,000           | \$0                |
| D10            | Athletic Field Development                     | \$2.7 Mil             | \$7,000,000         | 75%                 | \$ 5,250,000         | \$1,750,000        |
| D11            | Picnic Facility Developments                   | Unknown               | \$100,000           | 0%                  | \$ -                 | \$100,000          |
| D12            | Swamp Creek Nature Trail Development           | \$ 1,150,000          | \$2,000,000         | 100%                | \$ 2,000,000         | \$0                |
| D13            | Sport Court Developments                       | Unknown               | \$150,000           | 0%                  | \$ -                 | \$150,000          |
| D14            | Off--Leash Dog Area Development                | \$ 739,000            | \$739,000           | 100%                | \$ 739,000           | \$0                |
| D18            | Tolt Pipeline Trail Phase 2 Development        | \$ 136,000            | \$500,000           | 100%                | \$ 500,000           | \$0                |
| D19            | Squire's Landing Waterfront Access Development | \$ 15,305,000         | \$1,532,190         | 90%                 | \$ 1,378,971         | \$153,219          |
| R3             | Linwood Park Renovation                        | \$ 587,000            | \$1,057,770         | 50%                 | \$ 528,885           | \$528,885          |
|                | <b>TOTAL</b>                                   |                       | <b>\$42,136,550</b> |                     | <b>\$ 39,037,528</b> | <b>\$3,099,022</b> |

(1) Capital Facilities Project costs are established by specific project cost estimates.

(2) Costs include: project administration, acquisition, design, construction & contingency, escalation.

(3) Unit Cost Assumptions are available in Appendix A.

(4) Waterfront Property Cost Estimate is taken from average of all land value in Kenmore by KC Assessor's \$741,438.

(5) All other land acquisition costs for parks is based on average recent park appraisals - \$394,000

(6) Wetland land acquisition costs are based on approx half of average recent park appraisals - \$200,000

# *Proportionate Share Adjustment*

State law requires adjustments to the “Investment Needed for Growth”.  
Five specific adjustments were considered.

|   |                          |                    |
|---|--------------------------|--------------------|
| 1 | Park Impact Fee Revenues | \$430,748          |
| 2 | Non-Impact Fee Revenues  | \$1,618,759        |
| 3 | Bond Revenues            | \$1,618,723        |
| 4 | Surface Water Management | \$310,000          |
| 5 | Reserve Capacity         | \$0                |
|   | <b>Total Adjustments</b> | <b>\$3,978,230</b> |

# Non-Impact Fee Revenues

|                                                 |             |
|-------------------------------------------------|-------------|
| King County Levy                                | \$53,335    |
| Real Estate Excise Tax (REET)                   | \$180,000   |
| Donations                                       | \$2,000     |
| Total Per Year                                  | \$235,335   |
| Total for 16 Years                              | \$3,768,560 |
| Percentage of Credit (\$3,768,560/\$42,136,550) | 8.94%       |
| Amount to be credited for 16 years              | \$1,618,759 |





# General Obligation Bond Contributions

|                                                                                                      |             |
|------------------------------------------------------------------------------------------------------|-------------|
| Bond Contributions                                                                                   | \$8,300,000 |
| <i>Growth Share of this bond contribution is = Future Population Growth /Total Future Population</i> |             |
| Growth Share = 5,553/ 28,473                                                                         | 19.50%      |
| Bond related reduction amount is = (\$8,300,000 X 19.5%)                                             | \$1,618,723 |



# *Revenue Adjustments*

The City anticipates to collect **\$310,000** SWM charges for the Squire's Landing and the Log Boom Park Waterfront Access Projects

This amount needs to be deducted from the investment needed for growth.





## *Reserve Capacity Adjustment*

Kenmore's standard is equal to the current level of parks and recreation facilities per capita.

This means that there is no deficiency and no reserve capacity; the fee is simply designed to sustain the current level of service by keeping up with growth.



# Total Adjustments

|   |                          |             |
|---|--------------------------|-------------|
| 1 | Park Impact Fee Revenues | \$430,748   |
| 2 | Non-Impact Fee Revenues  | \$1,618,759 |
| 3 | Bond Revenues            | \$1,618,723 |
| 4 | Surface Water Management | \$310,000   |
| 5 | Reserve Capacity         | \$0         |
|   | Total Adjustments        | \$3,978,230 |

# Total Park Impact Fee

|                                                                               |               |
|-------------------------------------------------------------------------------|---------------|
| Investment Needed for Growth                                                  | \$ 18,099,460 |
| Total Deductions/Credits                                                      | \$ 3,978,230  |
| Impact Fee Amount = (Investment Needed for Growth - Total Deductions/Credits) | \$ 14,121,230 |



# Maximum Park Impact Fee Rate Calculation

|                                                                                          |                 |
|------------------------------------------------------------------------------------------|-----------------|
| Investment Needed for Growth                                                             | \$ 18,099,460   |
| Total Deductions/Credits                                                                 | \$ 3,978,230    |
| Impact Fee Amount = (Investment Needed for Growth - Total Deductions/Credits)            | \$ 14,121,230   |
| Population growth                                                                        | 5553            |
| Impact Fee Per Capita = (Impact Fee Amount / Number of People)                           | \$ 2,543        |
| *Average Occupancy of a Single Family in Kenmore                                         | 2.62            |
| *Average Occupancy of a Multi Family in Kenmore                                          | 2.34            |
| Park Impact Fee Per Capita                                                               | \$ 2,543        |
| Park Impact Fee for Single Family = Impact Fee Per Capita X 2.62                         | \$ <b>6,663</b> |
| Park Impact Fee for Multi Family = Impact Fee Per Capita X 2.34                          | \$ <b>5,951</b> |
| * Source - 2017 American Community Survey                                                |                 |
| Single Family occupancy rate category includes manufactured homes.                       |                 |
| Multi Family occupancy rate category includes owned and leased apartments and townhomes. |                 |

# *Park Impact Fee Rate Comparison by City*

| Yr. Study Updated | City               | Single Family | Multi Family |
|-------------------|--------------------|---------------|--------------|
| 2017              | Redmond            | \$4,585       | \$3,183      |
| 2017              | Bothell            | \$4,165       | \$3,412      |
| 2015              | Kirkland           | \$4,168       | \$3,168      |
| 2017              | Shoreline          | \$4,090       | \$2,683      |
| 2015              | Woodinville        | \$3,175       | \$3,175      |
| 2017              | Mount Lake Terrace | \$3,126       | \$2,260      |





# *Staff Recommended Park Impact Fee Rates*

## Recommended Park Impact Fees for Residential Development

| Residential Development Type | Recommended Fee | Conditions Fee Apply per Dwelling Unit Type                                                                                                                                                                                                |
|------------------------------|-----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Single-Family                | \$3,885*        | <u>On a Lot:</u> <ul style="list-style-type: none"><li>• Single Detached (KMC 18.20.840)</li><li>• Designated Manufactured Home (KMC 18.20.695)</li></ul>                                                                                  |
| Multi-Family                 | \$2,980*        | <u>Attached:</u> Multi-Family (KMC 18.20.835) **                                                                                                                                                                                           |
| Mobile Home                  | \$1,942         | <u>Detached in a Mobile Home Park</u> (KMC 18.20.1750): <ul style="list-style-type: none"><li>• Mobile Home (KMC 18.20.1750)</li><li>• Manufactured Home (KMC 18.20.1675)</li><li>• Designated Manufactured Home (KMC 18.20.695)</li></ul> |

\* Staff's recommended rates are set at the average of fees collected by surrounding cities

\*\*includes owned or leased apartments and townhomes



# *Recommended Impact Fee Rate Comparison*

| Rate Category | Rate Study Maximum | 2020 Staff Recommendation*** | Current 2019 | 2001      |
|---------------|--------------------|------------------------------|--------------|-----------|
| Single-Family | \$6,663            | \$3,885                      | \$2,737.11   | \$1086.80 |
| Multi-Family  | \$5,591*           | \$2,980                      | \$1,789.17   | \$710.60  |
| Mobile Home   | \$6,663**          | \$1,942                      | \$ 850.56    | \$627.00  |

\* Includes owned or leased apartments and townhomes

\*\* Included as a Single-Family category in the 2019 rate study

\*\*\* Staff's recommended rates are set at the average of fees collected by surrounding cities

# Comparison of Rates Collected

2019

| Unit Category | Park Impact Fees | Traffic Impact Fees | School Impact fees | Surface Water Rates | 2019 Total    |
|---------------|------------------|---------------------|--------------------|---------------------|---------------|
| Single-Family | \$2,737.11       | \$9,945.64          | \$10,573           | \$3,500             | \$26,755.75   |
| Townhome***   | \$1,789.17       | \$6,181.12          | \$0                | \$3,500             | \$11,470.29   |
| Apartment***  | \$1,789.17       | \$7,369.79          | \$0                | \$*                 | \$9,158.96 ** |
| Mobile Home   | \$850.56         | \$6,647.28          | \$10,573           | \$3,500             | \$21,570.84   |

2020

| Unit Category | Park Impact Fees (1) | Traffic Impact Fees (2) | School Impact fees (3) | Surface Water Rates (4) | 2020 Total    |
|---------------|----------------------|-------------------------|------------------------|-------------------------|---------------|
| Single-Family | \$3,885              | \$9,945.64              | \$16,038               | \$3,500                 | \$33,368.64   |
| Townhome***   | \$2,980              | \$6,181.12              | \$1,818                | \$3,500                 | \$14,479.12   |
| Apartment***  | \$2,980              | \$7,369.79              | \$1,818                | \$*                     | \$12,167.79** |
| Mobile Home   | \$1,942              | \$6,647.28              | \$16,038               | \$3,500                 | \$26,185.28   |

\* Not based on unit fee, calculation based on percentage of impervious.

\*\* Does not include surface water rates

\*\*\*Owned or leased

1. Staff recommendation
2. Assumes no increase in 2020
3. Based on NSD 2018 CFP
4. Assumes no increase in 2020





City Council Business Agenda Item  
City of Kenmore, WA

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Subject/Topic:</b></p> <p>Ordinance No. 19-0486 Approving a Non-Exclusive Dual Franchise Agreement with Puget Sound Energy, Inc.</p> <p>Contract No. 19-CI2043: Memorandum of Understanding with Puget Sound Energy, Inc. on Performance and Reliability Reporting</p> <p><b>Proposed Council Action/Motion:</b></p> <p>Presentation and Discussion</p> <p>(Council action is Scheduled for June 10, 2019)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <p>For Council Meeting Agenda of: May 20, 2019</p> <p>Departments: Executive, Public Works,<br/>City Attorney</p> <p>Prepared by: Nancy Ousley, Assistant City Manager</p> <p style="text-align: right;"><u>Initial &amp; Date</u></p> <p>Approved by Department Head: <u>NKO 10 May 2019</u></p> <p>Approved by City Attorney: <u>[Signature]</u></p> <p>Approved by Finance Director: <u>[Signature]</u></p> <p>Approved by City Manager: <u>[Signature]</u></p> <p><b>Exhibits/Attachments:</b></p> <ol style="list-style-type: none"> <li>1) Proposed Ordinance and Franchise Agreement</li> <li>2) Proposed Memorandum of Understanding</li> <li>3) Ordinance No.05-0233: PSE Franchise Agreement (2005)</li> <li>4) 2018 Proposed Franchise Agreement and Memorandum of Understanding</li> <li>5) PSE Reliability Projects 2016-2018 and Kenmore Circuit Map</li> <li>6) Exponent Electric System Reliability Assessment (2016)</li> <li>7) Exponent Reliability Goals Report (2018)</li> </ol> |
| <p><b><u>INFORMATION/BACKGROUND:</u></b></p> <p>The proposed agreements work in concert to: 1) permit and set the conditions for Puget Sound Energy (PSE) to locate its electrical and natural gas facilities in the public right of way and 2) require actions to report on and identify ways to improve electrical service reliability in Kenmore. The current Franchise Agreement between the City of Kenmore and Puget Sound Energy was approved in 2005. The proposed Agreement is for a five- year term, with the ability to extend an additional five years by mutual agreement. As a privately owned utility, PSE is regulated by the Washington Utilities and Transportation Commission.</p> <p>The City Council discussed a proposed PSE Franchise and Memorandum of Understanding in January, 2018 and recommended additional attention to service reliability measures. The current proposal contains language updated since 2018 on: specific performance goals for Kenmore circuits performing in the lowest quartile of the PSE system (MOU Section 6); third parties that have facilities attached to PSE poles (Franchise Agreement Section 10 and Section 17 ); minor revisions to Vegetation Management (Franchise Agreement Section 18); and Electric Vehicle Charging Station partnership (MOU Section 10).</p> <p>Right of Way provisions in the Franchise Agreement that have been updated and strengthened compared to the 2005 Agreement include: improved mapping of PSE facility locations; reporting on known third party users of</p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

PSE facilities; detailed procedures for relocating facilities that interfere with City public works projects; and accelerated vegetation patrols and trimming to reduce contact with electrical wires. Provisions for non-interference of facilities to safe passage of pedestrians and vehicles have been updated to include bicycles, and compliance with the Americans with Disabilities Act is now specifically mentioned. Procedures requiring disabling decommissioned natural gas facilities have also been added.

Declining electrical reliability and increasing incidences of outages caused widespread inconvenience, loss of business productivity and health concerns for Kenmore residents and businesses in recent years. The Administration and Council called for a turnaround in electrical service reliability, and PSE has made investments in 2016 -2018 to improve electrical service in certain areas of the city. Kenmore residents and businesses have recently noted service improvements.

The proposed Memorandum of Understanding (MOU), which must be approved in order for the Franchise Agreement to take effect, requires annual detailed reports to the City Council and community on the frequency and duration of outages and how those metrics compare to the PSE system as a whole as well as neighboring jurisdictions served by other utilities. The MOU also covers identifying investments to improve reliability, improved ways of communicating with property owners who have utility easements that PSE needs to access for maintenance and repairs, and detailed procedures for emergency services and City long range planning cooperation.

The City commissioned an Electrical System Reliability Assessment in 2016 from Exponent Failure Analysis Associates, Inc., which confirmed the crisis in reliability in Kenmore in comparison to the overall PSE system and recommended actions that could improve power reliability in Kenmore. The report notes that seven of the ten electrical circuits in Kenmore performed in the lowest quartile of the entire PSE system. Exponent prepared a report on reliability goals in 2018 and concluded that given the reliability projects planned in 2016-2018, six of the circuits in the lowest quartile should see reliability improve. The City has retained Exponent to analyze future reliability metrics as outlined in the proposed MOU.

The WUTC approved a PSE proposal in December 2018 to initiate a pilot program relating to Electric Vehicle (EV) charging stations. The MOU language in Section 10 has been updated and states that Kenmore will be evaluated according the terms of the tariff along with other cities for installation of charging facilities.

**FISCAL CONSIDERATION:**

State law does not allow a Franchise Fee for electric utilities, but does authorize a Utility Tax of up to 6% of gross revenues that municipalities can enact. The current Kenmore Utility Tax rate for electrical and natural gas is 4% of gross revenues and the projected revenue for 2019-2020 is \$1,656,355.

**COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:**

Council Goals: Economic Development: attract new businesses and support existing businesses  
Emphasize multi modal transportation safety, specifically focus on pedestrian and bicycle safety  
Budget Objective: Attractive, well-planned, enduring and desirable place to live and work

ORDINANCE NO. 19-0486

AN ORDINANCE OF THE CITY OF KENMORE, WASHINGTON, GRANTING PUGET SOUND ENERGY, INC., A WASHINGTON CORPORATION, THE NON-EXCLUSIVE RIGHT, PRIVILEGE, AUTHORITY AND FRANCHISE TO SET, ERECT, CONSTRUCT, SUPPORT, ATTACH, CONNECT AND STRETCH FACILITIES BETWEEN, MAINTAIN, REPAIR, REPLACE, ENLARGE, OPERATE AND USE FACILITIES IN, UPON, UNDER, ALONG AND ACROSS THE FRANCHISE AREA FOR PURPOSES OF TRANSMISSION, DISTRIBUTION AND SALE OF ELECTRICAL ENERGY AND NATURAL GAS FOR POWER, HEAT, LIGHT AND OTHER PURPOSES FOR WHICH ELECTRICAL ENERGY AND NATURAL GAS MAY BE USED.

WHEREAS, RCW 35A.11.020 grants the City authority to regulate the use of the public right-of-way; and

WHEREAS, RCW 35.47.040 authorizes the City to "grant nonexclusive franchises for the use of public streets, bridges or other public ways, structures or places above or below the surface of the ground for... poles, conduits, tunnels, towers and structures, pipes and wires and appurtenances thereof for transmission and distribution of electrical energy,...for gas..."; and

WHEREAS, Puget Sound Energy, Inc. ("PSE") has requested a franchise for purposes of transmission, distribution, and sale of electrical energy and natural gas for power, heat, light, and any other purpose for which electrical energy and natural gas may be used; and

WHEREAS, on July 25, 2005, the City Council adopted Ordinance No. 05-0233, which granted a franchise to PSE for the construction, operation, maintenance and repair of natural gas and electric transmission and distribution facilities for a ten year period; and

WHEREAS, the original ten-year term of the franchise agreement with PSE ended in August of 2015, and the parties have continued to operate under the terms of such franchise since that time in conjunction with the negotiation of a new franchise; and

WHEREAS, the City of Kenmore and PSE have negotiated a new, mutually acceptable franchise agreement; and

WHEREAS, the City Council finds that it is in the best interest of the health, safety and welfare of residents of Kenmore to grant a non-exclusive franchise to PSE for the operation of electric distribution, electric transmission, and natural gas distribution systems within the City right-of-way;



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

Section 1. Recitals Incorporated. The Recitals set forth above are herein incorporated by reference as if set forth in full.

Section 2. Finding of Public Interest. The City Council hereby finds that the non-exclusive franchise agreement with Puget Sound Energy, Inc. attached hereto as Exhibit A, and herein incorporated by reference as if set forth in full, is in the public interest.

Section 3. Franchise Authorized. The City Council hereby approves and authorizes the City Manager to enter into the non-exclusive franchise agreement attached hereto as Exhibit A (the "Franchise") with Puget Sound Energy, Inc., to construct, operate and maintain its utility facilities, as defined in the Franchise, in, across, under, upon, along and over public roads and rights-of-way of the City of Kenmore.

Section 4. Severability. Should any section, paragraph, sentence, clause, or phrase of this ordinance or the Franchise, or its or their application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this ordinance or the Franchise be pre-empted by State or federal law or regulation, such decision or pre-emption shall not affect the validity of the remaining portions of this ordinance or the Franchise, or its or their application to other persons or circumstances.

Section 5. Effective Date. This Ordinance, being in compliance with RCW 35A.47.040, shall be published in the official newspaper of the City, and shall take effect and be in full force five (5) days after the date of publication.

APPROVED by the City Council this \_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
David Baker, Mayor

ATTEST/AUTHENTICATED:

\_\_\_\_\_  
Kelly Chelin, City Clerk

APPROVED AS TO FORM:  
OFFICE OF THE CITY ATTORNEY:

BY \_\_\_\_\_  
Rod Kaseguma, City Attorney

FILED WITH THE CITY CLERK:  
PASSED BY THE CITY COUNCIL:  
PUBLISHED:  
EFFECTIVE DATE:  
ORDINANCE NO. 17-\_\_\_\_\_

**EXHIBIT A TO ORDINANCE NO. 19-0486**

**A NON-EXCLUSIVE FRANCHISE AGREEMENT BETWEEN  
THE CITY OF KENMORE AND PUGET SOUND ENERGY, INC.**

**Section 1. Definitions**

Where used in this franchise (the "Franchise") the following terms shall mean:

1.1 "PSE" means Puget Sound Energy, Inc., a Washington corporation, and its respective successors and assigns.

1.2 "City" means the City of Kenmore, a municipal corporation of the State of Washington, and its respective successors and assigns. Specifically, the City includes all areas incorporated therein as of the effective date of this Ordinance and any other areas later added thereto by annexation or other means.

1.3 "City Manager" means the Kenmore City Manager, or his or her designee.

1.4 "Days" means calendar days.

1.5 "Environmental Laws" means any applicable federal, state, or local statute, code, or ordinance or federal or state administrative rule, regulation, ordinance, order, decree, or other governmental authority as now or at any time hereafter in effect pertaining to the protection of human health or the environment.

1.6 "Force Majeure Event" means any fire, explosion, pest damage, power failure, strike or labor dispute, act of God, the elements, war, civil disturbance, act of civil or military authorities or the public enemy, or fuel or energy shortage, or any other extraordinary circumstance or event beyond the reasonable control of the affected party.

1.7 "Franchise" means the grant of non-exclusive rights, privileges and authority embodied in this Ordinance.

1.8 "Franchise Area" means all public rights-of-way including the surface of and space along, above, and below any street, road, highway, freeway, lane, sidewalk, alley, court, boulevard, parkway and drive within the City as now and as may hereafter be laid out, platted, dedicated, acquired or improved within the present limits of the City and as such limits may be hereafter extended; and all City owned easements used for such rights-of-way and/or dedicated for the placement and location of utilities, provided such easements would allow PSE to fully exercise the rights granted under this Franchise within the area covered by such easements.

1.8 "Facilities" means collectively, any and all:

A. natural gas distribution systems, including but not limited to, gas pipes, pipelines, mains, laterals, conduits, feeders, regulators, valves, meters, meter-reading devices, fixtures, and communications systems and all necessary facilities and appurtenances thereto, whether the

same be located over or under ground;

B. electrical transmission and distribution systems, including but not limited to poles (with or without cross arms), including Puget-owned street lighting poles and luminaires, wires, lines, conduits, cables, communication and signal lines, braces, guys, anchors, switches, transformers, ducts, vaults and all necessary facilities and appurtenances thereto, whether the same be located over or under ground.

1.9 "Decommissioned" means Facilities in the Franchise Area that are no longer used by or useful to a regulated service provider and may be removed from service consistent with prudent utility practices and applicable law.

1.10 "Hazardous Substance" means any hazardous, toxic, or dangerous substance, material, waste, pollutant, or contaminant that is specifically designated as such and regulated by any applicable Environmental Law.

1.11 "Ordinance" means this Ordinance No. 19-\_\_\_\_, which sets forth the terms and conditions of this Franchise.

1.12 "Permitting Authority" means the head of the City department authorized to process and grant permits required to perform work in the Franchise Area, or the head of any agency authorized to perform this function on the City's behalf. Unless otherwise indicated, all references to Permitting Authority shall include the designee of the department or agency head.

1.13 "Tariff" means "tariff" as that term is defined in WAC 480-80-030(3), or such similar definition describing rate schedules, rules and regulations relating to charges and service as may hereinafter be adopted by the regulatory authority with jurisdiction, under the laws of the State of Washington, over public service companies.

1.14 "WUTC" means the Washington Utilities and Transportation Commission or such successor regulatory agency having jurisdiction over public service companies.

## **Section 2. Grant of Franchise; Facilities within the Franchise Area**

21 Pursuant to the laws of the state of Washington, including but not limited to RCW 35A.47.040 and 80.32.010, the City hereby grants to PSE the non-exclusive right, privilege, authority and franchise subject to the terms and conditions set forth herein. This Franchise grants PSE the non-exclusive right, privilege, authority and franchise to install, construct, operate, maintain, repair, replace, and use Facilities for electric distribution and transmission and natural gas distribution and transmission systems, in, under, on across, over, through, along or below the Franchise Area, for the transmission, distribution and sale of electrical energy and natural gas power, heat and light, and any other purposes for which electrical energy and natural gas may be used, as approved under City permits issued by the Permitting Authority pursuant to this Franchise and City ordinances.

2.2 This Franchise specifically does not authorize PSE to install or use Facilities to provide telecommunications, cable television, point-to-point data communications, or similar services either via wire or wireless technologies regardless of whether these services are provided to any person outside PSE's

organization. This section does not restrict PSE's ability to utilize wires, wireless technology or telemetric devices to monitor and operate its electric distribution, electric transmission and natural gas distribution systems, to monitor and control the usage of electrical energy and/or natural gas, and/or to operate communications systems supporting its electric and gas operations but which are not used by PSE or any third parties to provide commercial telecommunications services to the general public. The City acknowledges that PSE may have existing or future agreements with third parties regarding the use and sharing of Facilities, such as poles.

2.3 PSE acknowledges the City's desire and intent that City rights-of-way be free of encumbrance by rights held by others, including PSE, and that the City desires and intends that rights-of-way dedicated by property owners to the City be free of such encumbrances. All rights-of-way so dedicated during the term of this Franchise shall be Franchise Area and any new Facilities thereafter installed by PSE therein shall be subject to the terms and conditions of this Franchise except as set forth in Section 2.4.

2.4 In the event PSE has a prior existing easement or other property ownership or lease right not derived from this Franchise within any portion of the Franchise Area dedicated to the City during the term of this Franchise as described in Section 2.3, and PSE desires to install new Facilities within and using such prior easement or other property ownership or lease right, then PSE will provide notice of the same to the City prior to such installation. The City may request that PSE instead install such new Facilities within the Franchise Area pursuant to rights granted by this Franchise. PSE will consider the facts and conditions that bear upon such request and will respond to the City, including meeting with the City to discuss such request, prior to installation of PSE's new Facilities. When reasonably determined by PSE to be consistent with prudent utility practice, PSE will install its new Facilities within the Franchise Area pursuant to rights granted by this Franchise as requested by the City. In all other cases, PSE may install its new Facilities within and using such prior PSE easement or other property ownership or lease right, subject to compliance with any and all permit conditions and other requirements applicable to such work under City codes, ordinances and standards, including any such condition or requirement to repair and restore the Franchise Area consistent with adopted Public Works standards.

2.5 Without limiting PSE's obligation to consider requests made by the City pursuant to Section 2.4, this Franchise shall not govern or apply to Facilities located on and using PSE owned or leased properties or easements inside or outside of the Franchise Area (whether granted by a private or public entity and whether now existing or hereafter acquired), and such Facilities are not, and will not be deemed to be, located pursuant to rights derived from this Franchise or pursuant to rights otherwise granted by the City.

### **Section 3. Nonexclusive Franchise**

This non-exclusive Franchise is granted upon the express condition that it shall not in any manner prevent the City from granting other or further franchises in, along, over, through, under, below or across any portion of the Franchise Area that do not unreasonably interfere with PSE's rights under this Franchise. PSE acknowledges that the City's grant of a non-exclusive electric or natural gas franchise to another party does not, in and of itself, constitute unreasonable interference so long as the terms of the other franchise do not purport to give the other party priority or preference rights that unreasonably interfere with PSE's rights under this Franchise. This Franchise shall in no way prevent or prohibit the City from using, or affect its jurisdiction over, any portion of the Franchise Area or other City property, and the City shall retain the authority to make necessary changes, relocations, repairs, maintenance, establishment, and improvement to any portion of the Franchise Area or other City property as the City may deem fit, including the dedication, establishment, maintenance, and improvement of new rights-of-way or other public properties of every type

and description.

#### **Section 4. Term of Franchise/Acceptance**

This Franchise is and shall remain in full force and effect for a period of five (5) years from the effective date of the Ordinance. This Franchise may be renewed, at the sole discretion of the Kenmore City Council for one additional five (5) year period upon the written request of PSE, such request to be submitted not less than one hundred eighty days (180) prior to the expiration of the initial five (5) year term. This Franchise is granted upon the express condition that PSE, within sixty (60) days after the adoption of this Ordinance, shall (i) file with the clerk of the City a written acceptance of the same; and (ii) jointly with the City, execute and deliver the Memorandum of Understanding described in Section 31 of this Franchise. Upon completion of each such step, this Franchise shall constitute a contract between the City and PSE for all the purposes herein set forth. If PSE fails to provide its written acceptance or jointly with the City execute and deliver the Memorandum of Understanding as provided above, this Ordinance and Franchise shall be null and void.

#### **Section 5. Non-Franchise Area City Property**

5.1 Except as expressly set forth in Section 5.2, below, nothing contained in this Ordinance shall be construed as granting permission or conveying any right to PSE to install Facilities, use or otherwise go upon any City-owned or leased properties or other public place other than the Franchise Area, and the City reserves the right to require compensation for the use of any such City-owned or leased properties or other public places not located in the Franchise Area, as may be required by the City Council by resolution. Permission to go upon any other property owned, leased or controlled by the City must be sought on a case by case basis from the City. Nothing in this Franchise shall be deemed to grant, convey, create or vest a real property interest in land to or in PSE, including any fee or leasehold interest or easement rights.

5.2 Existing Facilities installed or maintained by PSE on public grounds and places within the City in accordance with prior franchise agreements, but which are not within the Franchise Area as defined by this Franchise, may be maintained, operated, repaired and/or replaced in like kind by PSE under the terms of this Franchise. For normal maintenance and repair of such existing Facilities installed or maintained by PSE on public grounds and places, PSE shall notify the City prior to any activity undertaken by or on behalf of PSE that impacts or disrupts the public use of said public grounds or places. Such Facilities, however, may not be modified, enlarged, improved or expanded without the prior review and approval of the City pursuant to applicable ordinances, codes, resolutions, standards, and procedures. Any request to modify, enlarge, improve or expand such Facilities described in this Section shall also include a detailed map and description of the requested change to said Facilities.

#### **Section 6. Compliance with State and Local Regulations**

6.1 PSE shall comply with all federal, state, and (subject to Section 28) local laws or regulations applicable to the exercise of PSE's rights and obligations under this Franchise. Upon written inquiry, PSE shall provide a specific reference to either the federal, state, or local law or the WUTC order or action establishing a basis for PSE's actions related to the exercise of such rights and obligations.

6.2 In granting this Franchise the City hereby reserves all lawful powers *and* franchise authority

available to it under its general police authority; provided, however, such authority shall be exercised in a manner consistent with the rights, privileges, authority and franchise conferred to PSE by this Franchise.

#### **Section 7. Non-interference of Facilities**

7.1 PSE's Facilities shall be located and maintained within the Franchise Area so as not to interfere with the free and safe passage of pedestrian, bicycle and/or vehicle traffic therein or with the reasonable ingress or egress to properties abutting thereto, provided, that such ingress or egress (driveways) exists when such Facilities are first installed. The foregoing obligations include, but are not limited to, PSE's compliance with (subject to Section 28) applicable City ordinances, regulations and adopted Public Works Standards, and federal and state laws (such as the standards set forth in the American with Disabilities Act).

7.2 In the event that the City Manager or designee reasonably determines, after providing written notice to PSE and a reasonable opportunity for PSE to respond to the City Manager or designee's concerns, that any one or more of PSE's Facilities within the Franchise Area interfere with the free and safe passage of pedestrian, bicycle and/or vehicular traffic therein or with the reasonable ingress or egress to properties abutting thereto that exists when such Facilities are first installed, then PSE shall promptly take such action as is reasonably necessary to eliminate such interference. In so doing, the City shall fully cooperate with PSE, including, without limitation, allowing changes to or modifications of the Franchise Area, at PSE's expense, if such changes or modifications provide the most effective or economical means of eliminating such interference.

7.3 In the event such interference requires relocation of PSE's Facilities within the Franchise Area, such relocation shall be accomplished in accordance with Section 13 below (any such interference resulting from new development ingress or egress to properties abutting the Franchise Area in proximity to PSE's Facilities existing within the Franchise Area prior to the development shall be subject to Section 13.5).

#### **Section 8. Natural Gas System Integrity and Safety; Dangerous Conditions**

8.1 Upon the City's reasonable request, PSE will make available for review and inspection on PSE's premises by the City or City representatives, PSE's annual maintenance, safety and inspection plans and records concerning or related to PSE's natural gas Facilities located in the City of Kenmore.

8.2 Upon the City's reasonable request, PSE will make available for review and inspection on PSE's premises by the City or City's representatives, copies of reports or notices filed with WUTC or Federal Office of Pipeline Safety concerning or related to the integrity or safety of PSE's natural gas Facilities located in the City.

8.3 PSE will provide concurrent notice to the City of any application by PSE for waiver of any state or federal gas safety rule applicable to the integrity or safety of PSE's natural gas Facilities located in the City.

8.4 In the event that any of PSE's Facilities or operations cause or contribute to a condition that appears to endanger any person or substantially impair the lateral support of the Franchise Area or public or private property adjacent thereto, the City Manager or designee may direct PSE, at no charge or expense to the City, to promptly take such action as may be reasonably necessary to

resolve such condition to eliminate such endangerment. Such directive may include compliance within a prescribed period of time.

**Section 9. Construction and Maintenance of Facilities in Franchise Area; Permit Required**

9.1 Whenever PSE works in the Franchise Area for purposes of traffic control, installation, construction, repair, maintenance, relocation, or removal of its Facilities, it shall apply to the City for all necessary City permits to do such work, in accordance with all ordinances and regulations of the City. Subject to Section 28, PSE shall comply with all requirements and conditions of such permits, including but not limited to location restrictions, traffic control, restoration and repair work to restore the surface of the Franchise Area. In no case shall any such work commence within the Franchise Area without a permit, except as otherwise provided in this Franchise. After the work is completed, PSE shall provide to the City upon request and at no cost, copies of PSE's drawings showing the approximate location of its Facilities affected by such work. As to any such drawings so provided, PSE does not warrant the accuracy thereof and, to the extent the location of Facilities is shown, such Facilities will be shown in their approximate location. The foregoing is not, however, intended to relieve PSE of its obligations arising under Section 17.3 of this Franchise or under applicable law with respect to determining and disclosing the location of its Facilities within the Franchise Area.

9.2 PSE shall at all times post and maintain proper barricades and traffic control and comply with all applicable safety regulations during any period of construction or maintenance activities within the right-of-way as required by City or state regulations, including RCW 39.04.180, for the construction of trench safety systems.

9.3 In the event of any emergency where any Facilities located in the Franchise Area are broken or damaged, or if PSE's work area within the Franchise Area is in such a condition as to endanger any person or property, PSE may immediately take any necessary emergency measures to repair or remove its Facilities or otherwise make its work area safe without first applying for *and* obtaining a permit as required by Section 9.1. This provision shall not relieve PSE from later obtaining any necessary permit for the emergency work. PSE shall apply for the required permit the next business day following the emergency work or, in the case of an extended state of emergency, as soon thereafter as practical.

9.4 In the event PSE proposes to cut or disturb pavement within the Franchise Area for any purpose (except as provided in Section 9.3), PSE shall apply to the City for a permit to make such disturbance in accordance with Section 9. In its application PSE shall identify the specific paving proposed to be disturbed, describe the scope and extent of the proposed disturbance and explain the necessity for such disturbance. PSE shall minimize the extent of such pavement disturbance to that reasonably necessary to perform its work. PSE acknowledges the City's authority and discretion to approve (or not approve) disturbance of such pavement and to condition such approval and require compliance of the pavement restoration to the condition required in Section 10. PSE shall not cut or disturb any pavement within the Franchise Area (except as provided in Section 9.3) without written authorization from the City Manager or designee.

9.5 In the event PSE proposes to replace utility poles within the Franchise Area for any purpose other than a City Project as defined in Section 13.1, and except as provided in Section 9.3, PSE shall apply to the City for a permit in accordance with Section 9. PSE shall identify the purpose and scope of said project. If the project results in decommissioned above-ground facilities in the Franchise Area, then PSE shall remove the decommissioned facilities in the manner set forth in Section 10.



## **Section 10. Restoration of Franchise Area and Decommissioning of Facilities**

10.1 PSE shall promptly restore the Franchise Area, at its sole cost and expense, after any installation, construction, relocation, maintenance, repair or removal of its Facilities within the Franchise Area. PSE shall restore the Franchise Area to the same condition existing immediately prior to PSE's work in the Franchise Area in accordance with the City's adopted Public Works Standards and as may be determined by the City Manager or designee, in each case as reasonably necessary to restore the integrity of the paving disturbed by PSE's work. All survey monuments which are to be disturbed or displaced by such work shall be referenced and restored per WAC 332-120, as the same now exists or may hereafter be amended, and all pertinent federal, state and City standards and specifications. The City Manager or designee shall have final approval of the condition of the Franchise Area after restoration.

10.2 If it is determined that PSE has failed to restore the Franchise Area in accordance with Section 10, the City shall provide PSE with written notice including a description of actions the City reasonably believes necessary to restore the Franchise Area. If the Franchise Area is not restored in accordance with the City's notice within thirty (30) days of that notice, the City, or its authorized agent, may restore the Franchise Area. PSE shall be responsible for and pay all costs and expenses incurred by the City in restoring the Franchise Area in accordance with this section. PSE shall pay said costs and expenses within thirty (30) days of receipt of the City's billing for such work, including City overhead (provided that in no event shall such overhead exceed 10% of the total costs, fees and expenses). The remedy granted to the City under this section shall be in addition to those otherwise provided by this Franchise.

10.3 In the event PSE permanently ceases use of any above-ground Facilities within the Franchise Area, PSE shall remove said Facilities at no cost to the City. Removal shall occur within ninety (90) days after PSE's permanent cessation of use and all third party attachments have been removed from such Facilities, and when reasonably practicable, prior to the expiration of the required permit. Consistent with PSE's obligations under state law, PSE shall notify any third parties that are known by PSE to have any attachments located on PSE Facilities, that such third party attachments must be removed or relocated. Additional time for removal may be agreed to by the parties provided that if the parties agree upon such additional time, the City shall renew or extend the required permit. PSE may, with written notice to the City, transfer ownership of its permanently discontinued Facilities within the Franchise Area to any third party having attachments on PSE Facilities, for such third party's continued use, and in such event PSE shall not be required to remove such Facilities from the Franchise Area. PSE shall provide such written notice as soon as practicable to the City, but no later than thirty (30) days after the transfer has been completed. In the event the transferred pole(s) were previously designated in the permit application as poles to be removed or relocated, PSE shall include this information in the written notice of transfer of ownership.

10.4 In the event PSE permanently discontinues use of and decommissions any of its underground Facilities within the Franchise Area, PSE may leave such underground Facilities in place subject to the conditions set forth in Sections 10.4 – 10.7. PSE shall notify the City when it permanently discontinues use of and decommissions any of its underground Facilities within the Franchise Area. PSE's written notification to permanently decommission underground Facilities within the Franchise Area shall include a mitigation plan for either removing or leaving in place the decommissioned underground Facilities. The mitigation plan shall address how and when the Facilities will be removed and shall include any mitigation measures PSE proposes to address impacts of the decommissioned

underground Facilities to the Franchise Area. The mitigation plan shall require that any underground Facilities to be left in place shall be made inert by purging all natural gas from such underground Facilities (including displacement of natural gas with an appropriate inert gas) and disconnecting and sealing such underground Facilities, in compliance with applicable regulation and industry standards. Unless otherwise approved by the City, removal and mitigation should be accomplished within one hundred and eighty (180) calendar days after the Facilities are permanently decommissioned.

10.5 Within thirty (30) calendar days of receiving a mitigation plan submitted by PSE pursuant to Section 10.4, the City will review the mitigation plan and either approve or require changes and resubmittal. The City will not unreasonably withhold approval of PSE's proposed plan, but may require changes if it determines, in its reasonable discretion, that said plan fails to adequately mitigate the impacts of PSE's permanently decommissioned underground Facilities. If PSE's mitigation plan proposes leaving permanently decommissioned underground Facilities in place and the City determines, after consultation with PSE, that the impacts of leaving the Facilities in place cannot be adequately mitigated to the City's reasonable satisfaction, the City may require removal of the underground Facilities. If the City approves leaving permanently decommissioned underground Facilities in place, it may condition such approval upon PSE's agreement to remove the underground Facilities at a later time, such as in conjunction with a subsequent City Project (as defined below) or other project that includes excavation in the area or as reasonably required to ensure the health and safety of the public. Following the City's approval of a mitigation plan, PSE shall promptly and in good faith implement the plan and obtain all required permits for its work in the Franchise Area.

10.6 If the Parties fail to agree upon a mitigation plan, PSE fails to comply with an approved plan, or circumstances require City action prior to approval of a plan, the City may, but is not required to, take such steps as it deems necessary to remove and/or mitigate for the impacts of the permanently decommissioned underground Facilities. Any costs incurred by the City as a result of PSE's failure to comply with its obligations under this Section with respect to permanently decommissioned underground Facilities shall be reimbursed by PSE within thirty (30) calendar days of the City invoicing PSE for such costs.

10.7 All work by PSE pursuant to this Section 10 shall be performed in accordance with the permit issued by the City, together with the laws of the State of Washington and, subject to Section 28 Kenmore Municipal Code and applicable regulations and standards of the City as the same now exists or as may be hereafter amended or superseded.

10.8 The Parties expressly agree that the provisions of this section shall survive the termination, expiration, or revocation of this Franchise

#### **Section 11. Bonding Requirement**

11.1 Pursuant to RCW 35A.47.040, PSE shall, within thirty (30) days after its acceptance of this Franchise, file with the City, and at all times thereafter, maintain in full force and effect for the term of this Franchise, a bond executed by PSE and a corporate surety authorized to do surety business in the State of Washington, with an AM Best rating of A XII. The amount shall be as provided in Section 11.3, and shall secure performance of PSE's obligations under Sections 7.1, 7.2, 8.4, 9.1, 9.2, 9.3, 9.4, 10.1, 10.2, 10.3, 10.4 and 13.1 (the "Bonded Obligations"). The bond shall be in a

manner and form reasonably acceptable to the City and secure PSE's faithful performance of the Bonded Obligations and provide recovery on the bond in case of PSE's failure to perform the Bonded Obligations. PSE may meet the obligations of this section with one (1) or more bonds reasonably acceptable to the City. In the event that a bond furnished pursuant to this section is canceled by the surety, after proper notice and pursuant to the terms of said bond, PSE shall, prior to the expiration of said bond, procure a replacement bond which complies with the terms of this section.

11.2 In the event PSE shall fail to perform any Bonded Obligations in undertaking any work or other activities within the Franchise Area authorized by this Franchise, and further fails to cure its deficiency within the time period identified in the City's written notice of such deficiency (which may not be less than a reasonable period of time), then the City may recover jointly and severally from PSE and the surety of such bond to ensure performance of the Bonded Obligations. This section shall be a continuing obligation for the duration of this Franchise and thereafter until PSE has discharged all of its Bonded Obligations under this Franchise.

11.3 The bond filed in accordance with the requirements of this Section 11 shall be in the amount of Twenty Thousand Dollars and No/100 (\$20,000.00), but may be increased from time to time by mutual agreement of the parties if the volume of work being undertaken by PSE within the Franchise Area under this Franchise at any given point in time materially increases such that an increase in the bond amount is reasonably necessary to provide adequate protection to the City for the Bonded Obligations covered by such work.

11.4 In the event the City intends to execute on or seek recovery under any bond(s) furnished by PSE pursuant to this Section 11, the City shall promptly provide written notice of same to PSE. If the City successfully executes on any such bond, PSE shall promptly obtain a replacement bond in like amount and/or take such other action as is reasonably necessary to ensure that the bond(s) required by this Section 11 are maintained in full force and effect for the term of this Franchise.

11.5 The rights reserved to the City by this Section 11 are in addition to other rights of the City whether reserved by this Franchise or authorized by law, and no action, proceeding, or exercise of right under this Section 11 shall constitute an election or waiver of any rights or other remedies the City may have.

## **Section 12. Underground Installation of Facilities**

12.1 PSE acknowledges that the City desires to promote a policy of underground installation of Facilities within the Franchise Area. The City acknowledges that PSE provides electrical and natural gas service on a non-preferential basis subject to and in accordance with applicable Tariffs on file with the WUTC. Subject to such Tariffs, PSE agrees to cooperate with the City in the formulation of policy and development regulations concerning underground installation of PSE's Facilities within the Franchise Area.

12.2 New extensions of electric Facilities that operate at 15,000 volts (15kV) or less constructed by PSE within the Franchise Area during the term of this Franchise shall be located underground subject to and in accordance with applicable Tariffs on file with the WUTC. Provided, however, that extensions of existing overhead Facilities of up to five spans or 500 feet (whichever is less) may, subject to the City's prior written consent which shall not be unreasonably withheld, be installed overhead in locations having other existing overhead utilities.

12.3 If, during the term of this Franchise, the City shall direct PSE to replace (convert) its overhead electric distribution Facilities (15kV or less) then existing within the Franchise Area with underground Facilities, such underground conversion shall be arranged and accomplished subject to and in accordance with applicable Tariffs on file with the WUTC. All requests by the City for conversion of overhead Facilities to underground shall comply with applicable law.

12.4 This Section 12 shall govern all matters related to underground installation of PSE Facilities within the Franchise Area.

### **Section 13. Relocation of Facilities**

13.1 If the City undertakes any City-funded (either directly with its own funds or with other public monies obtained by the City) improvement, repair, maintenance or other work within the Franchise Area ("City Project"), or if PSE's Facilities within the Franchise Area interfere with the free and safe passage of pedestrian, bicycle and/or vehicular traffic pursuant to Section 7 above, and such City Project or interference necessitates the relocation of PSE's Facilities then existing within the Franchise Area, then the City shall:

- A. request that PSE provide a list of all known third party occupants with attached facilities on PSE Facilities within a proposed City Project, and PSE shall provide such list to the City within 45 days of the request;
- B. provide written notice to PSE requesting such relocation; provided the City's relocation request is given at least 45 days after request for the list specified in Section 13.1.A and within a reasonable time prior to the commencement of such City Project; and
- C. provide PSE with copies of relevant portions of the City's plans and specifications for such City Project.

No later than one hundred and twenty (120) calendar days (or such shorter or longer period of time as the parties may mutually agree in writing for a given City Project) following receipt of such relocation notice and plans and specifications identified in Sections 13.1.B-C (the "Relocation Deadline"), PSE shall relocate its Facilities within the Franchise Area at no charge to the City. The Relocation Deadline may be extended as reasonably necessary for an additional one hundred twenty (120) calendar days, for a total of two hundred and forty (240) calendar days (or such shorter or longer period of time as the parties may mutually agree in writing for a given City Project), if it would be impossible or impracticable for PSE to complete the relocation work by the original Relocation Deadline due to factors and/or circumstances beyond PSE's reasonable control. Such factors may include PSE's actual inability (despite using best efforts) to obtain materials in a timely manner or PSE's relocation work being dependent on the performance of other work by the City or any third party. PSE shall notify the City of any need to extend the Relocation Deadline within thirty (30) calendar days after PSE's receipt of the City's notice to relocate referenced in Section 13.1.B and the plans and specifications referenced in Section 13.1.C (which are complete to at least 60% of final design as defined by the City) for the City Project. If PSE notifies the City of a need for such extension, the City may object to PSE's notice by giving PSE prompt written notice of and reasons for the objection, in which event PSE and the City shall work together in good faith to resolve the dispute in an expeditious manner. PSE shall also notify any third parties that are known by PSE to have equipment located on the PSE Facilities being relocated

that they need to remove or relocate the third party's equipment by the Relocation Deadline. If PSE or the City subsequently learn of any third parties having equipment located on the PSE Facilities being relocated that were not previously known to PSE, PSE and the City shall work together in good faith to identify the third parties, notify the third parties and resolve the issue in an expeditious manner.

If, during the construction of any City Project, an emergency posing a threat to public safety or welfare, or a substantial risk of severe economic consequences to the City, arises requiring the relocation of PSE's Facilities within the Franchise Area, the City shall give PSE notice of the emergency as soon as reasonably practicable. Upon receipt of such notice from the City, PSE shall relocate as soon as reasonably feasible the affected Facilities, at no charge to the City.

To accommodate a City Project, following permanent removal of all PSE Facilities and all third party attachments from PSE owned utility poles within the Franchise Area, PSE shall remove pole(s) from the Franchise Area, consistent with the Relocation Deadline. If any third party fails to timely remove its attachments causing PSE to fail to meet the Relocation Deadline, then as set forth in Section 13.8, PSE shall not be responsible for any costs associated with or arising from such third party delays. PSE may, with written notice to the City, transfer ownership of its permanently discontinued Facilities within the Franchise Area to any third party having attachments on PSE Facilities, for such third party's continued use, and in such event PSE shall not be required to relocate such Facilities from the Franchise Area. PSE shall provide such written notice as soon as practicable to the City, but no later than thirty (30) days after the transfer has been completed. In the event the transferred pole(s) were previously designated in the relocation process identified in Section 13.1 as poles to be removed or relocated, PSE shall include this information in the written notice of transfer of ownership.

13.2 The City shall act in good faith and shall use its best efforts to provide sufficient space within the Franchise Area for the safe and efficient installation, operation, repair and maintenance of the relocated Facilities. PSE shall act in good faith and shall use its best efforts to install relocated Facilities in such space within the Franchise Area, consistent with prudent utility practice. If the City and PSE are unable to agree that there is or will be sufficient space for the relocated Facilities in the existing Franchise Area, or PSE reasonably determines that locating such relocated Facilities within such space within the Franchise Area would be inconsistent with prudent utility practice, then the City and PSE will proceed in accordance with Section 13.3.

13.3 In order to accommodate a City Project undertaken by the City under this Section 13, PSE may install relocated Facilities on property outside of the Franchise Area, the rights for which shall be obtained by PSE at no expense to the City, if:

A. Notwithstanding the use of best efforts by the City and PSE as outlined above, the City and PSE are unable to agree that there is or will be sufficient space within the Franchise Area for the relocated Facilities, or

B. locating such relocated Facilities within such space within the Franchise Area would be inconsistent with prudent utility practice.

Nothing in this Section 13 shall limit the rights of the City or PSE with respect to acquisition or use of property rights outside of the Franchise Area.

13.4 If the City requires the subsequent relocation of any Facilities within five (5) years from the date of relocation of the same Facilities pursuant to this Section 13, the City shall reimburse PSE for all costs incurred by PSE in connection such subsequent relocation.

13.5 PSE shall have the right as a condition of any relocation described in this Section 13.5 to require such person or entity other than the City to make payment to PSE, at a time and upon terms acceptable to PSE, for any and all costs and expenses incurred by PSE in the relocation of PSE's Facilities whenever:

A any person or entity, other than the City, requires the relocation of PSE's Facilities to accommodate the work of such person or entity within the Franchise Area, including but not limited to, activities relating to development, roadway frontage improvements or mitigation of impacts; or

B the City requires any person or entity to undertake work (other than a City Project undertaken at the City's cost and expense) within the Franchise Area and such work requires the relocation of PSE's Facilities within the Franchise Area.

13.6 Any condition or requirement imposed by the City upon any other person or entity (including, without limitation, any condition or requirement imposed pursuant to any contract or in conjunction with approvals or permits obtained pursuant to any zoning, land use, construction or other development regulation) which requires the relocation of PSE's Facilities within the Franchise Area shall be a condition or requirement causing relocation of PSE's Facilities to occur subject to the provisions of Section 13.5 above; provided, however:

A in the event the City reasonably determines and notifies PSE that the primary purpose of imposing such condition or requirement upon such person or entity is to cause the construction of a City Project within a segment of the Franchise Area on the City's behalf, and

B such City Project is a funded project that is otherwise reflected in the City's adopted Six-Year Capital Improvement Program; Capital Facilities Plan; Transportation Improvement Program; Transportation Facilities Program or Budget;

Then only those costs and expenses incurred by PSE in connecting such relocated Facilities with PSE's other Facilities shall be paid to PSE by such person or entity, and PSE shall otherwise relocate its Facilities within such segment of the Franchise Area in accordance with Sections 13.1 through 13.3.

13.7 As to any relocation of PSE's Facilities whereby the cost and expense thereof is to be borne by PSE in accordance with Sections 13.1 through 13.3, PSE may, after receipt of written notice requesting such relocation, submit in writing within thirty (30) days to the City, alternatives to relocation of its Facilities. Upon the City's receipt from PSE of such written alternatives, the City shall evaluate such alternatives and shall advise PSE in writing if one or more of such alternatives is suitable to accommodate the work which would otherwise necessitate relocation of PSE's Facilities. In evaluating such alternatives, the City shall give each alternative proposed by PSE full and fair consideration with due regard to all facts and circumstances which bear upon the practicality of relocation and alternatives to relocation. No alternatives proposed by PSE shall be evaluated by the City in an arbitrary or capricious manner. In the event the City determines that such alternatives are not appropriate, PSE shall relocate its Facilities as otherwise provided

in Sections 13.1 through 13.3. Nothing in this section shall be construed to be a waiver of any right of either PSE or the City to contest any claim or assertion by the other of responsibility to pay such costs or expense.

13.8 Subject to the exclusions and requirements set forth below in this Section 13.8, and to the maximum extent provided by law, if PSE breaches its obligations under Section 13.1 with respect to relocating its Facilities within the Franchise Area by the applicable Relocation Deadline in order to accommodate a City Project, and to the extent such breach causes a delay in the work being undertaken by the City's third party contractor(s) on a City Project that results in a claim by the third party contractor(s) for costs, expenses and/or damages that are directly caused by such delay and are legally required to be paid by the City (each, a "Contractor Delay Claim"), the City may at its sole option:

13.8.1 tender the Contractor Delay Claim to PSE for defense and indemnification in accordance with Section 20; or

13.8.2 require that PSE reimburse the City for any such costs, expenses, and/or damages that are legally required to be paid by the City to its third party contractor(s) as a direct result of the Contractor Delay Claim; provided that, if the City requires reimbursement by PSE under this Section 13.8.2, the City shall first give PSE written notice of the Contractor Delay Claim and give PSE the opportunity to work with the third party contractor(s) to resolve the Contractor Delay Claim for a period of not less than thirty (30) days (or such shorter period of time as the City may have to respond to the Contractor Delay Claim without prejudicing its right to respond, but in no event less than twenty (20) days) prior to the City's payment of the Contractor Delay Claim.

Nothing in this Section 13.8 or otherwise will require PSE to bear or be responsible for any cost, expense or damage, or to defend or indemnify the City against any claim, that results from a delay in meeting the Relocation Deadline for a City Project, to the extent the delay is caused by the City, any third party that is not an agent, subcontractor or vendor of PSE, or any Force Majeure Event. Provided, however, if such a delay is caused by a third party that is not an agent, subcontractor or vendor of PSE, or any Force Majeure Event, then PSE's performance shall only be excused for the time period equal to such delay. Therefore, if this Franchise specifies a time period for performance of an obligation by PSE, the time period during which PSE is excused from performance shall only be for the period of any delay in such performance caused by said third party or Force Majeure Event. PSE shall immediately communicate the circumstance of the event to the City and take all commercially reasonable steps within its control to satisfy its duties and obligations under this Franchise and mitigate the effects of the delay.

13.9 Nothing in this Section 13 shall require PSE to bear any cost or expense in connection with the location or relocation of any Facilities existing under benefit of easement or other property ownership or lease rights, regardless of whether such easement or other property ownership or lease rights is on public or private property and regardless of whether this Franchise co-exists with such easement or other property ownership or lease rights. Nothing in this Section 13.9 is intended to preclude the City from properly exercising its powers of eminent domain in accordance with applicable law.

13.10 The provisions of this Section 13 shall survive the expiration or termination of this Franchise during such time as PSE continues to operate and maintain Facilities in the Franchise Area. Additionally, the

provisions of this Section 13 are applicable only so long as the Franchise Area is owned and/or controlled by the City.

#### **Section 14. Coordination/Shared Excavations**

14.1 PSE and the City shall each exercise best reasonable efforts to coordinate construction work either may undertake within the Franchise Area so as to promote the orderly and expeditious performance and completion of such work as a whole. Such efforts shall include, at a minimum, reasonable and diligent efforts to inform the other party and other utilities within the Franchise Area of its intent to undertake such construction work. PSE and the City shall further exercise best reasonable efforts to minimize delay or hindrance to construction work undertaken by themselves and other utilities within the Franchise Area.

14.2 PSE shall maintain adequate staffing levels and provide the City with one constant point of contact during construction of a City Project to provide responsive customer service. To initiate such construction coordination, the City shall contact PSE's customer construction services hotline department (as may be amended) to obtain a project number and be added to PSE's construction services system.

14.3 If, at any time or from time to time, either PSE or the City shall cause excavations to be made within the Franchise Area, the party causing such excavation to be made shall afford the other, upon receipt of a written request to do so, an opportunity to use such excavation, provided that: (1) such joint use shall not unreasonably delay the work of the party causing the excavation to be made; and (2) such joint use shall be arranged and accomplished on terms and conditions satisfactory to both parties.

#### **Section 15. City Use of Facilities**

15.1 During the term of this Franchise, and with respect to poles which are Facilities and which are (a) wholly owned by PSE and (b) within the Franchise Area, the City, subject to PSE's prior written consent which shall not be unreasonably withheld, may install and maintain City-owned overhead cables, routers, antennas, wires and other PSE-approved equipment upon such poles for police, fire, traffic control, WiFi/Internet, weather and air quality monitoring and other noncommercial municipal communications purposes. The foregoing rights of the City to install and maintain such facilities are further subject to the following:

A Such installation and maintenance shall be done by the City at its sole risk and expense, in accordance with all applicable laws, and subject to such reasonable requirements as PSE may specify from time to time (including, without limitation, requirements accommodating PSE's Facilities or the facilities of other parties having the right to use PSE's Facilities);

B PSE shall have no obligation arising under the indemnity and insurance provisions of this Franchise as to any circumstances directly or indirectly caused by or related to such City-owned wires or the installation or maintenance thereof; and the City shall indemnify, defend and hold harmless PSE in connection with the City's use of PSE's Facilities; and

C PSE shall not charge the City a fee for the use of such poles in accordance with this Section 15 as a mean of deriving revenue therefrom (such as a rental or lease fee); provided, however, nothing herein shall require PSE to bear any cost or expense in connection with



such installation and maintenance by the City.

**Section 16. Moving Buildings Within the Franchise Area.**

If any person or entity other than the City obtains permission in the form of a permit from the City to use the Franchise Area for the moving or removal of any building or other object, the City shall endeavor, prior to granting such permission, to require such person or entity to make any necessary arrangements with PSE for the temporary adjustment of PSE's wires to accommodate the moving or removal of such building or other object to allow PSE and other party to make necessary arrangements.

**Section 17. Records of Installation and Planning**

17.1 Upon the City's request, PSE shall promptly provide to the City copies of available maps and plans of imminent planned improvements, relocations and conversions to its Facilities within the Franchise Area; provided, however, any such maps or plans so submitted shall be for informational purposes only and shall not obligate PSE to undertake any specific improvements within the Franchise Area, nor shall such plan be construed as a proposal to undertake any specific improvements within the Franchise Area.

17.2 Upon the City's reasonable request, PSE shall provide to the City copies of available drawings in use by PSE showing the approximate location of PSE's Facilities at specific locations within the Franchise Area. Further, PSE shall, upon the City's reasonable request, discuss and explore ways in which PSE and the City may cooperate and coordinate activities with respect to the development of drawing file layers compatible with the City's Geographic Information System ("GIS") which show PSE's Facilities at specific locations in the Franchise Area. Notwithstanding the foregoing, PSE does not warrant the accuracy or sufficiency of any such drawings, drawing file layers or other information provided by PSE, and PSE shall not be liable to the City or others for any errors or defects in the same.

17.3 PSE shall further provide, upon the City's reasonable request in connection with the design of a City Project, field marking of PSE's underground Facilities within the Franchise Area at the location of the City Project, if such Facilities can be so field marked with reasonable accuracy using devices designed to respond to the presence of PSE's underground Facilities. In addition, PSE shall, upon the reasonable request of the City in connection with the design of any City Project, verify the actual location of its underground Facilities within the Franchise Area at the location of a City Project by excavating, including pot holing, at no expense to the City.

17.4 The parties acknowledge that PSE is subject to and must comply with applicable federal and state laws and regulations that apply to attachments of wires, devices and other equipment ("Attachments") owned by third parties to PSE's poles within the Franchise Area. As of the date of this Franchise, PSE and third parties having attachments of wires, devices and other equipment to PSE's poles within the Franchise Area use the National Joint Utilities Notification System (NJUNS) as the means of providing official notice between them of actions required to be taken and reporting of actions taken by such third parties with respect to such Attachments. To the extent consistent with applicable federal and state laws and regulations and at the request of the City, PSE will use commercially reasonable efforts (subject to the functional capabilities and limitations of NJUNS in place from time to time) include the City as an interested party to any notification tickets submitted by PSE in NJUNS with respect to any of PSE's poles within the Franchise Area that are permanently no longer in use by PSE and which contain third party attachments. The City may monitor activity associated with such third party attachments through

NJUNS and engage directly with such third party to compel completion of such third party transfers under any applicable City authority.

17.5 Notwithstanding the foregoing, nothing in this Section 17 is intended (nor shall be construed) to relieve either party of their respective obligations arising under applicable law with respect to determining and disclosing the location of utility facilities.

#### **Section 18. Vegetation Management**

18.1 PSE shall on an annual basis perform vegetation review throughout the City and identify areas that need vegetation management for the reliable and safe operation of PSE Facilities. PSE shall notify the City during the second annual quarter of planned or performed maintenance trimming. The City may accompany PSE or its consultants, in the review of vegetation in the Franchise Area, at its discretion. PSE shall on an annual basis identify those areas targeted for accelerated, or "hot spot," tree trimming and vegetation management and provide the City a written list and maps of locations within the Franchise Area at which PSE anticipates performing vegetation management activities for that year; provided that such list shall not limit PSE's right under this Franchise to cut, trim or otherwise remove vegetation at any time within the Franchise Area which, due to proximity to PSE's facilities, pose an imminent threat to public safety or the reliable operation of PSE's facilities. On an annual basis, the City and PSE shall meet to review PSE's and the City's plans for vegetation management within the Franchise Area, and to the extent practicable, shall attempt to coordinate vegetation management work planned for the same or overlapping areas within the Franchise Area. PSE agrees to work with the City on PSE's trimming plans to review for overlap with the City's trimming plans and avoid unnecessary duplication and expenditure of funds in advance of PSE planned trimming. PSE shall perform general trimming and vegetation management in the Franchise Area at least every 4 years.

18.2 PSE shall, in coordination with the City, identify vegetation species appropriate for location in proximity to PSE's facilities and shall cooperatively act with the City to promote use of such identified species within and adjacent to the Franchise Area.

18.3 PSE shall apply for and obtain a franchise utility right-of-way permit, with traffic control plan, for all vegetation management within the City. PSE shall not commence non-emergency vegetation management work without notice to abutting private property owners or occupants at least ten (10) working days in advance of the work to be performed, including a general time frame and description of work, and a contact name and telephone number at PSE. In performing vegetation management work, PSE shall comply with ANSI 300 pruning standards. PSE shall notify the City at least ten (10) calendar days prior to any vegetation management work being conducted within City limits; except that emergency work can be done the same day providing the City is contacted either by phone or email as soon as feasible. A knowledgeable PSE representative will stay in close communication with the City while vegetation management work is performed within the City. PSE shall conduct periodic performance reviews at the request of the City.

18.4 At the request of an abutting private property owner, PSE shall employ or consult with a certified arborist to assess the type of pruning proposed to be done and/or shall provide the abutting owner with alternatives to the type of pruning proposed to be done. PSE will reasonably consider alternatives proposed by the abutting property owner and any certified arborist hired by the property owner.

18.5 Nothing in this Franchise is intended to absolve PSE from any liability resulting from damage caused by trees that are severely pruned or topped by PSE and subsequently fall as a result of such pruning or topping.

18.6 PSE or its contractors should trim trees according to species growth habits. Crew foremen will be educated of different tree species and understand their corresponding growth habits.

18.7 In the event trees need to be trimmed within and/or adjacent to the Franchise Area, PSE shall notify the City in writing at least ten (10) days ahead of time. The City shall have final determination of whether a tree needs to be removed in the Franchise Area, and replacement trees shall be negotiated between the City and PSE of their contractor on a case by case basis.

18.8 All debris associated with line clearance tree trimming and/or removal work within or adjacent to the Franchise Area will be chipped and removed by PSE or its contractor from the site at no cost to the City. "Drop and Scatter" practices will require prior written approval from the City.

18.9 When trees are heavily trimmed or removed from or adjacent to the Franchise Area, PSE shall perform the work in such a way as to avoid damage to other trees within that area. If additional trees are accidentally damaged during such work, PSE, or its contractor, will use its best efforts to appropriately prune any such damaged trees. The City is to be contacted immediately in the event of any unplanned damage to City owned trees.

18.10 Climbing trees with gaffs or spikes is strongly discouraged on any deciduous, hardwood or thin bark tree species unless the tree is to be removed.

18.11 PSE shall commit to responding to all vegetation management inquiries:

- A. Within 24 hours of being contacted by a customer in response to planned vegetation management work on or near their residence; and
- B. Within 2 weeks of receipt of all general vegetation management inquiries.

18.12 The parties shall endeavor to resolve disputes arising under this section in good faith.

#### **Section 19      Condemnation.**

The existence of this Franchise shall not preclude the City from acquiring by condemnation, in accordance with applicable law, all or a portion of PSE's Facilities within the Franchise Area.

#### **Section 20      Indemnification**

20.1 PSE shall indemnify, defend and hold harmless the City, its officials, officers, employees agents and representatives, from any and all third party claims or suits, and any damages, costs, judgments, awards or liability resulting from such claims or suits, (a) for injury or death of any person or damage to property to the extent the same is caused by the actual or alleged negligent acts or omissions, or willful misconduct, of PSE, its agents, servants, officers or employees in the performance of this Franchise and any rights granted hereunder, or

(b) to the extent such claim or demand is caused by PSE's unlawful release of Hazardous Substances into the Franchise Area in violation of any Environmental Laws in its operation of the Facilities within the Franchise Area and exercise of any rights granted hereunder. The indemnity under Section 20.1(b) includes each of the following to the extent the same is caused by PSE's unlawful release of Hazardous Substances into the Franchise Area in violation of applicable Environmental Laws: (i) liability for a governmental agency's costs of removal or remedial action for such release by PSE of Hazardous Substances; (ii) damages to natural resources caused by such release by PSE of Hazardous Substances, including the reasonable costs of assessing such damages; (iii) liability for any other person's costs of responding to such release by PSE of Hazardous Substances; and (iv) liability for any costs of investigation, abatement, correction, cleanup, fines, penalties, or other damages arising under any Environmental Laws that are caused by such release by PSE of Hazardous Substances. Provided, however, such indemnification shall not extend to any portion of any claims, demands, liability, loss, cost, damage or expense of any nature whatsoever including all costs and attorneys' fees caused by the willfully tortious, or negligent acts or omissions of the City, its agents, employees, officials officers, contractors or subcontractors. The indemnity under Section 20.1(a) includes, but is not limited to any Contractor Delay Claim that the City properly elects to tender to PSE pursuant and in accordance with Section 13.8.1 of the Franchise.

20.2 Inspection or acceptance by the City of any work performed by PSE at the time of completion of construction shall not be grounds for avoidance by PSE of any of its obligations under this Section 20. Said indemnification obligations shall extend to claims which are not reduced to a suit and any claims which may be compromised, with PSE's prior written consent, prior to the culmination of any litigation or the institution of any litigation.

20.3 Solely to the extent required to enforce the indemnification provisions of this Section 20, PSE waives its immunity under Title 51 RCW, Industrial Insurance; provided, however, the foregoing waiver shall not in any way preclude PSE from raising such immunity as a defense against any claim brought against PSE by any of its employees. The foregoing waiver under this Section 20.3 has been mutually negotiated by the parties hereto, and PSE acknowledges that the City would not enter into this Franchise without PSE's waiver thereof.

20.4 In the event any matter (for which the City intends to assert its rights under this Section 20) is presented to or filed with the City, the City shall promptly notify PSE thereof and PSE shall have the right, at its election and at its sole cost and expense, to settle and compromise such matter as it pertains to PSE's responsibility to indemnify, defend and hold harmless the City, its agents, officers or employees. In the event any suit or action be started against the City based upon any such matter, the City shall likewise promptly notify PSE thereof, and PSE shall have the right, at its election and at its sole cost and expense, to settle and compromise such suit or action, or defend the same at its sole cost and expense, by attorneys of its own election, as it pertains to PSE's responsibility to indemnify, defend and hold harmless the City, its agents, officers or employees.

20.5 The provisions of this Section shall survive the expiration and termination of this Franchise.

## **Section 21. Insurance**

21.1 PSE shall procure and maintain for the duration of the Franchise, insurance, or in lieu thereof provide self-insurance, against all claims for injuries to persons or damages to property which may arise from or in connection with the exercise of the rights, privileges and authority granted hereunder to PSE, its agents, representatives or employees. Coverage shall include the City, its officers, elected officials, agents, employees, representatives, and volunteers as additional insureds. PSE shall provide a certificate of

insurance and/or evidence of self-insurance to the City for its inspection prior to the commencement of any work or installation of any Facilities pursuant to this Franchise. Such certificate(s) of insurance and/or evidence of self-insurance shall evidence the following minimum coverages:

A Commercial general liability insurance or excess liability insurance, including coverage for premises-operations, explosion, collapse and underground hazards (XCU), pollution liability, and products-completed operations, with limits not less than:

- (i) \$5,000,000 per occurrence; and
- (ii) \$5,000,000 in the aggregate.

B Automobile liability for owned, non-owned and hired vehicles with a \$2,000,000 combined single limit.

C Worker's compensation within statutory limits and employer's liability insurance with limits of not less than \$2,000,000.

If coverage is purchased on a "claims made" basis, then PSE shall warrant continuation of coverage, either through policy renewals or the purchase of an extended discovery period, if such extended coverage is available, for not less than three years from the date of termination of this Franchise, and/or conversion from a "claims made" form to an "occurrence" coverage form.

PSE's maintenance of insurance as required by this Franchise shall not be construed to limit the liability of PSE to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy to which the City is otherwise entitled at law or in equity.

21.2 PSE shall maintain the liability insurance policies required by this Section 21 throughout the term of this Franchise. Any deductibles or self-insured retentions must be declared to and approved by the City. Payment of deductibles and self-insured retentions shall be the sole responsibility of PSE. The insurance certificate required by this Section 21 shall contain a clause stating that coverage shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

21.3 PSE's insurance shall be primary insurance with respect to the City, its officers, elected officials, agents, employees, representatives, consultants and volunteers. Any insurance maintained by the City, its officers, elected officials, agents, employees, representatives, consultants and volunteers shall be in excess of PSE's insurance and shall not contribute with it.

21.4 Should any of the required insurance policies be cancelled or limits reduced below the limits described herein, PSE shall provide the City notice 30-days prior to such cancellation or reduction.

21.5 In the event any of the insurance required by this Section 21 is canceled or otherwise not renewed during the term of this Franchise, PSE shall promptly acquire replacement insurance or shall utilize self-insurance to restore and maintain the amount of coverage required by this Section 21 and shall promptly provide to the City certificate(s) of insurance or evidence of self-insurance as provided in this Section 21 as may be applicable.

## **Section 22. Default**

22.1 If PSE shall fail to materially comply with any of the provisions of this Franchise, unless otherwise provided for herein, the City may serve upon PSE a written order to so comply within thirty (30) days from the date such order is received by PSE. If PSE is not in material compliance with this Franchise after expiration of said thirty (30) day period, the City may declare an immediate forfeiture of this Franchise, provided, however, if any failure to materially comply with this Franchise by PSE cannot be corrected with due diligence within said thirty (30) day period then the time within which PSE may so comply may be extended for a period of time as may be reasonably necessary and as agreed upon by the parties, so long as PSE commences promptly and diligently to effect such material compliance.

22.2 Notwithstanding PSE's obligation to comply and to proceed with due diligence to correct any default, the City recognizes that unavoidable delays and events beyond PSE's control may occur. In such event the parties agree that PSE shall make a good faith effort to expeditiously remedy the default. In the event of a declaration of forfeiture, should either party commence litigation against the other to appeal (in the case of PSE) or enforce (in the case of the City) such declaration of forfeiture, each party in any such litigation shall be responsible for their own costs and attorneys' fees.

## **Section 23. Reimbursement of Administrative Costs**

23.1 As specifically provided by RCW 35.21.860, the City may not impose a franchise fee or any other fee or charge of whatever nature or description upon PSE.

23.2 As provided in RCW 35.21.860, PSE shall reimburse and pay to the City's administrative expenses and costs incurred by the City that are directly related to: (a) receiving and approving a permit, license or this Franchise, (b) inspecting plans and construction, or (c) preparing a detailed statement, as may be required by Chapter 43.21C RCW. PSE acknowledges and agrees that it shall pay such actual administrative expenses incurred by the City, relating to the receipt, review and approval of this Franchise under Subsection 23.2(a).

23.3 As such expenses are incurred by the City, the City shall invoice PSE for all administrative expenses and costs to be reimbursed by PSE hereunder including an itemized statement showing such expenses and costs. PSE shall promptly remit payment to the City within thirty (30) days of receipt of such invoice. Notwithstanding any other provision of this Franchise, no acceptance by PSE of this Franchise shall be effective if PSE fails to pay the City's initial invoice for administrative expenses and costs properly reimbursable under Section 23.2(a) that are incurred by the City in receiving and approving this Franchise.

23.4 If PSE disputes any expense or cost included on the City's invoice, PSE shall promptly notify the City thereof and shall otherwise promptly remit payment for any and all undisputed expense and costs included on the City's invoice. As to any expense or cost disputed by PSE, PSE shall promptly provide written identification of such disputed amount(s) together with its written justification for such dispute to the City for the City's consideration. PSE and the City shall work together in good faith to resolve any disputed amount(s), including provision by either or both parties of such further information and documentation supporting or refuting such disputed amount(s) as may reasonably and practically be provided. Until any such dispute is resolved by the Parties the City may, at its sole discretion, suspend work being performed by the City or Puget and/or withhold City issued permits or City approvals related to such disputed amount(s). Except as set forth in this Section 23, such dispute will not otherwise effect any other obligation of the parties under this Franchise.

**Section 24. Utility Tax**

PSE acknowledges that the City is authorized under the laws of Washington State to impose certain taxes upon PSE. Nothing in this Franchise shall exempt (nor shall be construed to exempt) PSE from payment of any and all such taxes lawfully imposed by Kenmore Municipal Code, as may hereafter be lawfully amended or superseded, and due from PSE; provided, nothing in this Section 25 shall be construed in any way as a waiver of PSE's rights to contest the validity of any such tax or the amount of any tax due. If payment of such taxes is not made by PSE in a timely manner, the City reserves the right, at its sole option, to inter alia suspend the rights granted to PSE by this Franchise until such time that PSE pays such taxes or PSE and the City otherwise resolve any matter concerning payment thereof.

**Section 25. Emergency Management**

Annually, upon the request of the City, PSE will meet with the City Fire/Emergency Preparedness personnel to coordinate emergency management operations and, at least twice a year, at the request of the City, PSE personnel will actively participate with either the Northshore Emergency Management Coalition or City Emergency Personnel in emergency preparedness drills or planning sessions.

**Section 26. Assignment of Franchise**

All of the provisions, conditions and requirements herein contained shall be binding upon PSE and the City. PSE may not assign or otherwise transfer its rights, privileges, authority and franchise herein conferred without the prior written authorization and approval of the City, which such authorization and approval shall not be unreasonably withheld. The City hereby authorizes and approves PSE to mortgage its rights, privileges, authority and franchise in and under this Franchise to the Trustee for its bondholders.

**Section 27. Severability and Survival**

27.1 If any term, provision, condition or portion of this Franchise shall be held to be invalid such invalidity shall not affect the validity of the remaining portions of this Franchise which shall continue in full force and effect. The headings of the sections and paragraphs of this Franchise are for convenience of reference only and are not intended to restrict, affect or be of any weight in the interpretation or construction of the provisions of such sections or paragraphs.

27.2 All provisions, conditions and requirements of this Franchise that may be reasonably construed to survive the termination or expiration of this Franchise shall survive the termination or expiration of the Franchise. Subject to Section 6 above, the parties' respective rights and interests under this Franchise shall inure to the benefit of their respective successors and assigns.

**Section 28. Amendments to Franchise.**

28.1 This Franchise may be amended only by mutual agreement thereto, set forth in writing in the form of a City ordinance, signed by both parties, which specifically states that it is an amendment to this Franchise. The Parties acknowledge and agree that City's adopted code, regulations and standards ("Regulations") are intended to complement and supplement this Franchise. In the event of any direct conflict or inconsistency

between the provisions of this Franchise and Regulations of the City, whether now existing or hereafter adopted by the City, the provisions of this Franchise will govern and control. Without limiting the generality of the foregoing, this Franchise (including, without limitation the Sections addressing indemnification and insurance) shall govern and supersede and shall not be changed, modified, deleted, added to, supplemented or otherwise amended by any permit, approval, license, agreement or other document required by or obtained from the City in conjunction with the exercise (or failure to exercise) by PSE of any and all of its rights, benefits, privileges, obligations or duties in and under this Franchise, unless such permit, approval, license, agreement or other document specifically:

A references this Franchise; and

B states that it supersedes this Franchise to the extent it contains terms and conditions which change, modify, delete, add to, supplement or otherwise amend the terms and conditions of this Franchise.

In the event of a direct conflict or inconsistency between the provisions of this Franchise and the provisions of any such permit, approval, license, agreement or other document, the provisions of this Franchise shall control.

28.2 This Franchise is subject to the provisions of applicable Tariffs on file with and accepted by the WUTC. In the event of any conflict or any inconsistency between the provisions of this Franchise and any such Tariff, the provisions of such Tariff shall control. Nothing in this Franchise shall be deemed to waive, prejudice, or otherwise limit any right or authority of the City to challenge or contest the validity of the Tariff or its application to the City before a court or regulatory agency having subject matter jurisdiction, and nothing in this Franchise will be deemed or construed as a contractual commitment or agreement by the City to accept the application of a Tariff if the City is successful in such challenge or contest of the validity of the Tariff.

28.3 The parties agree to renegotiate the terms of this Franchise, if, during the term of this Franchise there becomes effective any change in federal or state law which:

A Affords either party the opportunity to negotiate in good faith a term or condition of this Franchise which term or condition would not, prior to such change, have been consistent with federal or state law; or

B Pre-empts or otherwise renders null and void any term or condition of this Franchise which has been negotiated in good faith;

Then, in such event, either party may, within one hundred eighty (180) days of the effective date of such change in federal or state law request in writing to commence negotiations to amend this Franchise. Such negotiations shall encompass only the specific term or condition affected by such change in federal or state law and neither party shall be obligated to re-open negotiations on any other term or condition of this Franchise. Within thirty (30) days from and after receipt of such written request, the parties shall, at a mutually agreeable time and place, commence such negotiations. Pending completion of such negotiations resulting in mutually agreeable amendment of this Franchise, adoption of such amendment by Ordinance by the City and acceptance of such Ordinance by PSE, and except as to any portion thereof which has been pre-empted or otherwise rendered null and void by such change in federal or state law, this Franchise shall remain in full force and effect.



**Section 29. No Third Party Beneficiary**

Nothing in this Franchise shall be construed to create any rights in or duties to any third party, nor any liability to or standard of care with reference to any third party. This Franchise shall not confer any right or remedy upon any person other than the parties. No action may be commenced or prosecuted against any party by any third party claiming as a third party beneficiary of this Franchise. This Franchise shall not release or discharge any obligation or liability of any third party to either party.

**Section 30. Notice of Tariff Changes**

PSE shall, when making application for any changes in Tariffs affecting the provisions of the Franchise, notify the City in writing of the application and provide the City Manager with a copy of the submitted application within thirty (30) days of filing with the WUTC. PSE shall further provide the City Manager or designee with a copy of any approved Tariff change affecting the provisions of this Franchise.

**Section 31. Force Majeure**

Any prevention, delay or inability to perform the duties and obligations under this Franchise due to a Force Majeure Event shall excuse the performance of such party for a period equal to any such prevention, delay or stoppage and, therefore, if this Franchise specifies a time period for performance of an obligation of either party, that time period shall be extended by the period of any delay in such party's performance caused by a Force Majeure Event. Provided, however, that the party has communicated the circumstance of the Force Majeure Event to the other party and has taken all commercially reasonable steps within its control to satisfy its duties and obligations under this Franchise and mitigate the effects of the Force Majeure Event.

**Section 32. Memorandum of Understanding**

The parties have separately entered into, and shall maintain in effect for the term of this Franchise, a Memorandum of Understanding ("MOU") that details their respective expectations and obligations for the reporting of certain performance and reliability measures regarding electrical service to PSE customers within the City. The parties agree that the MOU is an integral part of this Franchise, and may be enforced under the terms and conditions set forth in this Franchise.

CITY OF KENMORE

PUGET SOUND ENERGY, INC.

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

**ACCEPTANCE OF FRANCHISE**

The provisions of this franchise ordinance are agreed to and hereby accepted. By accepting this franchise ordinance, PSE covenants and agrees to perform and be bound by each and every term and condition of this franchise ordinance. PSE agrees to send to the City PSE's written acceptance of this Franchise via certified mail, unless otherwise hand-delivered to an employee of the City at City Hall during regular working hours.

Dated: \_\_\_\_\_

PUGET SOUND ENERGY, INC.

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Its: \_\_\_\_\_

ATTEST  
PUGET SOUND ENERGY, INC.

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**Memorandum of Understanding  
Performance and Reliability Reporting**

**Contract No.19-C2043**

This Memorandum of Understanding (this "**MOU**") is entered into by and between the City of Kenmore (the "**City**") and Puget Sound Energy, Inc. ("**PSE**"), also referred to herein individually as a "**Party**" and collectively as the "**Parties**".

WHEREAS, the City and PSE recognize the value of enhancing their working relationship through cooperation, planning, communication and coordination; and

WHEREAS, the reliability of electrical services provided by PSE in the City was presented as a serious concern by the community and City leadership in 2015; and

WHEREAS, a 2016 independent technical analysis commissioned by the City stated that nine of the of the ten electrical circuits serving the City were in the lowest 40% of electrical circuits within PSE's entire system with respect to reliability and seven of those nine performed in the lowest 25% of all circuits in the PSE system with respect to reliability; and

WHEREAS, the City and PSE have been working together to improve electrical reliability within the City as a whole, and PSE initiated improvements for certain electrical circuits serving the City in 2016 and 2017 that are designed to improve reliability; and

WHEREAS, the City and PSE desire to establish mutually agreed provisions for the reporting of certain performance and reliability measures for PSE's electric service;

NOW, THEREFORE, it is hereby agreed between the Parties as follows:

1. This MOU may be amended from time to time only by mutual written agreement of the Parties. Any amendments must be set forth in writing, signed by both Parties, and specifically state that it is an amendment to this MOU.
2. This MOU, as from time to time amended, will remain in full force and effect for a period of five (5) years from the date of this MOU as set forth below, unless sooner terminated or extended by mutual agreement of the Parties.
3. The performance of the Parties under this MOU is subject to all applicable regulations of the Washington Utilities and Transportation Commission ("WUTC"), and any such regulation shall govern and control over any inconsistent provision of this MOU. As of the effective date of this MOU, the parties acknowledge that the provisions set forth in this MOU are consistent with existing WUTC regulations and tariffs.

4. PSE will use good faith efforts to maintain and improve the reliability of the electrical service provided by PSE to all of its electric customers in the City. In furtherance of this objective, PSE will undertake to do the following:

(a) On an annual basis, provide a written report to the City detailing the System Average Interruption Frequency Index ("**SAIFI**") and the System Average Interruption Duration Index ("**SAIDI**") for PSE's electric service within the City for a period that covers each of the previous five (5) years, including SAIFI and SAIDI information by individual PSE circuit serving the City that is calculated using the standard IEEE method; however, such reporting may use separate tables for transmission and substation outages and exclude outages without material customer impact (e.g., a substation being taken off-line for repair while maintaining electric service to customers within the City). PSE shall also provide an annual comparison of its service reliability within the City against its service reliability within cities that border the City and are within PSE's electric service territory, as well as a written comparison of its service reliability within the City against its service reliability across PSE's entire service area; and

(b) On an annual basis, identify and provide a written report to the City identifying any PSE circuits serving the City having a SAIFI and/or SAIDI, for the previous twelve (12) months, that is greater than the PSE system SAIFI and/or SAIDI for the same period and identify any corrective actions that may be taken by PSE to improve any such circuits. PSE shall include, in the report, annual outage data by circuit within the City, and each report shall be submitted by May 31<sup>st</sup> of each year with outage data for the immediately preceding calendar year; and

(c) On an annual basis, provide a written report to the City concerning all non-scheduled outages (and resulting service interruptions to customers) within the City during the previous twelve (12) months that involve electric service interruption to customers within the City (or such other threshold number of customers as the parties may agree upon from time to time), identifying the individual circuit, cause, equipment, duration and number of customers affected by the outage. Upon the City's reasonable request, PSE also will provide information regarding non-scheduled outages during the previous twelve (12) months that involved electric service interruption to any individual neighborhood within the City that lasted more than two (2) times the average community restoration time for other neighborhoods within the City.

(d) At a minimum annually, but more often as mutually agreed upon by the Parties, PSE shall present a report to the City Council at a public meeting, on a date mutually agreed upon by the Parties, summarizing the following:

(i) information contained in the written reports submitted by PSE pursuant to subsections (a) through (c) for the previous twelve (12) months;

(ii) PSE's processes and efforts for restoring electric service to its customers in the City during outages over the previous twelve (12) months, and identifying the steps necessary to expedite power restoration;

(iii) PSE's processes and methods for notifying and coordinating with the City during outage and storm, and emergency response, including designated PSE emergency contact information to report PSE equipment issues that compromise, or potentially could compromise, public safety or traffic movement in the right-of-way, and staff members designated by PSE to communicate with City leadership or designated staff when outages occur and to report on areas affected, remedies planned or underway and estimated restoration times;

(iv) system enhancements made by PSE over the previous twelve (12) months that show progress toward meeting system enhancement goals outlined by the City in its Kenmore Comprehensive Plan Utilities Element or other applicable system plans;

(v) projects that PSE anticipates undertaking during the next three (3) years to improve the reliability of its electric service in the City, including but not limited to smart grid alternatives or other innovative power measures; and

(vi) other matters mutually agreed upon by the Parties.

At the time PSE presents its report to the City, PSE also will give an update on PSE's plans and efforts for decreasing fossil fuel-generated electricity system wide, in addition to related information that is in PSE's reports to the WUTC or other government entities.

5. The information provided by PSE to the City under this MOU shall be provided to facilitate further inquiry by the City to PSE concerning the performance and reliability of PSE's electric service within the City. If the reports required by this MOU show that any individual circuit serving the City has a SAIFI and/or SAIDI for the preceding year that is greater than the PSE system SAIFI and/or SAIDI for the same period, then PSE will meet at the City's request and seek to resolve the issue in good faith. The provision of such information shall not otherwise create or imply any other commitment or obligation of PSE. The City will not provide such information to any third party without prior notice to PSE of the City's intention to do so.

6. The parties acknowledge that the City's goal is to have all circuits in the City operating at the PSE system average or better with respect to frequency and duration of outages, excluding major storm event related outages. Recognizing PSE project investments undertaken in 2016-2018 and presuming that comparable investments will continue throughout the Franchise term, the parties acknowledge that substantial progress toward that goal should be evident by Year 2 of the Franchise Agreement term, particularly for Circuits with 2016-2018 investments such as: Inglewood 17, Kenmore 25, Kenmore 26\*, Kenmore 27\*, Inglewood 13\*, Kenmore 23\*, Wayne 15\* and Inglewood 15\*.<sup>1</sup> Any of those circuits previously in the lowest reliability quartile (starred) should at minimum be operating at 40% or higher by Year 3. North Bothell 26 is expected to maintain or improve its performance (at 35% for rolling average for 2010-2014). The City

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<sup>1</sup> \*Circuits in lowest quartile rolling 5 year average (2010-2014) as reported in Exponent's 2016 report

will expect reliability investments during the Franchise Term to Inglewood 16\* Circuit. The parties will rely on the yearly data on Frequency and Duration of outages as reported pursuant to Section 4b of the MOU.

7. As part of the parties' collaboration efforts under Sections 4 - 6 above, the City and PSE may give particular focus in their discussions to:

(a) measures for further improving the reliability of any individual electrical circuits serving the City that performed below PSE's system wide average reliability for the current and past three (3) years, such as accelerated vegetation management activities after a power outage, pole replacement, tree wire insulation, and/or sectionalizing switches at specific locations to minimize faulted regions and restore power to un-faulted regions of the electrical circuits serving the City; and

(b) measures to implement through PSE's improvement planning smart grid technology that provides smart, automated systems and switches to provide reliability, redundancy and resiliency in the electrical circuits serving the City, both as to existing circuits and those in new development areas.

8. Upon the City's reasonable request, but in no event more frequently than once each year, PSE will report to the City on the following:

(a) PSE's process and method (as made available) for providing its customers with information regarding filing claims for restitution for damages caused by power outages and/or obtaining available rebates relating to non-storm power outage events exceeding the duration of neighboring areas;

(b) PSE's efforts to establish a mechanism for communicating with property owners who have PSE Facilities located on or near their property that PSE may need to access for maintenance or service restoration of such PSE Facilities; and

(c) PSE's process and method (as made available) for allowing residential and commercial customers within the City to install grid-tie technology, which allows the customer to net meter their electricity based on power generated on site via solar, wind, or other renewable source.

9. PSE and the City will work together and collaborate in good faith on Comprehensive Plan Utilities Element updates and service planning to help facilitate meeting planned development projections.

10.

a) The parties acknowledge that PSE submitted a proposal in October, 2018 to the Washington Utilities and Transportation Commission (WUTC) for Expanded Education and Charging Stations for Electric Vehicles (EV) (Filing UE 180877) ("EV Charging Station Tariff"). The WUTC approved the tariff on December 13, 2018. The parties also acknowledge that discussions and drafts of the MOU and Franchise have consistently included concepts and language for partnership between the City and PSE in EV Charging Station installation /operation in Kenmore, which, until November 2018

had no public EV charging stations. In November, 2018, the City installed one EV Charging Station in downtown Kenmore; PSE has no involvement in this station's installation or operation.

b) Pursuant to the proposal in the EV Charging Station Tariff, PSE has established a two year pilot program for improving access to charging infrastructure by installing/operating EV charging stations in a mix of user categories, including Public Charging, Workplace, and Multi-Family. The pilot program will be conducted in accordance with the tariff. Pursuant to its obligations under the tariff, PSE will evaluate the City on the same set of criteria and an equal basis with other jurisdictions when selecting sites for the program, and the Parties agree that if a Kenmore site is selected for installation of an EV Charging Station, the Parties will collaborate in public education and awareness, and installation of the station.

11. The City acknowledges that it will consider proposing issues of mutual interest to be added to the state or federal legislative agenda.

Agreed and Accepted this \_\_\_\_ day of \_\_\_\_\_, 2019.

CITY OF KENMORE

PUGET SOUND ENERGY, INC.

\_\_\_\_\_  
City Manager

\_\_\_\_\_  
(Title)

Approved as to form:

\_\_\_\_\_  
City Attorney

**ORDINANCE NO. 05-0233**

**AN ORDINANCE OF THE CITY OF KENMORE, WASHINGTON, GRANTING PUGET SOUND ENERGY, INC., A WASHINGTON CORPORATION, THE RIGHT, PRIVILEGE AND AUTHORITY AND FRANCHISE TO SET, ERECT, CONSTRUCT, SUPPORT, ATTACH, CONNECT AND STRETCH FACILITIES BETWEEN, MAINTAIN, REPAIR, REPLACE, ENLARGE, OPERATE AND USE FACILITIES IN, UPON, UNDER, ALONG AND ACROSS THE FRANCHISE AREA FOR PURPOSES OF TRANSMISSION, DISTRIBUTION AND SALE OF ELECTRICAL ENERGY AND NATURAL GAS FOR POWER, HEAT, LIGHT AND ANY OTHER PURPOSE FOR WHICH ELECTRICAL ENERGY AND NATURAL GAS MAY BE USED.**

**WHEREAS, RCW 35A.11.020 grants the City authority to regulate the use of the public right-of-way; and**

**WHEREAS, RCW 35.47.040 authorizes the City to "grant nonexclusive franchises for the use of public streets, bridges or other public ways, structures or places above or below the surface of the ground for...poles, conduits, tunnels, towers and structures, pipes and wires and appurtenances thereof for transmission and distribution of electrical energy,...for gas...", and**

**WHEREAS, Puget Sound Energy has requested a franchise for purposes of transmission, distribution, and sale of electrical energy and natural gas for power, heat, light, and any other purpose for which electrical energy and natural gas may be used, and**

**WHEREAS, the City Council adopted Ordinance No. 98-0030, granting an extension of the King County franchises under the same terms and conditions as Washington Natural Gas and Puget Power and Light Company, now collectively known as Puget Sound Energy, and**

**WHEREAS, the franchise agreements with Puget Sound Energy expired or will expire on October 13, 2004 for electrical light and power and August 31, 2005 for natural gas, and**

**WHEREAS, the City of Kenmore and Puget Sound Energy have negotiated a mutually acceptable franchise agreement, and**

**WHEREAS, the City Council finds that it is in the best interest of the health, safety and welfare of residents of Kenmore to grant a non-exclusive franchise to Puget Sound Energy for the operation of electric distribution, electric transmission, and natural gas distribution systems within the City right-of-way; NOW THEREFORE,**

**THE CITY COUNCIL OF THE CITY OF KENMORE, WASHINGTON, DO ORDAIN AS FOLLOWS:**



**Section 1. Definitions**

Where used in this franchise (the "Franchise") the following terms shall mean:

- 1.1 "Puget" means Puget Sound Energy, Inc., a Washington corporation, and its respective successors and assigns.
- 1.2 "City" means the City of Kenmore, a municipal corporation of the State of Washington, and its respective successors and assigns. Specifically, the City includes all areas incorporated therein as of the effective date of this Ordinance and any other areas later added thereto by annexation or other means.
- 1.3 "Days" means calendar days.
- 1.4 "Franchise" means the grant of rights, privileges and authority embodied in this Ordinance.
- 1.5 "Franchise Area" means all public rights-of-way including the surface of and space along, above, and below any street, road, highway, freeway, lane, sidewalk, alley, court, boulevard, parkway and drive within the City as now and as may hereafter be laid out, platted, dedicated, acquired or improved within the present limits of the City and as such limits may be hereafter extended; and all City owned easements used for such rights-of-way and/or dedicated for the placement and location of utilities, provided such easements would allow Puget to fully exercise the rights granted under this Franchise within the area covered by such easements.
- 1.6 "Facilities" means collectively, any and all:
  - 1.6.1 natural gas distribution systems, including but not limited to, gas pipes, pipelines, mains, laterals, conduits, feeders, regulators, valves, meters, meter-reading devices, fixtures, and communications systems and all necessary facilities and appurtenances thereto, whether the same be located over or under ground;
  - 1.6.2 electrical transmission and distribution systems, including but not limited to poles (with or without cross arms), including Puget-owned street lighting poles and luminaires, wires, lines, conduits, cables, communication and signal lines, braces, guys, anchors, switches, transformers, ducts, vaults and all necessary facilities and appurtenances thereto, whether the same be located over or under ground.
- 1.7 "Ordinance" means this Ordinance No. 05-0233, which sets forth the terms and conditions of this Franchise.
- 1.8 "Permitting Authority" means the head of the City department authorized to process and grant permits required to perform work in the Franchise Area, or the head of any agency authorized to perform this function on the City's behalf. Unless otherwise indicated, all references to Permitting Authority shall include the designee of the department or agency head.
- 1.9 "Public Works Director" means the head of the Public Works Department or his or her designee.
- 1.10 "Tariff" means "tariff" as that term is defined in WAC 480-80-030(3), or such similar definition describing rate schedules, rules and regulations relating to charges and service as may hereinafter be adopted by the regulatory authority with jurisdiction, under the laws of the State of Washington, over public service companies.

- 1.11 "WUTC" means the Washington Utilities and Transportation Commission or such successor regulatory agency having jurisdiction over public service companies.

**Section 2. Facilities within the Franchise Area**

- 2.1 Pursuant to RCW 35A.47.040, the City hereby grants to Puget the right, privilege, authority and franchise subject to the terms and conditions hereinafter set forth, to install, construct, operate, maintain, repair, replace, and use Facilities for electric distribution, electric transmission and natural gas distribution systems, in, under, on across, over, through, along or below the Franchise Area, for the transmission, distribution and sale of electrical energy and natural gas power, heat and light, and any other purposes for which electrical energy and natural gas may be used, as approved under City permits issued by the Permitting Authority pursuant to this Franchise and City ordinances.
- 2.2 This Franchise specifically does not authorize Puget to install or use Facilities to provide telecommunications, cable television, point-to-point data communications, or similar services either via wire or wireless technologies regardless of whether these services are provided to any person outside Puget's organization. This section does not restrict Puget's ability to utilize telemetric devices to monitor and operate its electric distribution, electric transmission and natural gas distribution systems or to monitor and control the usage of electrical energy and/or natural gas.
- 2.3 Puget acknowledges the City's desire and intent that City rights-of-way be free of encumbrance by rights held by others, including Puget, and that the City requires that rights-of-way dedicated by property owners to the City be free of such encumbrances. All rights-of-way so dedicated during the term of this Franchise shall be Franchise Area and Facilities thereafter installed by Puget therein shall be subject to the terms and conditions of this Franchise.
- 2.4 In the event Puget has within the Franchise Area an prior existing easement or other right not derived from this Franchise or from a prior franchise granted by the City, and Puget desires to install Facilities within and using such prior right, then Puget will provide notice of same to the City prior to such installation. The City may request that Puget instead install its Facilities within the Franchise Area pursuant to rights granted by this Franchise. Puget will consider the facts and conditions that bear upon such request and will respond to the City, including meeting with the City to discuss such request, prior to installation of Puget's Facilities. When reasonably determined by Puget to be consistent with prudent utility practice, Puget will install its Facilities as so requested by the City.

**Section 3. Nonexclusive Franchise**

This Franchise is granted upon the express condition that it shall not in any manner prevent the City from granting other or further franchises in, along, over, through, under, below or across any portion of the Franchise Area. Such Franchise shall in no way prevent or prohibit the City from using any portion of the Franchise Area or other City property or affect its jurisdiction over them or any part of them, and the City shall retain the authority to make necessary changes, relocations, repairs, maintenance, establishment, and improvement of the same as the City may deem fit, including the dedication, establishment, maintenance, and improvement of new rights-of-way or other public properties of every type and description.

**Section 4. Term of Franchise/Acceptance**

- 4.1** This Franchise is and shall remain in full force and effect for a period of ten (10) years from the effective date of the Ordinance. This Franchise is granted upon the express condition that Puget, within sixty (60) days after the adoption of this Ordinance, shall file with the clerk of the City a written acceptance of the same, and when so accepted by Puget, shall constitute a contract between the City and Puget for all the purposes herein set forth. If Puget fails to provide its written acceptance as provided above, this Ordinance and Franchise shall be null and void.

**Section 5. Non-Franchise Area City Property**

- 5.1** This Franchise shall not convey any right to Puget to install Facilities on or to otherwise use City-owned or leased properties outside the Franchise Area.
- 5.2** Existing Facilities installed or maintained by Puget on public grounds and places within the City in accordance with prior franchise agreements, but which are not within the Franchise Area as defined by this Franchise, may be maintained, operated, repaired and/or replaced in like kind by Puget at the location where such Facilities exist as of the effective date of this Franchise for the term of this Franchise; provided, however, that no such Facilities may be enlarged, improved or expanded without the prior review and approval of the City pursuant to applicable ordinances, codes, resolutions, standards, and procedures.

**Section 6. Compliance with State and Local Regulations**

- 6.1** Puget shall comply with all federal, state, and local laws or regulations applicable to the exercise of Puget's rights and obligations under this Franchise. Upon written inquiry, Puget shall provide a specific reference to either the federal, state, or local law or the WUTC order or action establishing a basis for Puget's actions related to the exercise of such rights and obligations.
- 6.2** In granting this Franchise the City hereby reserves all lawful powers and franchise authority available to it under its general police authority; provided, however, such authority shall be exercised in a manner consistent with and so as not to impair the rights, privileges, authority and franchise conferred to Puget by this Franchise.

**Section 7. Noninterference of Facilities**

- 7.1** Puget's Facilities shall be located and maintained, within the Franchise Area so as not to interfere with the free and safe passage of pedestrian and/or vehicle traffic therein or with the reasonable ingress or egress to properties abutting thereto. Puget's

Facilities shall be maintained in accordance with the laws of the State of Washington, Kenmore Municipal Code, and applicable regulations and standards of the City.

- 7.2 In the event that the Public Works Director reasonably determines, after providing written notice to Puget and a reasonable opportunity for Puget to respond to the Public Works Director's concerns, that any one or more of Puget's Facilities within the Franchise Area interfere with the free and safe passage of pedestrian and vehicular traffic therein or with the reasonable ingress or egress to properties abutting thereto, then Puget shall promptly take such action as is reasonably necessary to eliminate such interference. In so doing, the City shall fully cooperate with Puget, including, without limitation, allowing changes to or modifications of the Franchise Area (and other City property), at Puget's expense, if such changes or modifications provide the most effective or economical means of eliminating such interference.
- 7.3 In the event such interference requires relocation of Puget's Facilities within the Franchise Area, such relocation shall be accomplished in accordance with Section 13 below (any such interference resulting from new development ingress or egress to properties abutting the Franchise Area in proximity to Puget's Facilities existing within the Franchise Area prior to the development shall be subject to Section 13.6).

#### Section 8. Dangerous Conditions, Authority for the City to Abate

- 8.1 In the event that Puget's Facilities or operations cause or contribute to a condition that appears to endanger any person or substantially impair the lateral support of the Franchise Area or public or private property adjacent thereto, the Public Works Director may direct Puget, at no charge or expense to the City, to promptly take such action as may be reasonably necessary to resolve such condition to eliminate such endangerment. Such directive may include compliance within a prescribed period of time.
- 8.2 In the event PSE fails to promptly take action as directed by the City pursuant to Section 8.1, or fails to fully comply with such direction, or if emergency conditions exist which require immediate action to prevent imminent injury or damages to persons or property, the City may take actions as it reasonably believes are necessary with respect to Puget's Facilities or operations to protect persons or property and in such event Puget shall be responsible to reimburse the City for its costs incurred in so doing. With respect to Puget's gas facilities, the City's authority to act upon Puget's Facilities hereunder is specifically limited to actions, taken by trained emergency response personnel, to stop the flow of natural gas actively contributing to a dangerous condition by closing the natural gas supply valve at a meter or appliance.

#### Section 9. Permit Required

- 9.1 Whenever Puget excavates in the Franchise Area for purposes of installation, construction, repair, maintenance or relocation of its Facilities, it shall apply to the City for a permit to do so in accordance with all ordinances and regulations of the City. In no case shall any such work commence within the Franchise Area without a permit, except as otherwise provided in this Franchise.
- 9.2 Puget shall at all times post and maintain proper barricades and comply with all applicable safety regulations during any period of construction or maintenance

activities within the right-of-way as required by City or state regulations, including RCW 39.04.180, for the construction of trench safety systems.

- 9.3 In the event of any emergency where any Facility located in the Franchise Area are broken or damaged, or if Puget's work area within the Franchise Area is in such a condition as to endanger any person or property, Puget shall immediately take any necessary emergency measures to repair or remove its Facilities or otherwise make its work area safe without first applying for and obtaining a permit as required by Section 9.1. This provision shall not relieve Puget from later obtaining any necessary permit for the emergency work. Puget shall apply for the required permit the next business day following the emergency work or, in the case of an extended state of emergency, as soon thereafter as practical.
- 9.4 **Pavement Disturbance.** In the event Puget proposes to cut or disturb pavement within the Franchise Area for any purpose (except as provided in Section 9.3) within three years of the surfacing or resurfacing of such pavement, Puget shall apply to the City for a permit to make such disturbance in accordance with Section 9. In its application Puget shall identify the specific paving proposed to be disturbed, describe the scope and extent of the proposed disturbance and explain the necessity for such disturbance. Puget shall minimize the extent of such pavement disturbance to that reasonably necessary to perform its work. Puget acknowledges the City's authority and discretion to approve (or not approve) disturbance of such pavement and to condition such approval in accordance with Section 10 to include such pavement restoration requirements as may be determined by the Public Works Director to be reasonably necessary to restore the integrity of the paving disturbed by Puget's work. Puget shall not cut or disturb such pavement (except as provided in Section 9.3) without written authorization from the Public Works Director.

#### Section 10. Restoration

- 10.1 Puget shall, after any installation, construction, relocation, maintenance, or repair of Facilities within the Franchise Area, promptly restore the Franchise Area to at least the same condition as existed immediately prior to any such installation, construction, relocation, maintenance or repair in accordance with City standards at its sole cost and expense. All survey monuments which are to be disturbed or displaced by such work shall be referenced and restored per WAC 332-120, as the same now exists or may hereafter be amended, and all pertinent federal, state and City standards and specifications. The Public Works Director shall have final approval of the condition of the Franchise Area after restoration.
- 10.2 If it is determined that Puget has failed to restore the Franchise Area in accordance with Section 10, the City shall provide Puget with written notice including a description of actions the City reasonably believes necessary to restore the Franchise Area. If the Franchise Area is not restored in accordance with the City's notice within thirty (30) days of that notice, the City, or its authorized agent, may restore the Franchise Area. PSE shall be responsible for all costs and expenses incurred by the City in restoring the Franchise Area in accordance with this section. The remedy granted to the City under this section shall be in addition to those otherwise provided by this Franchise.
- 10.3 All work by Puget pursuant to this Section 10 shall be performed in accordance with the permit issued by the City, together with the laws of the State of Washington, Kenmore Municipal Code and applicable regulations and standards of the City as the same now exists or as may be hereafter amended or superseded.

**Section 11. Bonding Requirement**

- 11.1 Before undertaking any of the work authorized by this Franchise, Puget shall furnish a bond executed by Puget and a corporate surety authorized to do surety business in the State of Washington, in a sum to be set and approved by the Public Works Director as reasonably sufficient to ensure performance of Puget's obligations under this Franchise. The bond shall be conditioned so that Puget shall observe all the covenants, terms and conditions and faithfully perform all of the obligations of this Franchise, and to restore or replace any defective work or materials discovered in the restoration of the Franchise Area within a period of two (2) years from the final City inspection date of any such restoration. Puget may meet the obligations of this section with one (1) or more bonds acceptable to the City. In the event that a bond furnished pursuant to this section is canceled by the surety, after proper notice and pursuant to the terms of said bond, Puget shall, prior to the expiration of said bond, procure a replacement bond which complies with the terms of this section.
- 11.2 With respect to undertaking any of the work authorized by this Franchise, in the event Puget fails to perform its obligations under this Franchise and further fails to cure its deficiency within a reasonable period of time after receipt of written notice of such deficiency by the City, then the City may use any bond(s) furnished by Puget pursuant to Section 11.1 to cure such deficiency. Neither the amount of such bond(s) nor the City's use thereof shall limit the City's full recovery from Puget of costs incurred by the City to cure such deficiency.
- 11.3 In the event the City makes use of such bond(s) furnished by Puget pursuant to Section 11.2, the City shall promptly provide written notice of same to Puget. Within thirty (30) days of receipt of such notice, Puget shall replenish or replace such bond(s) as provided in Section 11.1.
- 11.4 The rights reserved to the City by this Section 11 are in addition to other rights of the City whether reserved by this Franchise or authorized by law, and no action, proceeding, or exercise of right under this Section 11 shall constitute an election or waiver of any rights or other remedies the City may have.

**Section 12. Underground Installation of Facilities**

- 12.1 Puget acknowledges that the City desires to promote a policy of underground installation of Facilities within the Franchise Area. The City acknowledges that Puget provides electrical and gas service on a non-preferential basis subject to and in accordance with applicable Tariffs on file with the WUTC. Subject to and in accordance with such Tariffs, Puget will cooperate with the City in the formulation of policy and development regulations concerning underground installation of Puget's Facilities within the Franchise Area.
- 12.2 New extensions of electric Facilities that operate at 15,000 volts (15kV) or less constructed by Puget within the Franchise Area during the term of this Franchise shall be located underground subject to and in accordance with applicable Tariffs on file with the WUTC; provided that extensions of existing overhead Facilities of up to five spans or 500 feet (whichever is less) may, subject to the City's prior written consent which shall not be unreasonably withheld, be installed overhead in locations having other existing overhead utilities.

- 12.3 If, during the term of this Franchise, the City shall direct Puget to replace (convert) its overhead electric distribution Facilities (15kV or less) then existing within the Franchise Area with underground Facilities, such underground conversion shall be arranged and accomplished subject to and in accordance with applicable Tariffs on file with the WUTC.
- 12.4 This Section 12 shall govern all matters related to underground installation of Puget's Facilities within the Franchise Area.

### Section 13. Relocation of Facilities

- 13.1 Whenever the City undertakes (or causes to be undertaken at City expense) the construction of any public works improvement within the Franchise Area, or the Public Works Director reasonably determines that Puget's Facilities interfere with the free and safe passage of pedestrian and/or vehicular traffic pursuant to Section 7 above, and such public works improvement or interference necessitates the relocation of Puget's Facilities then existing within the Franchise Area, the City shall:

- (i) provide Puget, within a reasonable time prior to the City's commencement of activities requiring such public works improvement, written notice requesting such relocation; and
- (ii) provide Puget with copies of relevant portions of the City's plans and specifications for such public works improvement.

After receipt of such notice and such plans and specifications, Puget shall relocate such Facilities within the Franchise Area at no charge to the City. If, during the construction of any such public works improvement, an emergency posing a threat to public safety or welfare, or a substantial risk of severe economic consequences to the City, arises requiring the relocation of Puget's Facilities within the Franchise Area, the City shall give Puget notice of the emergency as soon as reasonably practicable. Upon receipt of such notice from the City, Puget shall endeavor to respond as soon as reasonably practicable to relocate the affected Facilities at no charge to the City.

- 13.2 The City shall act in good faith and shall use its best efforts to provide sufficient space within the Franchise Area for the safe and efficient installation, operation, repair and maintenance of the relocated Facilities. Puget shall act in good faith and shall use its best efforts to install relocated Facilities in such space within the Franchise Area, consistent with prudent utility practice. If the City and Puget agree that there is not sufficient space for the relocated Facilities in the existing Franchise Area, then, unless otherwise mutually agreed by the City and Puget, the City shall provide sufficient space for the relocated Facilities by obtaining additional right-of-way or other equivalent rights mutually agreeable to the City and Puget, which shall be Franchise Area, title of which shall be in the City's name.
- 13.3 Puget may install relocated Facilities on property outside of the Franchise Area, the rights for which shall be obtained by Puget at no expense to the City, if:
  - (i) notwithstanding the use of best efforts by the City and Puget as outlined above, the City and Puget do not agree whether there is or will be sufficient space within the Franchise Area for the relocated Facilities, or
  - (ii) locating such relocated Facilities within such space within the Franchise Area would be inconsistent with prudent utility practice.

The City and Puget shall each act in good faith and use their respective best efforts to mutually agree on the location of such relocated Facilities outside of the Franchise Area. Absent such mutual agreement, nothing in this Section 13 shall limit the rights of the City or Puget with respect to acquisition or use of property rights outside of the Franchise Area.

- 13.4 If the City requires the subsequent relocation of any Facilities within five (5) years from the date of relocation of such Facilities pursuant to Sections 13.1-13.3, the City shall reimburse Puget for all costs incurred by Puget in connection such subsequent relocation.
- 13.5 Puget shall have the right as a condition of any relocation described in this Section 13.5 to require such person or entity other than the City to make payment to Puget, at a time and upon terms acceptable to Puget, for any and all costs and expenses incurred by Puget in the relocation of Puget's Facilities whenever:
  - (i) any person or entity, other than the City, requires the relocation of Puget's Facilities to accommodate the work of such person or entity within the Franchise Area, including but not limited to, activities relating to development, roadway frontage improvements or mitigation of impacts; or
  - (ii) the City requires any person or entity to undertake work (other than work undertaken at the City's cost and expense) within the Franchise Area and such work requires the relocation of Puget's Facilities within the Franchise Area.
- 13.6 Any condition or requirement imposed by the City upon any other person or entity (including, without limitation, any condition or requirement imposed pursuant to any contract or in conjunction with approvals or permits obtained pursuant to any zoning, land use, construction or other development regulation) which requires the relocation of Puget's Facilities within the Franchise Area shall be a condition or requirement causing relocation of Puget's Facilities to occur subject to the provisions of Section 13.5 above; provided, however:
  - (i) in the event the City reasonably determines and notifies Puget that the primary purpose of imposing such condition or requirement upon such person or entity is to cause the construction of a public works improvement within a segment of the Franchise Area on the City's behalf, and
  - (ii) such public works improvement is otherwise reflected in the City's adopted Six-Year Capital Improvement Program; Transportation Improvement Program; or Transportation Facilities Program;

Then only those costs and expenses incurred by Puget in connecting such relocated Facilities with Puget's other Facilities shall be paid to Puget by such person or entity, and Puget shall otherwise relocate its Facilities within such segment of the Franchise Area in accordance with Sections 13.1-13.3.

- 13.7 As to any relocation of Puget's Facilities whereby the cost and expense thereof is to be borne by Puget in accordance with Sections 13.1-13.3, Puget may, after receipt of written notice requesting such relocation, submit in writing to the City alternatives to relocation of its Facilities. Upon the City's receipt from Puget of such written alternatives, the City shall evaluate such alternatives and shall advise Puget in writing if one or more of such alternatives is suitable to accommodate the work which would otherwise necessitate relocation of Puget's Facilities. In evaluating such alternatives, the City shall give each alternative proposed by Puget full and fair consideration with



due regard to all facts and circumstances which bear upon the practicality of relocation and alternatives to relocation. No alternatives proposed by Puget shall be evaluated by the City in an arbitrary or capricious manner. In the event the City determines that such alternatives are not appropriate, Puget shall relocate its Facilities as otherwise provided in Sections 13.1-13.3.

- 13.8 Nothing in this Section 13 shall require Puget to bear any cost or expense in connection with the location or relocation of any Facilities existing under benefit of easement or, except for the rights described in Section 5.2, other prior rights.

#### Section 14. Coordination/ Shared Excavations

- 14.1 Puget and the City shall each exercise best reasonable efforts to coordinate construction work either may undertake within the Franchise Area so as to promote the orderly and expeditious performance and completion of such work as a whole. Such efforts shall include, at a minimum, reasonable and diligent efforts to inform the other party and other utilities within the Franchise Area of its intent to undertake such construction work. Puget and the City shall further exercise best reasonable efforts to minimize delay or hindrance to construction work undertaken by themselves and other utilities within the Franchise Area.
- 14.2 If, at any time or from time to time, either Puget or the City shall cause excavations to be made within the Franchise Area, the party causing such excavation to be made shall afford the other, upon receipt of a written request to do so, an opportunity to use such excavation, provided that:
- (i) such joint use shall not unreasonably delay the work of the party causing the excavation to be made; and
  - (ii) such joint use shall be arranged and accomplished on terms and conditions satisfactory to both parties.

#### Section 15. City Use of Facilities

- 15.1 During the term of this Franchise, and with respect to poles which are Facilities and which are (a) wholly owned by Puget and (b) within the Franchise Area, the City, subject to Puget's prior written consent which shall not be unreasonably withheld, may install and maintain City-owned overhead wires upon such poles for police, fire, traffic control and other noncommercial municipal communications purposes. The foregoing rights of the City to install and maintain such wires and cable are further subject to the following:
- (i) Such installation and maintenance shall be done by the City at its sole risk and expense, in accordance with all applicable laws, and subject to such reasonable requirements as Puget may specify from time to time (including, without limitation, requirements accommodating Puget's Facilities or the facilities of other parties having the right to use Puget's Facilities);
  - (ii) Puget shall have no obligation arising under the indemnity and insurance provisions of this Franchise as to any circumstances directly or indirectly caused by or related to such City-owned wires or the installation or maintenance thereof; and

- (iii) The City shall indemnify, defend and hold harmless Puget in connection with the City's use of Puget's Facilities; and
- (iv) Puget shall not charge the City a fee for the use of such poles in accordance with this Section 15 as a mean of deriving revenue therefrom (such as a rental or lease fee); provided, however, nothing herein shall require Puget to bear any cost or expense in connection with such installation and maintenance by the City.

**Section 16. Moving Buildings Within the Franchise Area**

- 16.1 If any person or entity other than the City obtains permission in the form of a permit from the City to use the Franchise Area for the moving or removal of any building or other object, the City shall, prior to granting such permission, require such person or entity to make any necessary arrangements with Puget for the temporary adjustment of Puget's wires to accommodate the moving or removal of such building or other object. Such necessary arrangements with Puget shall be made, to Puget's satisfaction, not less than fourteen (14) days prior to the moving or removal of said building or other object. In such event, Puget shall, at the expense of the person or entity desiring to move or remove such building or other object, adjust any of its wires which may obstruct the moving or removal of such building or other object, provided that:
- (i) the moving or removal of such building or other object which necessitates the adjustment of wires shall be done at a reasonable time and in a reasonable manner so as not to unreasonably interfere with Puget's business; and
  - (ii) the person or entity other than the City obtaining such permission from the City to move or remove such building or other object shall be required to indemnify and hold Puget harmless from any and all claims and demands made against it on account of injury or damage to the person or property of another arising out of or in conjunction with the moving or removal of such building or other object, to the extent such injury or damage is caused by the negligence of the person or entity moving or removing such building or other object or the negligence of the agents, servants or employees of the person or entity moving or removing such building or other object.

**Section 17. Records of Installation and Planning**

- 17.1 Upon the City's reasonable request, Puget shall promptly provide to the City copies of available plans of improvements, relocations and conversions to its Facilities within the Franchise Area; provided, however, any such plans so submitted shall be for informational purposes only and shall not obligate Puget to undertake any specific improvements within the Franchise Area, nor shall such plan be construed as a proposal to undertake any specific improvements within the Franchise Area.
- 17.2 Upon the City's reasonable request, Puget shall provide to the City copies of available drawings in use by Puget showing the approximate location of Puget's Facilities at specified locations within the Franchise Area. Puget shall further provide, upon the City's reasonable request in connection with the City's design of new streets and intersections and major renovations of existing streets and intersections, field marking of Puget's underground Facilities within the Franchise Area, if such Facilities can be so

field marked with reasonable accuracy using devices designed to respond to the presence of Puget's underground Facilities. Notwithstanding the foregoing, however, Puget does not warrant the accuracy or sufficiency of any such drawings or field markings or other information provided by Puget, and Puget shall not be liable to the City or others for any errors or defects in the same.

- 17.3 In addition, whenever Puget and the City agree that it is mutually beneficial to both parties in connection with the design of new streets and intersections and major renovations of existing streets and intersections, Puget shall verify the actual location of its underground Facilities within the Franchise Area by excavating, including pot holing, at no expense to the City.
- 17.4 Notwithstanding the foregoing, nothing in this Section 17 is intended (nor shall be construed) to relieve either party of their respective obligations arising under applicable law with respect to determining the location of utility facilities.

#### Section 18. Vegetation Management

- 18.1 Puget shall, on an annual basis, provide the City a list of locations within the Franchise Area at which Puget anticipates performing vegetation management activities; provided that such list shall not limit Puget's right under this Franchise to cut, trim or otherwise remove vegetation at any time within the Franchise Area which, due to proximity to Puget's facilities, pose an imminent threat to public safety or the reliable operation of Puget's facilities.
- 18.2 Puget shall, in coordination with the City, identify vegetation species appropriate for location in proximity to Puget's facilities and shall cooperatively act with the City to promote use of such identified species within and adjacent to the Franchise Area.
- 18.3 Puget shall not commence non-emergency vegetation management work without notice to abutting private property owners or occupants at least ten (10) working days in advance of the work to be performed, including the location and description of the work to be performed, the date work is planned to commence, and a contact name and telephone number at Puget. In performing vegetation management work, Puget shall comply with ANSI 300 pruning standards.
- 18.4 At the request of an abutting private property owner, Puget shall employ or consult with a certified arborist to assess the type of pruning proposed to be done and/or shall provide the abutting owner with alternatives to the type of pruning proposed to be done. Puget will reasonably consider alternatives proposed by the abutting property owner and any arborist hired by the property owner.
- 18.5 Nothing in this Franchise is intended to absolve Puget from any liability resulting from damage caused by trees that are severely pruned or topped by Puget and subsequently fall as a result of such pruning or topping.

#### Section 19. Condemnation.

The existence of this Franchise shall not preclude the City from acquiring by condemnation, in accordance with applicable law, all or a portion of Puget's Facilities within the Franchise Area.

#### Section 20. Indemnification

- 20.1 Puget shall indemnify, defend and hold the City, its agents, officers or employees harmless from and against any and all claims, demands, liability, loss, cost, damage or expense of any nature whatsoever including all costs and attorneys' fees, made against the City, its agents, officers or employees on account of injury, harm, death or damage to persons or property which is caused by, in whole or in part to the extent of, the willfully tortious, or negligent acts, or negligent omissions of Puget or its agents, servants, employees, contractors, or subcontractors in the exercise of the rights granted to Puget by this Franchise. Provided, however, such indemnification shall not extend to any and all claims, demands, liability, loss, cost, damage or expense of any nature whatsoever including all costs and attorneys' fees caused by the negligence of the City, its agents, employees, officers, contractors or subcontractors.
- 20.2 Puget's indemnification obligations pursuant to Subsection 20.1 shall include assuming potential liability for actions brought by Puget's own employees and the employees of Puget's agents, representatives, contractors, and subcontractors even though Puget might be immune under Title 51 RCW from direct suit brought by such employees. It is expressly agreed and understood that this assumption of potential liability for actions brought by the aforementioned employees is limited solely to claims against the City arising by virtue of Puget's exercise of the rights set forth in this Franchise. The obligations of Puget under this Subsection 20.2 have been mutually negotiated by the parties hereto, and Puget acknowledges that the City would not enter into this Franchise without Puget's waiver thereof. To the extent required to provide this indemnification and this indemnification only, Puget waives its immunity under Title 51 RCW as provided in RCW 4.24.115.
- 20.3 In the event any matter (for which the City intends to assert its rights under this Section 20) is presented to or filed with the City, the City shall promptly notify Puget thereof and Puget shall have the right, at its election and at its sole cost and expense, to settle and compromise such matter as it pertains to Puget's responsibility to indemnify, defend and hold harmless the City, its agents, officers or employees. In the event any suit or action be started against the City based upon any such matter, the City shall likewise promptly notify Puget thereof, and Puget shall have the right, at its election and at its sole cost and expense, to settle and compromise such suit or action, or defend the same at its sole cost and expense, by attorneys of its own election, as it pertains to Puget's responsibility to indemnify, defend and hold harmless the City, its agents, officers or employees.

#### Section 21. Insurance

- 21.1 Puget shall procure and maintain for the duration of the Franchise, insurance, or in lieu thereof provide self-insurance, against all claims for injuries to persons or damages to property which may arise from or in connection with the exercise of the rights, privileges and authority granted hereunder to Puget, its agents, representatives or employees. Puget shall provide certificate(s) of insurance (Form CG2010 ISO or equivalent) and/or evidence of self-insurance, together with an endorsement naming the City, its officers, elected officials, agents, employees, representatives, consultants and volunteers as additional insureds, to the City for its inspection prior to the commencement of any work or installation of any Facilities pursuant to this Franchise. Such certificate(s) of insurance and/or evidence of self-insurance shall evidence the following minimum coverages:

- (i) Commercial general liability insurance or excess liability insurance, including coverage for premises-operations, explosions and collapse hazard, underground hazard and products completed hazard, written on an occurrence basis, with limits not less than:
    - A. \$2,000,000 for bodily injury or death to each person; and
    - B. \$2,000,000 for property damage resulting from any one accident.
  - (ii) Automobile liability for owned, non-owned and hired vehicles with a limit of \$2,000,000 for each person and \$2,000,000 for each accident.
  - (iii) Worker's compensation within statutory limits and employer's liability insurance with limits of not less than \$2,000,000.
- 21.2 Puget shall maintain the liability insurance policies required by this Section 21 throughout the term of this Franchise. Any deductibles or self-insured retentions must be declared to and approved by the City. Payment of deductibles and self-insured retentions shall be the sole responsibility of Puget.
- 21.3 Puget's insurance shall be primary insurance with respect to the City, its officers, elected officials, agents, employees, representatives, consultants and volunteers. Any insurance maintained by the City, its officers, elected officials, agents, employees, representatives, consultants and volunteers shall be in excess of Puget's insurance and shall not contribute with it.
- 21.4 The cancellation clause of any certificate(s) of insurance (ACORD Form 25 or equivalent) provided to the City pursuant to Section 21.1 shall include the following provision:  
 "Should any of the policies described by this certificate be canceled before the expiration date thereof, the issuing company will provide at least thirty (30) days written notice thereof to the certificate holder."
- 21.5 In the event any of the insurance required by this Section 21 is canceled or otherwise not renewed during the term of this Franchise, Puget shall promptly acquire replacement insurance or shall utilize self insurance to restore and maintain the amount of coverage required by this Section 21 and shall promptly provide to the City certificate(s) of insurance or evidence of self insurance as provided in this Section 21 as may be applicable.

## Section 22. Default

- 22.1 If Puget shall fail to materially comply with any of the provisions of this Franchise, unless otherwise provided for herein, the City may serve upon Puget a written order to so comply within thirty (30) days from the date such order is received by Puget. If Puget is not in material compliance with this Franchise after expiration of said thirty (30) day period, the City may declare an immediate forfeiture of this Franchise, provided, however, if any failure to materially comply with this Franchise by Puget cannot be corrected with due diligence within said thirty (30) day period then the time within which Puget may so comply may be extended for a period of time as may be reasonably necessary and as agreed upon by the parties, so long as Puget commences promptly and diligently to effect such material compliance.
- 22.2 Notwithstanding Puget's obligation to comply and to proceed with due diligence to correct any default, the City recognizes that unavoidable delays and events beyond

Puget's control may occur. In such event the parties agree that Puget shall make a good faith effort to expeditiously remedy the default. In the event of a declaration of forfeiture, should either party commence litigation against the other to appeal (in the case of Puget) or enforce (in the case of the City) such declaration of forfeiture, the prevailing party in any such litigation shall be entitled to recover its costs, including reasonable attorneys fees.

#### **Section 23. Reimbursement of Administrative Costs**

- 23.1 As specifically provided by RCW 35.21.860, the City may not impose a franchise fee or any other fee or charge of whatever nature or description upon Puget, except, as provided in RCW 35.21.860,
- 23.2 Puget shall reimburse the City for all actual administrative expenses and costs incurred by the City that are directly related to negotiating, reviewing and approving this Franchise, to reviewing and approving a permit or license pursuant to this Franchise, to inspecting plans and construction pursuant to this Franchise, and to preparing a detailed statement, as may be required by Chapter 43.21C RCW.
- 23.3 The City shall invoice Puget for all administrative expenses and costs to be reimbursed by Puget hereunder including an itemized statement showing such expenses and costs. Puget shall promptly remit payment therefore as provided in applicable adopted City codes, regulations and rules. Notwithstanding any other provision of this Franchise, no acceptance by Puget of this Franchise shall be effective in the absence of reimbursement for negotiating, reviewing and approving this Franchise.
- 23.4 If Puget disputes any expense or cost included on the City's invoice, Puget shall promptly notify the City thereof and shall otherwise promptly remit payment for any and all undisputed expense and costs included on the City's invoice. As to any expense or cost disputed by Puget, Puget shall promptly provide written identification of such disputed amount(s) together with its written justification for such dispute to the City for the City's consideration. Puget and the City shall work together in good faith to resolve any disputed amount(s), including provision by either or both parties of such further information and documentation supporting or refuting such disputed amount(s) as may reasonably and practically be provided. In the event such dispute is not resolved through discussion of the parties, the dispute shall be resolved as otherwise provided for or prescribed by adopted City codes, regulations and rules. Until any such dispute is resolved by the Parties the City may, at its sole discretion, suspend work being performed by the City or Puget and/or withhold City issued permits or City approvals related to such disputed amount(s). Such dispute will not otherwise effect any other obligation of the parties under this Franchise or under any applicable City code, regulation or rule.

#### **Section 24. Utility Tax**

Puget acknowledges that the City is authorized under the laws of Washington State to impose certain taxes upon Puget. Nothing in this Franchise shall exempt (nor shall be construed to exempt) Puget from payment of any and all such taxes lawfully imposed by Kenmore Municipal Code, as may hereafter be lawfully amended or superseded, and due from Puget; provided, nothing in this Section 24 shall be construed in any way as a waiver of Puget's rights to contest the validity of any such tax or the amount of any tax due. If payment of such taxes is not made by Puget in a timely manner, the City reserves the right, at its sole option, to

inter alia suspend the rights granted to Puget by this Franchise until such time that Puget pays such taxes or Puget and the City otherwise resolve any matter concerning payment thereof.

**Section 25. Assignment of Franchise**

All of the provisions, conditions and requirements herein contained shall be binding upon Puget and the City. Puget may not assign or otherwise transfer its rights, privileges, authority and franchise herein conferred without the prior written authorization and approval of the City, which such authorization and approval shall not be unreasonably withheld. The City hereby authorizes and approves Puget to mortgage its rights, privileges, authority and franchise in and under this Franchise to the Trustee for its bondholders.

**Section 26. Severability and Survival**

- 26.1 If any term, provision, condition or portion of this Franchise shall be held to be invalid such invalidity shall not affect the validity of the remaining portions of this Franchise which shall continue in full force and effect. The headings of the sections and paragraphs of this Franchise are for convenience of reference only and are not intended to restrict, affect or be of any weight in the interpretation or construction of the provisions of such sections or paragraphs.
- 26.2 All provisions, conditions and requirements of this Franchise that may be reasonably construed to survive the termination or expiration of this Franchise shall survive the termination or expiration of the Franchise. Subject to Section 6 above, the parties' respective rights and interests under this Franchise shall inure to the benefit of their respective successors and assigns.

**Section 27. Amendments to Franchise**

- 27.1 This Franchise may be amended only by mutual agreement thereto, set forth in writing in the form of a City ordinance, signed by both parties, which specifically states that it is an amendment to this Franchise and is approved and executed in accordance with the laws of the State of Washington and the City of Kenmore. Without limiting the generality of the foregoing, this Franchise (including, without limitation the Sections addressing indemnification and insurance) shall govern and supersede and shall not be changed, modified, deleted, added to, supplemented or otherwise amended by any permit, approval, license, agreement or other document required by or obtained from the City in conjunction with the exercise (or failure to exercise) by Puget of any and all of its rights, benefits, privileges, obligations or duties in and under this Franchise, unless such permit, approval, license, agreement or other document specifically:
  - (i) references this Franchise; and
  - (ii) states that it supersedes this Franchise to the extent it contains terms and conditions which change, modify, delete, add to, supplement or otherwise amend the terms and conditions of this Franchise.
- 27.2 This Franchise is subject to the provisions of any applicable Tariff on file with and accepted by the WUTC. In the event of any conflict or any inconsistency between the provisions of this Franchise and such Tariff, the provisions of such Tariff shall control.

27.3 The parties agree to renegotiate the terms of this Franchise, if, during the term of this Franchise there becomes effective any change in federal or state law which:

(a) Affords either party the opportunity to negotiate in good faith a term or condition of this Franchise which term or condition would not, prior to such change, have been consistent with federal or state law; or

(b) Pre-empts or otherwise renders null and void any term or condition of this Franchise which has been negotiated in good faith;

then, in such event, either party may, within one hundred eighty (180) days of the effective date of such change in federal or state law request in writing to commence negotiations to amend this Franchise. Such negotiations shall encompass only the specific term or condition affected by such change in federal or state law and neither party shall be obligated to re-open negotiations on any other term or condition of this Franchise. Within thirty (30) days from and after receipt of such written request, the parties shall, at a mutually agreeable time and place, commence such negotiations. Pending completion of such negotiations resulting in mutually agreeable amendment of this Franchise, adoption of such amendment by Ordinance by the City and acceptance of such Ordinance by Puget, and except as to any portion thereof which has been pre-empted or otherwise rendered null and void by such change in federal or state law, this Franchise shall remain in full force and effect.

**Section 28. No Third Party Beneficiary**

Nothing in this Franchise shall be construed to create any rights in or duties to any third party, nor any liability to or standard of care with reference to any third party. This Franchise shall not confer any right or remedy upon any person other than the parties. No action may be commenced or prosecuted against any party by any third party claiming as a third party beneficiary of this Franchise. This Franchise shall not release or discharge any obligation or liability of any third party to either party.

**Section 29. Notice of Tariff Changes**

Puget shall, when making application for any changes in Tariffs affecting the provisions of the Franchise, notify the City in writing of the application and provide the Public Works Director with a copy of the submitted application within five (5) days of filing with the WUTC. Puget shall further provide the Public Works Director with a copy of any approved Tariff change affecting the provisions of this Franchise.

**Section 30. Repealer**

Upon the effective date of this Ordinance and acceptance of such Ordinance and Franchise by Puget, City ordinance 98-0030 shall be deemed repealed.

**Section 31. Effective Date**



This Ordinance, being an exercise of a power specifically delegated to the City legislative body, is not subject to referendum, and shall take effect five (5) days after passage and publication of an approved summary thereof consisting of the title.

**ADOPTED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE 25<sup>th</sup> of July, 2005.**

CITY OF KENMORE

  
Steven Colwell, Mayor

ATTEST/AUTHENTICATED:

  
Lynn Batchelor, City Clerk

Approved as to form:

  
Rod Kaseguma, City Attorney

|                             |                |
|-----------------------------|----------------|
| Filed with the City Clerk:  | July 15, 2005  |
| Passed by the City Council: | July 25, 2005  |
| Ordinance No.:              | 05-0233        |
| Date of Publication:        | July 29, 2005  |
| Effective Date:             | August 3, 2005 |

HONORABLE MAYOR AND CITY COUNCIL  
CITY OF KENMORE, WASHINGTON

In the matter of the application :  
of Puget Sound Energy, Inc., a : Franchise Ordinance No. 05-0233  
Washington corporation, for a :  
franchise to construct, operate :  
and maintain facilities in, upon, :  
over under, along, across and :  
through the franchise area of the : ACCEPTANCE  
City of Kenmore, Washington :

WHEREAS, the City Council of the City of Kenmore, Washington, has granted a franchise to Puget Sound Energy, Inc., a Washington corporation, its successors and assigns, by enacting Ordinance No. 05-0233, bearing the date of July 25, 2005; and

WHEREAS, a copy of said Ordinance granting said franchise was received by the Puget Sound Energy, Inc. on August 29, 2005, from said City of Kenmore, King County, Washington.

NOW, THEREFORE, Puget Sound Energy, Inc., a Washington corporation, for itself, its successors and assigns, hereby accepts said Ordinance and all the terms and conditions thereof, and files this, its written acceptance, with the City of Kenmore, King County, Washington.

IN TESTIMONY WHEREOF said Puget Sound Energy, Inc. has caused this written Acceptance to be executed in its name by its undersigned Director of Community Services thereunto duly authorized on this 8<sup>th</sup> day of September, 2005.

ATTEST:

PUGET SOUND ENERGY, INC.

By: Jason VanThorst

By: Mark Bowman

Copy received for City of Kenmore  
on Sept. 14, 2005

By: Lynda Batchelor

City Clerk

**CITY OF KENMORE, WASHINGTON**

**ORDINANCE NO. 18-0456**

AN ORDINANCE OF THE CITY OF KENMORE, WASHINGTON, GRANTING PUGET SOUND ENERGY, INC., A WASHINGTON CORPORATION, THE NON-EXCLUSIVE RIGHT, PRIVILEGE, AUTHORITY AND FRANCHISE TO SET, ERECT, CONSTRUCT, SUPPORT, ATTACH, CONNECT AND STRETCH FACILITIES BETWEEN, MAINTAIN, REPAIR, REPLACE, ENLARGE, OPERATE AND USE FACILITIES IN, UPON, UNDER, ALONG AND ACROSS THE FRANCHISE AREA FOR PURPOSES OF TRANSMISSION, DISTRIBUTION AND SALE OF ELECTRICAL ENERGY AND NATURAL GAS FOR POWER, HEAT, LIGHT AND OTHER PURPOSES FOR WHICH ELECTRICAL ENERGY AND NATURAL GAS MAY BE USED.

WHEREAS, RCW 35A.11.020 grants the City authority to regulate the use of the public right-of-way; and

WHEREAS, RCW 35.47.040 authorizes the City to "grant nonexclusive franchises for the use of public streets, bridges or other public ways, structures or places above or below the surface of the ground for... poles, conduits, tunnels, towers and structures, pipes and wires and appurtenances thereof for transmission and distribution of electrical energy,...for gas..."; and

WHEREAS, Puget Sound Energy, Inc. ("PSE") has requested a franchise for purposes of transmission, distribution, and sale of electrical energy and natural gas for power, heat, light, and any other purpose for which electrical energy and natural gas may be used; and

WHEREAS, on July 25, 2005, the City Council adopted Ordinance No. 05-0233, which granted a franchise to PSE for the construction, operation, maintenance and repair of natural gas and electric transmission and distribution facilities for a ten year period; and

WHEREAS, the original ten-year term of the franchise agreement with PSE ended in August of 2015, and the parties have continued to operate under the terms of such franchise since that time in conjunction with the negotiation of a new franchise; and

WHEREAS, the City of Kenmore and PSE have negotiated a new, mutually acceptable franchise agreement; and

WHEREAS, the City Council finds that it is in the best interest of the health, safety and welfare of residents of Kenmore to grant a non-exclusive franchise to PSE for the operation of electric distribution, electric transmission, and natural gas distribution systems within the City right-of-way;

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

Section 1. Recitals Incorporated. The Recitals set forth above are herein incorporated by reference as if set forth in full.

Section 2. Finding of Public Interest. The City Council hereby finds that the non-exclusive franchise agreement with Puget Sound Energy, Inc. attached hereto as Exhibit A, and herein incorporated by reference as if set forth in full, is in the public interest.

Section 3. Franchise Authorized. The City Council hereby approves and authorizes the City Manager to enter into the non-exclusive franchise agreement attached hereto as Exhibit A (the "Franchise") with Puget Sound Energy, Inc., to construct, operate and maintain its utility facilities, as defined in the Franchise, in, across, under, upon, along and over public roads and rights-of-way of the City of Kenmore.

Section 4. Severability. Should any section, paragraph, sentence, clause, or phrase of this ordinance or the Franchise, or its or their application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this ordinance or the Franchise be pre-empted by State or federal law or regulation, such decision or pre-emption shall not affect the validity of the remaining portions of this ordinance or the Franchise, or its or their application to other persons or circumstances.

Section 5. Effective Date. This Ordinance, being in compliance with RCW 35A.47.040, shall be published in the official newspaper of the City, and shall take effect and be in full force five (5) days after the date of publication.

APPROVED by the City Council this \_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_  
David Baker, Mayor

ATTEST/AUTHENTICATED:

\_\_\_\_\_  
Kelly Chelin, City Clerk

**APPROVED AS TO FORM:  
OFFICE OF THE CITY ATTORNEY:**

**BY** \_\_\_\_\_  
Rod Kaseguma, City Attorney

**FILED WITH THE CITY CLERK:  
PASSED BY THE CITY COUNCIL:  
PUBLISHED:  
EFFECTIVE DATE:  
ORDINANCE NO. 18-0456**

VIII. B. Ordinance 18-0456 Approving a Non-Exclusive Dual Franchise Agre...

XIII. C. Ordinance 19-0486 Puget Sound Energy, Inc. Franchise Agreement ...

**EXHIBIT A TO ORDINANCE NO. 18-0456**

**A NON-EXCLUSIVE FRANCHISE AGREEMENT BETWEEN  
THE CITY OF KENMORE AND PUGET SOUND ENERGY, INC.**

**Section 1. Definitions**

Where used in this franchise (the "Franchise") the following terms shall mean:

1.1 "PSE" means Puget Sound Energy, Inc., a Washington corporation, and its respective successors and assigns.

1.2 "City" means the City of Kenmore, a municipal corporation of the State of Washington, and its respective successors and assigns. Specifically, the City includes all areas incorporated therein as of the effective date of this Ordinance and any other areas later added thereto by annexation or other means.

1.3 "City Manager" means the Kenmore City Manager, or his or her designee.

1.4 "Days" means calendar days.

1.5 "Environmental Laws" means any applicable federal, state, or local statute, code, or ordinance or federal or state administrative rule, regulation, ordinance, order, decree, or other governmental authority as now or at any time hereafter in effect pertaining to the protection of human health or the environment.

1.6 "Force Majeure Event" means any fire, explosion, pest damage, power failure, strike or labor dispute, act of God, the elements, war, civil disturbance, act of civil or military authorities or the public enemy, or fuel or energy shortage, or any other extraordinary circumstance or event beyond the reasonable control of the affected party.

1.7 "Franchise" means the grant of non-exclusive rights, privileges and authority embodied in this Ordinance.

1.8 "Franchise Area" means all public rights-of-way including the surface of and space along, above, and below any street, road, highway, freeway, lane, sidewalk, alley, court, boulevard, parkway and drive within the City as now and as may hereafter be laid out, platted, dedicated, acquired or improved within the present limits of the City and as such limits may be hereafter extended; and all City owned easements used for such rights-of-way and/or dedicated for the placement and location of utilities, provided such easements would allow PSE to fully exercise the rights granted under this Franchise within the area covered by such easements.

1.8 "Facilities" means collectively, any and all:

A. natural gas distribution systems, including but not limited to, gas pipes, pipelines, mains, laterals, conduits, feeders, regulators, valves, meters, meter-reading devices, fixtures, and

VIII. B. Ordinance 18-0456 Approving a Non-Exclusive Dual Franchise Agree...

XIII. C. Ordinance 19-0486 Puget Sound Energy, Inc. Franchise Agreement ...

communications systems and all necessary facilities and appurtenances thereto, whether the same be located over or under ground;

B. electrical transmission and distribution systems, including but not limited to poles (with or without cross arms), including Puget-owned street lighting poles and luminaires, wires, lines, conduits, cables, communication and signal lines, braces, guys, anchors, switches, transformers, ducts, vaults and all necessary facilities and appurtenances thereto, whether the same be located over or under ground.

1.9 "Hazardous Substance" means any hazardous, toxic, or dangerous substance, material, waste, pollutant, or contaminant that is specifically designated as such and regulated by any applicable Environmental Law.

1.10 "Ordinance" means this Ordinance No. 18-0456, which sets forth the terms and conditions of this Franchise.

1.11 "Permitting Authority" means the head of the City department authorized to process and grant permits required to perform work in the Franchise Area, or the head of any agency authorized to perform this function on the City's behalf. Unless otherwise indicated, all references to Permitting Authority shall include the designee of the department or agency head.

1.12 "Tariff" means "tariff" as that term is defined in WAC 480-80-030(3), or such similar definition describing rate schedules, rules and regulations relating to charges and service as may hereinafter be adopted by the regulatory authority with jurisdiction, under the laws of the State of Washington, over public service companies.

1.13 "WUTC" means the Washington Utilities and Transportation Commission or such successor regulatory agency having jurisdiction over public service companies.

## **Section 2. Grant of Franchise; Facilities within the Franchise Area**

2.1 Pursuant to the laws of the state of Washington, including but not limited to RCW 35A.47.040 and 80.32.010, the City hereby grants to PSE the non-exclusive right, privilege, authority and franchise subject to the terms and conditions set forth herein. This Franchise grants PSE the non-exclusive right, privilege, authority and franchise to install, construct, operate, maintain, repair, replace, and use Facilities for electric distribution and transmission and natural gas distribution and transmission systems, in, under, on across, over, through, along or below the Franchise Area, for the transmission, distribution and sale of electrical energy and natural gas power, heat and light, and any other purposes for which electrical energy and natural gas may be used, as approved under City permits issued by the Permitting Authority pursuant to this Franchise and City ordinances.

2.2 This Franchise specifically does not authorize PSE to install or use Facilities to provide telecommunications, cable television, point-to-point data communications, or similar services either via wire or wireless technologies regardless of whether these services are provided to any person outside PSE's organization. This section does not restrict PSE's ability to utilize wires, wireless technology or telemetric devices to monitor and operate its electric distribution, electric transmission and natural gas distribution systems, to monitor and control the usage of electrical energy and/or natural gas, and/or to operate communications

systems supporting its electric and gas operations but which are not used by PSE or any third parties to provide commercial telecommunications services to the general public. The City acknowledges that PSE may have existing or future agreements with third parties regarding the use and sharing of Facilities, such as poles.

2.3 PSE acknowledges the City's desire and intent that City rights-of-way be free of encumbrance by rights held by others, including PSE, and that the City desires and intends that rights-of-way dedicated by property owners to the City be free of such encumbrances. All rights-of-way so dedicated during the term of this Franchise shall be Franchise Area and any new Facilities thereafter installed by PSE therein shall be subject to the terms and conditions of this Franchise except as set forth in Section 2.4.

2.4 In the event PSE has a prior existing easement or other property ownership or lease right not derived from this Franchise within any portion of the Franchise Area dedicated to the City during the term of this Franchise as described in Section 2.3, and PSE desires to install new Facilities within and using such prior easement or other property ownership or lease right, then PSE will provide notice of the same to the City prior to such installation. The City may request that PSE instead install such new Facilities within the Franchise Area pursuant to rights granted by this Franchise. PSE will consider the facts and conditions that bear upon such request and will respond to the City, including meeting with the City to discuss such request, prior to installation of PSE's new Facilities. When reasonably determined by PSE to be consistent with prudent utility practice, PSE will install its new Facilities within the Franchise Area pursuant to rights granted by this Franchise as requested by the City. In all other cases, PSE may install its new Facilities within and using such prior PSE easement or other property ownership or lease right, subject to compliance with any and all permit conditions and other requirements applicable to such work under City codes, ordinances and standards, including any such condition or requirement to repair and restore the Franchise Area consistent with adopted Public Works standards.

2.5 Without limiting PSE's obligation to consider requests made by the City pursuant to Section 2.4, this Franchise shall not govern or apply to Facilities located on and using PSE owned or leased properties or easements inside or outside of the Franchise Area (whether granted by a private or public entity and whether now existing or hereafter acquired), and such Facilities are not, and will not be deemed to be, located pursuant to rights derived from this Franchise or pursuant to rights otherwise granted by the City.

### **Section 3. Nonexclusive Franchise**

This non-exclusive Franchise is granted upon the express condition that it shall not in any manner prevent the City from granting other or further franchises in, along, over, through, under, below or across any portion of the Franchise Area that do not unreasonably interfere with PSE's rights under this Franchise. PSE acknowledges that the City's grant of a non-exclusive electric or natural gas franchise to another party does not, in and of itself, constitute unreasonable interference so long as the terms of the other franchise do not purport to give the other party priority or preference rights that unreasonably interfere with PSE's rights under this Franchise. This Franchise shall in no way prevent or prohibit the City from using, or affect its jurisdiction over, any portion of the Franchise Area or other City property, and the City shall retain the authority to make necessary changes, relocations, repairs, maintenance, establishment, and improvement to any portion of the Franchise Area or other City property as the City may deem fit, including the dedication, establishment, maintenance, and improvement of new rights-of-way or other public properties of every type and description.



**Section 4. Term of Franchise/Acceptance**

This Franchise is and shall remain in full force and effect for a period of five (5) years from the effective date of the Ordinance. This Franchise may be renewed, at the sole discretion of the Kenmore City Council for one additional five (5) year period upon the written request of PSE, such request to be submitted not less than one hundred eighty days (180) prior to the expiration of the initial five (5) year term. This Franchise is granted upon the express condition that PSE, within sixty (60) days after the adoption of this Ordinance, shall (i) file with the clerk of the City a written acceptance of the same; and (ii) jointly with the City, execute and deliver the Memorandum of Understanding described in Section 31 of this Franchise. Upon completion of each such step, this Franchise shall constitute a contract between the City and PSE for all the purposes herein set forth. If PSE fails to provide its written acceptance or jointly with the City execute and deliver the Memorandum of Understanding as provided above, this Ordinance and Franchise shall be null and void.

**Section 5. Non-Franchise Area City Property**

5.1 Except as expressly set forth in Section 5.2, below, nothing contained in this Ordinance shall be construed as granting permission or conveying any right to PSE to install Facilities, use or otherwise go upon any City-owned or leased properties or other public place other than the Franchise Area, and the City reserves the right to require compensation for the use of any such City-owned or leased properties or other public places not located in the Franchise Area, as may be required by the City Council by resolution. Permission to go upon any other property owned, leased or controlled by the City must be sought on a case by case basis from the City. Nothing in this Franchise shall be deemed to grant, convey, create or vest a real property interest in land to or in PSE, including any fee or leasehold interest or easement rights.

5.2 Existing Facilities installed or maintained by PSE on public grounds and places within the City in accordance with prior franchise agreements, but which are not within the Franchise Area as defined by this Franchise, may be maintained, operated, repaired and/or replaced in like kind by PSE under the terms of this Franchise. For normal maintenance and repair of such existing Facilities installed or maintained by PSE on public grounds and places, PSE shall notify the City prior to any activity undertaken by or on behalf of PSE that impacts or disrupts the public use of said public grounds or places. Such Facilities, however, may not be modified, enlarged, improved or expanded without the prior review and approval of the City pursuant to applicable ordinances, codes, resolutions, standards, and procedures. Any request to modify, enlarge, improve or expand such Facilities described in this Section shall also include a detailed map and description of the requested change to said Facilities.

**Section 6. Compliance with State and Local Regulations**

6.1 PSE shall comply with all federal, state, and (subject to Section 28) local laws or regulations applicable to the exercise of PSE's rights and obligations under this Franchise. Upon written inquiry, PSE shall provide a specific reference to either the federal, state, or local law or the WUTC order or action establishing a basis for PSE's actions related to the exercise of such rights and obligations.

6.2 In granting this Franchise the City hereby reserves all lawful powers *and* franchise authority available to it under its general police authority; provided, however, such authority shall be exercised in a manner consistent with the rights, privileges, authority and franchise conferred to PSE by this Franchise.

**Section 7. Non-Interference of Facilities**

7.1 PSE's Facilities shall be located and maintained within the Franchise Area so as not to interfere with the free and safe passage of pedestrian, bicycle and/or vehicle traffic therein or with the reasonable ingress or egress to properties abutting thereto, provided, that such ingress or egress (driveways) exists when such Facilities are first installed. The foregoing obligations include, but are not limited to, PSE's compliance with (subject to Section 28) applicable City ordinances, regulations and adopted Public Works Standards, and federal and state laws (such as the standards set forth in the American with Disabilities Act).

7.2 In the event that the City Manager or designee reasonably determines, after providing written notice to PSE and a reasonable opportunity for PSE to respond to the City Manager or designee's concerns, that any one or more of PSE's Facilities within the Franchise Area interfere with the free and safe passage of pedestrian, bicycle and/or vehicular traffic therein or with the reasonable ingress or egress to properties abutting thereto that exists when such Facilities are first installed, then PSE shall promptly take such action as is reasonably necessary to eliminate such interference. In so doing, the City shall fully cooperate with PSE, including, without limitation, allowing changes to or modifications of the Franchise Area, at PSE's expense, if such changes or modifications provide the most effective or economical means of eliminating such interference.

7.3 In the event such interference requires relocation of PSE's Facilities within the Franchise Area, such relocation shall be accomplished in accordance with Section 13 below (any such interference resulting from new development ingress or egress to properties abutting the Franchise Area in proximity to PSE's Facilities existing within the Franchise Area prior to the development shall be subject to Section 13.5).

**Section 8. Natural Gas System Integrity and Safety; Dangerous Conditions**

8.1 Upon the City's reasonable request, PSE will make available for review and inspection on PSE's premises by the City or City representatives, PSE's annual maintenance, safety and inspection plans and records concerning or related to PSE's natural gas Facilities located in the City of Kenmore.

8.2 Upon the City's reasonable request, PSE will make available for review and inspection on PSE's premises by the City or City's representatives, copies of reports or notices filed with WUTC or Federal Office of Pipeline Safety concerning or related to the integrity or safety of PSE's natural gas Facilities located in the City.

8.3 PSE will provide concurrent notice to the City of any application by PSE for waiver of any state or federal gas safety rule applicable to the integrity or safety of PSE's natural gas Facilities located in the City.

8.4 In the event that any of PSE's Facilities or operations cause or contribute to a condition that appears to endanger any person or substantially impair the lateral support of the Franchise Area or public or private property adjacent thereto, the City Manager or designee may direct PSE, at no charge or expense to the City, to promptly take such action as may be reasonably necessary to resolve such condition to eliminate such endangerment. Such directive may include compliance within a prescribed period of time.

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**Section 9. Construction and Maintenance of Facilities in Franchise Area; Permit Required**

9.1 Whenever PSE works in the Franchise Area for purposes of traffic control, installation, construction, repair, maintenance or relocation of its Facilities, it shall apply to the City for all necessary City permits to do such work, in accordance with all ordinances and regulations of the City. Subject to Section 28, PSE shall comply with all requirements and conditions of such permits, including but not limited to location restrictions, traffic control, restoration and repair work to restore the surface of the Franchise Area. In no case shall any such work commence within the Franchise Area without a permit, except as otherwise provided in this Franchise. After the work is completed, PSE shall provide to the City upon request and at no cost, copies of PSE's drawings showing the approximate location of its Facilities affected by such work. As to any such drawings so provided, PSE does not warrant the accuracy thereof and, to the extent the location of Facilities is shown, such Facilities will be shown in their approximate location. The foregoing is not, however, intended to relieve PSE of its obligations arising under Section 17.3 of this Franchise or under applicable law with respect to determining and disclosing the location of its Facilities within the Franchise Area.

9.2 PSE shall at all times post and maintain proper barricades and traffic control and comply with all applicable safety regulations during any period of construction or maintenance activities within the right-of-way as required by City or state regulations, including RCW 39.04.180, for the construction of trench safety systems.

9.3 In the event of any emergency where any Facilities located in the Franchise Area are broken or damaged, or if PSE's work area within the Franchise Area is in such a condition as to endanger any person or property, PSE may immediately take any necessary emergency measures to repair or remove its Facilities or otherwise make its work area safe without first applying for and obtaining a permit as required by Section 9.1. This provision shall not relieve PSE from later obtaining any necessary permit for the emergency work. PSE shall apply for the required permit the next business day following the emergency work or, in the case of an extended state of emergency, as soon thereafter as practical.

9.4 In the event PSE proposes to cut or disturb pavement within the Franchise Area for any purpose (except as provided in Section 9.3), PSE shall apply to the City for a permit to make such disturbance in accordance with Section 9. In its application PSE shall identify the specific paving proposed to be disturbed, describe the scope and extent of the proposed disturbance and explain the necessity for such disturbance. PSE shall minimize the extent of such pavement disturbance to that reasonably necessary to perform its work. PSE acknowledges the City's authority and discretion to approve (or not approve) disturbance of such pavement and to condition such approval and require compliance of the pavement restoration to the condition required in Section 10. PSE shall not cut or disturb any pavement within the Franchise Area (except as provided in Section 9.3) without written authorization from the City Manager or designee.

**Section 10. Restoration of Franchise Area and Decommissioning of Facilities**

10.1 PSE shall promptly restore the Franchise Area, at its sole cost and expense, after any installation, construction, relocation, maintenance, or repair of its Facilities within the Franchise Area. PSE shall restore the Franchise Area to the same condition existing immediately prior to PSE's work in the Franchise Area in accordance with the City's adopted Public Works Standards and as may be determined by the City Manager or designee, in each case as reasonably necessary to restore the integrity of the paving disturbed by PSE's work.

All survey monuments which are to be disturbed or displaced by such work shall be referenced and restored per WAC 332-120, as the same now exists or may hereafter be amended, and all pertinent federal, state and City standards and specifications. The City Manager or designee shall have final approval of the condition of the Franchise Area after restoration.

10.2 If it is determined that PSE has failed to restore the Franchise Area in accordance with Section 10, the City shall provide PSE with written notice including a description of actions the City reasonably believes necessary to restore the Franchise Area. If the Franchise Area is not restored in accordance with the City's notice within thirty (30) days of that notice, the City, or its authorized agent, may restore the Franchise Area. PSE shall be responsible for and pay all costs and expenses incurred by the City in restoring the Franchise Area in accordance with this section. PSE shall pay said costs and expenses within thirty (30) days of receipt of the City's billing for such work, including City overhead (provided that in no event shall such overhead exceed 10% of the total costs, fees and expenses). The remedy granted to the City under this section shall be in addition to those otherwise provided by this Franchise.

10.3 In the event PSE permanently ceases use of any above-ground Facilities within the Franchise Area, PSE shall within ninety days (90) after such permanent cessation of use, or such additional time as is agreed to by the parties, remove such above-ground Facilities at no cost to the City.

10.4 In the event PSE permanently discontinues use of and decommissions any of its underground Facilities within the Franchise Area, PSE may leave such underground Facilities in place subject to the conditions set forth in Sections 10.4 – 10.7. PSE shall notify the City when it permanently discontinues use of and decommissions any of its underground Facilities within the Franchise Area. PSE's written notification to permanently decommission underground Facilities within the Franchise Area shall include a mitigation plan for either removing or leaving in place the decommissioned underground Facilities. The mitigation plan shall address how and when the Facilities will be removed and shall include any mitigation measures PSE proposes to address impacts of the decommissioned underground Facilities to the Franchise Area. The mitigation plan shall require that any underground Facilities to be left in place shall be made inert by purging all natural gas from such underground Facilities (including displacement of natural gas with an appropriate inert gas) and disconnecting and sealing such underground Facilities, in compliance with applicable regulation and industry standards. Unless otherwise approved by the City, removal and mitigation should be accomplished within one hundred and eighty (180) calendar days after the Facilities are permanently decommissioned.

10.5 Within thirty (30) calendar days of receiving a mitigation plan submitted by PSE pursuant to Section 10.4, the City will review the mitigation plan and either approve or require changes and resubmittal. The City will not unreasonably withhold approval of PSE's proposed plan, but may require changes if it determines, in its reasonable discretion, that said plan fails to adequately mitigate the impacts of PSE's permanently decommissioned underground Facilities. If PSE's mitigation plan proposes leaving permanently decommissioned underground Facilities in place and the City determines, after consultation with PSE, that the impacts of leaving the Facilities in place cannot be adequately mitigated to the City's reasonable satisfaction, the City may require removal of the underground Facilities. If the City approves leaving permanently decommissioned underground Facilities in place, it may condition such approval upon PSE's agreement to remove the underground Facilities at a later time, such as in conjunction with a subsequent City Project (as defined below) or other project that includes excavation in the area or as reasonably required to

ensure the health and safety of the public. Following the City's approval of a mitigation plan, PSE shall promptly and in good faith implement the plan and obtain all required permits for its work in the Franchise Area.

10.6 If the Parties fail to agree upon a mitigation plan, PSE fails to comply with an approved plan, or circumstances require City action prior to approval of a plan, the City may, but is not required to, take such steps as it deems necessary to remove and/or mitigate for the impacts of the permanently decommissioned underground Facilities. Any costs incurred by the City as a result of PSE's failure to comply with its obligations under this Section with respect to permanently decommissioned underground Facilities shall be reimbursed by PSE within thirty (30) calendar days of the City invoicing PSE for such costs.

10.7 All work by PSE pursuant to this Section 10 shall be performed in accordance with the permit issued by the City, together with the laws of the State of Washington and, subject to Section 28 Kenmore Municipal Code and applicable regulations and standards of the City as the same now exists or as may be hereafter amended or superseded.

10.8 The Parties expressly agree that the provisions of this section shall survive the termination, expiration, or revocation of this Franchise

#### **Section 11. Bonding Requirement**

11.1 Pursuant to RCW 35A.47.040, PSE shall, within thirty (30) days after its acceptance of this Franchise, file with the City, and at all times thereafter, maintain in full force and effect for the term of this Franchise, a bond executed by PSE and a corporate surety authorized to do surety business in the State of Washington, with an AM Best rating of A XII. The amount shall be as provided in Section 11.3, and shall secure performance of PSE's obligations under Sections 7.1, 7.2, 8.4, 9.1, 9.2, 9.3, 9.4, 10.1, 10.2, 10.3, 10.4 and 13.1 (the "Bonded Obligations"). The bond shall be in a manner and form reasonably acceptable to the City and secure PSE's faithful performance of the Bonded Obligations and provide recovery on the bond in case of PSE's failure to perform the Bonded Obligations. PSE may meet the obligations of this section with one (1) or more bonds reasonably acceptable to the City. In the event that a bond furnished pursuant to this section is canceled by the surety, after proper notice and pursuant to the terms of said bond, PSE shall, prior to the expiration of said bond, procure a replacement bond which complies with the terms of this section.

11.2 In the event PSE shall fail to perform any Bonded Obligations in undertaking any work or other activities within the Franchise Area authorized by this Franchise, and further fails to cure its deficiency within the time period identified in the City's written notice of such deficiency (which may not be less than a reasonable period of time), then the City may recover jointly and severally from PSE and the surety of such bond to ensure performance of the Bonded Obligations. This section shall be a continuing obligation for the duration of this Franchise and thereafter until PSE has discharged all of its Bonded Obligations under this Franchise.

11.3 The bond filed in accordance with the requirements of this Section 11 shall be in the amount of Twenty Thousand Dollars and No/100 (\$20,000.00), but may be increased from time to time by mutual agreement of the parties if the volume of work being undertaken by PSE within the Franchise Area under this Franchise at any given point in time materially increases such that an

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increase in the bond amount is reasonably necessary to provide adequate protection to the City for the Bonded Obligations covered by such work.

11.4 In the event the City intends to execute on or seek recovery under any bond(s) furnished by PSE pursuant to this Section 11, the City shall promptly provide written notice of same to PSE. If the City successfully executes on any such bond, PSE shall promptly obtain a replacement bond in like amount and/or take such other action as is reasonably necessary to ensure that the bond(s) required by this Section 11 are maintained in full force and effect for the term of this Franchise.

11.5 The rights reserved to the City by this Section 11 are in addition to other rights of the City whether reserved by this Franchise or authorized by law, and no action, proceeding, or exercise of right under this Section 11 shall constitute an election or waiver of any rights or other remedies the City may have.

#### **Section 12. Underground Installation of Facilities**

12.1 PSE acknowledges that the City desires to promote a policy of underground installation of Facilities within the Franchise Area. The City acknowledges that PSE provides electrical and natural gas service on a non-preferential basis subject to and in accordance with applicable Tariffs on file with the WUTC. Subject to such Tariffs, PSE agrees to cooperate with the City in the formulation of policy and development regulations concerning underground installation of PSE's Facilities within the Franchise Area.

12.2 New extensions of electric Facilities that operate at 15,000 volts (15kV) or less constructed by PSE within the Franchise Area during the term of this Franchise shall be located underground subject to and in accordance with applicable Tariffs on file with the WUTC. Provided, however, that extensions of existing overhead Facilities of up to five spans or 500 feet (whichever is less) may, subject to the City's prior written consent which shall not be unreasonably withheld, be installed overhead in locations having other existing overhead utilities.

12.3 If, during the term of this Franchise, the City shall direct PSE to replace (convert) its overhead electric distribution Facilities (15kV or less) then existing within the Franchise Area with underground Facilities, such underground conversion shall be arranged and accomplished subject to and in accordance with applicable Tariffs on file with the WUTC. All requests by the City for conversion of overhead Facilities to underground shall comply with applicable law.

12.4 This Section 12 shall govern all matters related to underground installation of PSE Facilities within the Franchise Area.

#### **Section 13. Relocation of Facilities**

13.1 Whenever the City undertakes any City-funded (either directly with its own funds or with other public monies obtained by the City) improvement, repair, maintenance or other work within the Franchise Area ("City Project"), or if PSE's Facilities within the Franchise Area interfere with the free and safe passage of pedestrian, bicycle and/or vehicular traffic pursuant to Section 7 above, and such City Project or interference necessitates the relocation of PSE's Facilities then existing within the Franchise Area, the City shall:

- A. provide PSE, within a reasonable time prior to the commencement of such City Project, written notice requesting such relocation; and
- B. provide PSE with copies of relevant portions of the City's plans and specifications for such City Project.

No later than one hundred and twenty (120) calendar days (or such shorter or longer period of time as the parties may mutually agree in writing for a given City Project) following receipt of such notice and such plans and specifications (the "Relocation Deadline"), PSE shall relocate its Facilities within the Franchise Area at no charge to the City; provided, however, the Relocation Deadline may be extended as reasonably necessary for an additional one hundred twenty (120) calendar days, for a total of two hundred and forty (240) calendar days (or such shorter or longer period of time as the parties may mutually agree in writing for a given City Project), if it would be impossible or impracticable for PSE to complete the relocation work by the original Relocation Deadline due to factors and/or circumstances beyond PSE's reasonable control, including PSE's actual inability (despite using best efforts) to obtain materials in a timely manner or PSE's relocation work being dependent on the performance of other work by the City or any third party. PSE shall notify the City of any need to extend the Relocation Deadline within thirty (30) calendar days after PSE's receipt of the City's notice to relocate referenced in Section 13.1.A and the plans and specifications referenced in Section 13.1.B (which are complete to at least 60% of final design) for the City Project. If PSE notifies the City of a need for such extension, the City may object to PSE's notice by giving PSE prompt written notice of and reasons for the objection, in which event PSE and the City shall work together in good faith to resolve the dispute in an expeditious manner. PSE shall also notify any third parties that are known by PSE to have equipment located on the PSE Facilities being relocated that they need to remove or relocate the third party's equipment by the Relocation Deadline. If PSE or the City subsequently learn of any third parties having equipment located on the PSE Facilities being relocated that were not previously known to PSE, PSE and the City shall work together in good faith to identify the third parties, notify the third parties and resolve the issue in an expeditious manner. If, during the construction of any City Project, an emergency posing a threat to public safety or welfare, or a substantial risk of severe economic consequences to the City, arises requiring the relocation of PSE's Facilities within the Franchise Area, the City shall give PSE notice of the emergency as soon as reasonably practicable. Upon receipt of such notice from the City, PSE shall relocate as soon as reasonably feasible the affected Facilities, at no charge to the City.

13.2 The City shall act in good faith and shall use its best efforts to provide sufficient space within the Franchise Area for the safe and efficient installation, operation, repair and maintenance of the relocated Facilities. PSE shall act in good faith and shall use its best efforts to install relocated Facilities in such space within the Franchise Area, consistent with prudent utility practice. If the City and PSE are unable to agree that there is or will be sufficient space for the relocated Facilities in the existing Franchise Area, or PSE reasonably determines that locating such relocated Facilities within such space within the Franchise Area would be inconsistent with prudent utility practice, then the City and PSE will proceed in accordance with Section 13.3.

13.3 In order to accommodate a City Project undertaken by the City under this Section 13, PSE may install relocated Facilities on property outside of the Franchise Area, the rights for which shall be obtained by PSE at no expense to the City, if:

- A. Notwithstanding the use of best efforts by the City and PSE as outlined above, the City and PSE are unable to agree that there is or will be sufficient space within the Franchise Area for the relocated

Facilities, or

B. locating such relocated Facilities within such space within the Franchise Area would be inconsistent with prudent utility practice.

Nothing in this Section 13 shall limit the rights of the City or PSE with respect to acquisition or use of property rights outside of the Franchise Area.

13.4 If the City requires the subsequent relocation of any Facilities within five (5) years from the date of relocation of the same Facilities pursuant to this Section 13, the City shall reimburse PSE for all costs incurred by PSE in connection such subsequent relocation.

13.5 PSE shall have the right as a condition of any relocation described in this Section 13.5 to require such person or entity other than the City to make payment to PSE, at a time and upon terms acceptable to PSE, for any and all costs and expenses incurred by PSE in the relocation of PSE's Facilities whenever:

A. any person or entity, other than the City, requires the relocation of PSE's Facilities to accommodate the work of such person or entity within the Franchise Area, including but not limited to, activities relating to development, roadway frontage improvements or mitigation of impacts; or

B. the City requires any person or entity to undertake work (other than a City Project undertaken at the City's cost and expense) within the Franchise Area and such work requires the relocation of PSE's Facilities within the Franchise Area.

13.6 Any condition or requirement imposed by the City upon any other person or entity (including, without limitation, any condition or requirement imposed pursuant to any contract or in conjunction with approvals or permits obtained pursuant to any zoning, land use, construction or other development regulation) which requires the relocation of PSE's Facilities within the Franchise Area shall be a condition or requirement causing relocation of PSE's Facilities to occur subject to the provisions of Section 13.5 above; provided, however:

A. in the event the City reasonably determines and notifies PSE that the primary purpose of imposing such condition or requirement upon such person or entity is to cause the construction of a City Project within a segment of the Franchise Area on the City's behalf, and

B. such City Project is a funded project that is otherwise reflected in the City's adopted Six-Year Capital Improvement Program; Capital Facilities Plan; Transportation Improvement Program; Transportation Facilities Program or Budget;

Then only those costs and expenses incurred by PSE in connecting such relocated Facilities with PSE's other Facilities shall be paid to PSE by such person or entity, and PSE shall otherwise relocate its Facilities within such segment of the Franchise Area in accordance with Sections 13.1 through 13.3.

13.7 As to any relocation of PSE's Facilities whereby the cost and expense thereof is to be borne by PSE in accordance with Sections 13.1 through 13.3, PSE may, after receipt of written notice requesting such

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relocation, submit in writing within thirty (30) days to the City, alternatives to relocation of its Facilities. Upon the City's receipt from PSE of such written alternatives, the City shall evaluate such alternatives and shall advise PSE in writing if one or more of such alternatives is suitable to accommodate the work which would otherwise necessitate relocation of PSE's Facilities. In evaluating such alternatives, the City shall give each alternative proposed by PSE full and fair consideration with due regard to all facts and circumstances which bear upon the practicality of relocation and alternatives to relocation. No alternatives proposed by PSE shall be evaluated by the City in an arbitrary or capricious manner. In the event the City determines that such alternatives are not appropriate, PSE shall relocate its Facilities as otherwise provided in Sections 13.1 through 13.3. Nothing in this section shall be construed to be a waiver of any right of either PSE or the City to contest any claim or assertion by the other of responsibility to pay such costs or expense.

13.8 Subject to the exclusions and requirements set forth below in this Section 13.8, and to the maximum extent provided by law, if PSE breaches its obligations under Section 13.1 with respect to relocating its Facilities within the Franchise Area by the applicable Relocation Deadline in order to accommodate a City Project, and to the extent such breach causes a delay in the work being undertaken by the City's third party contractor(s) on a City Project that results in a claim by the third party contractor(s) for costs, expenses and/or damages that are directly caused by such delay and are legally required to be paid by the City (each, a "Contractor Delay Claim"), the City may at its sole option:

13.8.1 tender the Contractor Delay Claim to PSE for defense and indemnification in accordance with Section 20; or

13.8.2 require that PSE reimburse the City for any such costs, expenses, and/or damages that are legally required to be paid by the City to its third party contractor(s) as a direct result of the Contractor Delay Claim; provided that, if the City requires reimbursement by PSE under this Section 13.8.2, the City shall first give PSE written notice of the Contractor Delay Claim and give PSE the opportunity to work with the third party contractor(s) to resolve the Contractor Delay Claim for a period of not less than thirty (30) days (or such shorter period of time as the City may have to respond to the Contractor Delay Claim without prejudicing its right to respond, but in no event less than twenty (20) days) prior to the City's payment of the Contractor Delay Claim.

Nothing in this Section 13.8 or otherwise will require PSE to bear or be responsible for any cost, expense or damage, or to defend or indemnify the City against any claim, that results from a delay in meeting the Relocation Deadline for a City Project, to the extent the delay is caused by the City, any third party that is not an agent, subcontractor or vendor of PSE, or any Force Majeure Event. Provided, however, if such a delay is caused by a third party that is not an agent, subcontractor or vendor of PSE, or any Force Majeure Event, then PSE's performance shall only be excused for the time period equal to such delay. Therefore, if this Franchise specifies a time period for performance of an obligation by PSE, the time period during which PSE is excused from performance shall only be for the period of any delay in such performance caused by said third party or Force Majeure Event. PSE shall immediately communicate the circumstance of the event to the City and take all commercially reasonable steps within its control to satisfy its duties and obligations under this Franchise and mitigate the effects of the delay.

13.9 Nothing in this Section 13 shall require PSE to bear any cost or expense in connection with the location or relocation of any Facilities existing under benefit of easement or other property ownership or lease rights, regardless of whether such easement or other property ownership or lease rights is on public or private property and regardless of whether this Franchise co-exists with such easement or other property ownership or lease rights. Nothing in this Section 13.9 is intended to preclude the City from properly exercising its powers of eminent domain in accordance with applicable law.

13.10 The provisions of this Section 13 shall survive the expiration or termination of this Franchise during such time as PSE continues to operate and maintain Facilities in the Franchise Area. Additionally, the provisions of this Section 13 are applicable only so long as the Franchise Area is owned and/or controlled by the City.

#### **Section 14. Coordination/Shared Excavations**

14.1 PSE and the City shall each exercise best reasonable efforts to coordinate construction work either may undertake within the Franchise Area so as to promote the orderly and expeditious performance and completion of such work as a whole. Such efforts shall include, at a minimum, reasonable and diligent efforts to inform the other party and other utilities within the Franchise Area of its intent to undertake such construction work. PSE and the City shall further exercise best reasonable efforts to minimize delay or hindrance to construction work undertaken by themselves and other utilities within the Franchise Area.

14.2 PSE shall maintain adequate staffing levels and provide the City with one constant point of contact during construction of a City Project to provide responsive customer service. To initiate such construction coordination, the City shall contact PSE's customer construction services hotline department (as may be amended) to obtain a project number and be added to PSE's construction services system.

14.3 If, at any time or from time to time, either PSE or the City shall cause excavations to be made within the Franchise Area, the party causing such excavation to be made shall afford the other, upon receipt of a written request to do so, an opportunity to use such excavation, provided that: (1) such joint use shall not unreasonably delay the work of the party causing the excavation to be made; and (2) such joint use shall be arranged and accomplished on terms and conditions satisfactory to both parties.

#### **Section 15. City Use of Facilities**

15.1 During the term of this Franchise, and with respect to poles which are Facilities and which are (a) wholly owned by PSE and (b) within the Franchise Area, the City, subject to PSE's prior written consent which shall not be unreasonably withheld, may install and maintain City-owned overhead cables, routers, antennas, wires and other PSE-approved equipment upon such poles for police, fire, traffic control, WiFi/Internet, weather and air quality monitoring and other noncommercial municipal communications purposes. The foregoing rights of the City to install and maintain such facilities are further subject to the following:

A. Such installation and maintenance shall be done by the City at its sole risk and expense, in accordance with all applicable laws, and subject to such reasonable requirements as PSE may specify from time to time (including, without limitation, requirements accommodating PSE's Facilities or the facilities of other parties having the right to use PSE's Facilities);

B. PSE shall have no obligation arising under the indemnity and insurance provisions of this Franchise as to any circumstances directly or indirectly caused by or related to such City-owned wires or the installation or maintenance thereof; and the City shall indemnify, defend and hold harmless PSE in connection with the City's use of PSE's Facilities; and

C. PSE shall not charge the City a fee for the use of such poles in accordance with this Section 15 as a mean of deriving revenue therefrom (such as a rental or lease fee); provided, however, nothing herein shall require PSE to bear any cost or expense in connection with such installation and maintenance by the City.

#### **Section 16. Moving Buildings Within the Franchise Area.**

If any person or entity other than the City obtains permission in the form of a permit from the City to use the Franchise Area for the moving or removal of any building or other object, the City shall endeavor, prior to granting such permission, to require such person or entity to make any necessary arrangements with PSE for the temporary adjustment of PSE's wires to accommodate the moving or removal of such building or other object to allow PSE and other party to make necessary arrangements.

#### **Section 17. Records of Installation and Planning**

17.1 Upon the City's request, PSE shall promptly provide to the City copies of available maps and plans of imminent planned improvements, relocations and conversions to its Facilities within the Franchise Area; provided, however, any such maps or plans so submitted shall be for informational purposes only and shall not obligate PSE to undertake any specific improvements within the Franchise Area, nor shall such plan be construed as a proposal to undertake any specific improvements within the Franchise Area.

17.2 Upon the City's reasonable request, PSE shall provide to the City copies of available drawings in use by PSE showing the approximate location of PSE's Facilities at specific locations within the Franchise Area. Further, PSE shall, upon the City's reasonable request, discuss and explore ways in which PSE and the City may cooperate and coordinate activities with respect to the development of drawing file layers compatible with the City's Geographic Information System ("GIS") which show PSE's Facilities at specific locations in the Franchise Area. Notwithstanding the foregoing, PSE does not warrant the accuracy or sufficiency of any such drawings, drawing file layers or other information provided by PSE, and PSE shall not be liable to the City or others for any errors or defects in the same.

17.3 PSE shall further provide, upon the City's reasonable request in connection with the design of a City Project, field marking of PSE's underground Facilities within the Franchise Area at the location of the City Project, if such Facilities can be so field marked with reasonable accuracy using devices designed to respond to the presence of PSE's underground Facilities. In addition, PSE shall, upon the reasonable request of the City in connection with the design of any City Project, verify the actual location of its underground Facilities within the Franchise Area at the location of a City Project by excavating, including pot holing, at no expense to the City.

17.4 Within sixty (60) days of the City's adoption of this Franchise, or such longer period of time as may be agreed upon by the parties, PSE shall provide to the City a list of all known third party occupants that have any facilities attached to PSE Facilities in the Franchise Area. Upon the City's request made between

thirty (30) days and sixty (60) days prior to January 1 of each year of the term of this Franchise, PSE shall update such list on an annual basis within sixty (60) days after the start of such year.

17.5 Notwithstanding the foregoing, nothing in this Section 17 is intended (nor shall be construed) to relieve either party of their respective obligations arising under applicable law with respect to determining and disclosing the location of utility facilities.

#### **Section 18. Vegetation Management**

18.1 PSE shall on an annual basis perform vegetation review throughout the City and identify areas that need vegetation management for the reliable and safe operation of PSE Facilities. PSE shall notify the City within ten (10) calendar days of when such review will occur, and the City may accompany PSE or its consultants, in the review of vegetation in the Franchise Area, at its discretion. PSE shall on an annual basis identify those areas targeted for accelerated, or "hot spot," tree trimming and vegetation management and provide the City a written list and maps of locations within the Franchise Area at which PSE anticipates performing vegetation management activities for that year; provided that such list shall not limit PSE's right under this Franchise to cut, trim or otherwise remove vegetation at any time within the Franchise Area which, due to proximity to PSE's facilities, pose an imminent threat to public safety or the reliable operation of PSE's facilities. The City shall alert PSE of any trimming needs of the City that are within those portions of the Franchise Area designated by PSE for its vegetation management activities for that year and can be readily incorporated and combined with such vegetation management activities of PSE within the Franchise Area, and PSE shall endeavor to incorporate such trimming needs of the City into PSE's vegetation management activities for that year. PSE shall perform general trimming and vegetation management in the Franchise Area at least every 4 years.

18.2 PSE shall, in coordination with the City, identify vegetation species appropriate for location in proximity to PSE's facilities and shall cooperatively act with the City to promote use of such identified species within and adjacent to the Franchise Area.

18.3 PSE shall apply for and obtain a franchise utility right-of-way permit, with traffic control plan, for all vegetation management within the City. PSE shall not commence non-emergency vegetation management work without notice to abutting private property owners or occupants at least ten (10) working days in advance of the work to be performed, including the location and description of the work to be performed, the date work is planned to commence, and a contact name and telephone number at PSE. In performing vegetation management work, PSE shall comply with ANSI 300 pruning standards. PSE shall notify the City at least ten (10) calendar days prior to any vegetation management work being conducted within City limits; except that emergency work can be done the same day providing the City is contacted either by phone or email as soon as feasible. A knowledgeable PSE representative will stay in close communication with the City while vegetation management work is performed within the City. PSE shall conduct periodic performance reviews at the request of the City.

18.4 At the request of an abutting private property owner, PSE shall employ or consult with a certified arborist to assess the type of pruning proposed to be done and/or shall provide the abutting owner with alternatives to the type of pruning proposed to be done. PSE will reasonably consider alternatives proposed by the abutting property owner and any certified arborist hired by the property owner.

18.5 Nothing in this Franchise is intended to absolve PSE from any liability resulting from damage caused by trees that are severely pruned or topped by PSE and subsequently fall as a result of such pruning or topping.

18.6 PSE or its contractors should trim trees according to species growth habits. Crew foremen will be educated of different tree species and understand their corresponding growth habits.

18.7 In the event trees need to be trimmed within and/or adjacent to the Franchise Area, PSE shall notify the City in writing ten (10) days ahead of time. The City shall have final determination of whether a tree needs to be removed in the Franchise Area, and replacement trees shall be negotiated between the City and PSE of their contractor on a case by case basis.

18.8 All debris associated with line clearance tree trimming and/or removal work within or adjacent to the Franchise Area will be chipped and removed by PSE or its contractor from the site at no cost to the City. "Drop and Scatter" practices will require prior written approval from the City.

18.9 When trees are heavily trimmed or removed from or adjacent to the Franchise Area, PSE shall perform the work in such a way as to avoid damage to other trees within that area. If additional trees are accidentally damaged during such work, PSE, or its contractor, will use its best efforts to appropriately prune any such damaged trees. The City is to be contacted immediately in the event of any unplanned damage to City owned trees.

18.10 Climbing trees with gaffs or spikes is strongly discouraged on any deciduous, hardwood or thin bark tree species unless the tree is to be removed.

18.11 PSE shall commit to providing a 24 hour response time when a customer contacts PSE about vegetation management on or near their residence.

18.12 The parties shall endeavor to resolve disputes arising under this section in good faith.

#### **Section 19. Condemnation.**

The existence of this Franchise shall not preclude the City from acquiring by condemnation, in accordance with applicable law, all or a portion of PSE's Facilities within the Franchise Area.

#### **Section 20. Indemnification**

20.1 PSE shall indemnify, defend and hold harmless the City, its officials, officers, employees agents and representatives, from any and all third party claims or suits, and any damages, costs, judgments, awards or liability resulting from such claims or suits, (a) for injury or death of any person or damage to property to the extent the same is caused by the actual or alleged negligent acts or omissions, or willful misconduct, of PSE, its agents, servants, officers or employees in the performance of this Franchise and any rights granted hereunder, or (b) to the extent such claim or demand is caused by PSE's unlawful release of Hazardous Substances into the Franchise Area in violation of any Environmental Laws in its operation of the Facilities within the Franchise Area and exercise of any rights granted hereunder. The indemnity under Section 20.1(b) includes each of the following to the extent the same is caused by PSE's unlawful release of Hazardous Substances into the Franchise Area in violation of applicable Environmental Laws: (i) liability for a governmental agency's costs of removal or remedial

action for such release by PSE of Hazardous Substances; (ii) damages to natural resources caused by such release by PSE of Hazardous Substances, including the reasonable costs of assessing such damages; (iii) liability for any other person's costs of responding to such release by PSE of Hazardous Substances; and (iv) liability for any costs of investigation, abatement, correction, cleanup, fines, penalties, or other damages arising under any Environmental Laws that are caused by such release by PSE of Hazardous Substances. Provided, however, such indemnification shall not extend to any portion of any claims, demands, liability, loss, cost, damage or expense of any nature whatsoever including all costs and attorneys' fees caused by the willfully tortious, or negligent acts or omissions of the City, its agents, employees, officials officers, contractors or subcontractors. The indemnity under Section 20.1(a) includes, but is not limited to any Contractor Delay Claim that the City properly elects to tender to PSE pursuant and in accordance with Section 13.8.1 of the Franchise.

20.2 Inspection or acceptance by the City of any work performed by PSE at the time of completion of construction shall not be grounds for avoidance by PSE of any of its obligations under this Section 20. Said indemnification obligations shall extend to claims which are not reduced to a suit and any claims which may be compromised, with PSE's prior written consent, prior to the culmination of any litigation or the institution of any litigation.

20.3 Solely to the extent required to enforce the indemnification provisions of this Section 20, PSE waives its immunity under Title 51 RCW, Industrial Insurance; provided, however, the foregoing waiver shall not in any way preclude PSE from raising such immunity as a defense against any claim brought against PSE by any of its employees. The foregoing waiver under this Section 20.3 has been mutually negotiated by the parties hereto, and PSE acknowledges that the City would not enter into this Franchise without PSE's waiver thereof.

20.4 In the event any matter (for which the City intends to assert its rights under this Section 20) is presented to or filed with the City, the City shall promptly notify PSE thereof and PSE shall have the right, at its election and at its sole cost and expense, to settle and compromise such matter as it pertains to PSE's responsibility to indemnify, defend and hold harmless the City, its agents, officers or employees. In the event any suit or action be started against the City based upon any such matter, the City shall likewise promptly notify PSE thereof, and PSE shall have the right, at its election and at its sole cost and expense, to settle and compromise such suit or action, or defend the same at its sole cost and expense, by attorneys of its own election, as it pertains to PSE's responsibility to indemnify, defend and hold harmless the City, its agents, officers or employees.

20.5 The provisions of this Section shall survive the expiration and termination of this Franchise.

#### **Section 21. Insurance**

21.1 PSE shall procure and maintain for the duration of the Franchise, insurance, or in lieu thereof provide self-insurance, against all claims for injuries to persons or damages to property which may arise from or in connection with the exercise of the rights, privileges and authority granted hereunder to PSE, its agents, representatives or employees. Coverage shall include the City, its officers, elected officials, agents, employees, representatives, and volunteers as additional insureds. PSE shall provide a certificate of insurance and/or evidence of self-insurance to the City for its inspection prior to the commencement of any work or installation of any Facilities pursuant to this Franchise. Such certificate(s) of insurance and/or evidence of self-insurance shall evidence the following minimum coverages:

A. Commercial general liability insurance or excess liability insurance, including coverage for premises-operations, explosion, collapse and underground hazards (XCU), pollution liability, and products-completed operations, with limits not less than:

- (i) \$5,000,000 per occurrence; and
- (ii) \$5,000,000 in the aggregate.

B. Automobile liability for owned, non-owned and hired vehicles with a \$2,000,000 combined single limit.

C. Worker's compensation within statutory limits and employer's liability insurance with limits of not less than \$2,000,000.

If coverage is purchased on a "claims made" basis, then PSE shall warrant continuation of coverage, either through policy renewals or the purchase of an extended discovery period, if such extended coverage is available, for not less than three years from the date of termination of this Franchise, and/or conversion from a "claims made" form to an "occurrence" coverage form.

PSE's maintenance of insurance as required by this Franchise shall not be construed to limit the liability of PSE to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy to which the City is otherwise entitled at law or in equity.

21.2 PSE shall maintain the liability insurance policies required by this Section 21 throughout the term of this Franchise. Any deductibles or self-insured retentions must be declared to and approved by the City. Payment of deductibles and self-insured retentions shall be the sole responsibility of PSE. The insurance certificate required by this Section 21 shall contain a clause stating that coverage shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

21.3 PSE's insurance shall be primary insurance with respect to the City, its officers, elected officials, agents, employees, representatives, consultants and volunteers. Any insurance maintained by the City, its officers, elected officials, agents, employees, representatives, consultants and volunteers shall be in excess of PSE's insurance and shall not contribute with it.

21.4 Should any of the required insurance policies be cancelled or limits reduced below the limits described herein, PSE shall provide the City notice 30-days prior to such cancellation or reduction.

21.5 In the event any of the insurance required by this Section 21 is canceled or otherwise not renewed during the term of this Franchise, PSE shall promptly acquire replacement insurance or shall utilize self-insurance to restore and maintain the amount of coverage required by this Section 21 and shall promptly provide to the City certificate(s) of insurance or evidence of self-insurance as provided in this Section 21 as may be applicable.

## **Section 22. Default**

22.1 If PSE shall fail to materially comply with any of the provisions of this Franchise, unless otherwise provided for herein, the City may serve upon PSE a written order to so comply within thirty (30) days from

the date such order is received by PSE. If PSE is not in material compliance with this Franchise after expiration of said thirty (30) day period, the City may declare an immediate forfeiture of this Franchise, provided, however, if any failure to materially comply with this Franchise by PSE cannot be corrected with due diligence within said thirty (30) day period then the time within which PSE may so comply may be extended for a period of time as may be reasonably necessary and as agreed upon by the parties, so long as PSE commences promptly and diligently to effect such material compliance.

22.2 Notwithstanding PSE's obligation to comply and to proceed with due diligence to correct any default, the City recognizes that unavoidable delays and events beyond PSE's control may occur. In such event the parties agree that PSE shall make a good faith effort to expeditiously remedy the default. In the event of a declaration of forfeiture, should either party commence litigation against the other to appeal (in the case of PSE) or enforce (in the case of the City) such declaration of forfeiture, each party in any such litigation shall be responsible for their own costs and attorneys' fees.

### **Section 23. Reimbursement of Administrative Costs**

23.1 As specifically provided by RCW 35.21.860, the City may not impose a franchise fee or any other fee or charge of whatever nature or description upon PSE.

23.2 As provided in RCW 35.21.860, PSE shall reimburse and pay to the City's administrative expenses and costs incurred by the City that are directly related to: (a) receiving and approving a permit, license or this Franchise, (b) inspecting plans and construction, or (c) preparing a detailed statement, as may be required by Chapter 43.21C RCW. PSE acknowledges and agrees that it shall pay \$37,139.75 in reimbursement for the City's administrative expenses relating to the receipt, review and approval of this Franchise under Subsection 23.2(a).

23.3 As such expenses are incurred by the City, the City shall invoice PSE for all administrative expenses and costs to be reimbursed by PSE hereunder including an itemized statement showing such expenses and costs. PSE shall promptly remit payment to the City within thirty (30) days of receipt of such invoice. Notwithstanding any other provision of this Franchise, no acceptance by PSE of this Franchise shall be effective if PSE fails to pay the City's initial invoice for administrative expenses and costs properly reimbursable under Section 23.2(a) that are incurred by the City in receiving and approving this Franchise.

23.4 If PSE disputes any expense or cost included on the City's invoice, PSE shall promptly notify the City thereof and shall otherwise promptly remit payment for any and all undisputed expense and costs included on the City's invoice. As to any expense or cost disputed by PSE, PSE shall promptly provide written identification of such disputed amount(s) together with its written justification for such dispute to the City for the City's consideration. PSE and the City shall work together in good faith to resolve any disputed amount(s), including provision by either or both parties of such further information and documentation supporting or refuting such disputed amount(s) as may reasonably and practically be provided. Until any such dispute is resolved by the Parties the City may, at its sole discretion, suspend work being performed by the City or Puget and/or withhold City issued permits or City approvals related to such disputed amount(s). Except as set forth in this Section 23, such dispute will not otherwise effect any other obligation of the parties under this Franchise.



**Section 24. Utility Tax**

PSE acknowledges that the City is authorized under the laws of Washington State to impose certain taxes upon PSE. Nothing in this Franchise shall exempt (nor shall be construed to exempt) PSE from payment of any and all such taxes lawfully imposed by Kenmore Municipal Code, as may hereafter be lawfully amended or superseded, and due from PSE; provided, nothing in this Section 25 shall be construed in any way as a waiver of PSE's rights to contest the validity of any such tax or the amount of any tax due. If payment of such taxes is not made by PSE in a timely manner, the City reserves the right, at its sole option, to inter alia suspend the rights granted to PSE by this Franchise until such time that PSE pays such taxes or PSE and the City otherwise resolve any matter concerning payment thereof.

**Section 25. Emergency Management**

Annually, upon the request of the City, PSE will meet with the City Fire/Emergency Preparedness personnel to coordinate emergency management operations and, at least twice a year, at the request of the City, PSE personnel will actively participate with either the Northshore Emergency Management Coalition or City Emergency Personnel in emergency preparedness drills or planning sessions.

**Section 26. Assignment of Franchise**

All of the provisions, conditions and requirements herein contained shall be binding upon PSE and the City. PSE may not assign or otherwise transfer its rights, privileges, authority and franchise herein conferred without the prior written authorization and approval of the City, which such authorization and approval shall not be unreasonably withheld. The City hereby authorizes and approves PSE to mortgage its rights, privileges, authority and franchise in and under this Franchise to the Trustee for its bondholders.

**Section 27. Severability and Survival**

27.1 If any term, provision, condition or portion of this Franchise shall be held to be invalid such invalidity shall not affect the validity of the remaining portions of this Franchise which shall continue in full force and effect. The headings of the sections and paragraphs of this Franchise are for convenience of reference only and are not intended to restrict, affect or be of any weight in the interpretation or construction of the provisions of such sections or paragraphs.

27.2 All provisions, conditions and requirements of this Franchise that may be reasonably construed to survive the termination or expiration of this Franchise shall survive the termination or expiration of the Franchise. Subject to Section 6 above, the parties' respective rights and interests under this Franchise shall inure to the benefit of their respective successors and assigns.

**Section 28. Amendments to Franchise.**

28.1 This Franchise may be amended only by mutual agreement thereto, set forth in writing in the form of a City ordinance, signed by both parties, which specifically states that it is an amendment to this Franchise. In the event of any direct conflict or inconsistency between the provisions of this Franchise and the provisions of any code, regulation or standard of the City, whether now existing or hereafter adopted by the City, the provisions of this Franchise will govern and control. Without limiting the generality of the

foregoing, this Franchise (including, without limitation the Sections addressing indemnification and insurance) shall govern and supersede and shall not be changed, modified, deleted, added to, supplemented or otherwise amended by any permit, approval, license, agreement or other document required by or obtained from the City in conjunction with the exercise (or failure to exercise) by PSE of any and all of its rights, benefits, privileges, obligations or duties in and under this Franchise, unless such permit, approval, license, agreement or other document specifically:

- A. references this Franchise; and
- B. states that it supersedes this Franchise to the extent it contains terms and conditions which change, modify, delete, add to, supplement or otherwise amend the terms and conditions of this Franchise.

In the event of a direct conflict or inconsistency between the provisions of this Franchise and the provisions of any such permit, approval, license, agreement or other document, the provisions of this Franchise shall control.

28.2 This Franchise is subject to the provisions of applicable Tariffs on file with and accepted by the WUTC. In the event of any conflict or any inconsistency between the provisions of this Franchise and any such Tariff, the provisions of such Tariff shall control. Nothing in this Franchise shall be deemed to waive, prejudice, or otherwise limit any right or authority of the City to challenge or contest the validity of the Tariff or its application to the City before a court or regulatory agency having subject matter jurisdiction, and nothing in this Franchise will be deemed or construed as a contractual commitment or agreement by the City to accept the application of a Tariff if the City is successful in such challenge or contest of the validity of the Tariff.

28.3 The parties agree to renegotiate the terms of this Franchise, if, during the term of this Franchise there becomes effective any change in federal or state law which:

- A. Affords either party the opportunity to negotiate in good faith a term or condition of this Franchise which term or condition would not, prior to such change, have been consistent with federal or state law; or
- B. Pre-empts or otherwise renders null and void any term or condition of this Franchise which has been negotiated in good faith;

Then, in such event, either party may, within one hundred eighty (180) days of the effective date of such change in federal or state law request in writing to commence negotiations to amend this Franchise. Such negotiations shall encompass only the specific term or condition affected by such change in federal or state law and neither party shall be obligated to re-open negotiations on any other term or condition of this Franchise. Within thirty (30) days from and after receipt of such written request, the parties shall, at a mutually agreeable time and place, commence such negotiations. Pending completion of such negotiations resulting in mutually agreeable amendment of this Franchise, adoption of such amendment by Ordinance by the City and acceptance of such Ordinance by PSE, and except as to any portion thereof which has been pre-empted or otherwise rendered null and void by such change in federal or state law, this Franchise shall remain in full force and effect.

**Section 29. No Third Party Beneficiary**

Nothing in this Franchise shall be construed to create any rights in or duties to any third party, nor any liability to or standard of care with reference to any third party. This Franchise shall not confer any right or remedy upon any person other than the parties. No action may be commenced or prosecuted against any party by any third party claiming as a third party beneficiary of this Franchise. This Franchise shall not release or discharge any obligation or liability of any third party to either party.

**Section 30. Notice of Tariff Changes**

PSE shall, when making application for any changes in Tariffs affecting the provisions of the Franchise, notify the City in writing of the application and provide the City Manager with a copy of the submitted application within thirty (30) days of filing with the WUTC. PSE shall further provide the City Manager or designee with a copy of any approved Tariff change affecting the provisions of this Franchise.

**Section 31. Force Majeure**

Any prevention, delay or inability to perform the duties and obligations under this Franchise due to a Force Majeure Event shall excuse the performance of such party for a period equal to any such prevention, delay or stoppage and, therefore, if this Franchise specifies a time period for performance of an obligation of either party, that time period shall be extended by the period of any delay in such party's performance caused by a Force Majeure Event. Provided, however, that the party has communicated the circumstance of the Force Majeure Event to the other party and has taken all commercially reasonable steps within its control to satisfy its duties and obligations under this Franchise and mitigate the effects of the Force Majeure Event.

**Section 32. Memorandum of Understanding**

The parties have separately entered into, and shall maintain in effect for the term of this Franchise, a Memorandum of Understanding ("MOU") that details their respective expectations and obligations for the reporting of certain performance and reliability measures regarding electrical service to PSE customers within the City. The parties agree that the MOU is an integral part of this Franchise, and may be enforced under the terms and conditions set forth in this Franchise.

CITY OF KENMORE

PUGET SOUND ENERGY, INC.

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

VIII. B. Ordinance 18-0456 Approving a Non-Exclusive Dual Franchise Agree...

XIII. C. Ordinance 19-0486 Puget Sound Energy, Inc. Franchise Agreement ...

**ACCEPTANCE OF FRANCHISE**

The provisions of this franchise ordinance are agreed to and hereby accepted. By accepting this franchise ordinance, PSE covenants and agrees to perform and be bound by each and every term and condition of this franchise ordinance. PSE agrees to send to the City PSE's written acceptance of this Franchise via certified mail, unless otherwise hand-delivered to an employee of the City at City Hall during regular working hours.

Dated: \_\_\_\_\_

PUGET SOUND ENERGY, INC.

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Its: \_\_\_\_\_

ATTEST  
PUGET SOUND ENERGY, INC.

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**City of Kenmore Contract No. 18-C1820**

**Memorandum of Understanding  
Performance and Reliability Reporting**

This Memorandum of Understanding (this "**MOU**") is entered into by and between the City of Kenmore (the "**City**") and Puget Sound Energy, Inc. ("**PSE**"), also referred to herein individually as a "**Party**" and collectively as the "**Parties**".

WHEREAS, the City and PSE recognize the value of enhancing their working relationship through cooperation, planning, communication and coordination; and

WHEREAS, the reliability of electrical services provided by PSE in the City was presented as a serious concern by the community and City leadership in 2015; and

WHEREAS, a 2016 independent technical analysis commissioned by the City stated that nine of the of the ten electrical circuits serving the City were in the lowest 40% of electrical circuits within PSE's entire system with respect to reliability and seven of those nine performed in the lowest 25% of all circuits in the PSE system with respect to reliability; and

WHEREAS, the City and PSE have been working together to improve electrical reliability within the City as a whole, and PSE initiated improvements for certain electrical circuits serving the City in 2016 and 2017 that are designed to improve reliability; and

WHEREAS, the City and PSE desire to establish mutually agreed provisions for the reporting of certain performance and reliability measures for PSE's electric service;

NOW, THEREFORE, it is hereby agreed between the Parties as follows:

1. This MOU may be amended from time to time only by mutual written agreement of the Parties. Any amendments must be set forth in writing, signed by both Parties, and specifically state that it is an amendment to this MOU.

2. This MOU, as from time to time amended, will remain in full force and effect for a period of \_\_\_\_\_ (\_\_\_\_) years from the date of this MOU as set forth below, unless sooner terminated or extended by mutual agreement of the Parties.

3. The performance of the Parties under this MOU is subject to all applicable regulations of the Washington Utilities and Transportation Commission ("WUTC"), and any such regulation shall govern and control over any inconsistent provision of this MOU. As of the effective date of this MOU, the parties acknowledge that the provisions set forth in this MOU are consistent with existing WUTC regulations and tariffs.

4. PSE will use good faith efforts to maintain and improve the reliability of the electrical service provided by PSE to all of its electric customers in the City. In furtherance of this objective, PSE will undertake to do the following:

(a) On an annual basis, provide a written report to the City detailing the System Average Interruption Frequency Index ("**SAIFI**") and the System Average Interruption Duration Index ("**SAIDI**") for PSE's electric service within the City for a period that covers each of the previous five (5) years, including SAIFI and SAIDI information by individual PSE circuit serving the City that is calculated using the standard IEEE method; however, such reporting may use separate tables for transmission and substation outages and exclude outages without material customer impact (e.g., a substation being taken off-line for repair while maintaining electric service to customers within the City). PSE shall also provide an annual comparison of its service reliability within the City against its service reliability within cities that border the City and are within PSE's electric service territory, as well as a written comparison of its service reliability within the City against its service reliability across PSE's entire service area; and

(b) On an annual basis, identify and provide a written report to the City identifying any PSE circuits serving the City having a SAIFI and/or SAIDI, for the previous twelve (12) months, that is greater than the PSE system SAIFI and/or SAIDI for the same period and identify any corrective actions that may be taken by PSE to improve any such circuits. PSE shall include, in the report, annual outage data by circuit within the City, and each report shall be submitted by May 31<sup>st</sup> of each year with outage data for the immediately preceding calendar year; and

(c) On an annual basis, provide a written report to the City concerning all non-scheduled outages (and resulting service interruptions to customers) within the City during the previous twelve (12) months that involve electric service interruption to customers within the City (or such other threshold number of customers as the parties may agree upon from time to time), identifying the individual circuit, cause, equipment, duration and number of customers affected by the outage. Upon the City's reasonable request, PSE also will provide information regarding non-scheduled outages during the previous twelve (12) months that involved electric service interruption to any individual neighborhood within the City that lasted more than two (2) times the average community restoration time for other neighborhoods within the City.

(d) At a minimum annually, but more often as mutually agreed upon by the Parties, PSE shall present a report to the City Council at a public meeting, on a date mutually agreed upon by the Parties, summarizing the following:

(i) information contained in the written reports submitted by PSE pursuant to subsections (a) through (c) for the previous twelve (12) months;

(ii) PSE's processes and efforts for restoring electric service to its customers in the City during outages over the previous twelve (12) months, and identifying the steps necessary to expedite power restoration;

(iii) PSE's processes and methods for notifying and coordinating with the City during outage and storm, and emergency response, including designated PSE emergency contact information to report PSE equipment issues that compromise, or potentially could compromise, public safety or traffic movement in the right-of-way, and staff members designated by PSE to communicate with City leadership or designated staff when outages occur and to report on areas affected, remedies planned or underway and estimated restoration times;

(iv) system enhancements made by PSE over the previous twelve (12) months that show progress toward meeting system enhancement goals outlined by the City in its Kenmore Comprehensive Plan Utilities Element or other applicable system plans;

(v) projects that PSE anticipates undertaking during the next three (3) years to improve the reliability of its electric service in the City, including but not limited to smart grid alternatives or other innovative power measures; and

(vi) other matters mutually agreed upon by the Parties.

At the time PSE presents its report to the City, PSE also will give an update on PSE's plans and efforts for decreasing fossil fuel-generated electricity system wide, in addition to related information that is in PSE's reports to the WUTC or other government entities.

5. The information provided by PSE to the City under this MOU shall be provided to facilitate further inquiry by the City to PSE concerning the performance and reliability of PSE's electric service within the City. If the reports required by this MOU show that any individual circuit serving the City has a SAIFI and/or SAIDI for the preceding year that is greater than the PSE system SAIFI and/or SAIDI for the same period, then PSE will meet at the City's request and seek to resolve the issue in good faith. The provision of such information shall not otherwise create or imply any other commitment or obligation of PSE. The City will not provide such information to any third party without prior notice to PSE of the City's intention to do so.

6. As part of the parties' collaboration efforts under Sections 4 and 5 above, the City and PSE may give particular focus in their discussions to:

(a) measures for further improving the reliability of any individual electrical circuits serving the City that performed below PSE's system wide average reliability for the current and past three (3) years, such as accelerated vegetation management activities after a power outage, pole replacement, tree wire insulation, and/or sectionalizing switches at specific locations to minimize faulted regions and restore power to un-faulted regions of the electrical circuits serving the City; and

(b) measures to implement through PSE's improvement planning smart grid technology that provides smart, automated systems and switches to provide reliability, redundancy and resiliency in the electrical circuits serving the City, both as to existing circuits and those in new development areas.

-3-

137606750.1

7. Upon the City's reasonable request, but in no event more frequently than once each year, PSE will report to the City on the following:

(a) PSE's process and method (as made available) for providing its customers with information regarding filing claims for restitution for damages caused by power outages and/or obtaining available rebates relating to non-storm power outage events exceeding the duration of neighboring areas;

(b) PSE's efforts to establish a mechanism for communicating with property owners who have PSE Facilities located on or near their property that PSE may need to access for maintenance or service restoration of such PSE Facilities; and

(c) PSE's process and method (as made available) for allowing residential and commercial customers within the City to install grid-tie technology, which allows the customer to net meter their electricity based on power generated on site via solar, wind, or other renewable source.

8. PSE and the City will work together and collaborate in good faith on Comprehensive Plan Utilities Element updates and service planning to help facilitate meeting planned development projections.

9. The parties will discuss in good faith the means and terms on which an electric charging station may be installed and operated at or near City Hall.

10. The City acknowledges that it will consider proposing issues of mutual interest to be added to the state or federal legislative agenda.

Agreed and Accepted this \_\_\_\_ day of \_\_\_\_\_, 2018.

CITY OF KENMORE

PUGET SOUND ENERGY, INC.

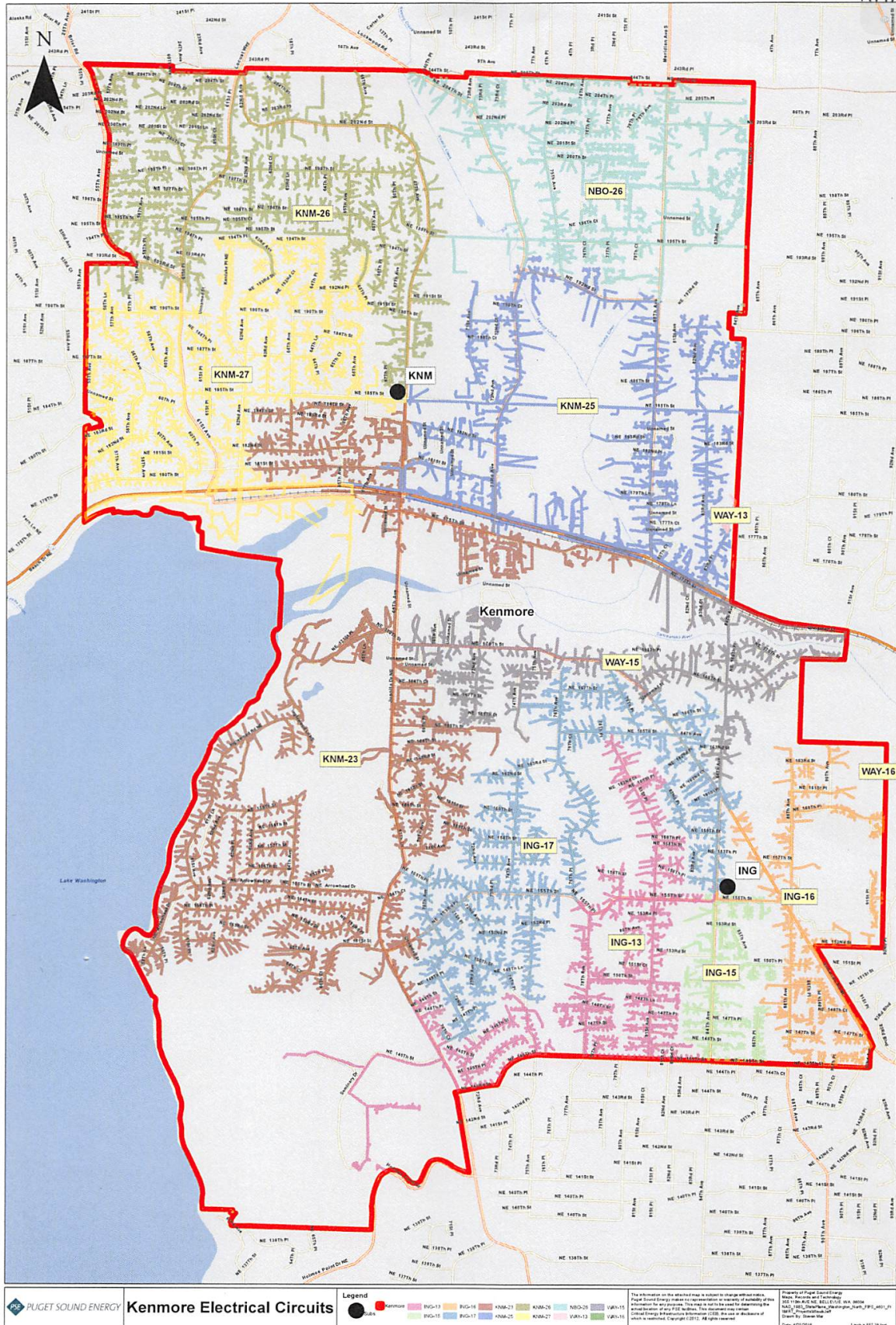
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City Manager

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(Title)

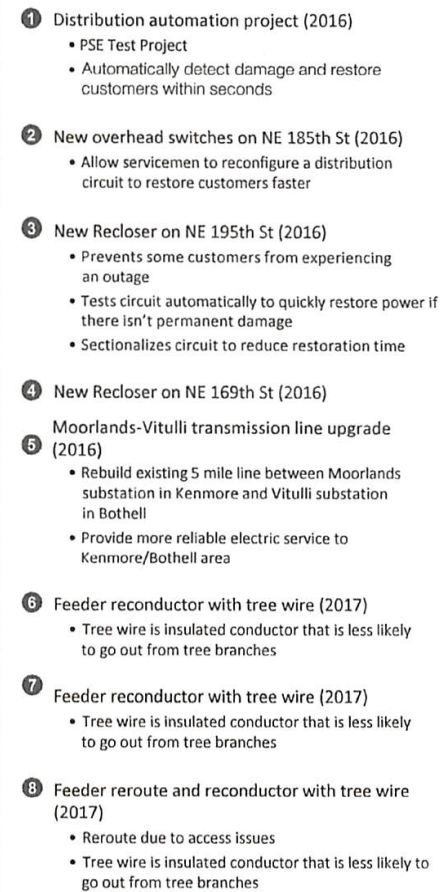
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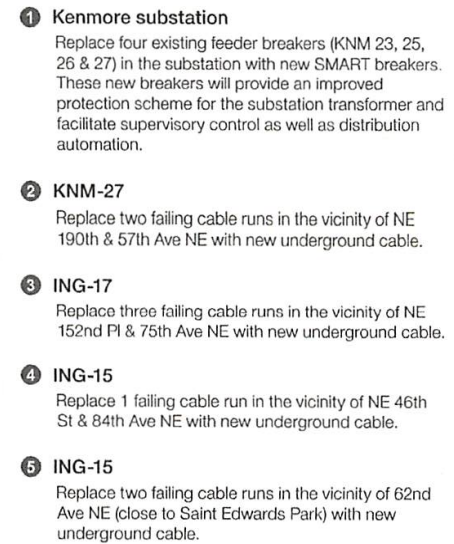
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City Attorney













## Transmission lines serving Kenmore

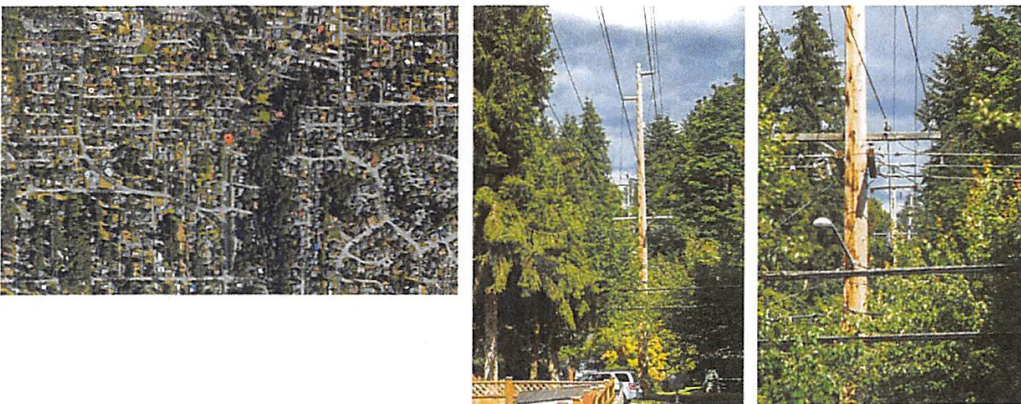
### 62nd Avenue Northeast and Northeast 195th Street



### 68th Avenue Northeast and Northeast 195th Street



### 61st Place Northeast and Northeast 194th Place



*Failure Analysis Associates*

The logo for Exponent, featuring the word "Exponent" in a white serif font with a registered trademark symbol, set against a dark green background. A large, faint, stylized "Ex" is visible in the lower portion of the green area.

Exponent®

**Revised**

**Electric System Reliability  
Assessment**

**City of Kenmore**



**Revised**

**Electric System Reliability Assessment**

**City of Kenmore**

Prepared for

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Assistant City Manager  
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November 17, 2016

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## List of Abbreviations

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|                 |                                                                              |
|-----------------|------------------------------------------------------------------------------|
| A               | amperes                                                                      |
| ACSR            | Aluminum conductor steel reinforced                                          |
| aMW             | annual megawatts (unit represents a constant load of one MW for a full year) |
| CCR             | Coal combustion residuals                                                    |
| CO <sub>2</sub> | Carbon dioxide                                                               |
| EMS             | Energy Management Systems                                                    |
| EUE             | Expected unserved energy                                                     |
| IRP             | Integrated resource plan                                                     |
| kV              | kilo Volt                                                                    |
| kVA             | kilo volt-amperes                                                            |
| LOLP            | Loss of load probability                                                     |
| mcm             | thousand circular mils                                                       |
| MVA             | Mega volt-amperes                                                            |
| SAIDI           | System Average Interruption Duration Index                                   |
| SAIFI           | System Average Interruption Frequency Index                                  |
| SCADA           | supervisory control and data acquisition systems                             |
| WUTC            | Washington utility transportation commission                                 |

## **Limitations**

---

The scope of this report is intended for use by the City of Kenmore in reviewing their electric system reliability and capacity performance and may not be adequate for other purposes. Use of this report or the findings, conclusions, or recommendations presented herein for any other purpose is at the sole risk of the user.

The findings presented herein are made to a reasonable degree of scientific certainty based on information possessed by Exponent as of the end of date of this report. This report may be supplemented to expand or modify our findings based on additional work or review of additional information.

## **Executive Summary**

---

### **Objectives and Scope of Work**

Kenmore is undertaking a review of their electric system in preparation for renewal and renegotiation of their Franchise Agreement with Puget Sound Energy (PSE). Kenmore has requested an independent study of the electric system reliability, including infrastructure needs.

Exponent has performed the reliability assessment to address the following issues:

- Current power infrastructure, reliability and service levels in Kenmore.
- Complaints and actions related to service in Kenmore.
- PSE's recent and planned capital projects and programs to improve system reliability in Kenmore and recommended approaches that can result in reliability improvements.
- Current maintenance practices and vegetation management practices.
- Infrastructure and power supply improvements that are needed to meet future power needs.
- Smart-grid-related strategies or technology used in the US that could be adopted by PSE.

Exponent performed the reliability assessment by performing the following tasks:

- Review of pertinent reliability information obtained from PSE through public-availability submittals to Kenmore and the WUTC.
- Review of Integrated Resource Plan submitted by PSE to the WUTC which is publically available
- Drive and walk through observations of the electric system in Kenmore
- Interviews with selected members of the Kenmore Council and City Management
- Interviews with selected Kenmore residents and attendance at a PSE –Kenmore community meeting
- Interviews with General Manager of Bastyr University
- Interviews with members of PSE distribution and transmission planning
- Review of other industry available data through the public record

These tasks were performed to provide the current status of reliability issues in Kenmore and recommendations for potential improvements. The results of this assessment are included in this report.

### **Conclusions**

Exponent found during its study that the electric power distribution circuits in the City of Kenmore are among the least reliable in Puget Sound Energy's (PSE) power distribution system. The reasons were readily apparent to Exponent after walk throughs and drive throughs of the City. The major reasons for low reliability are clearly that the distribution circuit are

generally older vintage and are placed in heavily forested right-of-ways. A secondary reason is the lack of animal guards placed on the distribution line poles.

Even though the distribution circuits are well placed in many of the newer parts of the City, portions of the circuits pass through narrow rights-of-ways with tree branches very close to the energized lines. In some line segments the right-of-ways are only five feet wide, which can easily be bridged by wind blowing tree branches into the line conductors. Any single, permanent tree branch contact will de-energize all or a substantial portion of the affected distribution circuit. Because in many instances, the tree induced line faults can be on a circuit routed through the backyards of homes, it is very difficult and time consuming to inspect the lines in order to find the fault location because such inspections have to be performed by walking the line. Furthermore, it will also be difficult if not impossible to bring equipment such as bucket trucks to the fault locations, which will make the repairs more labor intensive and time consuming. All of this leads to more frequent electric power system outages than in areas with less tree vegetation. These distribution system characteristics make the system highly susceptible to long duration outages in conjunction with severe storm events when tree branches might break, fall down and break the conductors.

The design of PSE's power distribution system in the City appears to be a legacy system with the basic configuration existing from a time before the City was incorporated. This means the system currently consists of older equipment that does not take advantage of modern technologies. It will be difficult to rebuild the system since:

- There may be a need to move lines from the back of properties to street locations. This effort will require the need for executing easements to enable the lines to be relocated.
- If lines are kept where they are that would require widening of the right-of-ways, clearing trees along the right-of-ways and removing easement encroachments to enable access by bucket trucks and truck mounted tree trimming equipment.
- Surface mounted service transformers and switches would have to be placed along the circuit if the overhead distribution lines were replaced by underground cables. .

Considering that one reason for the attractiveness of the City is the beautiful tree lined streets, it will not be easy to reach a consensus for major modifications of the power distribution circuits in the city. Therefore, the best remedy appears to be the completion of circuit rebuilds to modernize and improve reliability on circuits with aging equipment and limited accessibility; installation of tree wires that will reduce the probability for tree related faults; plus installation of modern so called reclosing switches that can be remotely controlled and interrogated to obtain fault information. If in addition, power can be fed into the circuits from the remote ends of the lines, it should be possible to minimize the areas affected by any distribution line fault and to relatively quickly identify the fault location, which will speed up the repair of the lines. Some of this is already imbedded in PSE's 2017 and future year budget plans. In addition, shortening the vegetation inspection patrols and reducing the tree trimming schedule (from the present 4 year schedule) would reduce the probability for tree rated faults.

Exponent also reviewed the cost of residential power available in the areas bordering Kenmore and found, based on publically available information that PSE presently appears to be competitive with the rates offered by Seattle City Light and only slightly higher than the rates offered by the Snohomish county PUD.

The presently PSE has the power supply resources to serve its customers. However, the region is experiencing growth so shortfalls might arise in the future. Therefore, as a part of Exponent's scope of work, PSE's integrated resource plan (IRP) was reviewed and evaluated to assess the probability that PSE will have the needed capacity to serve the region's expected growth, which is primarily expected to occur in the Interstate 405 corridor. One of the fundamental assumptions in the IRP is that the Northwestern states can be expected to have a significant electric power capacity shortfall during the 20 year planning horizon. However, there appears to be sufficient time to be prepared for this eventuality and to add power generation so that the expected future needs can be met.

## Key Recommendations

Based on these observations, Exponent has identified several recommendations for potential improvement in electric reliability. These recommendations include:

1. Since the Kenmore circuits are looped radial circuits, the installation of reclosers and sectionalizing switches can make major improvements in outage restoration to reduce overall outage duration. It is recommended the installation of these devices be expedited for the Kenmore area.
2. PSE should implement its current plans for the rebuilding of Kenmore-26 (relocation of sections of the circuit), Kenmore-27 (feeder reconductoring) and Kenmore-23 circuits (feeder reconductoring). They should also implement improvements for other identified reliability-issues on other circuits in Kenmore. [Note: there are on-going discussions between PSE and Kenmore regarding the scope of these upgrades.]
3. Kenmore is subject to significant storm impacts related to tree-related outages. The Kenmore area is on a four-year tree trimming cycle. It is recommended to perform more frequent patrols in Kenmore to identify potential emerging activities within the four-year period.
4. To further effect a turnaround in reliability, it is recommended that PSE install current modern technologies that it is utilizing in other parts of their system. It is recommended that Kenmore work with PSE to install other advanced technologies that are intended to improve electric reliability. These technologies may include various automation solutions, SCADA installations, and communications protocols for events and storm response.
5. Kenmore should request a reliability report from PSE that provides more details for evaluation of the Kenmore circuits. This report would highlight circuit outages, circuit projects, on-going maintenance activities, and performance related metrics. This report would provide for a better communication between Kenmore and PSE relative to

reliability and capacity issues. This reliability report can also form the basis for an annual meeting between PSE and Kenmore to review future plans and provide feedback on reliability issues.

6. Kenmore and PSE should have a more formal protocol for reviewing growth plans for Kenmore so that these plans are included in PSE's system planning activities.

These recommendations are intended to assist Kenmore in working with PSE to ensure appropriate levels of support for the Kenmore community.

Note that this Executive Summary does not contain all of Exponent's technical evaluations, analyses, conclusions, and recommendations. Hence, the main body of this report is at all times the controlling document.



## Introduction

---

### Objective

Kenmore is undertaking a review of their electric system in preparation for renewal and renegotiation of their Franchise Agreement with Puget Sound Energy (PSE). Kenmore has requested an independent study of the electric system reliability, including infrastructure needs.

### Scope of Work

Exponent has performed the following tasks to assist the City of Kenmore in its review of its electric system performance:

- Exponent reviewed the current power infrastructure, reliability and service levels in Kenmore. Standard metrics System Average Interruption Frequency Index (SAIFI) and System Average Interruption Duration Index (SAIDI) were used to provide a high level review of reliability. These metrics were obtained from the WUTC for PSE, Avista and PacifiCorp on a system level; from information provided by Kenmore for City-specific metrics; and publically available records for other municipal utilities.
- Exponent reviewed complaints and actions related to service in Kenmore. This information was obtained from the PSE Annual Reliability Report to the WUTC and discussions were held with the WUTC relative to the complaint process. The complaints were reviewed to determine causes affecting reliability. Exponent also conducted interviews with City personnel and citizens; and attended a local community meeting between PSE and Kenmore residents. Exponent also performed a general walk-through of Kenmore to visually observe the electric system.
- Exponent reviewed PSE's recent and planned capital projects and programs to improve system reliability in Kenmore and recommended approaches that can result in reliability improvements. Exponent met with PSE staff to understand the transmission and distribution system in Kenmore and to identify on-going reliability improvements.
- Exponent reviewed current maintenance practices and vegetation management practices to provide an assessment of how this compares with general industry practice. Discussions were held with PSE to determine their current practice and its impact on Kenmore.
- Exponent reviewed the infrastructure and power supply improvements that are needed to meet future power needs. This task included a review of information on Kenmore (2015 Comprehensive Plan Utilities Element) and information from the PSE Integrated Resource Plan. Discussions were also held with PSE to determine how they are planning to respond to the City and regional growth plans.

- Exponent recommended strategies or technology used in the US that could be adopted by PSE. This task generally involved a review of smart grid initiatives affecting reliability, outage management, and grid performance.

These tasks were performed to provide the current status of reliability issues in Kenmore and recommendations for potential future improvements. The results of this assessment are included in this report.

## Background

Power system reliability encompasses the time an electric system is available to deliver electric power to a customer's meter in accordance with voltage and frequency requirements specified by PSE's agreement with WUTC.<sup>1</sup> A highly reliable system is one that has redundancy in the power system design; equipment that is designed, operated, and maintained to minimize the probability of failure; sufficient sensors installed to identify faults and their locations and to restore power to the affected customers or, if this is not possible, isolate the fault to minimize the number of affected customers. A reliable system should also have provisions for effective communication of outage status between all stakeholders.

A brief discussion of electric system operation and general electric system reliability is presented here prior to a discussion of reliability in the City of Kenmore.

## Electric System Operation

The electric system consists of generation, transmission, and distribution systems that deliver power from generation stations to the end user. The overall electric system is depicted in the Figure 1 below.

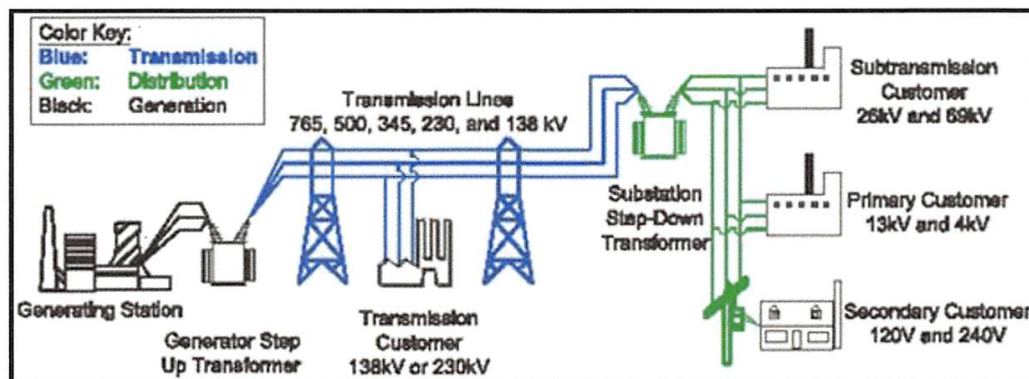


Figure 1 Electric Power System

The overall electric power system consists of the following major systems:

- **Generation:** The generation system is made up of large base-loaded power plants (natural gas, fossil, nuclear), renewable sources (hydro, wind, solar), and smaller distributed generation sources. Generation sources are obtained

<sup>1</sup> See WAC Sections 480-100-368 and 480-100-373.

from utility-owned assets as well as purchased from third parties. The third-party agreements consist of long-term power contracts, as well as short-term market-based power contracts to meet peak demands. Utilities are required to maintain generation assets with sufficient capacity to meet peak electric power demands and reserve margin requirements. Utilities provide long-term forecasts and plans for generation needs through their Integrated Resource Plans.

- **Transmission:** The transmission system delivers electricity from the generation stations at high voltages to the distribution system. Electricity is stepped up from power plant voltage at the generation station switchyards to transmission level voltages and carried to substations, in which voltages are stepped down (transformed) to distribution level voltages. The transmission system consists of high voltage lines that typically span long distances from the generation stations to the receiving substations. The high voltage transmission systems are the bulk power supply assets and the transmission system operations affect all utilities connected to the system. Therefore, these transmission systems are monitored and coordinated through regional transmission system operators. Transmission systems utilize SCADA systems and Energy Management Systems (EMS) to monitor and control the operations of the transmission system and the connected power sources. Also, since the transmission lines carry bulk power affecting large customer populations, they are designed with a high degree of redundancy so that there are typically multiple sources of power provided to transmission substations that in turn feed the distribution system.
- **Distribution:** The distribution system delivers electricity from the transmission substations to the end users. These might be industrial, commercial, or residential users and the utility distribution system typically ends at the last power pole or transformer right before the service drop used to connect to the end users facility. . The distribution system consists of distribution substations which are fed from the transmission substation that step down voltages to distribution level (typically 12.5kV). The distribution voltage is further stepped down to a suitable customer voltage through distribution transformers (pole top, surface mounted or underground), which are fed from the distribution lines.

These three major systems have varying impacts on the reliability of the electric power delivery.

### Impacts on Reliability

Reliability to the end user is the availability and quality of electric power delivered to their meter. Reliability is impacted by outages on the system that result in a loss of electricity at the meter, as well as variations in voltage characteristics (power quality), which could be caused by the end users. While power quality issues are not outages, they may affect the performance of equipment and appliances that are sensitive to voltage fluctuations.

Outages are typically caused by:

- Equipment failures
- Weather-related events (typically wind and storm damage)
- Vegetation-induced faults (e.g., tree branches falling on wires)
- Animal-induced faults (e.g., animal or bird interaction with live components)
- Other types of accidents (e.g., car accidents affecting system assets).

Faults in the electric power system may interrupt delivery of electricity to the end users. A fault produces a disturbance in the electric delivery system that may require the system to shut down for operational and safety reasons. When the fault is identified and corrected, then power delivery can be resumed. The fault identification, fault isolation and power restoration may be performed by automated systems or by manual intervention. Interruptions on the electric system are classified into several categories:

- **Momentary interruptions:** These are very short duration outages (industry typically uses less than 1 to 3 minutes). Power quality occurrences can be categorized as similar to momentary interruptions.
- **Sustained interruptions:** These are longer duration outages (industry uses greater than 1 to 3 minutes).
- **Major interruptions:** These are long duration and widespread outages resulting from storms, earthquakes, equipment failures, or other events. These interruptions typically affect a large percentage of the end users.

Relative to measuring reliability, the industry traditionally uses only sustained interruptions in the determination of reliability. However, reporting is often provided for major events or other interruptions as a secondary measure.

The electric system components affect reliability differently. Generation assets are required to be available with sufficient margins that the loss of any single power generating facility or transmission line does not result in outages to end users. For very significant events, such as the northeast outage in 2003, multiple plant shutdowns can result in widespread outages, although these are relatively rare occurrences.<sup>2</sup> Also, if peak electricity demand increases to levels above the generation capacity and reserve margins, then outages can occur. However, for purposes of electric system reliability, generation components do not have a major effect on industry-reported measures of reliability for normal operations.

The transmission system has a very large impact on power delivery and a major event on the transmission system can result in outages for a very large number of customers. However, while a fault or outage of a transmission line or substation has the ability to impact more end users, there are typically sufficient redundancies in transmission assets to minimize the impacts

---

<sup>2</sup> Final NERC Report: "Technical Analysis of August 14, 2003 Blackout"; July 13, 2004

of events on these systems. Additionally, the transmission lines are higher in elevation and usually have larger right-of-ways to reduce the impact of threats to the lines from sources such as trees, animals, and other interactions.<sup>3</sup> Due to these features, transmission assets typically experience far fewer faults that cause outages to the end users than distribution lines; therefore, the transmission system has very little impact on measures of reliability. The ability of the generation and transmission assets to deliver the power demand is more of a longer-term planning concern than a day-to-day reliability concern.

The distribution system directly provides electrical power to customers and is subject to a higher number of faults than generation and transmission assets. Distribution systems are typically designed with less redundancy than the other systems and since this is the system delivering the power to the customers, faults or events on the distribution systems result in outages to customers. Therefore, the potential for local system issues to produce outages is greater than for other components in the system. Thus, reliability is primarily determined by the distribution system assets.

## Reliability Measures

Reliability is typically measured based on the frequency and duration of outages relative to the number of customers. There are several measures for reporting and measuring electric reliability, such as IEEE Standard definitions<sup>4</sup> or similar approaches to report reliability. These measures include SAIDI (System Average Interruption Duration Index) and SAIFI (System Average Interruption Frequency Index). These indices are calculated as:

- System Average Interruption Frequency Index (SAIFI)

SAIFI = (Sum of the number of customers affected by each outage)  
divided by (Total number of customers served)

- System Average Interruption Duration Index (SAIDI)

SAIDI = (Sum of the number of customers interrupted times the  
number of minutes of each interruption) divided by (Total number of  
customers served)

These measures are based on the customer base served. SAIFI measures the likely number of outages that a customer experiences and SAIDI measures the likely outage duration (minutes) that a customer experiences. Therefore, these measures represent the average number and duration of outages experienced per customer per year. These measures provide a basis for tracking and trending overall performance and allow for comparison among utilities.

---

<sup>3</sup> Because the towers are typically tall, the towers and the lines can attract lightning surges.

<sup>4</sup> IEEE 2004 Standard 1366 Guide for Electric Power Distribution Reliability Indices.

Momentary interruptions (and power quality excursions) are typically not measured or monitored continuously at end user sites and are not included in the reliability calculations. Currently, most utilities do not actively track these momentary outages, but work with customers directly to address them when these issues are identified as problems. Customer sites that are very sensitive to momentary or power quality issues typically develop site-specific solutions to protect their assets and operations.

Additionally, major outages are typically not included in reliability measures since these major outages are not representative of how the electric system normally performs. However, utilities today are providing additional reliability measures that include major outage effects. While these reliability metrics allow for tracking and trending performance, they also provide a basis for how an electric utility responds to these measures.<sup>5</sup> Utilities use these reliability statistics to identify problem areas and define actions to improve reliability.

## Reliability Drivers

Since the reliability of the electric system is measured by metrics similar to SAIDI and SAIFI, a key to understanding reliability is defining what factors affect reliability. Electric system reliability relative to the frequency or occurrence of outages is impacted by the following:

- **System Design (Layout):** Distribution system designs vary in the extent of system redundancy (a high level of redundancy means that the system can withstand more contingencies without affecting the customers). In more urban areas, the distribution system may consist of a network that is a highly redundant and allows electricity to be provided from multiple sources (substations). Therefore, a fault on one line may not result in interruptions, since electricity is available from multiple sources. In more rural or less populated areas, the distribution system may be radial. A radial system has limited or little redundancy. A fault on the line will result in an outage of some type. There is only one source (substation) feeding a radial line. Additionally, there are system designs that lie somewhere in between a network and a radial system. Therefore, the overall system design impacts the response of the system to faults and has an impact on the number and duration of outages. System design solutions typically involve additions, modifications, or expansions to the existing system to improve reliability through design. These solutions affect both the occurrence and duration of outages.
- **System Design (Operations):** The degree of automation built into the system has a major impact on reliability. Devices that allow faults to be cleared automatically (fuses and circuit breakers) result in quick power restoration to those not affected by the fault. High impedance faults might not be detectable and might have to be

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<sup>5</sup> For example, restoration of power to most of the customers reduces the duration and number of customers affected by an outage more than a long duration outage to a few customers. Since there are financial penalties associated with not meeting the reliability targets to many utilities, restoring power to as many users as possible with a minimum of delay reduces the penalties.

reported and cleared manually. Automation comes into play when power is restored to customers not directly affected by the fault. Also, the automation equipment often provides for better knowledge of system status, faster identification of fault locations, and the ability to remotely restore power. Limited automation requires personnel to travel to the fault location and to take manual action to restore power to those who are affected by the fault. Therefore, system operations (and automation) have a significant impact on the number of sustained outages and the duration of outages.

- **Equipment Maintenance and Replacement Programs:** Many outages are produced by equipment failures. Typically, substation equipment failures result in outages which affect more end users since the substations feed multiple circuits. Substation equipment is typically subject to preventive or predictive maintenance to reduce the potential failure of components that impact substation performance. Also, key substation assets are being equipped with continuous monitoring technologies that allow for identification of problems prior to equipment failure. Distribution line equipment is most likely to include maintenance strategies that allow for run-to-failure. Distribution circuits affect a lower number of customers. The distribution assets are typically low-cost and easy to replace items and are traditionally replaced on a set time frame. However, utilities modify their maintenance strategies and programs to direct improvements into parts of the system experiencing higher levels (frequency and duration) of outages.
- **Capital Project Prioritization Programs:** The capital project program includes projects that are capacity expansions, system configuration changes, major equipment replacements, system upgrades, reliability programs, and technology upgrades. The priority of capital projects focusing on system reliability is a major factor in improving reliability. Utility planners review overall system impacts for new and existing infrastructure and projects are selected and budgeted. The ability to trend and analyze outages provides a basis for defining projects and programs and these capital programs have a direct impact on system reliability through minimizing outages.
- **Vegetation Management:** A significant number of faults (and outages) on overhead distribution lines are caused by tree-related events. Utilities conduct tree trimming and vegetation management programs to minimize the impact of faults due to vegetation impacts on power lines. Since this is a primary cause of faults, the effectiveness of the vegetation management program is a key to improved reliability.
- **Animal Abatement:** Similar to vegetation management, utilities conduct animal abatement programs to minimize the potential for outages produced by birds, squirrels, and other animals.
- **Outage Management Programs:** The ability to respond to an outage directly impacts the reliability of the system relative to duration of outages. Keys to effective outage management are the ability to quickly identify outages and to locate faults so that appropriate restoration actions can be taken. The outage management



program includes operational visibility into the system, the ability to dispatch crews to fault locations, and the ability to effectively communicate with customers. Overhead line faults might be cleared by automatic reclosing, but underground faults are typically permanent faults that require people to diagnose the problems. Also, many times the fault location has to be inspected before power can be restored.

These work processes are the primary activities that utilities perform to improve overall system reliability.

## Electric Infrastructure

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Exponent reviewed the current power infrastructure, reliability and service levels in Kenmore. Standard metrics SAIFI and SAIDI are used to provide a high level review of reliability.

### Bulk Power Supplies for the City of Kenmore

The City of Kenmore is supplied power from ten 12 kV distributions circuits. These are:

- Inglewood 13, 15, 16 and 17
- North Bothell 26
- Wayne 15
- Kenmore 23, 25, 26 and 27

The distribution lines are fed from the Kenmore, Bothell, Wayne and Inglewood substations. That is, there are four substations inside the City of Kenmore or close to the City's boundaries. These are discussed below.

Figure 2 shows the 115 kV high voltage lines feeding the Kenmore substation. One line comes from the North Bothell substation and the other comes from the Moorlands switching station. The line from Kenmore via North Bothell to the Vitulli is being upgraded from a 4/0 copper conductor to a 272 thousand circular mil (mcm) Aluminum conductor steel reinforced (ACSR) conductor. The current limit for a 1272 mcm ACSR conductor is 1200 A, which enables the line to carry 240 megawatts (MW) but the winter rating in PSE's service territory is 320 MW.<sup>6</sup> This compares to a current rating of about 490 A for a 4/0 copper cable.<sup>7</sup> That is, this re-conductoring project will provide a substantial increase of the power carrying capacity into the Kenmore substation. As can be seen in Figure 2, the Kenmore and North Bothell substations, from which the power is distributed into the City, are fed from at least two 115 kV lines. This is also the case for the Wayne and Inglewood substations. Thus, if one of the two lines is lost, power will continue to be fed from the second line. Therefore, it requires a loss of at least two 115 kV lines feeding a substation to lose the power to the distribution lines fed from that substation. That is, the 115 kV system serving the city is a robust system.

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<sup>6</sup> See table 4-32 in the Standard Handbook for Electrical Engineers, 11th edition.

<sup>7</sup> Ibid table 4-29.

**Legend**

- Existing Substation
- Existing 115 kV transmission line to be rebuilt
- Existing 115 kV transmission line to remain
- Existing 230 kV transmission line to remain

Figure 2. High voltage transmission lines serving Kenmore



Figure 3. Google Earth view of the Kenmore substation

Figure 3 is a view of the Kenmore substation. There are two 115 kV lines connected to this substation. One of these go to the Bothell substation and the other is routed to the Moorlands switching station. According to PSE, there is one 25 MVA transformer installed in the substation. As is readily apparent from the view shown in Figure 3, there is space for at least one additional 25 MVA transformer, which would increase the installed capacity to 50 MVA. A second transformer might also provide some redundant capacity in case one of the two transformers was to fail.

Figure 4 shows the Moorlands switching station. There are three 115 kV lines entering this station. Two of these lines are routed through other substations but eventually connect to the Sammamish substation in PSE's system. One of the lines goes to the Kenmore substation seen in Figure 2. However, there are no transformers installed in this station.



Figure 4. Moorlands switching station at NE 185 street and 80<sup>th</sup> avenue NE





Figure 5. Inglewood substation at NE 155<sup>th</sup> street and 84<sup>th</sup> avenue NE

Figure 5 shows the Inglewood substation. There are two 115 kV lines connected to this substation, one of which goes to the Moorlands substation and the other is routed southward and eventually connects to the Sammamish substation. There appears to be one single transformer installed in this substation but there seems to be adequate space for more transformers.

Figure 6 shows the Wayne substation. There seems to be two 115 kV lines entering this substation. One of these is routed to the Moorlands switching station and the other should eventually reach the Sammamish substation. There appears to be sufficient room for another transformer to be installed in this substation.



Figure 6. Wayne substation along 96<sup>th</sup> avenue NE close to the Red Brick Road intersection

Figure 7 shows the North Bothell substation, which is located close to the intersection between the 195<sup>th</sup> street NE and 100 Ave NE in the City of Bothell. This substation is surrounded by tall trees that pose a risk for station outages in case of a severe storm. However, there appears to be ample room for expansion of the substation that would allow for the installation of one additional transformer if the need arises to serve more loads from this station.

All of the 115 kV system that feeds electric power to the City of Kenmore originate from the Sammamish substation, which is shown in Figure 8. This substation is a key power node in PSE's power system in the region east of Lake Washington. It receives power via 230 kV circuits from the Monroe substation to the north and the Covington substation to the south as is shown in Figure 9.<sup>8</sup> That is power can be delivered to the substation both from a strong power node north of the Sammamish substation as well as power from the south. That is, the complete loss of power feeding the Sammamish substation although not impossible during a major storm is relatively unlikely.

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<sup>8</sup> Reproduced from Figure 31 of Exponent's City of Bellevue Electrical Reliability Study Phase 2 Report.





Figure 7. The North Bothell substation.





Figure 8. Sammamish bulk power substation along Willows Rd in Redmond

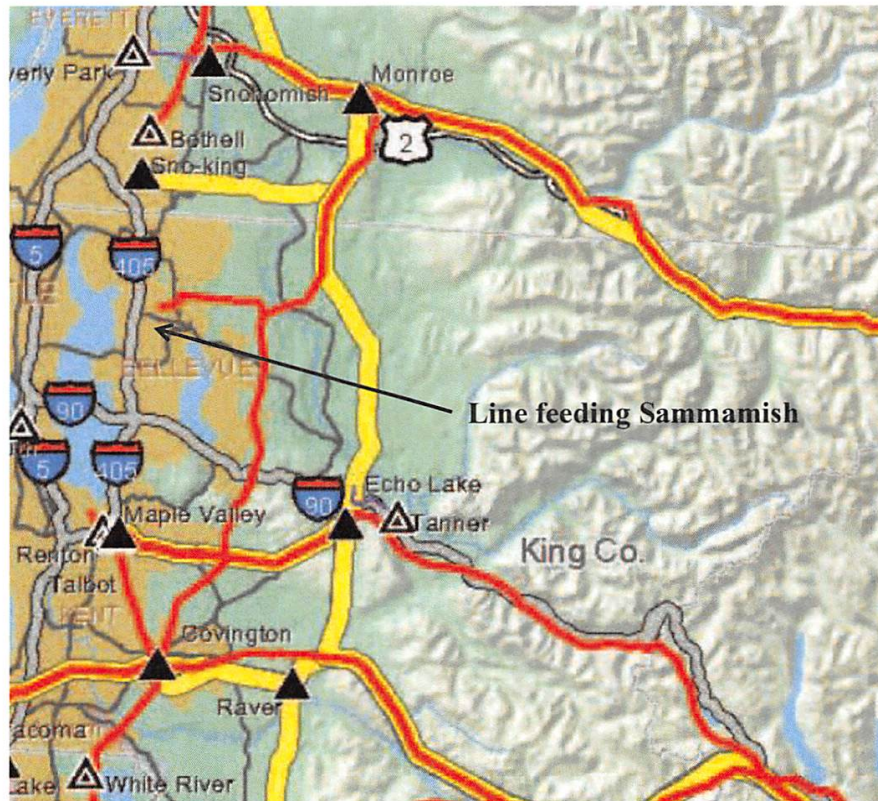


Figure 9. BPA's 500 kV (Yellow) and 230/345 kV (red) lines West of the Cascades.

### Distribution System in the City of Kenmore

The power distribution in Kenmore is operated at about 12 kV. It is a three phase, 4-wire system, which enables the connected loads to be connected from the phase conductors to the neutral conductor. The voltage between a phase conductor and the neutral conductor is about 7 kV. In theory, the distribution lines go radially from a substation to an end point. This is referred to as a radial system. However, at an end point, there is an open manually operated switch, which would enable the circuit to be fed from an alternate source but only if the power from the normal source is opened. For example, if the source in the Kenmore substation is lost, power can be fed from one of the other substations or from another circuit originating in the Kenmore substation. This makes it a "radial – looped" system.

While the system characteristics are those of a radial system, as can be seen in Figure 10, the actual feeder is branched several times with each branch also branched many times. If a short circuit or a ground fault occurs in this system such that the breaker in the Kenmore substation



opens, all of circuit 26 loses power. Trouble shooting of the circuit 26 is therefore, extremely complex and time consuming because it is not just a matter of following a simple radial circuit until the fault location is found but might also be necessary to also inspect the line branches. Restoration of power to circuit 26 after a major storm will also be time consuming because the lines segments have to be inspected before the circuit can be re-energized since if a line is down and becomes re-energized, it represents a serious hazard to people in the vicinity of the down conductor.<sup>9</sup>

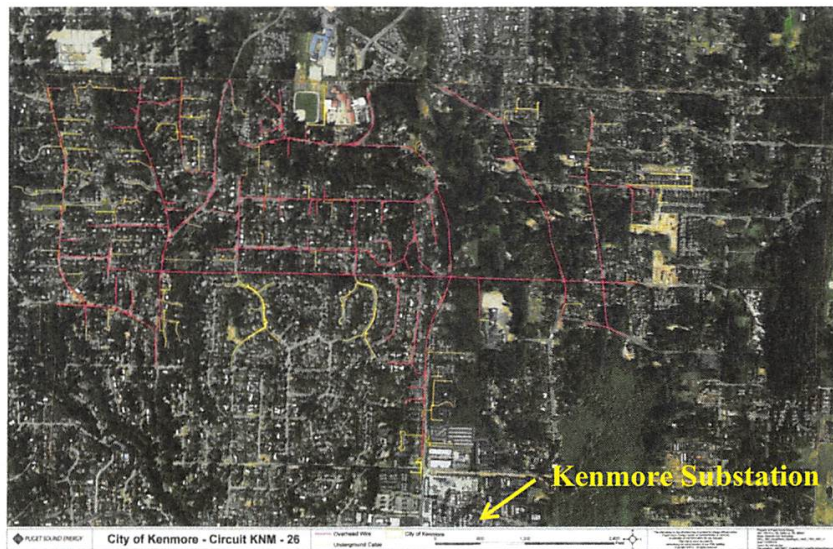


Figure 10. Feeder circuit Kenmore 26; red color is overhead lines and yellow color is underground cables

As can be seen in Figure 11, the distribution circuits are often placed in narrow corridors surrounded by trees or with fast growing trees under the conductors. PSE stated that the easements might in some locations only be 5 feet wide, which means that trees can only be pruned to a distance of 2.5 feet from the centerline where the conductors will be placed. Also, as can be seen in Figure 11, the tree branches at higher elevations appear to have grown over the line conductors.

Figure 12 shows tree branches that are drying out most likely as a result of capacitive current flows from the conductors to the tree branches, which results in heating and drying of the

<sup>9</sup> Detection of a ground fault on a so-called tree wire is more difficult than from an uninsulated wire because the contact area between the bare, exposed ends of tree wires is small, which increases the fault resistance and reduced the fault current. This is well known in the industry. That is, tree-wires increase the reliability of the distribution circuits but at the cost of increasing the risk for electrocution. However, all downed conductors are dangerous and must be reported to PSE and the public safety authorities.

leaves. In this case, the tree has grown and is at the time this picture was taken (September 28, 2016) too close to the conductors.

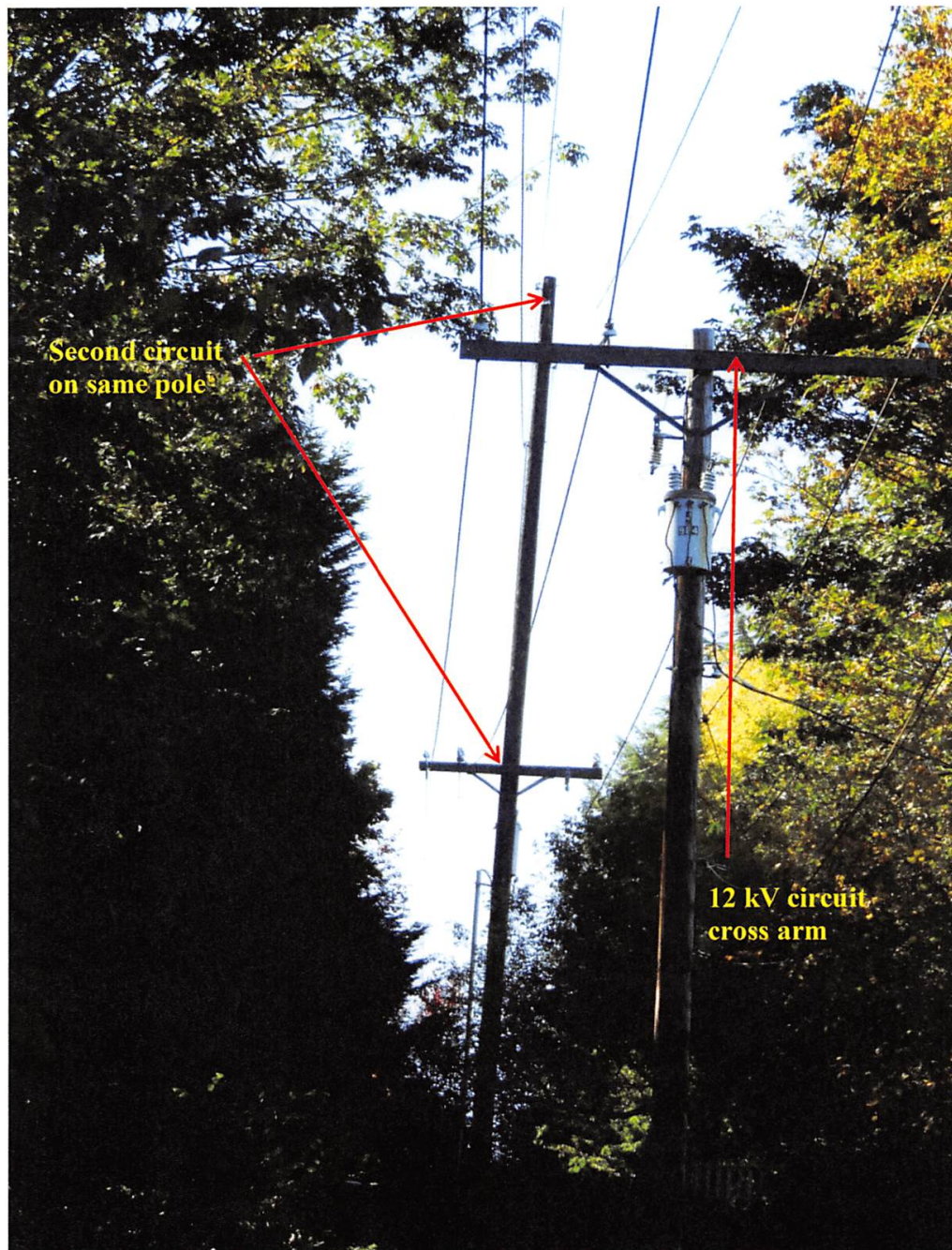


Figure 11. Example of a 12 kV distribution circuit right-of-ways; second circuit appears to be overbuilt on top of the lower circuit

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Figure 12. Example of a 12 kV line with tree limbs approaching the conductors

The line conditions shown in Figure 12 and Figure 12 are found in older residential areas throughout the city. In newer developments, there are fewer tall trees and the power distribution circuits might even be underground. However, if the line between the newer developments and the substation goes through older areas of the city with narrow right-of-ways with tall trees, the reliability of the power to the newer developments is compromised.

## Electric System Reliability

The electric reliability review for Kenmore includes the following items:

- Review of overall PSE system reliability
- Review of system reliability in Kenmore

These two perspectives provide for an assessment of how Kenmore reliability compares with the remainder of the PSE system and identifies areas for potential improvement.

### PSE System Reliability

PSE reports on its overall system reliability through the Annual Reliability Reports that it issues to the WUTC. These reports provide information on overall reliability that includes metrics for SAIFI and SAIDI based on the IEEE definition (excluding major storm events) and also on total outages experienced by customers (including major storm events). The Annual Reliability Reports also provide information on the following:

- 50 least reliable circuits
- Discussion of customer complaints and resolutions
- Information on pending projects and reliability improvement activities

Based on information from the Annual Reliability Reports, the overall PSE reliability performance is shown in Figure 13 and Figure 14 for SAIFI and SAIDI, respectively.

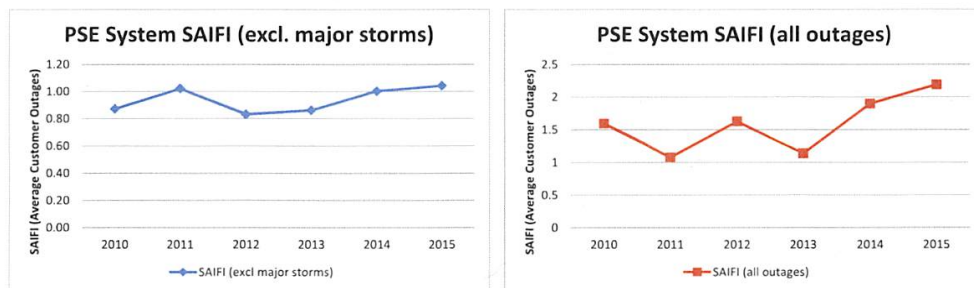


Figure 13 PSE System SAIFI<sup>10</sup>

<sup>10</sup> Data obtained from Puget Sound Energy Service Quality and Electric Service Reliability Reports filed with the WUTC (Annual Reports)

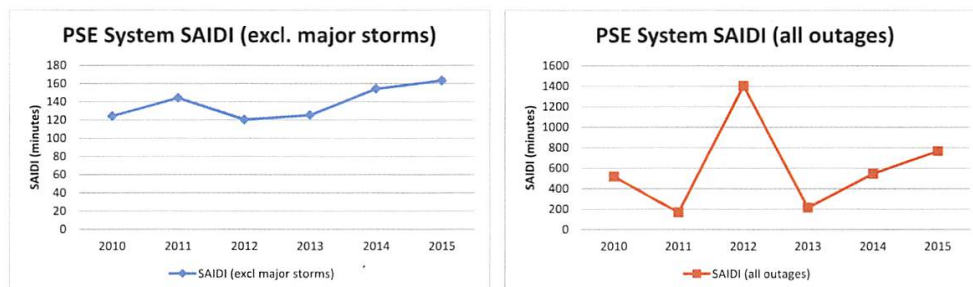


Figure 14 PSE System SAIDI<sup>10</sup>

PSE has maintained an overall system SAIFI of between 0.83 and 1.04 since 2010 if major storm events are excluded from the measure. There is an increasing trend to this value over the past three years. This SAIFI value means that each customer experiences about 1 outage per year on average. PSE has maintained an overall system SAIDI of between 120 minutes and 163 minutes since 2010 if major storm events are excluded from the measure. There is an increasing trend to this value over the past three years. This SAIDI value means that each customer experiences between 2-3 hours of electric outages per year on average. This measure (excluding major storms) provides an indication of system reliability from normal conditions and operations.

Major storm events are variable in that they may or may not occur during a given year and the intensity of the storms varies. However, major storms impact a large number of customers and as shown in the figures above, SAIFI and SAIDI increase significantly when major storm events are considered. As seen from the graphs above, the SAIDI value increases dramatically in storm events.

For 2015, PSE reported that SAIDI was high due to two large wind storms. PSE's 2015 Annual Reliability Report stated the following:

Throughout 2015, western Washington experienced abnormal to severe drought conditions due to record low snow pack and precipitation levels. As a result of these adverse conditions, trees were stressed and dying in very dry soil conditions. Trees are shallow rooted with the roots spreading wide rather than deep. When soil conditions are too dry to be a counter-balancing weight, strong winds can easily topple trees and loss of limbs occurs more quickly. On August 29, 2015, PSE's service territory was hit by the strongest summer storm in Northwest history. Winds gusts exceeded 45 mph at Sea-Tac Airport and gusts were much higher in other portions of PSE's service territory. Since it was summer, trees were still fully leafed, and combined with being stressed due to drought conditions, were very vulnerable to these high wind speeds. Trees were uprooted as the dry soil wasn't strong enough to support the trees. Fully leafed limbs were also torn from trees and sailed through the air. The result was an extraordinary storm where over 400,000 customers lost power and it took several days to restore power to everyone. On November 17th, a second intense storm occurred in our service territory. By late fall of 2015, precipitation was returning to normal levels and the region saw record level precipitation on the weekend preceding the storm and on the day of the



storm. When wind gusts, up to 67 MPH hit the region, the saturated soil could not support the trees' shallow root system causing widespread outages. In addition, some trees were still stressed from the drought earlier in the year and were not strong enough to withstand the high wind speeds.<sup>11</sup>

### State of Washington Utility Comparison

The use of these measures allows for some comparison of reliability performance between utilities. However, the calculation of SAIFI and SAIDI varies between utilities relative to the calculation of a sustained outage. WUTC defines that a sustained outage as an outage greater than 1 minute in duration so that PSE uses this definition in its calculations. Other states define sustained outages as greater than 3 or 5 minutes so that there is not a complete common basis of the SAIFI and SAIDI values. However, a review of utility performance does provide some measure of performance in a given area. Also, most reliability measures are determined based on the exclusion of major storms based on requirements from their regulatory agencies.

A comparison of Washington regulated utilities (PSE, PacifiCorp WA, and Avista) as well as Seattle City Light is shown in Figure 15. Since the three regulated utilities report using the same criteria, there is a basis for comparison among these three.

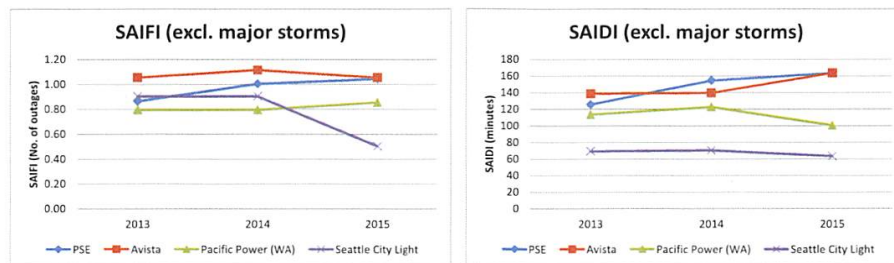


Figure 15 SAIFI / SAIDI Comparison

PSE's reliability performance is comparable to the other regulated utilities in the state of Washington. Seattle City Light has better performance than the three regulated utilities<sup>12</sup>. Seattle City Light has several advantages over the three regulated utilities in that it operates mostly in an urban environment with a small geographic footprint. Typically, urban systems have more underground systems and more built-in system redundancy so that the number of outages is reduced; and the redundancy and small footprint allows for more rapid response to outages that reduces the outage time. The density and height of trees is also a major factor to consider when making comparisons between the various utilities.

<sup>11</sup> Puget Sound Energy 2015 Service Quality and Electric Service Reliability Reports filed with the WUTC

<sup>12</sup> Seattle City Light website for electric reliability.

### IEEE Survey Comparison

Another comparison is from the annual IEEE surveys. IEEE obtains data from most utilities relative to the SAIFI and SAIDI metrics to provide some comparison. As indicated previously, these values may not always be the same, but the large population provides an indication of utility performance. The IEEE measures for 2013 and 2014 are shown in Table 1 below. Results from IEEE have not yet been published for 2015.

**Table 1 IEEE Benchmark Results**

| Quartile                                        | 2013  |       | 2014  |       |
|-------------------------------------------------|-------|-------|-------|-------|
|                                                 | SAIFI | SAIDI | SAIFI | SAIDI |
| 1 <sup>st</sup> /2 <sup>nd</sup> quartile break | 0.90  | 85    | 0.86  | 86    |
| 2 <sup>nd</sup> /3 <sup>rd</sup> quartile break | 1.10  | 115   | 1.07  | 115   |
| 3 <sup>rd</sup> /4 <sup>th</sup> quartile break | 1.40  | 158   | 1.33  | 159   |

These values are based on outages excluding major storm events and the lower quartile (1<sup>st</sup>) represents the best reliability. PSE's SAIFI performance for 2013 and 2014 was in the 1<sup>st</sup> quartile and 2<sup>nd</sup> quartile, respectively. PSE's SAIDI performance for 2013 and 2014 was in the 3<sup>rd</sup> quartile for both years. Based on 2015 performance, it is expected that PSE will rank in similar quartiles for 2015. While this comparison shows a relative performance between utilities, there are variances in the way utilities calculate these measures and also variances in geography, topology and weather that affect the results.

### Kenmore Circuit Reliability

#### Kenmore – Overall PSE System Comparison

Based on circuit information provided by Kenmore from PSE, City of Kenmore metrics were calculated for SAIFI and SAIDI.<sup>13</sup> The results are presented in Figure 16 below. Based on these results, residents of Kenmore on average experienced about one outage per year and experienced approximately four hours of outages on average over the past six years. There have been major storms over the past three years which have increased the number of outages and the duration of outages.

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<sup>13</sup> These are approximate for trending purposes since specific outage information was not available.

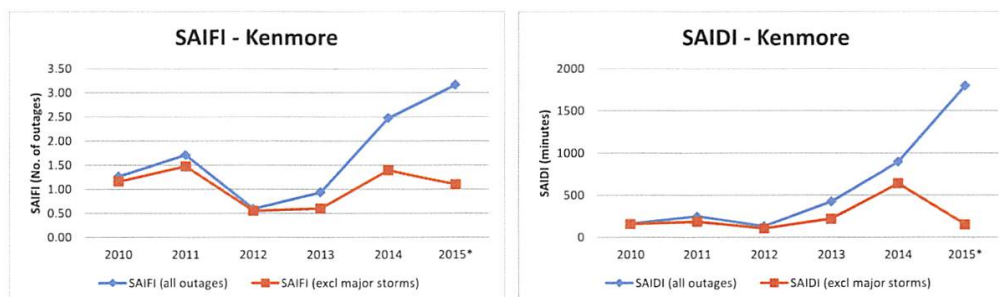


Figure 16 Kenmore SAIFI / SAIDI Results

A comparison of Kenmore results for outages excluding major storms is shown in Figure 17 below. While there are variances in SAIFI between the overall PSE system and Kenmore, over the past six years, on average SAIFI in Kenmore slightly higher than that of the overall PSE system. The outage duration is generally the same in Kenmore as the overall PSE system from 2010 to 2012 and 2015, but there were large variances in 2013 and 2014.

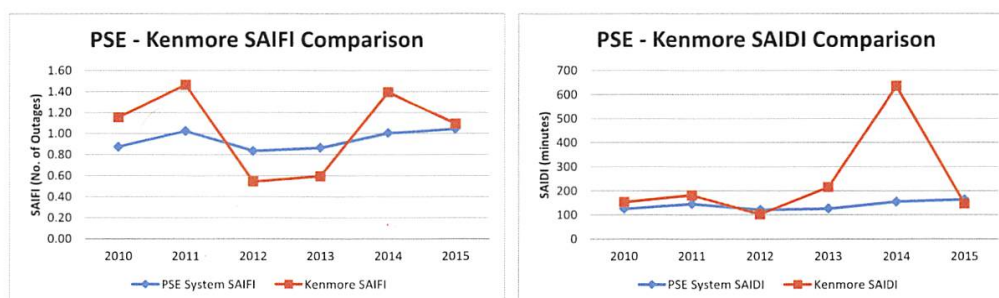


Figure 17 Kenmore – PSE SAIFI / SAIDI Comparison (excl. major storms)

A comparison of Kenmore results for all outages is shown in Figure 18. While there are variances in SAIFI between the overall PSE system and Kenmore, on average Kenmore was comparable to the PSE system except for the past two years where the frequency has increased more than the overall system. The outage duration over the past three years is higher in Kenmore than the overall system.

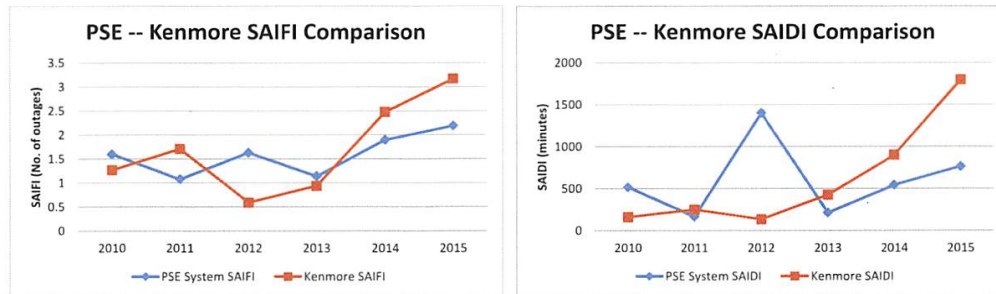


Figure 18 Kenmore – PSE SAIFI / SAIDI Comparison (all outages)

Relative to reliability performance in Kenmore, some of the following factors may explain the variance between Kenmore and the overall system:

- Kenmore is a wooded area with a large number of trees in the vicinity of the overhead distribution lines. This condition makes the overhead circuits more vulnerable to faults on the lines during high winds and storms, where tree branches hitting the lines will create reliability issues.
- The location of some of the distribution circuits are in areas that are difficult to access which prevents rapid restoration from an outage. The access issue makes locating the fault and taking appropriate action more time dependent and may result in higher restoration times.
- During storm restoration, utilities typically prioritize restoration activities on the following criteria:
  - Transmission lines and substations, if affected, are addressed first since these assets can affect a very large number of customers.
  - Circuits with critical facilities
  - Circuits with large number of customers

Therefore, locations with non-critical facilities and low circuit customer counts may receive a lower priority after large storm events; and therefore, these locations will experience longer outage durations.

### Kenmore Circuit Review

PSE ranks its circuits based on reliability (five-year average outage duration). Based on a review of the annual reliability reports, circuits from Kenmore are not identified in the list of 50 problem circuits. However, based on the circuit information provided, the majority of Kenmore circuits are in the bottom quartile, which indicates that these circuits perform below average related to outage duration. Figure 19 shows the ranking of Kenmore circuits<sup>14</sup>. The percent

<sup>14</sup> Information on circuit ranking based on circuit specific information provided by Kenmore.

number represents where the circuit rates against the approximately 1100 PSE circuits in the system.

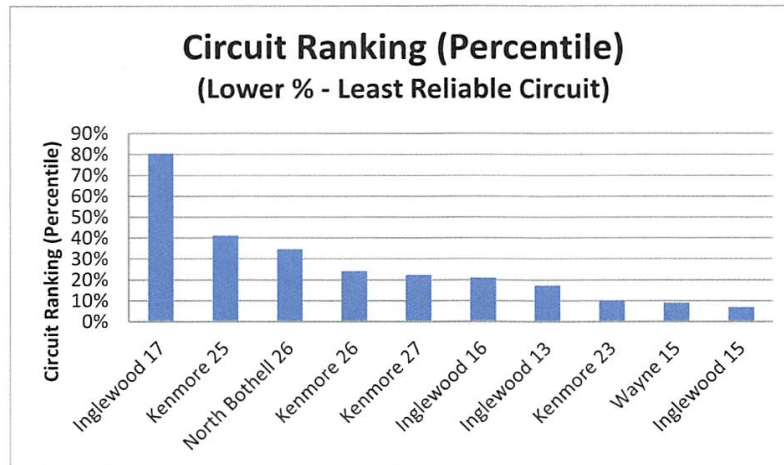
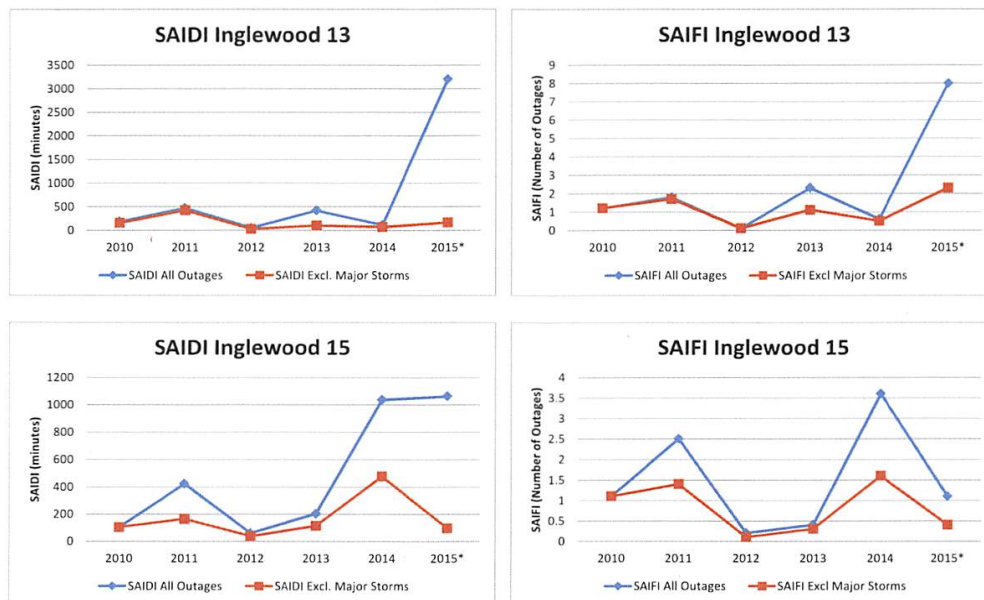
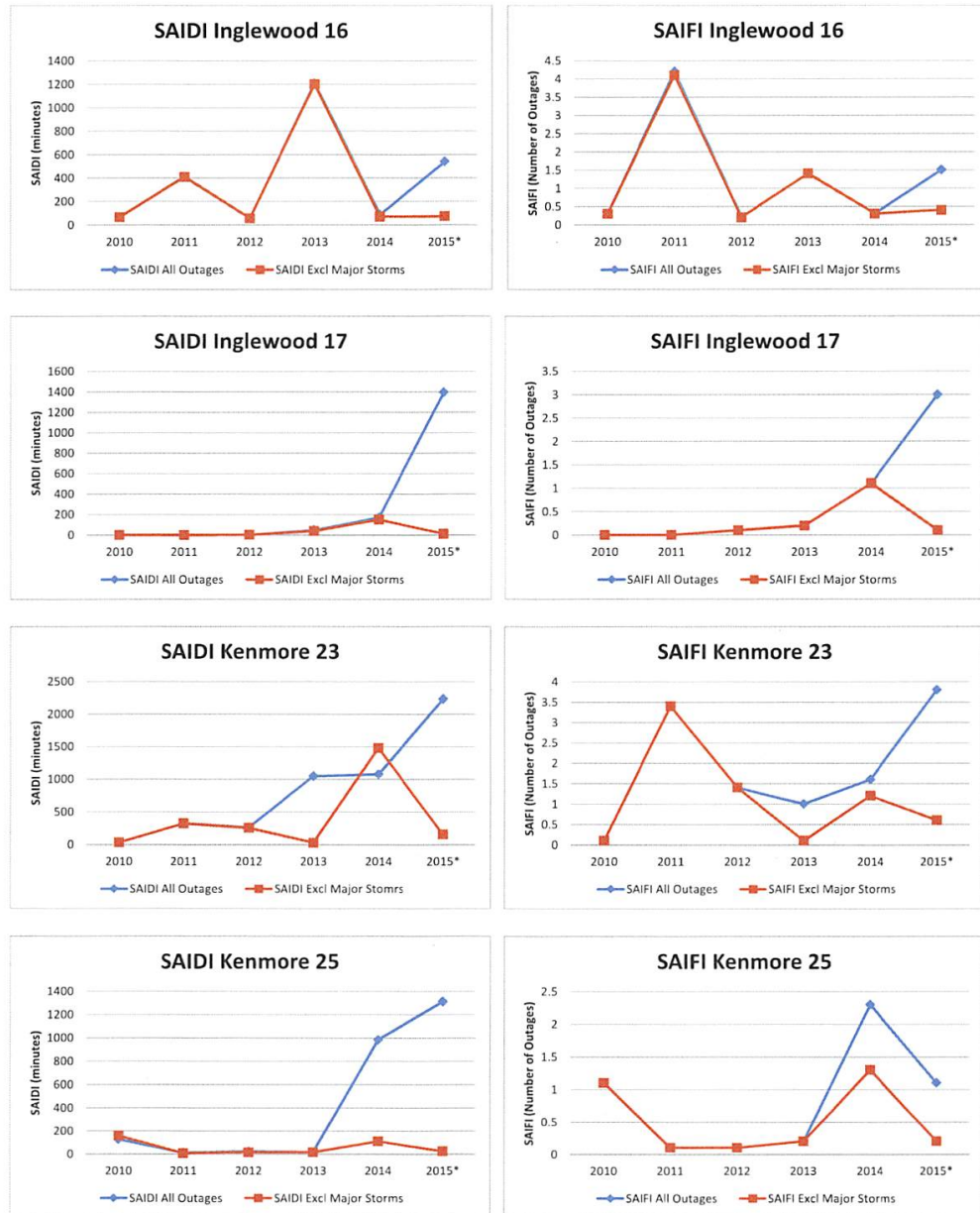


Figure 19 Kenmore Circuit Ranking

The following graphs in Figure 20 provide information on the specific circuits in Kenmore. These performance varies from year-to-year because of impacts of storms, equipment failures, and other outage causes. It is observed that the Kenmore circuits are vulnerable during storm events and therefore, long duration outages are experienced after these events.







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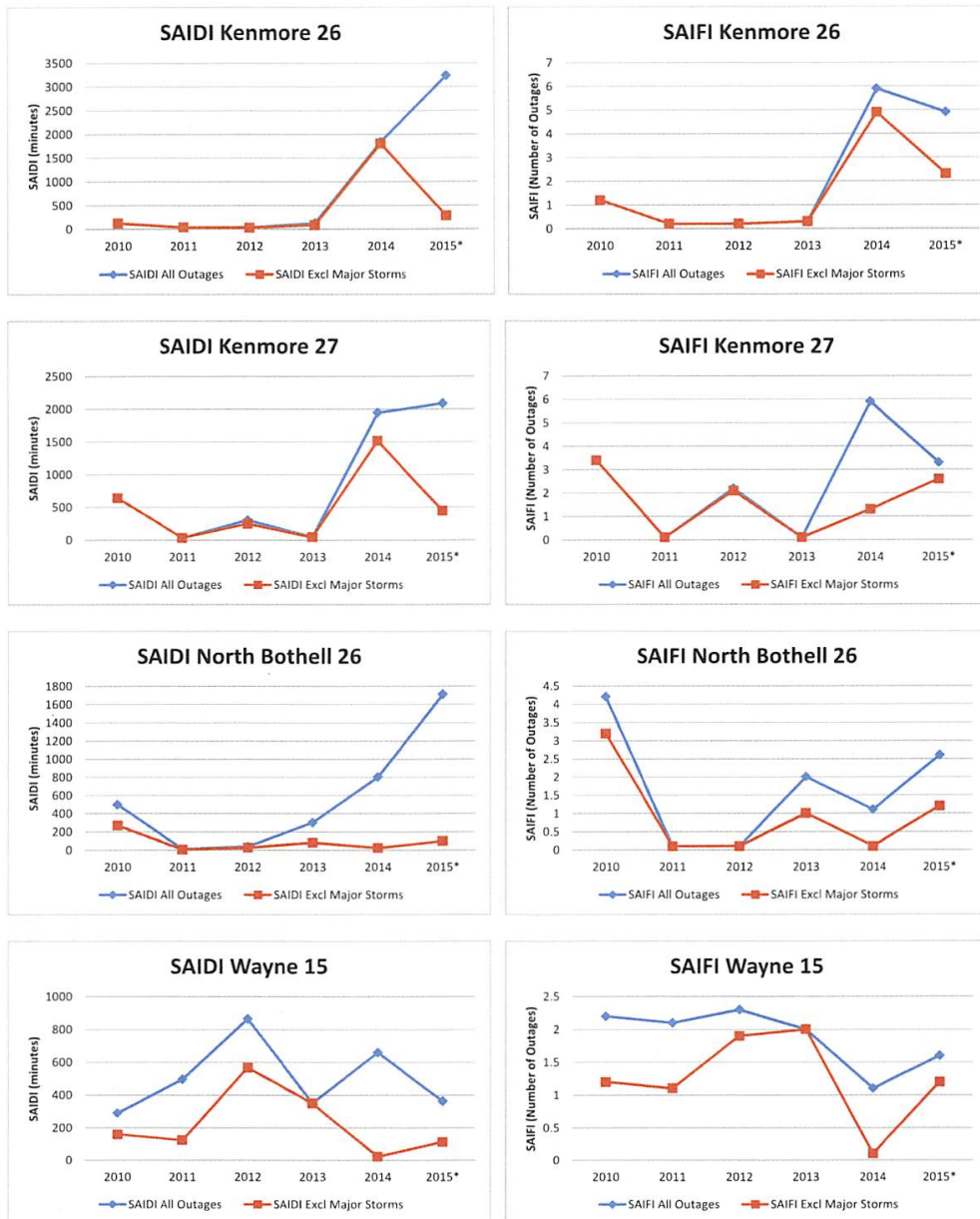


Figure 20 Kenmore Circuit Reliability Performance

## Customer Complaints

PSE reports on customer complaints relative to reliability and power quality issues in its Annual Reliability Report to the WUTC<sup>15</sup>. PSE tracks customer complaints from two sources:

1. Complaints submitted to the WUTC and
2. Complaints received directly from customers.

PSE considers each individual inquiry to the WUTC as a complaint and considers two inquiries from an individual customer over a two year period as a single complaint. Based on these definitions, complaints were reported on a system, King County and Kenmore basis. The results are shown in Table 2.

**Table 2 Reliability and Power Quality Complaints**

| Year | Number of Complaints - WUTC |          |         | Number of Complaints - PSE |          |         | Number of Complaints - Total |          |         |
|------|-----------------------------|----------|---------|----------------------------|----------|---------|------------------------------|----------|---------|
|      | System                      | King Co. | Kenmore | System                     | King Co. | Kenmore | System                       | King Co. | Kenmore |
| 2011 | 17                          | 9        | 0       | 24                         | 10       | 0       | 41                           | 19       | 0       |
| 2012 | 12                          | 3        | 0       | 28                         | 14       | 0       | 40                           | 17       | 0       |
| 2013 | 17                          | 4        | 0       | 15                         | 8        | 1       | 32                           | 12       | 1       |
| 2014 | 18                          | 14       | 0       | 35                         | 26       | 0       | 53                           | 40       | 0       |
| 2015 | 27                          | 16       | 4       | 49                         | 23       | 1       | 76                           | 39       | 5       |

The number of customer complaints reported has risen in the past two years. There have been significant storm-related outages over the past two years which is a likely driver of customer complaints in the overall system. From a Kenmore perspective based on discussion with city officials and residents, there is increasing dissatisfaction with the current reliability of the system in Kenmore. Outages associated with storms and other events have created great concern. The currently tracked number of complaints from Kenmore does not reflect concerns, which have increased in 2016.

PSE also tracks actions against the complaints received. There were only six complaints from Kenmore residents over the past five years and these are indicated in Table 3.

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<sup>15</sup> Data obtained from Puget Sound Energy Service Quality and Electric Service Reliability Reports filed with the WUTC (Annual Reports)



**Table 3 Kenmore Circuit Complaints**

| Year | Circuit    | Type of Complaint | Resolution                                                                                          |
|------|------------|-------------------|-----------------------------------------------------------------------------------------------------|
| 2013 | Wayne-15   | Reliability       | On-going circuit monitoring and maintenance                                                         |
| 2015 | Unknown    | Reliability       |                                                                                                     |
| 2015 | Unknown    | Reliability       |                                                                                                     |
| 2015 | Unknown    | Reliability       |                                                                                                     |
| 2015 | Unknown    | Reliability       |                                                                                                     |
| 2015 | Kenmore-27 | Reliability       | Two system projects with estimated completion in 2016. On-going circuit monitoring and maintenance. |

### Capital Projects

PSE performs work related to reliability improvements in two ways: (1) programs and projects that occur throughout its service territory and (2) reliability-specific projects for circuits that need additional attention. Relative to work being performed in Kenmore, the following are programmatic efforts to improve the power system reliability in the City:

- **Installation of tree wire:** PSE installs tree wire on selected circuits to reduce the impact of vegetation contact with wires. The use of insulated wires reduces the potential for faults due to tree branch contacts. The tree wire is also a stronger component than older installed conductors and provides some additional protection against falling branches. However, tree wire does not reduce outages when large branches or trees impact the lines and cause the conductors to break and fall.
- **Distribution sectionalizing devices:** PSE installs reclosers and sectionalizing switches throughout its system to provide for more rapid isolation of the faulted line segment and enables the unaffected portions of the lines to be returned to service. Reclosers are programmed to detect and isolate line faults and to automatically re-energize unfaulted line segments<sup>16</sup>. If the fault is longer, reclosers can isolate the section of the line with the fault and allow customers upstream of the reclosers to remain energized. Sectionalizing switches provide for the ability to isolate a smaller section of a line and allow return to service for more customers in a timely manner (not dependent on any subsequent repairs).

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<sup>16</sup> Many faults involving short circuits between conductors or short circuits to ground are temporary. This is especially true for lightning induced faults. Reclosers in overhead line systems are typically programmed to attempt to reenergize the circuit after a short time delay. If the fault was not permanent, the reclosing operation will restore power to the customers connected to the affected line.

- SCADA installations: PSE is making broader use of SCADA in its substations and switches. SCADA provides visibility into the system performance and allows for more rapid location of a fault and a quicker return to service response for those sections of the line isolated from the fault.
- Cable remediation: PSE replaces or remediates sections of underground cable that have aged and are vulnerable to failure. This program improves the performance of the underground cable systems.
- Aging overhead wire replacement: PSE replaces smaller diameter wire in vulnerable locations with larger ACSR wire to improve the loadability of the conductors and to reduce the probability of lines breaking by a falling tree branch.
- Substation asset management: PSE monitors its major substation equipment (transformers and circuit breakers) to identify components that are at end of life and to proactively replace these major components, as needed.

All of these system-wide programs provide reliability improvements, which over time will be beneficial to residents in Kenmore.

In addition, PSE has indicated that there are several programmatic projects and targeted reliability improvement projects being performed or scheduled for circuits in Kenmore. These projects include:

- Distribution automation project: Reclosers have been installed along with some automation to test the benefits of new technologies. Additional testing will occur prior to system wide implementation of the automation scheme.
- Two overhead switches will be installed on NE 185th ST for improved sectionalizing.
- Recloser on NE 195th St has been installed, but settings need to be applied to make the recloser functional.
- Recloser is planned for installation on NE 169th St.
- Overhead-to-underground conversion along NE Bothell Way (SR 522) is in the planning stages.
- Kenmore 26 circuit ("KNM-26") along NE 195th St is planned for rerouting and reconductoring to allow this portion of the circuit to be more assessable. This project will address a major vulnerability of a section of line that is difficult to access, which results in long outage times.

- A feeder reconductoring project with tree wire is being planned for KNM-27 along NE 185th St.
- A feeder reconductoring project with tree wire is being evaluated for KNM-23 along Arrowhead Dr.

These projects are consistent with PSE plans to improve the overall reliability of the power distribution system in Kenmore.

### **System Maintenance**

Similar to capital projects, PSE conducts on-going maintenance and inspection activities that are focused on maintaining reliability of the system. These include the following programs:

- **Vegetation management:** PSE performs tree trimming at defined intervals: 4 years for overhead distribution circuits in areas like Kenmore and 3-years for overhead transmission circuits. Additionally, PSE conducts spot inspections when performing work throughout the system. Tree-trimming activities are limited to tree-trimming within the PSE right-of-ways. Therefore, the presence of tall trees adjacent to the right-of-ways is still serious reliability risks even if the tree branches are trimmed back to the edge of the right of ways.
- **Wood pole test and wood treatment programs:** PSE conducts wood pole test and treat the poles to extend the life of the wood poles and to minimize outages caused by falling poles. Poles identified as near failure are replaced.
- **Wildlife management:** PSE monitors wildlife activity that causes outages and utilizes specific products and designs to minimize wildlife impacts. Typically protection measures may include upgrading equipment poles with bushing covers, cutout covers and covered jumpers when maintenance activities are performed.

These maintenance practices are typical within the industry and are utilized to reduce the probability of outages.

## Future Power Demands

### The Growth Forecast by the City of Kenmore

The population of the City of Kenmore grew by 9.5% (from 18,678 to 20,460) between the year 2000 and 2010. It is estimated to have grown by 14% from the year 2000 and 2014. The number of housing units grew by 18% (from 7,488 to 8,835) over this same time period.<sup>17</sup> The employment dropped during the years 2000 to 2010 by 21% but is expected to rise by 46% by the year 2035. The growth will be somewhat constrained by the lack of developable areas in the City. The available space available for development is estimated to be about 5%.<sup>18</sup> Figure 21 shows the existing use of land in the City of Kenmore. It shows that the existing industrial/commercial areas are primarily found along route 522. The City envisions that this will remain the area for industrial and commercial developments. It is also expected that the existing more heavy industrial sites will over time be converted to more light industrial or commercial use.

**Table 4** Copy of Table DE-F from the City's comprehensive plan.

| Year | Population | Housing Units | Employment |
|------|------------|---------------|------------|
| 2000 | 18,678     | 7,488         | 4,601      |
| 2010 | 20,460     | 8,569         | 3,625      |
| 2035 | 28,473     | 12,236        | 6,704      |

At present 4 out of the 10 distribution feeder lines are served from the Kenmore substation, in which there is a single 25 MVA transformer installed. According to PSE, this transformer is not heavily loaded. All of the substations from which power is routed into the City have room for at least one additional step-down (from 115 to 12 kV) transformer. Furthermore, the completed and on-going reconductoring of the 115 kV transmission lines have increased the ability of PSE to send more power into the substations that feed the City.

Because the expected realignment of the existing industrial areas in the City from more heavy industry to residential or commercial use, there might not be a substantial increased need for electric power around route 522. However, if this assumption turns out to be wrong, it should be relatively easy to install additional power distribution lines from the Kenmore substation to wherever more power is needed.

<sup>17</sup> City of Kenmore Comprehensive Plan, June 2015, Chapter 3, Demographics and Economics. See <http://www.kenmorewa.gov/comprehensiveplan>

<sup>18</sup> Ibid table LU-A on page 4A-7 shows 4.7% vacant land.

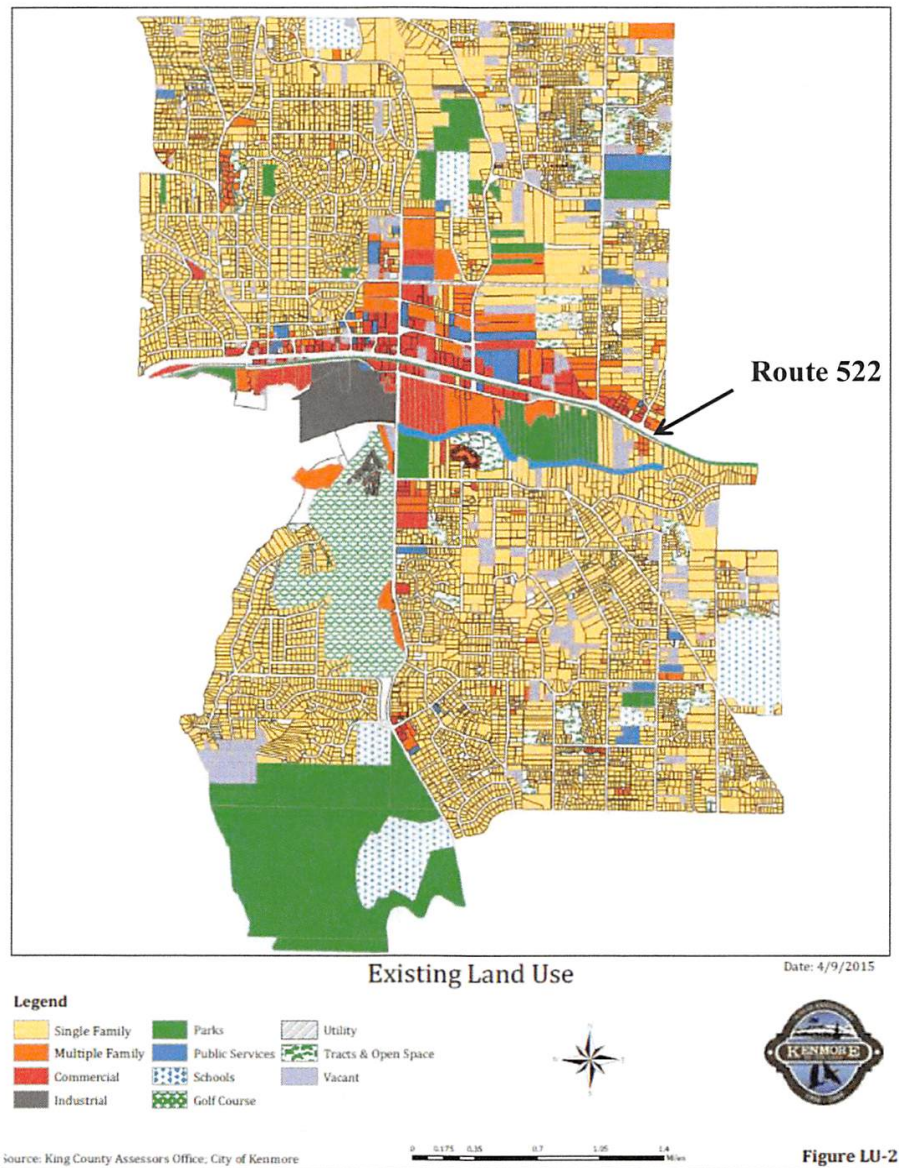


Figure 21. Copy of City of Kenmore map showing existing land use<sup>19</sup>

<sup>19</sup> Figure LU-2 from the City's comprehensive plan.

## PSE's Integrated Resource Plan Review

The latest available version of PSE's Integrated Resource Plan covers the year 2015 to 2035.<sup>20</sup> This plan is revised by PSE and submitted to the Washington Utilities and Transportation Commission (WUTC) every two years.

PSE reports that at the system level, demand growth has slowed significantly compared with the 2013 IRP Base Demand Forecast, but some areas continue to experience rapid growth – particularly the Eastside area of King County that includes downtown Bellevue. The 2015 plan changes the assumed average annual growth to 1.6% per year from 1.9% in the 2013 IRP. The growth is primarily found in the Eastside where the average annual peak demand growth rate is assumed to be about 2.5 percent from 2014 to 2031, which is significantly higher than the 1.6 percent growth rate in the overall system-level forecast.

In the 2015 IRP PSE states the following: “The surplus conditions the Pacific Northwest electric markets have experienced for a decade are forecast to change significantly with the scheduled retirement of two coal plants in 2020, Portland General Electric's 585 MW Boardman plant in Oregon and TransAlta's 730 MW Centralia Unit 1. According to studies of long-term resource adequacy from the region's energy organizations, regional market deficits are a possibility unless new resources are added in the region by 2021, and potential outages could affect more people and last longer than under previous conditions.”<sup>21</sup>

The power output from the Colstrip plant can also be constrained. PSE described the situation as follows: “During the next five years, the Colstrip units will become subject to several recently enacted regulations, changes in existing regulations and a rule governing coal combustion residuals (CCR) published in December 2014.”<sup>22</sup> CCR includes fly ash, bottom ash and scrubber slurry from Colstrip. Based on the changes to the final rule, the final CO<sub>2</sub> [carbon dioxide] goal for Montana became 26 percent more stringent and the final CO<sub>2</sub> goal for Washington became 35 percent less stringent. By 2030 Montana must reduce CO<sub>2</sub> emissions from coal plants from 20.5 million tons of CO<sub>2</sub> to 11.3 million tons of CO<sub>2</sub> which is a 45 percent reduction in CO<sub>2</sub> emissions. How this will affect Colstrip cannot be determined until a state implementation plan for Montana is finalized and approved by EPA.”

The plan examines the many energy-resource options available to PSE, including the maximum amount of new electric and gas energy "supply" that can be acquired by PSE including the reduced energy demand that are assumed to be possible to achieve through improved energy efficiency. One significant change in the planning assumptions is a reduced loss of load (LOL) probability, which changed from 5% to 1%. Loss of load probability (LOLP) is a measure of the likelihood of a load curtailment occurring; expected unserved energy (EUE) is a measure of the

<sup>20</sup> See <https://www.pse.com/aboutpse/EnergySupply/Pages/Resource-Planning.aspx>

<sup>21</sup> PSE's IRP dated 2015, page 1-2.

<sup>22</sup> This is described in detail in Appendix K of the IRP.

magnitude of potential load curtailments, in other words, how much load and how many customers are likely to be impacted. The 2015 optimum planning standard utilized by PSE includes the effect of market risk, which is the risk associated with the ability or inability of PSE to acquire electric power in the open market. PSE is presently acquiring a significant amount of electric energy by purchasing surplus energy available in the region.

In earlier IRPs PSE assumed that wholesale market purchases were 100 percent reliable, but in view of the predicted electric power shortages, this is no longer a reasonable assumption if the surplus capacity in the region is shrinking. Therefore, PSE incorporated a wholesale market risk factor in its 2015 IRP. In fact, a significant portion of PSE's 2015 IRP is based on probabilistic modeling and reasoning. That is, the methods for forecasting the future electric power needs are complex and not intuitive.

The 2015 IRP indicates that PSE needs to acquire approximately 275 MW of firm, dispatchable generation (most likely natural gas plants) in the next 7 years.<sup>23</sup> This will be required to meet PSE customers' capacity needs as the regional capacity surplus – which PSE has relied on as a low cost/low risk resource – dwindles in the next few years. However, this assumes that PSE can achieve about 500 MW in demand side resources (DSR) that offsets the need for electric power generation capacity, which might be optimistic since that is only 5 years from now.

Demand side resources (DSR) covers:<sup>24</sup>

- Electric energy efficiency measures such as retrofitting programs and new construction codes and standards, appliance upgrades, building envelope upgrades, heating and cooling systems and lighting changes.<sup>25</sup>
- Demand-response, which are electric power loads that may be curtailed or interrupted during system emergencies or when wholesale market prices exceed the utility's supply cost.
- Distributed generation such as rooftop solar panels, which can generate electricity during daytime hours, located close to the source of the customer's load.
- Distributed efficiency measures, which are achieved by using load balancing and voltage reductions to reduce energy power consumption.<sup>26</sup>
- Appliance and lighting efficiency might be relatively easy to achieve but building upgrades and retrofits might be more difficult to implement. Furthermore, this might lead to more use of natural gas unless the penetration of all electric homes is significant. Demand response could also be achieved relatively fast since it would only require

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<sup>23</sup> Wind and solar power plants are not considered to be firm power generation sources since the output from these plants are zero when the sun is not shining on solar panels or when there is no wind. These types of plants are energy sources not under the control of the dispatchers.

<sup>24</sup> See Chapter 6 of the IRP.

<sup>25</sup> Increased electric efficiency in appliances and lighting will most likely increase the consumption of natural gas.

<sup>26</sup> The benefits of voltage reductions can be expected to be reduced if appliances and electric motor drives in the future are served by power electronic systems, which look like constant power loads relatively independent of the supplied voltage.

contract modifications with large electric power users.<sup>27</sup> The other dimensions of the DSR strategy might be more difficult to achieve. If DSR is not successfully implemented, there might be an electric power supply deficiency in PSE's system.

Figure 22 shows PSE's existing and projected peak hour needs and the effective capacity of the existing resources available to PSE.<sup>28</sup> The graph shows a power capacity deficit of about 275 MW in 2021. PSE assumes in the 2015 IRP that the impact on demand from electric vehicles would be insignificant, so electric vehicles are not included in PSE's 2015 demand forecast.

It must be understood that the electric power system has to provide not only sufficient electric energy for all of the electric energy users but it also has to have sufficient capacity to serve the connected loads when the demand for power is at a maximum. If the demand for electric power exceeds the supply, then blackouts will arise. By the year 2035 the plan assumes that about 1,000 MW can be had from DSR. This is 17% of the electric power demand. The forecast also shows that by 2035, close to 1,600 MW of new power sources must be obtained. Since the lead time for construction of new power plants can be long, this indicates that there is an urgent need for PSE to begin the process for new power plant construction in the next few years.

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<sup>27</sup> However, a proposal to have pool pump with a timer set to run during off-peak times (starting after 8:00 p.m. and cycling off before 10:00 a.m.) does not make much sense if solar heating of the pools is installed. See Appendix B2, page 8.

<sup>28</sup> PSE's peak power demand is expected to arise during the winter months. The available electric power capacity is shown to be small (9% of capacity) because the probability of having electric power generated by PSE's 823 MW name-plate capacity wind turbines during the peak electric power window is small because the peak demand is most likely associated with cold temperatures and relatively calm wind conditions.



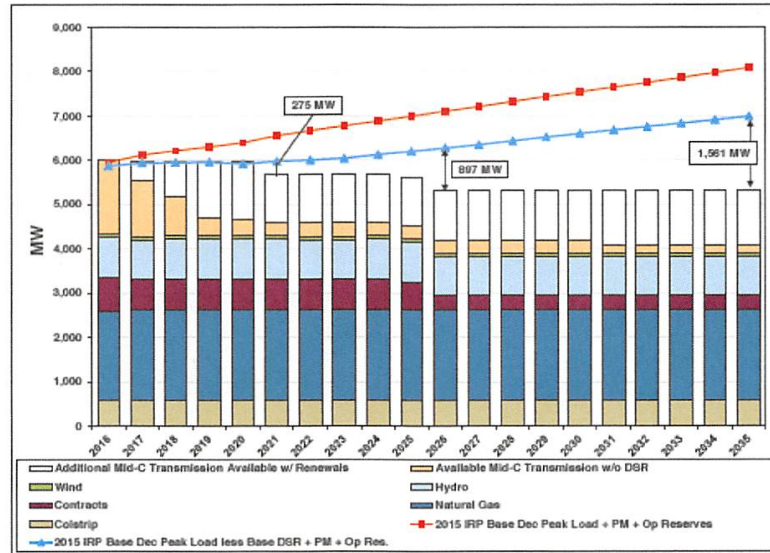


Figure 22. Copy of Figure 1-4 on page 1-14 of PSE's IRP

Peak hour capacity is an important aspect of PSE's ability to adequately meet the physical needs of its customers. The other dimension of the electric energy supply is the mix of generation sources where the electric energy is generated. This mix influences the price of the electric energy sold by PSE because if PSE can deliver power from inexpensive sources, PSE's energy cost per unit sold will be low and vice versa if the generation source produces expensive electric energy. Figure 23 shows PSE's annual forecast of energy sales to retail electric customers with expected generation for the year by resource type.<sup>29</sup> This "energy position" reflects PSE's most economical dispatch of its electric resource portfolio based on expected market conditions. PSE states that it is not a physical generation model because PSE asserts that it could generate significantly more energy than needed to meet its load on a monthly or annual basis. Instead, PSE plans to purchase energy in the wholesale market when it is more cost effective than running its thermal resources. The figure shows that PSE's market purchases increases from 806 annual megawatts (aMW) to about 1,650 aMW over the next 20 years. That is, PSE's strategy is to acquire much of its electric energy from the open market, which could benefit PSE's customers if there is a surplus of electric energy sources in the region.<sup>30</sup>

<sup>29</sup> See IRP Chapter 1, page

<sup>30</sup> In theory, the marginal cost of a resource becomes infinitive if the availability of the resource is exhausted.

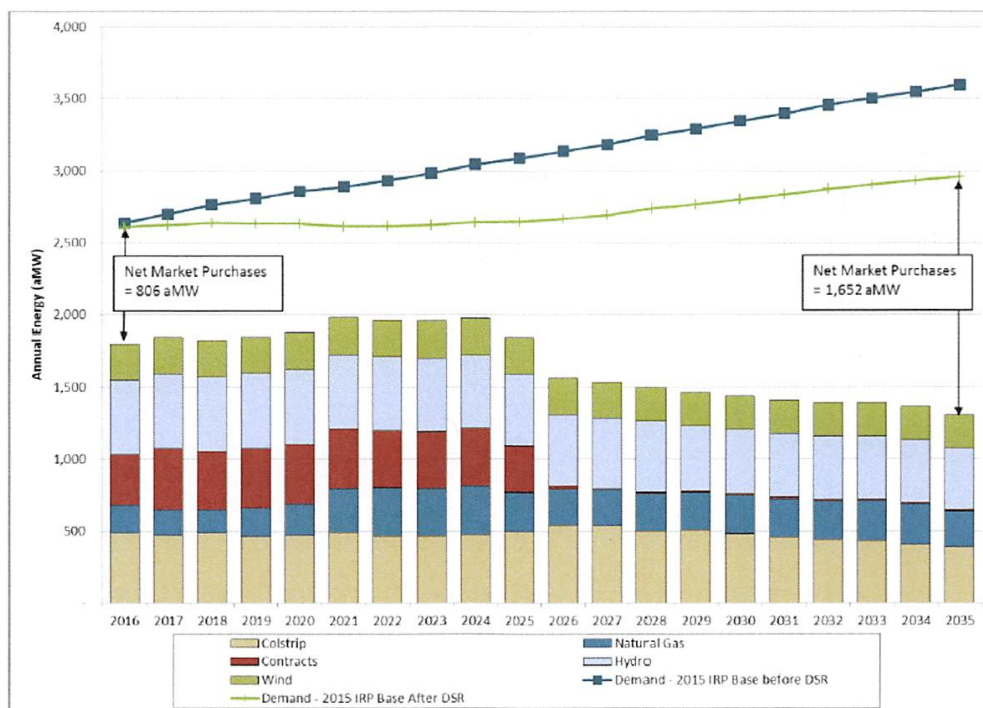


Figure 23. PSE's load forecasts aggregated to an annual basis.<sup>31</sup>

PSE projects that between 2016 and 2033, nominal retail electric rates will grow at an average annual rate of between 1.1 and 1.3 percent, depending on the customer class.<sup>32</sup> Assuming an inflation rate of 2.5 percent per year, this means real electric retail rates are expected to decline by 1.2 to 1.4 percent.<sup>33</sup> This is much lower than the 3.1 percent rate increase modeled in the

<sup>31</sup> See Figure 1-5 on page 1-15 of PSE's IRP

<sup>32</sup> Residential electric service rates are at present 0.097543 \$/kWh for the first 600 kWh per month and 0.116365 \$/kWh thereafter. See [https://pse.com/aboutpse/Rates/Documents/summ\\_elec\\_prices\\_2016\\_10\\_01.pdf](https://pse.com/aboutpse/Rates/Documents/summ_elec_prices_2016_10_01.pdf)

<sup>33</sup> Seattle City Light forecasts an annual rate increase over the next 6 years at 4.3% but does not expect a significant load growth. See Seattle City Light Strategic Plan Update 2017 – 2022. The 2016 residential rate is 0.0596 for the first block (less than 16 kWh per month) and 0.1257 \$/kWh thereafter. A demand change of \$4.51 per month is added. See <http://www.seattle.gov/light/rates/docs/2017/city%20light%202017-2018%20proposed%20retail%20rates.pdf>

2013 IRP.<sup>34</sup> Snohomish County PUD that serves the county north of the City has no similar plan available on its web site.<sup>35</sup>

PSE is required according to the state of Washington's RCW 19.285, the Energy Independence Act, to reach certain targets for renewable resources and acquire all cost-effective achievable conservation. Furthermore, according to WAC 480-100-238, "Each electric utility regulated by the commission has the responsibility to meet its system demand with a least cost mix of energy supply resources and conservation." These rules appear to be straightforward and easy to apply. However, alternative energy sources typically cost more than the conventional alternatives based on natural gas, fossil fuels and hydro, which is at odds with the least cost requirement.

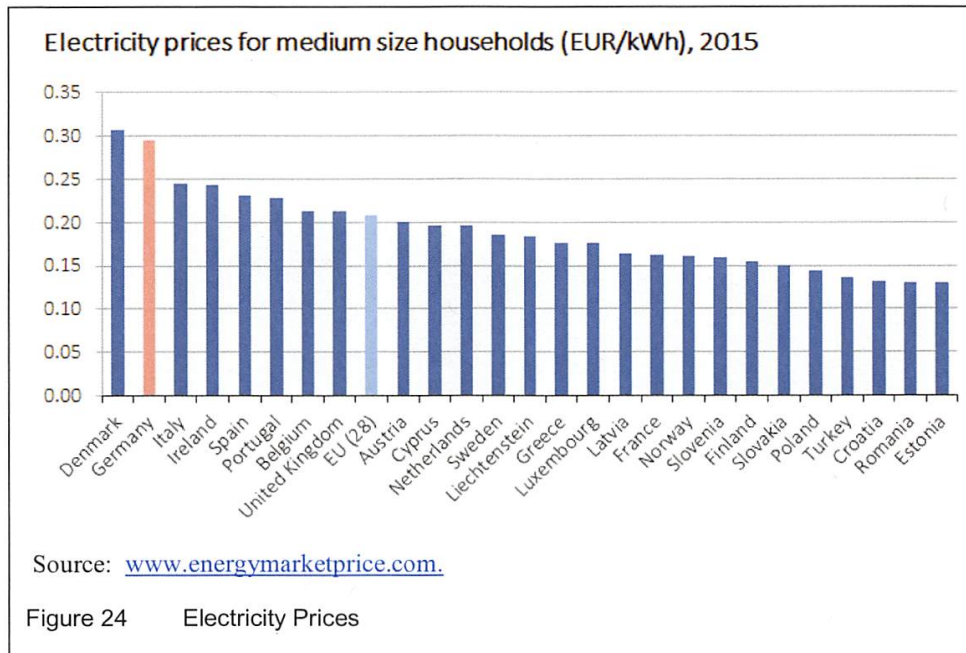
The rates in countries with a heavy emphasis on so called Green Power illustrate the high cost of alternative energy sources. Figure 24 below shows typical electric power rates in European countries. The German electric power rate includes a 19% value added tax of 0.0685 EUR/k-Wh.<sup>36</sup> In Denmark, about 50% of the electric power is generated by wind power plants. The reason for the high cost of wind energy is that when the wind power is unavailable due to a lack of wind, other sources for electric power generation must be available. That is, the deficit must be made up by other plants that are idle when wind power is generated, which requires added investments in generation facilities. This is reflected in PSE's planning scenarios where the available electric power capacity from PSE's 823 MW of wind power plants is discounted by 91% (9% availability).

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<sup>34</sup> IRP Chapter 5, page 5-19

<sup>35</sup> The power rate as of October 2015 is 0.09879 \$/kWh for an assumed energy consumption of 1,000 kWh per month. See <http://www.snopud.com/?p=1369>.

<sup>36</sup> The exchange rate on October 14, 2016 is 1 Euro equals 1.10 \$ US.



PSE and its customers are facing several uncertainties over the 20 year planning horizon. One of these is future policies or regulations associated with carbon emission reductions. Constraints on running generation systems that generate CO<sub>2</sub> could dramatically change the economics of electric power and electric energy. However, if inexpensive electric batteries were to become available, solar and wind power plants might become more reliable electric power sources, which could change the economics for the better of solar and wind power plants. PSE appears to closely monitor these developments.

As part of PSE's ongoing commitment to the exploration and evaluation of emerging resources, PSE's IRP includes analyses of rooftop solar generation (distributed solar)<sup>37</sup>. In this study, the effect of a system wide installation of 300 MW of solar power plants was included. Electric energy storage technologies such as batteries or pumped hydro plants were also studied.<sup>38</sup>

<sup>37</sup> Distributed solar generation has never been selected in PSE's portfolio analysis as a cost-effective resource for the PSE system, but federal tax credits and state production incentives have made it cost-effective for customers. Already, PSE has 2,800 net-metered customers who have installed rooftop solar panels totaling 17.4 megawatts of capacity and 17,360 megawatt hours of annual energy generation.

<sup>38</sup> IRP Chapter 1, page 1-5. See Appendix L for in depth analysis of the studied technologies.



## Adoption of New Technologies by PSE

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PSE's 2015 IRP is devoted to assessment and plans for adding power supply resources by PSE so it can meet the future, expected demands for electric power. The IRP does not address investments in distribution systems to improve the reliability of PSE's electric power customers. This seems to be appropriate because the key resource limit that PSE needs to address is the potential shortage of electric power generation resources in the northwestern states over the next 20 years. PSE addressed the so called smart grid technology acquisitions and implementation in a report entitled "2012 Smart Grid Technology Report" dated September 1, 2012.<sup>39</sup>

"Smart grid" is only a marketing slogan, which does not describe a specific set of equipment or prescribe a certain power system architecture. The fundamental component of the smart grid concept is advanced data acquisition and communication infrastructure, which will enable timely and detailed information flow from the power system back to the system operators<sup>40</sup>. To fully utilize the added features in the data acquisition systems, advanced sensors are typically required to be installed in the switches and breakers placed in the lines and substations. The information received from the sensors might make it possible automate some functions that will speed up system restoration after an outage or minimize the parts of the power system that is damaged.<sup>41</sup>

PSE's smart grid report describes significant investments from 1998 through 2012 by PSE in the communication and automation infrastructure for both the transmission and distribution systems. A number of "smart grid technologies" were put through testing to establish if the technologies would work and the potential cost benefits from using them. The plan discussed the following:

- Automated meters with two-way communication capability to collect energy usage information that enables customers to check and manage their daily energy usage via the Internet;
- Integration of customer owned grid-connected solar and wind systems allowing them to generate their own power and supply excess energy back to the grid;
- Implementation of conservation voltage reduction in several substations to manage electric power system capacity limitations;
- Automation of transmission and distribution (T&D) systems to improve service reliability; and

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<sup>39</sup> Filed pursuant to WAC 480-100-505.

<sup>40</sup> This may also make the power system more susceptible to hackers.

<sup>41</sup> After a major storm, it might be necessary to patrol the lines to make sure that there are no undetected downed conductors, which could reduce in electrocution of people coming in close contact with the conductors if they were to become energized.

- New or upgraded back-end systems such as energy management systems (EMS), outage management system (OMS), and a geospatial information system (GIS), which provide the foundational core for implementation of smart grid technologies.

The costs of fully implementing the systems that are described in the report are very high. Also, the technologies are not mature and the useful life of many of the technologies is short. This is in particular true for automation and communication infrastructure systems and equipment. That is, the annual cost of keeping the systems in operation, maintaining and upgrading the systems to keep up with technology changes will be high. This could have a significant impact on the electric power rates. The rollout of the technologies has, therefore, been slow but the EMS, OMS and GIS systems have been completed.

PSE has had an automated meter reading (AMR) installed for a long time. The step that is being taken now is to move to a two-way communication system using so called smart meters. PSE is migrating to this new technology at a slow pace since wholesale change out of the AMR system is very costly. The new systems might speed up outage reporting since the older system is has a limited capability to report outages. However, the most reliable outage information is derived from customer calls for loss of power. This is at least at present, the most reliable way to identify fallen or broken conductors along distribution lines. The calls made to report outages are fed into the OMS system and provide a map of the outage areas.

Like most utilities pursuing significant reliability improvements on the distribution system, PSE has installed three phase reclosers to reduce the impact of outages on the feeders to its customers. Reclosers interrupt faults and re-energize the line after a short waiting period. If the fault is temporary, this will restore power back to the customers. If the fault is permanent, the recloser will “lock out” and remain open after a preset number of operations. These devices dramatically reduce the impact of outages to customers on the feeder by not requiring the station circuit breaker to lock out and interrupt service to all the customers on the feeder. PSE is also evaluating and piloting the installation of line reclosers with communication used for remote monitoring and control of the device. This will help determine the challenges and benefits from using reclosers as a part of distribution automation systems.

To minimize the customers affected by a distribution line fault, additional, smart reclosers would have to be installed in the distribution feeder circuits serving the City. However, in order to take full advantage of distribution reclosers in the distribution system serving the City, the substation circuit breakers need to be connected to the distribution supervisory control and data acquisition system (DSCADA). This might require replacement of older circuit breakers. Remote control of the substation circuit breakers would be in addition to having remote control of the reclosers and fault data information transferred from the installed reclosers to the distribution system operators. If this were to be done, the number of customers affected by an outage could be significantly reduced. A further reduction of the number of affected customers would be possible if the radial, looped circuit could be remotely energized from the remote ends of the radial lines by the distribution system operators. This can now be done only by having roving operators manually open and tag out substation breakers and manually close the switches at the remote ends of the distribution feeders.

An example of how these new technologies are working can be found in a recent Wall Street Journal article covered the performance of the power systems affected by hurricane Mathews.<sup>42</sup> In this article it was stated that the power systems survived the onslaught by the hurricane much better than during previous hurricanes such as hurricane Hugo on September 22, 1989, which devastated South and North Carolina.<sup>43</sup> This hurricane caused so much destruction of the power systems so a substantial portion of the system had to be completely rebuilt. The devastation resulting from hurricane Mathew was apparently significantly less. One other lesson learnt came out of significant flooding by the Mississippi and Missouri rivers at around the same time as for hurricane Hugo was the need to remove the station batteries from substations prior to the substations being flooded to avoid corroding electrical/electronic equipment by having corrosive electrolytes and corrosive direct current flows causing destruction of electrical connections. That is, the strategies for dealing with major storms or flooding events have evolved from lessons learnt from past events when such information is shared among utility operators.

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<sup>42</sup> <http://www.wsj.com/articles/hurricane-matthew-tests-electric-grids-new-storm-resistant-technology-1476125502>

<sup>43</sup> Around midnight on September 22, 1989 Hurricane Hugo roared ashore just north of Charleston, S.C. as a massive Category 4 storm with winds near 140 mph and a storm tide around 20 feet. The hurricane leveled beachfront properties and toppled trees, leaving much of the coastal areas in absolute ruin. Hugo remained strong as it moved into western North Carolina, producing hurricane-force wind gusts all the way to Charlotte.

## Conclusions and Recommendations

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Exponent has performed a reliability assessment of the electric system within Kenmore to identify the current status of the system reliability and to provide recommendations for improvement in system reliability. Key findings and observations include:

### *Reliability-related: observations related to electric system reliability*

- Kenmore has experienced a lower level of electric power system reliability over the past several years relative to the overall PSE system. The majority of Kenmore's distribution circuits are in the lowest quartile of circuit rankings based on outage duration over the past five years.
- Kenmore is an area with many tall trees and several narrow corridors for the distribution lines and is therefore, susceptible to outages due to storms and wind events. During the past two years, Kenmore suffered long duration electric power outages due to storm events.
- One of the worst performing distribution circuits, the Kenmore-26 circuit, has a section of the circuit that passes through the back properties of homes and is therefore, very difficult to access in order to perform trouble-shooting and repair after outages with faults in that area.
- Kenmore is primarily served from four high voltage substations. These are Kenmore, Inglewood, North Bothell and Wayne substations. These substations have multiple feeds from the transmission system that provides redundancy making the system feeding power into or close to city robust and reliable. Normally two independent events are required for a substation to lose power and thereby lose its ability to serve the affected portions of the City.
- The Kenmore distribution circuits are looped radial circuits. That is, the circuits are normally fed from one end only, which leads to an electric power outage for the customers connected to the circuit. However, it is possible to feed the circuits from the remote ends by performing manual switching after the fault location or locations are isolated. This circuit design provides a good foundation to improve the reliability of the circuits through the use of sectionalizing devices to improve recovery from outages for the unfaulted portions of the circuits.
- There were observations of tree-related issues during a walkthrough of various neighborhoods performed by Exponent. That is, there are indications of the need for a shorter time interval between tree trimming activities.
- System-wide programs and projects as well as targeted projects currently being planned for Kenmore should provide reliability improvements. Additionally, two recent projects



(underground of line to the Bastyr University and upgrade of line from Moorlands to Vitulli stations) provide additional reinforcement that should enhance the reliability of the power system.

- The impartments include investments in what is typically referred to the smart grid concept, which fundamentally includes the addition of advanced data acquisition and communication infrastructure, which will enable timely and detailed information flow from the power system back to the system operators after a disturbance. As a first step, PSE has developed a program to evaluate and implement various technology improvements. A major improvement was the installation of the new outage management system. Additionally, the use of automation within the system will benefit reliability.

***Capacity-related: observations related to long-term capacity***

- There is the potential to add additional capacity in the substations feeding Kenmore to address future growth needs as an additional transformer can be added to existing substations.
- Relative to system demand: By the year 2035 the plan assumes that about 1,000 MW can be had from demand side resources (DSR). This is 17% of the electric power demand forecast. The forecast also shows that by 2035, close to 1,600 MW of new power sources must be obtained. Since the lead time for construction of new power plants can be long, this indicates that there is an urgent need for PSE to begin the process for new power plant construction in the next few years.
- The Energize Eastside project for upgrade of the 115kV to 230kV does not have a major impact on Kenmore. It can provide for additional redundancy, but the transmission line upgrade does not appear to affect power to Kenmore.

Based on these observations, Exponent has identified several recommendations for potential improvement in electric reliability. These recommendations include:

1. Since the Kenmore circuits are looped radial circuits, the installation of reclosers and sectionalizing switches can make major improvements in outage restoration to reduce overall outage duration. It is recommended the installation of these devices be expedited for the Kenmore area.
2. PSE should implement its current plans for the rebuilding of Kenmore-26 (relocation of sections of the circuit), Kenmore-27 (feeder reconductoring) and Kenmore-23 circuits (feeder reconductoring). They should also implement improvements for other identified reliability issues on other circuits in Kenmore. [Note: there are on-going discussions between PSE and Kenmore regarding the scope of these upgrades.]
3. Kenmore is subject to significant storm impacts related to tree-related outages. The Kenmore area is on a four-year tree trimming cycle. It is recommended to perform more

frequent patrols in Kenmore to identify potential emerging activities within the four-year period.

4. To further effect a turnaround in reliability, it is recommended that PSE install current modern technologies that it is utilizing in other parts of their system. It is recommended that Kenmore work with PSE to install other advanced technologies that are intended to improve electric reliability. These technologies may include various automation solutions, SCADA installations, and communications protocols for events and storm response.
5. Kenmore should request a reliability report from PSE that provides more details for evaluation of the Kenmore circuits. This report would highlight circuit outages, circuit projects, on-going maintenance activities, and performance related metrics. This report would provide for a better communication between Kenmore and PSE relative to reliability and capacity issues. This reliability report can also form the basis for an annual meeting between PSE and Kenmore to review future plans and provide feedback on reliability issues.
6. Kenmore and PSE should have a more formal protocol for reviewing growth plans for Kenmore so that these plans are included in PSE's system planning activities.

These recommendations are intended to assist Kenmore in working with PSE to ensure appropriate levels of support for the Kenmore community right-of-ways

February 23, 2018



### Reliability Goals

The City of Kenmore (Kenmore) is developing reliability goals for use in preparation of their franchise agreement with Puget Sound Energy (PSE). These goals are based on results of an electric reliability study performed for Kenmore in 2016. Based on information provided by PSE, the Kenmore circuit performance is shown in Figure 1 below. This figure, which shows the average performance of the circuit over the past four years, indicates the circuit ranking by percent in the PSE system and indicates that the majority of circuits are in the bottom quartile of reliability performance. The framed feeder names indicate the circuits that were upgraded or are planned to be upgraded beginning 2016 and ending 2018.

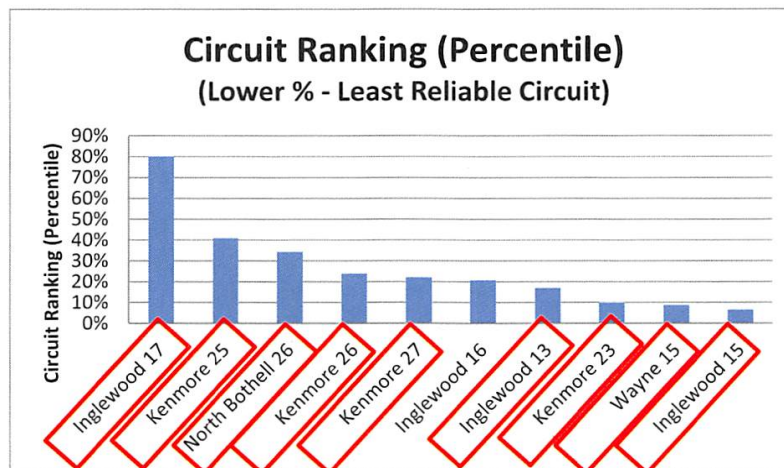


Figure 1: Kenmore Circuit Reliability Rankings<sup>1,2</sup>

Sustainable reliability improvements are not expected for these circuits until projects have been developed and completed that will provide for reduced number of outages and improved outage response times. Kenmore has provided a list of projects for their circuits based on discussions with PSE. A summary is provided below.

<sup>1</sup> "Electric System Reliability Assessment – City of Kenmore"; Exponent, November 2016. This information is based on a 5-year rolling average from 2010 – 2014.

<sup>2</sup> Figure is revised on February 23, 2018 based on newly available information on circuits affected by prior projects.

February 23, 2018

**Table 1: Kenmore Circuit Projects<sup>3, 4</sup>**

| Circuit            | Project Description                            | Project Year |
|--------------------|------------------------------------------------|--------------|
| Inglewood 13       | Distribution automation test project           | 2016         |
| Inglewood 15       | Feeder reconductor with tree wire              | 2017/2018    |
|                    | Replace failing underground cable (2 projects) | 2018         |
| Kenmore 27         | Install overhead switches                      | 2016         |
|                    | Replace failing underground cable              | 2017/2018    |
| Kenmore 26         | Feeder reroute and reconductor with tree wire  | 2017/2018    |
| Kenmore 25         | Underground conversion                         | 2016         |
| Kenmore 23         | Feeder reconductor with tree wire              | 2017         |
| Inglewood 17       | Replace failing underground cable              | 2018         |
| North Bothell 26   | Installation of recloser                       | 2016         |
| Wayne 15           | Installation of recloser                       | 2016         |
| Kenmore Substation | Replace 4 existing feeder breakers             | 2018         |
| Transmission Line  | Moorlands – Vitulli transmission line upgrade  | 2016         |

Based on the projects listed above, Kenmore should expect the following improvements on the circuits with identified projects:

- Inglewood 13: Distribution automation test project which is related to more rapid response to potential momentary faults on distribution lines. Automation has the ability to automatically restore power when subject to a momentary fault (such as branch contact with the wire).
- Inglewood 15: Most of the communities in Kenmore are heavily populated with tall trees which creates the opportunity for outages from tree branch contact with conductors or from falling branches. The use of tree wire on the above ground feeders will reduce outages from tree branch contact. Additionally, replacement of older, failing underground cable will improve performance on those parts of the circuit.
- Kenmore 27: The use of tree wire on the above ground feeders will reduce outages from tree branch contact. Additionally, replacement of older, failing underground cable will improve performance on those parts of the circuit.
- Kenmore 26: This circuit previously passed through areas of dense tree growth along the back of residences that offered very limited access making it more difficult for PSE to respond to outages. The relocation of the circuit will provide better access by PSE and will lead to reduced outage durations. The use of tree wire on the above ground feeders will reduce outages from tree branch contact.
- Kenmore 25: The underground conversion of this line focused on ensuring reliability in the main downtown area of Kenmore. This project will result in reduced outage frequency on this circuit since undergrounding this circuit eliminates outages caused by contact with tree branches.

<sup>3</sup> "Kenmore Franchise"; Presentation by PSE; January 2018.

<sup>4</sup> Table and following discussion is revised on February 23, 2018 based on newly available information on circuits affected by prior projects.

February 23, 2018

- Kenmore 23: The use of tree wire on the above ground feeders will reduce outages from tree branch contact.
- Inglewood 17: This is actually a well performing circuit, which is indicated because, as is shown in Figure 1, the circuit is placed in the first quartile. The replacement of older, failing underground cable, however, will improve performance on those parts of the circuit where cable failures have been experienced.
- North Bothell 26: Installation of recloser which will improve time to respond to an outage and restore customers.
- Wayne 15: Installation of recloser which will improve time to respond to an outage and restore customers.
- Moorlands – Vitulli Transmission Line: Upgrade of transmission line provides additional improvement to overall Kenmore and Bothell through upgrade to older transmission lines. While this improves performance in the area, it does not directly address issues on individual distribution circuits.
- Kenmore Substation: The improvements to the Kenmore substation are intended to reduce potential outages associated with equipment failure at the substation and also, increased use of automation should improve outage response time. The improvements at the substation will provide benefits to all circuits fed off this location.

The benefits to reliability are available upon completion of the projects. Therefore, improvements should be noted the year following completion of the various projects.

Relative to reliability goals, it should be expected that circuits that have defined upgrade projects will likely experience improved reliability. Reduced outage frequency and durations can be expected to positively improve the reliability metrics for both SAIFI and SAIDI, and an expected improved response time will also improve SAIDI. Six of the circuits with defined projects have reliability in the lower quartile (between 0 and 25% in Figure 1) and it is expected that all should see improved performance based on the projects completed and underway.



February 23, 2018

Possible reliability goals for Kenmore may be defined as:

*1. Overall improvement in SAIFI and SAIDI for Kenmore*

The projects being performed from 2016 through 2018 should reduce the likelihood of outages from tree related events (including tree wire installation, underground conversion, and replacement of underground cable). Therefore, there should be a trend for overall reliability improvement in Kenmore. A useful metric would be to move overall Kenmore reliability toward the PSE system average.

PSE tracks reliability by including as well as excluding major events. For monitoring the trends and improvements, the SAIDI and SAIFI metrics excluding major events provides a good indication of performance and these metrics may be used to track performance over time toward the goal.

*2. Number of circuits above the fourth quartile<sup>5</sup>*

Circuits are only expected to see improved reliability when projects create conditions to reduce outage cause or duration. There are projects associated with several circuits that are in the 4<sup>th</sup> quartile. A potential metric is to monitor circuit rankings and to expect that circuits with upgrade projects will move into quartiles 1 – 3. As stated previously, circuit rankings are based on a 5-year rolling average, so it may take 3-4 years to move out of the 4<sup>th</sup> circuit depending on past results. Therefore, in addition to the 5-year moving average, tracking of the circuit performance for each year might indicate the level of improved circuit reliability faster. Based on the current project list, a target of 6 circuits above the 4<sup>th</sup> quartile should be expected over the next couple of years. Additional circuit upgrades, combined with prudent tree trimming, would be needed to move the rest of the circuits in the 4<sup>th</sup> quartile up towards the PSE average.

An approach, which includes overall Kenmore performance and specific circuit performance, allows for a balanced focus on improvement throughout Kenmore and provides a basis for PSE to make project decisions.

<sup>5</sup> The fourth quartile is defined to be the ranking of a circuit in the bottom 25% of circuit reliability. In Figure 1, this would include circuits ranked below 25%.



City Council Business Agenda Item  
City of Kenmore, WA

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| <p><b>Subject/Topic:</b></p> <p>Critical Area Regulations (CAR) and Shoreline Master Program (SMP) amendments</p> <p><b>Proposed Council Action/Motion:</b></p> <p>Discuss Planning Commission recommendations and direct any changes. Consider one additional recommendation, reviewed by the Planning Commission on May 7.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <p><b>For Council Meeting Agenda of:</b> 5/20/19</p> <p><b>Department:</b> <u>Community Development</u></p> <p><b>Prepared by:</b> <u>Debbie Bent, Community Development Director and Lauri Anderson, Principal Planner</u></p> <p><b>Initial &amp; Date</b></p> <p>Approved by Department Head: <u>DB 5/14/19</u></p> <p>Approved by City Attorney: <u>NA</u></p> <p>Approved by Finance Director: <u>✓</u></p> <p>Approved by City Manager: <u>POK 5-14-19</u></p> <p><b>Exhibits/Attachments:</b></p> <ol style="list-style-type: none"> <li>1. Wetland buffer enhancement amendment</li> <li>2. Illustration of enhancement – single-family residence</li> <li>3. Illustration of enhancement – commercial project</li> <li>4. Minor amendment to shoreline buffers on Swamp Creek</li> </ol> |
| <p><b>INFORMATION/BACKGROUND:</b></p> <p>On May 13, the Planning Commission presented their recommendations on the CAR and SMP amendments included in your May 13 packet. The State requires an update to these regulations by June 30, 2019.</p> <p>On May 20, staff will respond to questions (ideally provided in advance of the meeting) and receive direction from the City Council on any changes to the Planning Commission recommendations.</p> <p>On May 20, staff also will present an additional wetland buffer amendment, considered and recommended by the Planning Commission on May 7 (see Attachment 1). This recommendation was prompted by wetland buffer width reductions proposed by the Department of Ecology on April 16 and adopted by the Planning Commission that evening. Further reading of Ecology's most recent best available science guidance indicates that these reduced buffers assume a well-vegetated natural buffer—not a degraded buffer – and require that the buffer be either restored or widened if degraded. Considering how and whether to implement this expectation (not explicitly called out by Ecology), staff reviewed regulations in surrounding communities. Staff found that other cities include a requirement for degraded buffer enhancement. Ecology reviewed the Planning Commission's recommended approach prior to the Commission's consideration.</p> <p>Attachments 2 and 3 illustrate the buffer enhancement approach. If more than 500 sq.ft. of new impervious surface is proposed on a site with a degraded wetland buffer, a proportional amount of enhancement to the degraded buffer or degraded wetland would be required. Legal nonconformances in the buffer would not be affected except by the applicant's choice.</p> <p>As the new buffer enhancement amendments were not considered during the Planning Commission's public hearing (held on March 26), the City Council will need to hold a public hearing before adoption of the amendment package if the buffer enhancement amendments are included. This could also provide an opportunity to consider any changes requested by Council but outside of the topics covered in the Planning Commission public hearing. The public hearing and ordinance adoption tentatively are scheduled for June 10, 2019.</p> <p>A very minor shoreline buffer change for Swamp Creek is included in Attachment 4. This is an error in the new regulations that staff discovered when preparing the SEPA review for the project. The buffer table should include buffer numbers before the clarifying footnote (footnote 3), and, in one case, the footnote should be added. These buffers match those for the Sammamish River. The changes are shown in gray highlighting.</p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

I:/City Clerk/Agenda Items/Templates

**FISCAL CONSIDERATION:**

\$150,000 in 2018 and \$50,000 in 2019 have been budgeted to support consultant help with this project. A \$20,000 grant from the Department of Ecology also has been received and is being used for the project.

**COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:**

Council Goal 10: Protect and enhance the climate, water, air and forest environment.



ATTACHMENT 1

**18.20.665 Degraded wetland buffer or degraded wetland.**

"Degraded wetland buffer" or "degraded wetland" means a wetland or buffer area which cannot adequately protect its adjacent wetland due to meets one or more of the following existing conditions:

- A. Lack of vegetative cover or presence of bare soils (resulting from disturbance, fill, debris, or trash);
- B. Significant cover (over 50 percent) in *nonnative vegetation*;
- C. Significant cover (over 50 percent) in invasive species or *noxious weeds*;
- D. Presence of existing nonconforming *structures* or improvements that impair ecological functions, including hydrology, water quality, and fish or wildlife habitat.

**18.55.300 Designation and rating of wetlands.**

\* \* \*

**C.4** Increased Wetland Buffer Widths. The *city manager* shall require increased *buffer* widths in accordance with the recommendations of a *qualified professional biologist* and the *best available science* on a case-by-case basis when a larger *buffer* is necessary to protect *wetland functions and values* based on *site-specific* characteristics. This determination shall be based on one or more of the following criteria:

- a. A larger *buffer* is needed to protect other *critical areas* or their functions;
- b. The *buffer* has a slope greater than 30 percent or is susceptible to *erosion* and standard *erosion-control* measures will not prevent adverse impacts to the *wetland*. In such cases, the *buffer* shall be increased to include the slope or the standard *buffer* shall be drawn from the top of the slope, whichever provides greater protection.

c. A degraded wetland buffer is present. In this case, the standard buffer shall be increased by 33 percent unless new net impervious surface equals or is less than 500 square feet or a buffer enhancement plan is provided meeting all of the following criteria:

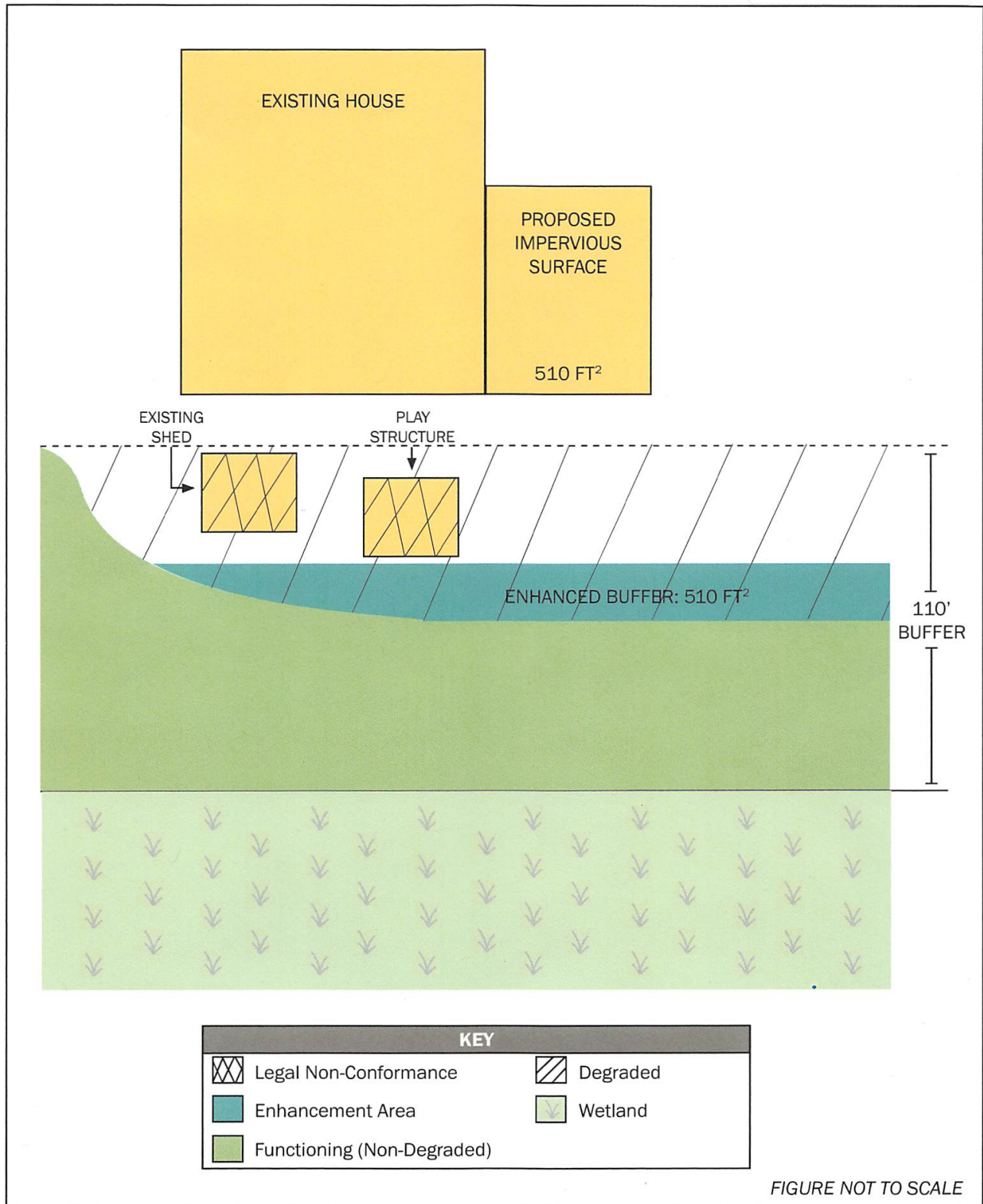
(1) The buffer enhancement plan shall be prepared by a qualified professional and the applicant shall fund a review of the plan by the City's wetland consultant. Enhancements shall include revegetation with native species appropriate for the site, and may also include installation of special habitat features, such as snags, downed wood, bat boxes, or other

ATTACHMENT 1

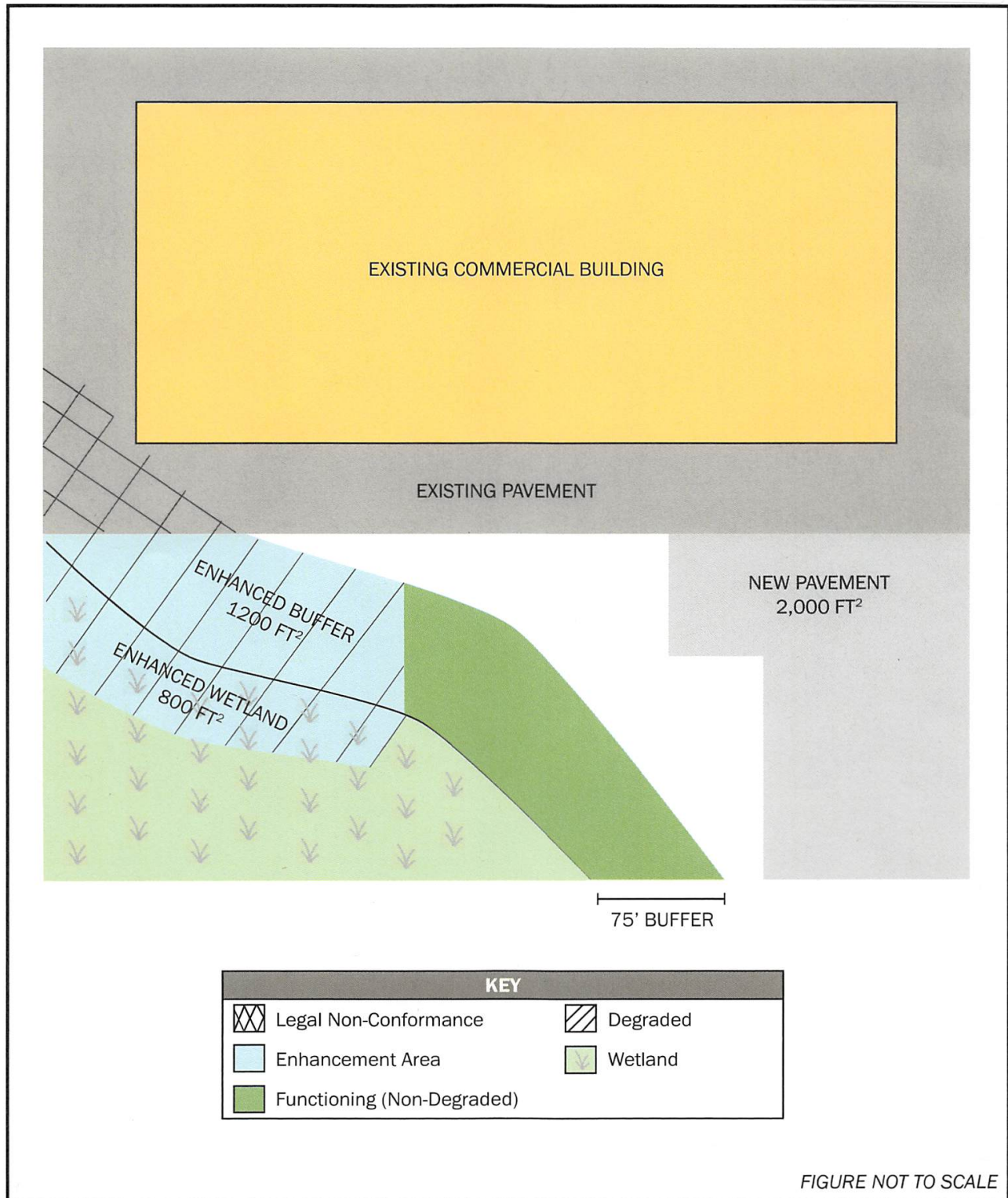
wildlife habitats. The *buffer enhancement* plan shall meet the requirements for a mitigation plan as described in KMC Section 18.55.220, including five years of maintenance and monitoring consistent with KMC Section 18.55.280.

(2) The *degraded wetland buffer* shall be enhanced at a 1:1 ratio relative to the total net new *impervious surface* on the *site*, up to the total on-site square footage of *degraded wetland buffer* outside of any legal *nonconformances*. When the available *degraded wetland buffer* area is exceeded by the new net *impervious surface* area, the equivalent area of *degraded wetland* shall be enhanced, if present on the *site*.

(3) If the total new net *impervious surface* area on the *site* exceeds the area of *degraded wetland buffer* outside of any legal *nonconformances* and *degraded wetland*, the applicant should consider opportunities to convert areas of legal *nonconformances* to enhanced *buffer*.







## ATTACHMENT 4

|                                                              | DOWNTOWN<br>WATERFRONT                     | SWAMP CREEK<br>COMMERCIAL | SHORELINE<br>RESIDENTIAL | URBAN<br>CONSERVANCY | NATURAL    | AQUATIC |
|--------------------------------------------------------------|--------------------------------------------|---------------------------|--------------------------|----------------------|------------|---------|
|                                                              | Shoreline Buffers from OHWM on Swamp Creek |                           |                          |                      |            |         |
| Residential development                                      | NA                                         | 60 ft                     | 50 ft                    | 150 ft               | 150 ft     | ==      |
| Water-oriented parks and outdoor recreational facilities     | NA                                         | 50 ft (3)                 | 50 ft (3)                | 100 ft (3)           | 150 ft (3) | ==      |
| Non-water-oriented parks and outdoor recreational facilities | NA                                         | 60 ft                     | 75 ft                    | 100 ft               | 150 ft     | ==      |
| Other water-oriented uses                                    | NA                                         | 50 ft                     | 50 ft                    | 100 ft               | 150 ft     | ==      |
| All other non-water-oriented uses                            | NA                                         | 60 ft                     | 150 ft                   | 150 ft               | 150 ft     | ==      |

Changes from initial recommendations (in yellow) are shown in gray highlighting.