



City Council Study Session Agenda  
Shelton Civic Center  
August 17, 2021 at 5:00 p.m.

**A. Call to Order**

**B. Roll Call**

**C. Study Agenda**

1. 2022 Budget – Presented by Finance Director Aaron BeMiller and Finance Specialist Don Kuismi
2. Olympic Highway North Median Island Paving – Presented by Street Superintendent Mike Albaugh

**D. New Items for Discussion**

**E. Adjourn**

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Shelton City Council  
Meeting Agenda  
August 17, 2021 at 6:00 p.m.  
Civic Center

**A. Call to Order**

- Pledge of Allegiance
- Roll Call
- Late Changes to the Agenda

**B. Council Reports**

**C. Consent Agenda (Action)**

1. Vouchers numbered 105527 through 105564 in the total amount of \$137,901.79
2. Vouchers numbered 105593 through 105652 in the total amount of \$106,054.33
3. Voucher number 105586 in the amount of \$6,064.46
4. Shelton Veterans Village Status Update – July 29, 2021

5. Monthly Finance Status Report
6. Minutes:
  - Business Meeting of May 4, 2021
  - Business Meeting of May 18, 2021

**D. General Public Comment (3-minute time limit)**

*The City Council invites members of the public to provide comment on any topic at this time. Please sign in on the public comment sheet and keep an instruction card. If you would like to comment on a Business or Action item, please list the agenda item number on the list. City Councilmembers and City Staff will not enter into a dialogue during public comment. If the Council feels an issue requires follow up, Staff will be directed to respond at an appropriate time.*

**E. Business Agenda (Study/No Action/Public Comment Taken)**

1. Public Hearing Ordinance No. 1973-0621 Updating SMC 8.08 – Presented by Finance Director Aaron BeMiller
2. Contract Amendment with Waste Connections-Updating Administrative Provisions – Presented by Finance Director Aaron BeMiller
3. Resolution No. 1205-0721 Surplus Police Vehicles – Presented by Police Chief Carole Beason
4. Resolution No. 1206-0821 Approving Appendix J for Inclusion in the Joint Mason County-City of Shelton Comprehensive Solid Waste Management Plan – Presented by Public Works Director Jay Harris

**F. Action Agenda (Action/Public Comment Taken)**

1. Ordinance No. 1963-1220 PUD 3 Franchise Agreement – Presented by City Manager Jeff Niten
2. Civic Center Rotating Art Gallery – Presented by Community Development Director Mark Ziegler

**G. Administration Reports**

1. City Manager Report

**H. New Items for Discussion**

**I. Announcement of Next Meeting – September 7, 2021 at 6:00 p.m.**

**J. Adjourn**

**Special Note for Virtual Public Participation**

The meeting can be viewed at: [masonwebtv.com](http://masonwebtv.com)

The public can provide comments virtually by:

Email: [jeff.niten@sheltonwa.gov](mailto:jeff.niten@sheltonwa.gov) (before 5:00 p.m. the day of the meeting)

Telephone: (360) 968-9004

Your comments will be relayed directly to the Council.



# 2021 Looking Ahead

(Items and dates are subject to change)

Tues. 8/24 6:00 p.m.	Study Session	<b>Study Agenda</b> <ul style="list-style-type: none"> <li>Western Gateway Project Update</li> <li>Civic Center Parking Lot Project Update</li> </ul>	Packet Items Due: Fri. 8/20 @ noon
Tues. 9/7 6:00 p.m.	Regular Meeting	<b>Consent Agenda</b> <ul style="list-style-type: none"> <li>Vouchers/Payroll Warrants/Meeting Minutes</li> </ul> <b>Presentations</b> <ul style="list-style-type: none"> <li>Solid Waste Recycling Contamination Reduction</li> </ul> <b>Business Agenda</b> <ul style="list-style-type: none"> <li>Surplus Property</li> <li>Public Hearing Ordinance No. 1968-0321 Water Comp Plan Adoption</li> </ul> <b>Action Agenda</b> <ul style="list-style-type: none"> <li>Ordinance No. 1973-0621 Updating SMC 8.08</li> <li>MOU with Waste Connections – Updating Administrative Provisions</li> <li>Resolution No. 1204-0621 Storm Drainage Charges-Commercial Discount</li> <li>Resolution No. 1205-0721 Surplus Police Vehicles</li> <li>Resolution No. 1206-0821 Approving Appendix J for inclusion in the joint Mason County/City of Shelton Comprehensive Solid Waste Management Plan</li> </ul> <b>Administration Report</b> <ul style="list-style-type: none"> <li></li> </ul>	Packet Items Due: 8/27 – 5:00 p.m.
Tues. 9/14 6:00 p.m.	Study Session	<b>Study Agenda</b> <ul style="list-style-type: none"> <li>Local Roads Safety Plan</li> </ul>	Packet Items Due: Fri. 9/10 @ noon
Tues. 9/21 5:45 p.m.	SMPD Meeting	<b>Consent Agenda</b> <ul style="list-style-type: none"> <li>Vouchers/Meeting Minutes</li> </ul> <b>Business Agenda</b> <ul style="list-style-type: none"> <li></li> </ul> <b>Action Agenda</b> <ul style="list-style-type: none"> <li></li> </ul> <b>Administration Report</b> <ul style="list-style-type: none"> <li></li> </ul>	Packet Items Due: 9/10 – 5:00 p.m.
Tues. 9/21 6:00 p.m.	Regular Meeting	<b>Consent Agenda</b> <ul style="list-style-type: none"> <li>Vouchers/Payroll Warrants/Meeting Minutes</li> <li>July Financial Status Report</li> </ul> <b>Presentations</b> <ul style="list-style-type: none"> <li></li> </ul> <b>Business Agenda</b> <ul style="list-style-type: none"> <li></li> </ul>	Packet Items Due: 9/10 – 5:00 p.m.

		Action Agenda <ul style="list-style-type: none"> <li>• Surplus Property</li> <li>• Ordinance No. 1968-0321 Water Comp Plan Adoption</li> </ul> Administration Report <ul style="list-style-type: none"> <li>•</li> </ul>	
Tues. 9/28 6:00 p.m.	Study Session	Study Agenda <ul style="list-style-type: none"> <li>• 2022 Budget</li> </ul>	Packet Items Due: Fri. 9/24 @ noon
Tues. 10/5 6:00 p.m.	Regular Meeting	Consent Agenda <ul style="list-style-type: none"> <li>• Vouchers/Payroll Warrants/Meeting Minutes</li> </ul> Presentations <ul style="list-style-type: none"> <li>• Proposed 2022 Budget</li> </ul> Business Agenda <ul style="list-style-type: none"> <li>• LTAC Grant Recommendations</li> </ul> Action Agenda <ul style="list-style-type: none"> <li>•</li> </ul> Administration Report <ul style="list-style-type: none"> <li>•</li> </ul>	Packet Items Due: 9/24 – 5:00 p.m.
Tues. 10/12 6:00 p.m.	Study Session	Study Agenda <ul style="list-style-type: none"> <li>• Pavement Condition Rating Presentation</li> </ul>	Packet Items Due: Fri. 10/8 @ noon
Tues. 10/19 6:00 p.m.	Regular Meeting	Consent Agenda <ul style="list-style-type: none"> <li>• Vouchers/Payroll Warrants/Meeting Minutes</li> <li>• August Financial Status Report</li> </ul> Presentations <ul style="list-style-type: none"> <li>•</li> </ul> Business Agenda <ul style="list-style-type: none"> <li>•</li> </ul> Action Agenda <ul style="list-style-type: none"> <li>• LTAC Grant Recommendations</li> </ul> Administration Report <ul style="list-style-type: none"> <li>•</li> </ul>	Packet Items Due: 10/8 – 5:00 p.m.
Tues. 10/26 6:00 p.m.	Study Session	Study Agenda <ul style="list-style-type: none"> <li>•</li> </ul>	Packet Items Due: Fri. 10/22 @ noon
Tues. 11/2 6:00 p.m.	Regular Meeting	Consent Agenda <ul style="list-style-type: none"> <li>• Vouchers/Payroll Warrants/Meeting Minutes</li> </ul> Presentations <ul style="list-style-type: none"> <li>•</li> </ul> Business Agenda <ul style="list-style-type: none"> <li>• Resolution No. 1186-1220 Surplus Computer Equipment</li> </ul> Action Agenda <ul style="list-style-type: none"> <li>•</li> </ul> Administration Report <ul style="list-style-type: none"> <li>•</li> </ul>	Packet Items Due: 10/22 – 5:00 p.m.
Tues. 11/9 6:00 p.m.	Study Session	Study Agenda <ul style="list-style-type: none"> <li>•</li> </ul>	Packet Items Due: Fri. 11/5 @ noon
Tues. 11/16 6:00 p.m.		Consent Agenda <ul style="list-style-type: none"> <li>• Vouchers/Payroll Warrants/Meeting Minutes</li> <li>• September Financial Status Report</li> </ul> Presentations <ul style="list-style-type: none"> <li>•</li> </ul>	Packet Items Due: 11/5 – 5:00 p.m.



		Business Agenda <ul style="list-style-type: none"> <li>•</li> </ul> Action Agenda <ul style="list-style-type: none"> <li>• Resolution No. 1186-1220 Surplus Computer Equipment</li> </ul> Administration Report <ul style="list-style-type: none"> <li>•</li> </ul>	
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Other – TBD

- UGA/Annexation Policy (Water/Sewer Extensions)
- Outside City Water/Sewer Extensions
- More Standing Committees by the Council
- December 7, 2021 – C Street Update

DRAFT

## VOUCHER APPROVAL

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein vouchers number 105527 through number 105564 in the total amount of \$137,901.79 that the claims are just, due and unpaid obligations against the City of Shelton, and that I am authorized to authenticate and certify said claims.

Signed this 30<sup>th</sup> of July, 2021.

Deni J. Schaefer Accounting Manager  
for Director of Financial Services

We, the undersigned members of the City Council of Shelton, Washington, do hereby certify that the vouchers contained herein are approved for payment.

Signed this \_\_\_\_\_ of \_\_\_\_\_, 2021.

\_\_\_\_\_  
Mayor Kevin Dorcy

\_\_\_\_\_  
Deputy Mayor Deidre Peterson

\_\_\_\_\_  
Councilmember James Boad

\_\_\_\_\_  
Councilmember Megan Fiess

\_\_\_\_\_  
Councilmember Kathy McDowell

\_\_\_\_\_  
Councilmember Eric Onisko

\_\_\_\_\_  
Councilmember Joe Schmit

**VOUCHER APPROVAL**

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein vouchers number 105593 through number 105652 in the total amount of \$106,054.33 that the claims are just, due and unpaid obligations against the City of Shelton, and that I am authorized to authenticate and certify said claims.

Signed this 6<sup>th</sup> of August, 2021.

  
for Accounting Manager  
Director of Financial Services

We, the undersigned members of the City Council of Shelton, Washington, do hereby certify that the vouchers contained herein are approved for payment.

Signed this \_\_\_\_\_ of \_\_\_\_\_, 2021.

\_\_\_\_\_  
Mayor Kevin Dorcy

\_\_\_\_\_  
Deputy Mayor Deidre Peterson

\_\_\_\_\_  
Councilmember James Boad

\_\_\_\_\_  
Councilmember Megan Fiess

\_\_\_\_\_  
Councilmember Kathy McDowell

\_\_\_\_\_  
Councilmember Eric Onisko

\_\_\_\_\_  
Councilmember Joe Schmit

## VOUCHER APPROVAL

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein vouchers numbered 105586 in the amount of \$6,064.46 that the claims are just, due and unpaid obligations against the City of Shelton, and that I am authorized to authenticate and certify said claims.

Signed this 6<sup>th</sup> of August, 2021.

  
for Director of Financial Services

We, the undersigned members of the City Council of Shelton, Washington, do hereby certify that the vouchers contained herein are approved for payment.

Signed this \_\_\_\_\_ of \_\_\_\_\_, 2021.

\_\_\_\_\_  
Mayor Kevin Dorcy

\_\_\_\_\_  
Deputy Mayor Deidre Peterson

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Councilmember James Boad

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Councilmember Megan Fiess

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Councilmember Kathy McDowell

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Councilmember Eric Onisko

\_\_\_\_\_  
Councilmember Joe Schmit

# Shelton Veterans Village

## 7/29/2021 Status Updates

Next Meetings: **9:00 AM, Thursday, August 5.** Then 9AM, Thursday August 12, 19 & 26

<b>Via Email To:</b>	<i>Jaycie Osterberg; Garner Miller; Dan Campbell; Michelle Hallen; Kelsey Johnston; Alberto Del Toro; Chris Merritt</i> <i>Absent: Garner, Chris, Kelsey &amp; Alberto had schedule conflicts.</i>	
Entity	Notes	Action
Olympic Engineering	<ul style="list-style-type: none"><li>• New City email that all Civil plans to be re-reviewed with new comments possible.</li></ul>	<ul style="list-style-type: none"><li>• Awaiting City of Shelton permit approval.</li></ul>
MSGS Architecture	<ul style="list-style-type: none"><li>• Updating ESDS binder (incl landscaping).</li><li>• indieDwell permit submission review.</li></ul>	<ul style="list-style-type: none"><li>• Awaiting L&amp;I permit approval.</li><li>• Awaiting Shelton comm. bldg. permit approval.</li></ul>
Quixote Communities	<ul style="list-style-type: none"><li>• Mason Co. Conserv. Dist. fee for service, grants, &amp; materials donations.</li><li>• Dumpster enclosure alternates: wheeled dumpster or multiple cans</li></ul>	<ul style="list-style-type: none"><li>• Awaiting City-approved civil plan before Mason Conv. Dist. review &amp; subcontractor bids.</li><li>• Gathering funds for Forma advance site work.</li></ul>
Forma Construction	<ul style="list-style-type: none"><li>• Requested indieDwell matrix for onsite scope of work.</li><li>• Reliable Elec provided updated sheets for larger amp electric service</li></ul>	<ul style="list-style-type: none"><li>• Preparing for early site work permit/scope/price.</li><li>• Seeking onsite scope for pricing.</li></ul>
indieDwell	<ul style="list-style-type: none"><li>• Est. 90-120 days between contract &amp; production start. Address donations in production contract.</li><li>• Production contract &amp; price needed</li></ul>	<ul style="list-style-type: none"><li>• Awaiting L&amp;I permit approval</li></ul>
Mason County Conservation District	<ul style="list-style-type: none"><li>• Evan Bauder is primary contact. Asked to confirm scope, fees, grants, donations.</li></ul>	<ul style="list-style-type: none"><li>• Requested final Civil plan prior to landscape plan update.</li></ul>
Community Frameworks		<ul style="list-style-type: none"><li>• Inviting Pete to next meeting.</li></ul>

# June 2021 Monthly Financial Report

## City of Shelton, Washington

### General Fund Overview

	2021 Budget	2021 thru June	2021 Est Actual	Variance Favorable (Unfavorable)	% Variance Favorable (Unfavorable)
Revenues	12,283,920	8,292,726	14,335,420	2,051,500	16.7%
Expenditures	12,283,920	7,134,053	13,178,260	(894,340)	-7.3%
Net Revenues Less Expenditures	-	1,158,673	1,157,160	1,157,160	
Beginning Fund Balance	4,853,568		4,853,568		
Ending Fund Balance	4,853,568		6,010,728		
<u>Ending Fund Balance Detail:</u>					
General Fund Reserves	4,853,568		6,010,728		
	39.5%		48.9%		

### Summary

2021 estimated actuals are based on historical data, YTD activity, known adjustments and are not year-end actuals.  
2020 amounts included in this report are unaudited.

Analysis through June shows an overall positive budget variance of \$1.2 million.

General Fund Reserves are estimated to end the year at \$6.0 million, or 48.9% of 2021 budgeted expenditures.

#### Revenue Overview

Revenues are currently estimated to end the year approximately \$2.0 million (16.7%) higher than budgeted, which is significantly due to federal COVID recovery funds, sales tax and business and occupation taxes.

#### Expenditure Overview

Expenditures are currently estimated to end the year approximately \$894 thousand (-7.3%) higher than budgeted due to the transfer of federal COVID recovery funds to the capital resources fund. The COVID recovery funds will remain in the capital resources fund while spending decisions are made. A 2021 budget supplemental will be presented to the City Council.

#### Required Ending Fund Balance Calculation

Budgeted Expenditures for 2021 (from above)	12,283,920
	20.00%
20% GF Ending Fund Balance	2,456,784

\$ in  
thousands

### General Fund Ending Fund Balance History



# June 2021 Monthly Financial Report

## City of Shelton, Washington

### General Fund Overview - Revenues

Revenue Categories	2021 Budget	2021 thru June	2021 Est Actual*	Variance Favorable (Unfavorable)	% Variance Favorable (Unfavorable)
Taxes:					
Property	2,486,070	1,461,896	2,486,070	-	0.0%
Sales & Use	2,867,240	1,652,684	3,275,370	408,130	14.2%
City Utility	1,127,000	601,138	1,202,280	75,280	6.7%
Non-City Utility	1,239,200	636,874	1,273,740	34,540	2.8%
Business & Occupation	733,640	570,535	956,750	223,110	30.4%
Other	35,220	20,567	37,060	1,840	5.2%
Licenses & Permits	285,100	132,816	265,630	(19,470)	-6.8%
Intergovernmental Revenue	423,520	1,766,998	2,012,840	1,589,320	375.3%
Charges for Goods/Services	2,818,140	1,334,958	2,607,440	(210,700)	-7.5%
Fines and Penalties	102,300	40,060	80,110	(22,190)	-21.7%
Miscellaneous Revenue	166,490	74,199	138,130	(28,360)	-17.0%
<b>Total Revenues</b>	<b>12,283,920</b>	<b>8,292,726</b>	<b>14,335,420</b>	<b>2,051,500</b>	<b>16.7%</b>

\*2021 estimated actuals are based on historical data, YTD activity, known adjustments and are not year-end actuals.

Variance analysis for revenues is provided for particular line items or those in which the estimated actual amount differs from the budgeted amount by at least 10% and \$75,000.

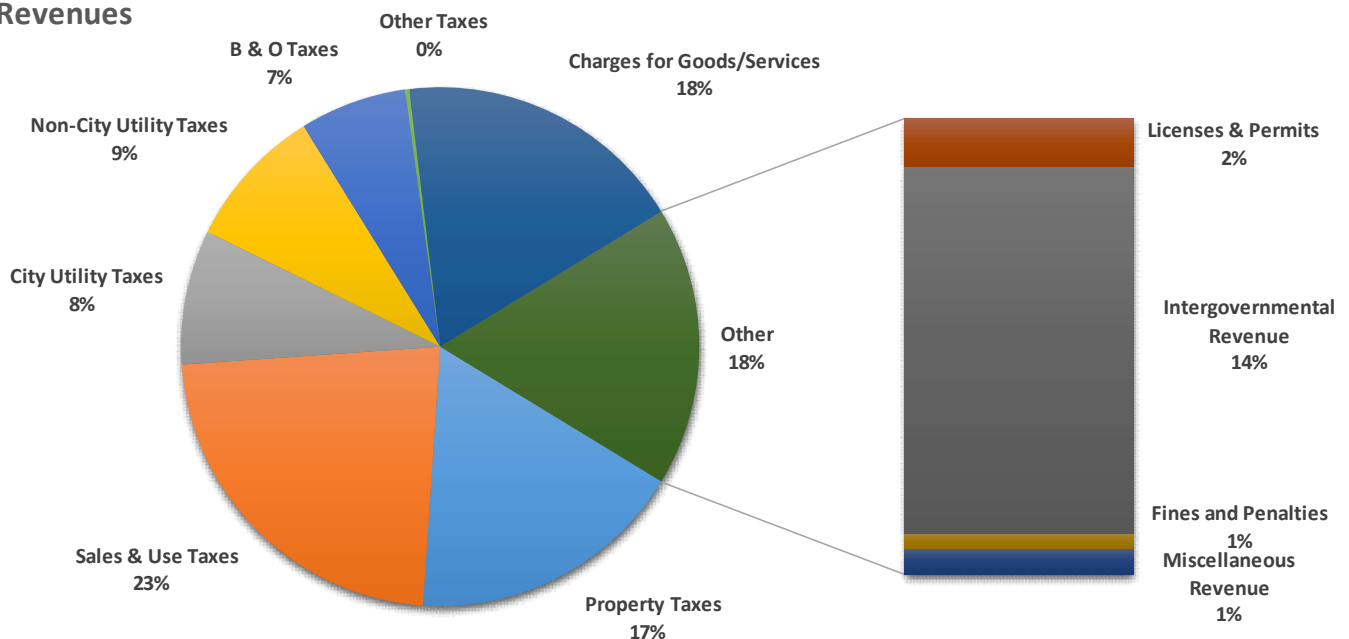
#### Variance Notes

**Sales & Use Tax:** Estimated to be \$408,130 or 14.2% over budget based on collections to date. The reason is that we budgeted sales tax in 2021 to match our 2020 COVID estimate which was low.

**Business & Occupation Taxes:** Estimated to be \$223,110 or 30.4% over budget.

**Intergovernmental Revenue:** Received federal COVID fiscal recovery funds of \$1,487,160.

#### 2021 Estimated General Fund Revenues



# June 2021 Monthly Financial Report

## City of Shelton, Washington

### General Fund Overview - Expenditures

Department	2021 Budget	2021 thru June	2021 Est Actual*	Variance Favorable (Unfavorable)	% Variance Favorable (Unfavorable)
<b>Administrative Services</b>					
Human Resources	276,180	130,990	278,780	(2,600)	-0.9%
Information Technology	250,430	143,275	342,320	(91,890)	-36.7%
Risk Management	107,700	73,535	119,390	(11,690)	-10.9%
<b>City Clerk</b>	215,800	99,557	197,670	18,130	8.4%
<b>City Council</b>	104,840	49,781	100,680	4,160	4.0%
<b>City Manager</b>					
City Manager	405,840	195,828	396,630	9,210	2.3%
<b>Legal</b>	456,580	133,261	299,310	157,270	34.4%
Detentions/Corrections-Contract	414,170	149,962	348,190	65,980	15.9%
<b>Community Dev, Parks, Facilities</b>					
Civic Center Activities	69,190	25,509	49,790	19,400	28.0%
Community Development	568,130	271,465	531,840	36,290	6.4%
Facility Services	552,680	250,846	502,760	49,920	9.0%
Parks & Recreation	580,600	224,852	486,890	93,710	16.1%
<b>Finance</b>	1,050,800	547,551	1,038,600	12,200	1.2%
<b>Fire &amp; Emergency Services</b>	1,507,280	789,761	1,569,880	(62,600)	-4.2%
<b>Municipal Court</b>	576,860	267,896	538,410	38,450	6.7%
<b>Non-Departmental</b>	1,016,290	1,671,560	2,271,660	(1,255,370)	-123.5%
<b>Police</b>	3,489,990	1,807,855	3,492,100	(2,110)	-0.1%
<b>Public Works</b>	640,560	300,570	613,360	27,200	4.2%
<b>Total Expenditures</b>	<b>12,283,920</b>	<b>7,134,053</b>	<b>13,178,260</b>	<b>(894,340)</b>	<b>-7.3%</b>

\*2021 estimated actuals are based on historical data, YTD activity, known adjustments and are not year-end actuals.

Variance analysis for expenditures is provided for particular departments which have an estimated actual amount that differs from the budgeted amount by at least 10% and \$75,000.

#### Variance Notes

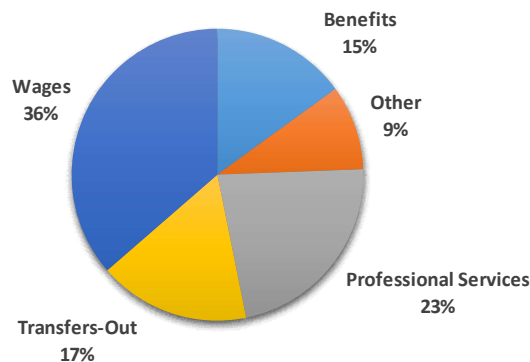
**Property & liability insurance:** Over budget by \$94,450 in general fund causing/adding to negative results.

**Legal:** Legal counsel and prosecutor expenditures estimated to be below budget.

**Parks & Rec:** Estimate is under budget by \$93,710 significantly due to lower professional services and staff costs.

**Non-Departmental:** Estimate includes a transfer out of \$1,487,160 of federal COVID recovery funds to capital resources fund and transfers out to fire fighter's pension fund, payroll benefits fund and the bond fund are \$231,790 lower than budget.

### 2021 Estimated General Fund Expenditures





# June 2021 Monthly Financial Report

## City of Shelton, Washington

### General Fund Year-to-Year

	2019 Actual	2020 Actual	2021 Budget	2021 thru June	2021 Est Actual
<b>Beginning Fund Balance</b>	<b>3,244,744</b>	<b>3,295,980</b>	<b>4,853,568</b>	<b>4,853,568</b>	<b>4,853,568</b>
<b>Revenues</b>					
Taxes:					
Property	2,394,874	2,495,035	2,486,070	1,461,896	2,486,070
Sales & Use	3,359,505	3,195,310	2,867,240	1,652,684	3,275,370
City Utility	797,785	1,182,935	1,127,000	601,138	1,202,280
Non-City Utility	1,120,002	1,138,999	1,239,200	636,874	1,273,740
Business & Occupation	738,850	810,806	733,640	570,535	956,750
Other	51,763	42,140	35,220	20,567	37,060
Licenses & Permits	355,352	344,354	285,100	132,816	265,630
Intergovernmental Revenue	741,394	1,181,568	423,520	1,766,998	2,012,840
Charges for Goods/Services	2,881,716	2,968,830	2,818,140	1,334,958	2,607,440
Fines and Penalties	121,146	85,070	102,300	40,060	80,110
Miscellaneous Revenue	283,785	281,387	166,490	74,199	138,130
<b>Total Revenues</b>	<b>12,846,171</b>	<b>13,726,434</b>	<b>12,283,920</b>	<b>8,292,726</b>	<b>14,335,420</b>
<b>Expenditures</b>					
<b>Administrative Services</b>					
Human Resources	244,553	259,988	276,180	130,990	278,780
Information Technology	234,709	811,857	250,430	143,275	342,320
Risk Management	189,897	95,234	107,700	73,535	119,390
<b>City Clerk+</b>	<b>37,837</b>	<b>69,707</b>	<b>215,800</b>	<b>99,557</b>	<b>197,670</b>
<b>City Council</b>	<b>231,757</b>	<b>161,137</b>	<b>104,840</b>	<b>49,781</b>	<b>100,680</b>
<b>City Manager</b>					
City Manager	381,449	429,282	405,840	195,828	396,630
Legal	392,309	315,307	456,580	133,261	299,310
Detentions/Corrections-Contract	365,356	331,015	414,170	149,962	348,190
<b>Community Dev, Parks, Facilities</b>					
Civic Center Activities	47,014	44,892	69,190	25,509	49,790
Community Development	523,664	551,607	568,130	271,465	531,840
Facility Services	563,586	516,129	552,680	250,846	502,760
Parks & Recreation	410,472	376,383	580,600	224,852	486,890
<b>Finance</b>	<b>933,224</b>	<b>939,517</b>	<b>1,050,800</b>	<b>547,551</b>	<b>1,038,600</b>
<b>Fire &amp; Emergency Services</b>	<b>1,447,313</b>	<b>1,626,514</b>	<b>1,507,280</b>	<b>789,761</b>	<b>1,569,880</b>
<b>Municipal Court</b>	<b>462,291</b>	<b>498,380</b>	<b>576,860</b>	<b>267,896</b>	<b>538,410</b>
<b>Non-Departmental</b>	<b>2,519,557</b>	<b>1,019,695</b>	<b>1,016,290</b>	<b>1,671,560</b>	<b>2,271,660</b>
<b>Police</b>	<b>3,072,032</b>	<b>3,451,151</b>	<b>3,489,990</b>	<b>1,807,855</b>	<b>3,492,100</b>
<b>Public Works</b>	<b>737,915</b>	<b>671,052</b>	<b>640,560</b>	<b>300,570</b>	<b>613,360</b>
<b>Total Expenditures</b>	<b>12,794,935</b>	<b>12,168,845</b>	<b>12,283,920</b>	<b>7,134,053</b>	<b>13,178,260</b>
<i>+ City Clerk reflects all City Clerk expenses starting in 2021. Prior years included records, elections and code revision costs.</i>					
Net Revenues less Expenditures	51,236	1,557,589	-	1,158,673	1,157,160
<b>Ending Fund Balance</b>	<b>3,295,980</b>	<b>4,853,568</b>	<b>4,853,568</b>	<b>6,012,241</b>	<b>6,010,728</b>
General Fund Reserves	3,295,980	4,853,568	4,853,568		6,010,728
based on same year actuals/budget	25.8%	39.9%	39.5%		45.6%

# June 2021 Monthly Financial Report

## City of Shelton, Washington

### General Fund Month-to-Month

	2019 thru June	2020 thru June	2021 thru June	2021 - 2020 Variance	% of Budget
<b>Revenues</b>					
Taxes:					
Property	1,309,198	1,319,269	1,461,896	142,627	10.8%
Sales & Use	1,593,987	1,518,905	1,652,684	133,778	8.8%
City Utility	292,456	577,594	601,138	23,545	4.1%
Non-City Utility	613,041	632,262	636,874	4,612	0.7%
Business & Occupation	393,574	421,632	570,535	148,903	35.3%
Other	27,122	17,008	20,567	3,559	20.9%
Licenses & Permits	183,659	154,542	132,816	(21,726)	-14.1%
Intergovernmental Revenue	235,272	294,455	1,766,998	1,472,542	500.1%
Charges for Goods/Services	1,460,003	1,472,638	1,334,958	(137,680)	-9.3%
Fines and Penalties	70,414	37,185	40,060	2,875	7.7%
Miscellaneous Revenue	126,686	151,321	74,199	(77,121)	-51.0%
<b>Total Revenues</b>	<b>6,305,411</b>	<b>6,596,812</b>	<b>8,292,726</b>	<b>1,695,915</b>	<b>25.7%</b>
<b>Expenditures</b>					
<b>Administrative Services</b>					
Human Resources	102,433	145,539	130,990	(14,549)	-10.0%
Information Technology	123,882	129,797	143,275	13,478	10.4%
Risk Management	155,804	71,737	73,535	1,798	2.5%
<b>City Clerk+</b>	16,378	39,447	99,557	60,109	152.4%
<b>City Council</b>	120,039	86,222	49,781	(36,441)	-42.3%
<b>City Manager</b>					
City Manager	203,365	209,226	195,828	(13,397)	-6.4%
Legal	130,070	168,156	133,261	(34,895)	-20.8%
Detentions/Corrections-Contract	151,184	176,061	149,962	(26,099)	-14.8%
<b>Community Dev, Parks, Facilities</b>					
Civic Center Activities	24,894	23,728	25,509	1,781	7.5%
Community Development	260,037	291,440	271,465	(19,975)	-6.9%
Facility Services	245,087	286,045	250,846	(35,198)	-12.3%
Parks & Recreation	165,484	159,480	224,852	65,371	41.0%
<b>Finance</b>	437,058	467,345	547,551	80,206	17.2%
<b>Fire &amp; Emergency Services</b>	725,732	827,260	789,761	(37,499)	-4.5%
<b>Municipal Court</b>	217,546	249,127	267,896	18,769	7.5%
<b>Non-Departmental</b>	977,061	231,068	1,671,560	1,440,493	623.4%
<b>Police</b>	1,466,554	1,795,892	1,807,855	11,964	0.7%
<b>Public Works</b>	396,341	338,737	300,570	(38,167)	-11.3%
<b>Total Expenditures</b>	<b>5,918,949</b>	<b>5,696,307</b>	<b>7,134,053</b>	<b>1,437,747</b>	<b>25.2%</b>

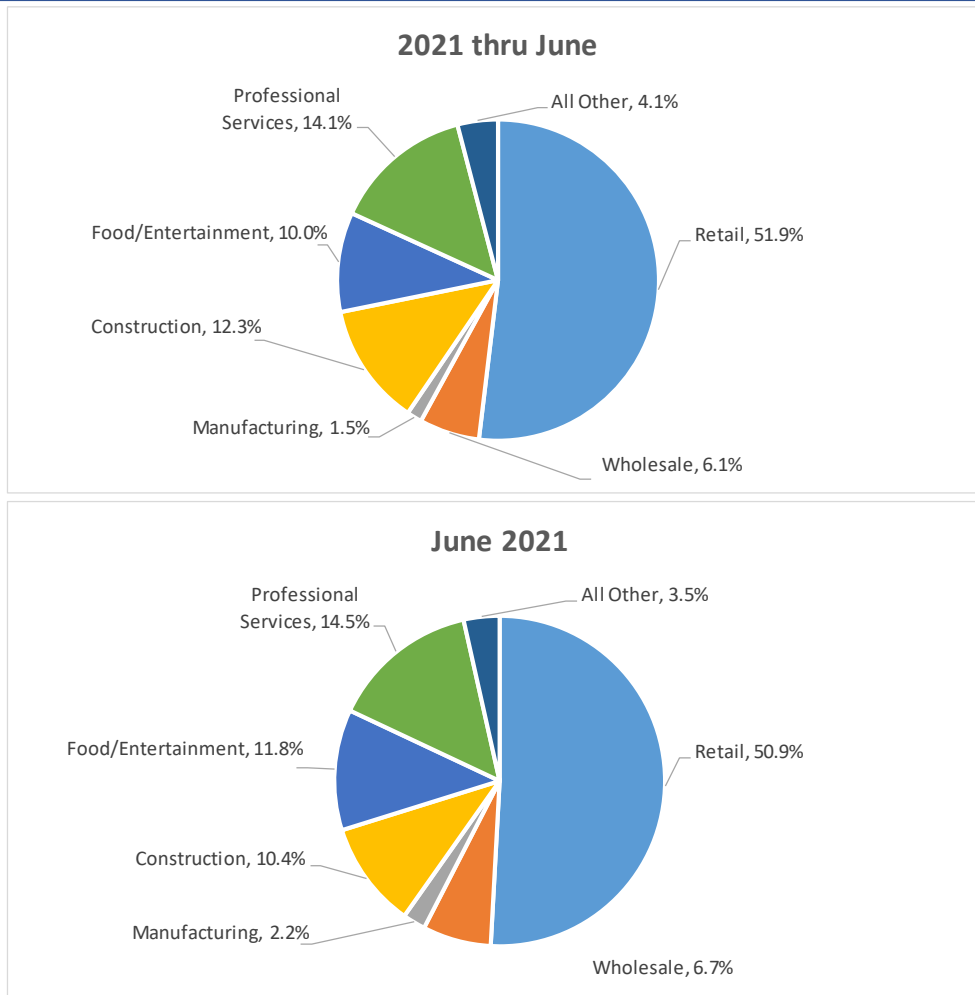
+ City Clerk reflects all City Clerk expenses starting in 2021. Prior years included records, elections and code revision costs.

This Month-to-Month presentation does not include variance notes. Common variances are due to timing of receipts and expenditures. Totals reported are year-to-date through June which is 50.0% of the year.

# June 2021 Monthly Financial Report

## City of Shelton, Washington

### Sales Tax Breakdown by Type



### Fund Balances

Fund	2021 Beginning Fund Balance	2021 Estimated Revenue	2021 Estimated Expenditure	2021 Estimated Fund Balance	\$ Change	% Change
<b>City-wide Fund Balances</b>						
General Fund	4,853,568	14,335,420	13,178,260	6,010,728	1,157,160	23.8%
Street Fund	1,005,320	1,460,770	2,050,770	415,320	(590,000)	-58.7%
Capital Resources Fund	1,158,486	1,640,030	495,190	2,303,326	1,144,840	98.8%
Tourism Fund	93,406	45,680	61,880	77,206	(16,200)	-17.3%
Bond Fund	7,420	179,040	179,040	7,420	-	0.0%
Capital Improvement Fund	433,300	1,656,610	1,656,610	433,300	-	0.0%
Water Fund	2,459,274	2,372,170	3,727,260	1,104,184	(1,355,090)	-55.1%
Sewer Fund	4,557,689	6,410,970	7,745,300	3,223,359	(1,334,330)	-29.3%
Solid Waste Fund	1,017,457	450,890	781,810	686,537	(330,920)	-32.5%
Storm Drainage Fund	380,739	915,310	1,004,530	291,519	(89,220)	-23.4%
Payroll Benefits Fund	147,891	100,460	88,310	160,041	12,150	8.2%
Equipment Rental Fund	763,950	593,960	875,830	482,080	(281,870)	-36.9%
Firefighters Fund	539,841	8,720	80,410	468,151	(71,690)	-13.3%
Library Endowment Fund	121,570	530	-	122,100	530	0.4%
<b>City-wide Fund Totals</b>	<b>17,539,911</b>	<b>30,170,560</b>	<b>31,925,200</b>	<b>15,785,271</b>	<b>(1,754,640)</b>	<b>-10.0%</b>

# June 2021 Monthly Financial Report

## City of Shelton, Washington

### City-Wide Overview - Revenues & Expenditures

Fund	2021 Budget	2021 thru June	2021 Est Actual*	Variance Favorable (Unfavorable)	% Variance Favorable (Unfavorable)
<b>General Fund</b>					
Taxes	8,488,370	4,943,695	9,231,270	742,900	8.8%
Licenses & Permits	285,100	132,816	265,630	(19,470)	-6.8%
Intergovernmental Revenue	423,520	1,766,998	2,012,840	1,589,320	375.3%
Charges for Goods/Services	2,818,140	1,334,958	2,607,440	(210,700)	-7.5%
Fines and Penalties	102,300	40,060	80,110	(22,190)	-21.7%
Miscellaneous Revenue	166,490	74,199	138,130	(28,360)	-17.0%
<b>Total Revenues</b>	<b>12,283,920</b>	<b>8,292,726</b>	<b>14,335,420</b>	<b>2,051,500</b>	<b>16.7%</b>
Wages	4,915,360	2,374,474	4,795,380	119,980	2.4%
Benefits	2,160,890	979,215	1,975,980	184,910	8.6%
Professional Services	2,976,430	1,419,832	2,959,430	17,000	0.6%
Transfers-Out	953,780	1,560,169	2,209,150	(1,255,370)	-131.6%
Other	1,277,460	800,364	1,238,320	39,140	3.1%
<b>Total Expenditures</b>	<b>12,283,920</b>	<b>7,134,053</b>	<b>13,178,260</b>	<b>(894,340)</b>	<b>-7.3%</b>
<b>Net Revenues Less Expenditures</b>	<b>-</b>	<b>1,158,673</b>	<b>1,157,160</b>	<b>1,157,160</b>	

#### General Fund Notes

Expenditures: Estimate includes a transfer out of \$1,487,160 of federal COVID recovery funds to capital resources fund and transfers out to fire fighter's pension fund, payroll benefits fund and the bond fund are \$231,790 lower than budget.

<b>Street Fund</b>					
Taxes	582,520	337,820	675,640	93,120	16.0%
Licenses & Permits	6,000	1,260	2,520	(3,480)	-58.0%
Intergovernmental Revenue	213,000	97,381	194,760	(18,240)	-8.6%
Charges for Goods/Services	53,000	28,649	55,150	2,150	4.1%
Miscellaneous Revenue	12,000	348	700	(11,300)	-94.2%
Transfers In	532,000	-	532,000	-	0.0%
<b>Total Revenues</b>	<b>1,398,520</b>	<b>465,459</b>	<b>1,460,770</b>	<b>62,250</b>	<b>4.5%</b>
Wages	324,360	177,906	385,620	(61,260)	-18.9%
Benefits	160,820	85,081	177,800	(16,980)	-10.6%
Professional Services	52,960	50,877	47,620	5,340	10.1%
Transfers-Out	692,240	-	692,240	-	0.0%
Other	800,810	402,539	747,490	53,320	6.7%
<b>Total Expenditures</b>	<b>2,031,190</b>	<b>716,403</b>	<b>2,050,770</b>	<b>(19,580)</b>	<b>-1.0%</b>
<b>Net Revenues Less Expenditures</b>	<b>(632,670)</b>	<b>(250,944)</b>	<b>(590,000)</b>	<b>42,670</b>	<b>-6.7%</b>

<b>Capital Resources Fund</b>					
Taxes	100,000	50,854	101,700	1,700	1.7%
Charges for Goods/Services	40,000	40,196	50,200	10,200	25.5%
Miscellaneous Revenue	-	485	970	970	
Transfers In	-	1,487,161	1,487,160	1,487,160	
<b>Total Revenues</b>	<b>140,000</b>	<b>1,578,696</b>	<b>1,640,030</b>	<b>1,500,030</b>	<b>1071.5%</b>
Transfers-Out	496,630	-	495,190	1,440	0.3%
<b>Total Expenditures</b>	<b>496,630</b>	<b>-</b>	<b>495,190</b>	<b>1,440</b>	<b>0.3%</b>
<b>Net Revenues Less Expenditures</b>	<b>(356,630)</b>	<b>1,578,696</b>	<b>1,144,840</b>	<b>1,501,470</b>	<b>-421.0%</b>

#### Capital Resources Fund Notes

Revenues: Current estimate includes a transfer-in of \$1,487,160 of federal COVID recovery funds from the general fund.

\*2021 estimated actuals are based on historical data, YTD activity, known adjustments and are not year-end actuals.

# June 2021 Monthly Financial Report

## City of Shelton, Washington

### City-Wide Overview - Revenues & Expenditures

Fund	2021 Budget	2021 thru June	2021 Est Actual*	Variance Favorable (Unfavorable)	% Variance Favorable (Unfavorable)
<b>Tourism Fund</b>					
Taxes	36,000	22,807	45,610	9,610	26.7%
Miscellaneous Revenue	1,700	35	70	(1,630)	-95.9%
<b>Total Revenues</b>	<b>37,700</b>	<b>22,842</b>	<b>45,680</b>	<b>7,980</b>	<b>21.2%</b>
Professional Services	61,880	30,468	61,880	-	0.0%
<b>Total Expenditures</b>	<b>61,880</b>	<b>30,468</b>	<b>61,880</b>	<b>-</b>	<b>0.0%</b>
<b>Net Revenues Less Expenditures</b>	<b>(24,180)</b>	<b>(7,625)</b>	<b>(16,200)</b>	<b>7,980</b>	<b>-33.0%</b>
<b>Bond Fund</b>					
Taxes	-	158	320	320	
Transfers In	184,490	56,386	178,720	(5,770)	-3.1%
<b>Total Revenues</b>	<b>184,490</b>	<b>56,544</b>	<b>179,040</b>	<b>(5,450)</b>	<b>-3.0%</b>
Other	184,490	56,386	179,040	5,450	3.0%
<b>Total Expenditures</b>	<b>184,490</b>	<b>56,386</b>	<b>179,040</b>	<b>5,450</b>	<b>3.0%</b>
<b>Net Revenues Less Expenditures</b>	<b>-</b>	<b>158</b>	<b>-</b>	<b>-</b>	
<b>Capital Improvement Fund</b>					
Intergovernmental Revenue	200,000	-	200,000	-	0.0%
Charges for Goods/Services	232,000	-	232,000	-	0.0%
Transfers In	1,140,140	-	1,224,610	84,470	7.4%
<b>Total Revenues</b>	<b>1,572,140</b>	<b>-</b>	<b>1,656,610</b>	<b>84,470</b>	<b>5.4%</b>
Professional Services	-	6,306	12,610	(12,610)	
Other	1,572,140	23,505	1,644,000	(71,860)	-4.6%
<b>Total Expenditures</b>	<b>1,572,140</b>	<b>29,811</b>	<b>1,656,610</b>	<b>(84,470)</b>	<b>-5.4%</b>
<b>Net Revenues Less Expenditures</b>	<b>-</b>	<b>(29,811)</b>	<b>-</b>	<b>-</b>	
<b>Water Fund</b>					
Intergovernmental Revenue	-	2,055	2,050	2,050	
Charges for Goods/Services	2,487,440	1,147,556	2,295,120	(192,320)	-7.7%
Miscellaneous Revenue	87,790	27,724	75,000	(12,790)	-14.6%
<b>Total Revenues</b>	<b>2,575,230</b>	<b>1,177,335</b>	<b>2,372,170</b>	<b>(203,060)</b>	<b>-7.9%</b>
Wages	562,980	206,662	417,840	145,140	25.8%
Benefits	291,090	91,937	175,710	115,380	39.6%
Professional Services	113,380	104,265	192,360	(78,980)	-69.7%
Inventory	-	41,366	57,660	(57,660)	
Other	2,914,610	653,373	2,883,690	30,920	1.1%
<b>Total Expenditures</b>	<b>3,882,060</b>	<b>1,097,602</b>	<b>3,727,260</b>	<b>154,800</b>	<b>4.0%</b>
<b>Net Revenues Less Expenditures</b>	<b>(1,306,830)</b>	<b>79,733</b>	<b>(1,355,090)</b>	<b>(48,260)</b>	<b>3.7%</b>

\*2021 estimated actuals are based on historical data, YTD activity, known adjustments and are not year-end actuals.

# June 2021 Monthly Financial Report

## City of Shelton, Washington

### City-Wide Overview - Revenues & Expenditures

Fund	2021 Budget	2021 thru June	2021 Est Actual*	Variance Favorable (Unfavorable)	% Variance Favorable (Unfavorable)
<b>Sewer Fund</b>					
Intergovernmental Revenue	-	6,352	6,350	6,350	
Charges for Goods/Services	5,996,890	3,156,639	6,192,290	195,400	3.3%
Miscellaneous Revenue	175,000	166,739	212,330	37,330	21.3%
<b>Total Revenues</b>	<b>6,171,890</b>	<b>3,329,730</b>	<b>6,410,970</b>	<b>239,080</b>	<b>3.9%</b>
Wages	730,980	322,491	695,730	35,250	4.8%
Benefits	386,450	144,786	287,300	99,150	25.7%
Professional Services	439,430	208,039	369,830	69,600	15.8%
Other	6,292,530	2,873,398	6,392,440	(99,910)	-1.6%
<b>Total Expenditures</b>	<b>7,849,390</b>	<b>3,548,714</b>	<b>7,745,300</b>	<b>104,090</b>	<b>1.3%</b>
<b>Net Revenues Less Expenditures</b>	<b>(1,677,500)</b>	<b>(218,984)</b>	<b>(1,334,330)</b>	<b>343,170</b>	<b>-20.5%</b>
<b>Solid Waste Fund</b>					
Intergovernmental Revenue	450,000	15,593	450,000	-	0.0%
Miscellaneous Revenue	-	369	890	890	
<b>Total Revenues</b>	<b>450,000</b>	<b>15,962</b>	<b>450,890</b>	<b>890</b>	<b>0.2%</b>
Professional Services	331,810	8,701	331,810	-	0.0%
Other	450,000	-	450,000	-	0.0%
<b>Total Expenditures</b>	<b>781,810</b>	<b>8,701</b>	<b>781,810</b>	<b>-</b>	<b>0.0%</b>
<b>Net Revenues Less Expenditures</b>	<b>(331,810)</b>	<b>7,261</b>	<b>(330,920)</b>	<b>890</b>	<b>-0.3%</b>
<b>Storm Drainage Fund</b>					
Intergovernmental Revenue	25,000	75,826	75,830	50,830	203.3%
Charges for Goods/Services	960,000	382,083	839,170	(120,830)	-12.6%
Miscellaneous Revenue	4,000	153	310	(3,690)	-92.3%
<b>Total Revenues</b>	<b>989,000</b>	<b>458,063</b>	<b>915,310</b>	<b>(73,690)</b>	<b>-7.5%</b>
Wages	460,840	107,752	218,140	242,700	52.7%
Benefits	213,560	51,108	104,140	109,420	51.2%
Professional Services	114,900	50,586	135,500	(20,600)	-17.9%
Other	549,460	231,689	546,750	2,710	0.5%
<b>Total Expenditures</b>	<b>1,338,760</b>	<b>441,134</b>	<b>1,004,530</b>	<b>334,230</b>	<b>25.0%</b>
<b>Net Revenues Less Expenditures</b>	<b>(349,760)</b>	<b>16,929</b>	<b>(89,220)</b>	<b>260,540</b>	<b>-74.5%</b>

#### Storm Drainage Fund Notes

Expenditures: Currently wages and benefits are esimated to be less than 50% of budget.

*\*2021 estimated actuals are based on historical data, YTD activity, known adjustments and are not year-end actuals.*

# June 2021 Monthly Financial Report

## City of Shelton, Washington

### City-Wide Overview - Revenues & Expenditures

Fund	2021 Budget	2021 thru June	2021 Est Actual*	Variance Favorable (Unfavorable)	% Variance Favorable (Unfavorable)
<b>Payroll Benefits Fund</b>					
Charges for Goods/Services	40,000	20,969	41,940	1,940	4.9%
Miscellaneous Revenue	1,900	142	280	(1,620)	-85.3%
Transfers In	164,800	16,622	58,240	(106,560)	-64.7%
<b>Total Revenues</b>	<b>206,700</b>	<b>37,733</b>	<b>100,460</b>	<b>(106,240)</b>	<b>-51.4%</b>
Benefits	206,700	21,656	88,310	118,390	57.3%
<b>Total Expenditures</b>	<b>206,700</b>	<b>21,656</b>	<b>88,310</b>	<b>118,390</b>	<b>57.3%</b>
<b>Net Revenues Less Expenditures</b>	<b>-</b>	<b>16,077</b>	<b>12,150</b>	<b>12,150</b>	

#### Payroll Benefits Fund Notes

Revenues & Expenditures: Estimated expenditures for benefits have decreased and transfers in are adjusted accordingly.

<b>Equipment Maint &amp; Rental Fund</b>					
Charges for Goods/Services	685,000	290,355	580,710	(104,290)	-15.2%
Miscellaneous Revenue	7,000	6,627	13,250	6,250	89.3%
<b>Total Revenues</b>	<b>692,000</b>	<b>296,981</b>	<b>593,960</b>	<b>(98,040)</b>	<b>-14.2%</b>
Wages	93,960	45,864	91,730	2,230	2.4%
Benefits	49,310	23,923	47,840	1,470	3.0%
Professional Services	8,340	506	1,010	7,330	87.9%
Inventory	-	1,552	-	-	
Other	780,400	472,876	735,250	45,150	5.8%
<b>Total Expenditures</b>	<b>932,010</b>	<b>544,721</b>	<b>875,830</b>	<b>56,180</b>	<b>6.0%</b>
<b>Net Revenues Less Expenditures</b>	<b>(240,010)</b>	<b>(247,740)</b>	<b>(281,870)</b>	<b>(41,860)</b>	<b>17.4%</b>

<b>Firefighter's Pension Fund</b>					
Taxes	100	-	-	(100)	-100.0%
Intergovernmental Revenue	9,650	8,296	8,300	(1,350)	-14.0%
Miscellaneous Revenue	8,000	211	420	(7,580)	-94.8%
Transfers In	121,220	-	-	(121,220)	-100.0%
<b>Total Revenues</b>	<b>138,970</b>	<b>8,507</b>	<b>8,720</b>	<b>(130,250)</b>	<b>-93.7%</b>
Benefits	93,570	42,596	80,410	13,160	14.1%
Professional Services	5,000	-	-	5,000	100.0%
<b>Total Expenditures</b>	<b>98,570</b>	<b>42,596</b>	<b>80,410</b>	<b>18,160</b>	<b>18.4%</b>
<b>Net Revenues Less Expenditures</b>	<b>40,400</b>	<b>(34,088)</b>	<b>(71,690)</b>	<b>(112,090)</b>	<b>-277.5%</b>

#### Firefighters Pension Fund Notes

Revenues: Current estimate does not include a transfer-in from general fund in 2021.

<b>Library Endowment Fund</b>					
Miscellaneous Revenue	2,700	265	530	(2,170)	-80.4%
<b>Total Revenues</b>	<b>2,700</b>	<b>265</b>	<b>530</b>	<b>(2,170)</b>	<b>-80.4%</b>
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Net Revenues Less Expenditures</b>	<b>2,700</b>	<b>265</b>	<b>530</b>	<b>(2,170)</b>	<b>-80.4%</b>

\*2021 estimated actuals are based on historical data, YTD activity, known adjustments and are not year-end actuals.





## **CITY OF SHELTON, WASHINGTON - CITY COUNCIL**

City Council Meeting Minutes

May 4, 2021 – 6:00 p.m.

Virtual Platform

### **COUNCILMEMBERS AND PERSONNEL**

#### **Councilmembers**

Mayor Kevin Dorcy  
Deputy Mayor Deidre Peterson  
James Boad  
Megan Fiess  
Kathy McDowell  
Eric Onisko  
Joe Schmit

#### **Personnel**

City Manager Jeff Niten  
City Clerk Donna Nault  
Community Development Director Mark Ziegler  
Administrative Services Director Michelle Sutherland  
Finance Director Aaron BeMiller  
Finance Specialist Don Kuismi  
City Engineer Ken Gill

### **CALL TO ORDER**

Call to Order – 6:00 p.m.

Pledge of Allegiance – Councilmember McDowell

Roll Call: City Clerk Nault – All present

### **LATE CHANGES TO THE AGENDA**

1. Business Agenda item F-1 Public Hearing – Ordinance No. 1969-0321 moved to May 18, 2021 City Council Meeting.

*Mayor Dorcy – The public is able to make comments during the Public Comment period, as well as any items listed on the business or the action agendas. When making a public comment you will need to state your full name and whether you reside within City limits, within Mason County or reside elsewhere. There are three options for the public to participate in the meeting: (1) join the Zoom meeting by clicking the link on the city's website, (2) email [jeff.niten@sheltonwa.gov](mailto:jeff.niten@sheltonwa.gov), and (3) by calling 360-432-5105.*

### **CITY COUNCIL REPORTS**

No reports.

### **CONSENT AGENDA**

1. Vouchers numbered 104664 through 104724 in the total amount of \$251,939.53
2. Mason County Historical Society Museum 1st Quarter LTAC Report – Written by Director Liz Arbaugh
3. Minutes:
  - Study Session of July 9, 2018.
  - Study Session of August 21, 2018.
  - Study Session of October 30, 2018.
  - Study Session of November 13, 2018.
  - Business Meeting of February 16, 2021.

A motion was made by Councilmember Onisko and seconded by Councilmember Fiess. Passed.



## **PRESENTATIONS**

### **1. 2021 Public Works Week Proclamation**

Mayor Dorcy read a Public Works Week proclamation designating May 16-23, 2021 as Public Works Week.

### **2. Monthly Finance Status Report – Presented by Finance Director Aaron BeMiller**

Finance Director BeMiller provided an overview of the monthly financial status report.

### **3. Local Road Safety Plan – Presented by City Engineer Ken Gill**

City Engineer Gill reported the purpose of the plan is to reduce fatal and serious injury accidents.

## **GENERAL PUBLIC COMMENT**

No public comments.

## **BUSINESS AGENDA**

### **1. ~~Public Hearing – Ordinance No. 1969-0321 Amending SMC Title 13, Stormwater – Presented by Administrative Manager Brooke Kilts~~**

### **2. Social Security Vote – Presented by Administrative Services Director Michelle Sutherland**

Administrative Services Director Sutherland reported the city is not a social security covered employer. A referendum will be offered to employees in the PERS, PSERS and LEOFF units to determine if they would like to have social security coverage. Discussion followed. No public comments.

A motion was made by Councilmember Schmit and seconded by Councilmember Onisko to move this item to the May 18, 2021 action agenda. Passed.

## **ACTION AGENDA**

### **1. Shelton Skate Park Interlocal Agreement (ILA) – Presented by Community Development Director Mark Ziegler**

The skate park was previously operated by Mason County until a request was made to the city to take over operation in 2014. City Attorney Haggard has recommended entering into an ILA rather than renewing the existing memorandum of understanding. Discussion followed. No public comment received.

A motion was made by Councilmember Schmit and seconded by Councilmember Onisko. Passed.

### **2. Memorandum of Understanding (MOU) with SC Johnson – Presented by City Manager Jeff Niten**

City Manager Niten reported staff is working with Mason County, Mason County Garbage, Inc., and SC Johnson to initiate a program for recycling of plastic film. SC Johnson representatives provided an overview of the proposed program. Discussion followed. No public comment.

A motion was made by Deputy Mayor Peterson and seconded by Councilmember Fiess to approve the MOU. Passed.

### **ADMINISTRATION REPORT**

City Manager Report – Presented by City Manager Jeff Niten

- Municipal Clerk's Week.
- Fill a Public Works Truck event.
- Arrival of City speed limit signs.
- Spring cleaning blanket right-of-way permit.

### **NEW ITEMS FOR DISCUSSION**

None.

### **ANNOUNCEMENT OF NEXT MEETING**

May 18, 2021 at 6:00 p.m.

### **MEETING ADJOURN**

Mayor Dorcy adjourned the meeting at 7:10 p.m.

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Mayor Kevin Dorcy

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City Clerk Donna Nault



## **CITY OF SHELTON, WASHINGTON - CITY COUNCIL**

City Council Meeting Minutes

May 18, 2021 – 6:00 p.m.

Virtual Platform

### **COUNCILMEMBERS AND PERSONNEL**

#### **Councilmembers**

Mayor Kevin Dorcy  
Deputy Mayor Deidre Peterson  
James Boad  
Megan Fiess  
Eric Onisko  
Joe Schmit

#### **Personnel**

City Manager Jeff Niten  
City Clerk Donna Nault  
City Attorney Kathleen Haggard  
Administrative Services Director Michelle Sutherland  
Director of Finance Aaron BeMiller  
Community Development Director Mark Ziegler  
Public Works Director Jay Harris  
Public Works Administrative Manager Brooke Kilts  
Senior Planner Jason Dose

#### **Guests:**

FCS Group – Principal John Ghilarducci and Project Manager Tage Aaker

### **CALL TO ORDER**

Call to Order – 6:00 p.m.

Pledge of Allegiance – Councilmember Schmit

Roll Call: City Clerk Nault – Absent: Councilmember McDowell

A motion was made by Councilmember Schmit and seconded by Councilmember Onisko to excuse the absence of Councilmember McDowell. Passed.

### **LATE CHANGES TO THE AGENDA**

None.

*Mayor Dorcy – The public is able to make comments during the Public Comment period, as well as any items listed on the business or the action agendas. When making a public comment you will need to state your full name and whether you reside within City limits, within Mason County or reside elsewhere. There are three options for the public to participate in the meeting: (1) join the Zoom meeting by clicking the link on the city's website, (2) email [jeff.niten@sheltonwa.gov](mailto:jeff.niten@sheltonwa.gov), and (3) by calling 360-432-5105.*

### **CITY COUNCIL REPORTS**

No reports.

### **CONSENT AGENDA**

1. Vouchers numbered 104734 through 104775 in the total amount of \$201,939.99.
2. Payroll Warrants numbered 6800 through 6842 and 6843 through 6943. Warrants 104343 through 104363 in the amount of \$778,905.42.
3. Payroll Warrants numbered 3894 through 3895 and 6944 through 6986 and 6987 through 7086. Warrants 104592 through 104612 in the amount of \$772,702.96.

4. Minutes:

- Study Session of November 27, 2018.
- Study Session of December 11, 2018.
- Study Session of January 8, 2019.
- Business Meeting of March 2, 2021.

A motion was made by Councilmember Onisko and seconded by Councilmember Fiess. Passed.

**GENERAL PUBLIC COMMENT**

No comments.

Mayor Dorcy recessed from the regular meeting to open a public hearing.

**BUSINESS AGENDA**

1. Public Hearing – Ordinance No. 1961-1220 Shelton Municipal Code-Consolidation of Utility Taxes – Presented by Finance Director Aaron BeMiller

Finance Director BeMiller discussed amendments necessary for a combined utility tax ordinance. Discussion followed. No public testimony.

City Clerk Nault provided the first reading of Ordinance No. 1961-1220.

A motion was made by Councilmember Fiess and seconded by Councilmember Schmit to move this item to the June 1, 2021 action agenda. Passed.

Mayor Dorcy closed the public hearing and opened another public hearing.

2. Public Hearing – Ordinance No. 1969-0321 Amending SMC Title 13, Stormwater – Presented by Public Works Administrative Manager Brooke Kilts

Administrative Manager Kilts discussed amendments to the Shelton Municipal Code and the Master Fee Schedule. FCS Group presented the updated stormwater utility rate study. Discussion followed. No public testimony.

City Clerk Nault provided the first reading of Ordinance No. 1969-0321.

A motion was made by Councilmember Schmit and seconded by Mayor Dorcy to move this item to the June 1, 2021 action agenda. Passed.

Mayor Dorcy closed the public hearing and opened another public hearing.

3. Public Hearing – Ordinance No. 1970-0421 Amendment to Shelton Hills Planned Action Ordinance – Presented by Senior Planner Jason Dose

Senior Planner Dose discussed amendments to the Shelton Hills Planned Action Ordinance. Discussion followed. No public testimony.

City Clerk Nault provided the first reading of Ordinance 1970-0421.

A motion was made by Councilmember Schmit and seconded by Deputy Mayor Peterson to move this item to the June 1, 2021 action agenda. Passed.

Mayor Dorcy closed the public hearing and resumed the regular meeting.

### **ACTION AGENDA**

1. Social Security Vote – Presented by Administrative Services Director Michelle Sutherland

Administrative Services Director Sutherland stated the City would like to pursue a referendum to provide employees the opportunity to opt-in to Social Security OASI coverage. The referendum would be for PERS, PSERS, and LEOFF employees. Discussion followed. No public comments.

City Clerk Nault provided the reading of Resolution Numbers 1196-0421, 1197-0421 and 1198-0421.

A motion was made by Deputy Mayor Peterson and seconded by Councilmember Fiess. Passed.

2. Civic Center Rotating Art Gallery – Presented by Community Development Director Mark Ziegler

Community Development Director Ziegler presented a request from the Shelton Arts Commission to install art in the Civic Center Rotating Art Gallery. No public comment.

A motion was made by Councilmember Fiess and seconded by Councilmember Onisko. Passed.

### **ADMINISTRATION REPORT**

City Manager Report – Presented by City Manager Jeff Niten

- Fill the Public Works Truck event.
- Community clean-up project.
- June 1, 2021 – In-person City Council meeting.
- Community Homelessness.
- Habitat for Humanity.
- May 18, 2021 – Transportation and capital budgets signed by Governor Inslee.

### **NEW ITEMS FOR DISCUSSION**

None.

### **ANNOUNCEMENT OF NEXT MEETING**

June 1, 2021 at 6:00 p.m.

### **MEETING ADJOURN**

Mayor Dorcy adjourned the meeting at 6:56 p.m.

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Mayor Kevin Dorcy

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City Clerk Donna Nault



## CITY OF SHELTON COUNCIL BRIEFING REQUEST (Agenda Item E1)

Touch Date: 08/03/2021  
Brief Date: 08/17/2021  
Action Date: 09/07/2021

Department: Finance  
Presented By: Aaron BeMiller

### APPROVED FOR COUNCIL PACKET:

Action Requested:

#### ROUTE TO:

#### REVIEWED:

- |                                     |                  |          |
|-------------------------------------|------------------|----------|
| <input type="checkbox"/>            | Dept. Head       | _____    |
| <input checked="" type="checkbox"/> | Finance Director | 8/5/2021 |
| <input checked="" type="checkbox"/> | Attorney         | 8/5/2021 |
| <input checked="" type="checkbox"/> | City Clerk       | 8/5/2021 |
| <input checked="" type="checkbox"/> | City Manager     | 8/5/2021 |

#### PROGRAM/PROJECT TITLE:

**Amending SMC 8.08**

#### ATTACHMENTS:

**Ordinance No. 1973-0621**

- |                                     |            |
|-------------------------------------|------------|
| <input checked="" type="checkbox"/> | Ordinance  |
| <input type="checkbox"/>            | Resolution |
| <input checked="" type="checkbox"/> | Motion     |
| <input type="checkbox"/>            | Other      |

### DESCRIPTION OF THE PROGRAM/PROJECT AND BACKGROUND INFORMATION:

This is a clean-up ordinance to Shelton Municipal Code 8.08, Solid Waste Collections. In 2017 the City began contracting with a third party provider for refuse and recycling collections. The use of a private hauler made most of the provisions of SMC 8.08 obsolete and this ordinance provides updated clarity to City code.

### ANALYSIS/OPTIONS/ALTERNATIVES:

### BUDGET/FISCAL INFORMATION:

### PUBLIC INFORMATION REQUIREMENTS:

Information can be obtained from the City Clerk.

### STAFF RECOMMENDATION/MOTION:

"I move that we forward this Ordinance to the September 7<sup>th</sup> City Council meeting for further consideration."

## **ORDINANCE NO. 1973-0621**

### **AN ORDINANCE OF THE CITY OF SHELTON, WASHINGTON, AMENDING CHAPTER 8.08 OF THE SHELTON MUNICIPAL CODE RELATING TO SOLID WASTE COLLECTIONS.**

**WHEREAS**, Washington State law allows cities to provide solid waste removal services directly or through a franchised or contracted private hauler; and

**WHEREAS**, in 2017 the City of Shelton began contracting with a private hauler for solid waste and recycling collection; and

**WHEREAS**, the transition to using a contracted hauler made most provisions of Shelton Municipal Code Chapter 8.08 obsolete; and

**WHEREAS**, in the interest of clarity and simplicity, the City Council wishes to update the Shelton Municipal Code relating to solid waste collections.

**NOW, THEREFORE**, be it ordained by the City Council of the City of Shelton, Washington, as follows:

#### **Section 1.**

Chapter 8.08 of the Shelton Municipal Code is repealed in its entirety.

#### **Section 2.**

A new Shelton Municipal Code Chapter 8.08, titled “Solid Waste Collection,” is enacted as follows:

##### **8.08.010 Creation**

For the purposes of carrying out the provisions of this Chapter, there is created and established a solid waste utility for the City of Shelton. The City Council is authorized to make funds available by appropriation, borrowing, or by other means in accordance with laws of the state, for the establishment, maintenance and operation of the solid waste utility. For purposes of this Chapter, solid waste collections include collection of recyclables.

##### **8.08.020 Mean of Providing Service**

Consistent with Washington State law, the City Council may elect to provide solid waste collection services, including billing and collections, through a contracted or franchised hauler.

##### **8.08.030 Service compulsory—Dumping prohibited—Cleanup required.**

A. It is compulsory for every person in possession, charge or control of any residential or commercial structure within the city to take refuse collection services provided by the city. In addition, it is compulsory for every person in possession, charge or control of any house, dwelling, multiunit residence, apartment house, trailer court or any building put to residential use to take recycling services provided by the city.

B. It is unlawful for any person to burn, dump, collect, remove or in any manner dispose of garbage, rubbish, trash, offal and any other waste upon or over any of the streets, alleys, public places or private property within the city except as may be directed by the city on special occasions and/or otherwise than as is provided for in this chapter.

C. It is unlawful for any person in possession, charge or control of any property, who has knowledge that refuse from their property has been deposited by the elements, animals or other causes upon the property of another including the public right-of-way, to allow such refuse to remain for more than twenty-four hours.

#### **8.08.040 Violation—Penalty.**

Any person, partnership, association, firm or corporation who willfully violates, disobeys, omits, neglects or refuses to comply with or resists the enforcement of this chapter or its provisions shall be deemed guilty of a misdemeanor and upon conviction thereof shall be punished by a fine not in excess of one thousand dollars or by imprisonment in the jail for a period not to exceed ninety days or by both such fine and imprisonment.

#### **Section 3.**

This ordinance shall become effective five days from the date of publication.

INTRODUCED the 17th day of August 2021.

ADOPTED by the City Council of the City of Shelton, Mason County, Washington at a regular open public meeting held the 7th day of September 2021.

Passed this \_\_\_\_\_ day of \_\_\_\_\_ 2021.

\_\_\_\_\_  
Kevin Dorcy, Mayor

AUTHENTICATED:

\_\_\_\_\_  
Donna Nault, City Clerk





## CITY OF SHELTON COUNCIL BRIEFING REQUEST (Agenda Item E2)

Touch Date: 08/03/2021  
Brief Date: 08/17/2021  
Action Date: 09/07/2021

Department: Finance  
Presented By: Aaron BeMiller

### APPROVED FOR COUNCIL PACKET:

Action Requested:

#### ROUTE TO:

#### REVIEWED:

- |                                     |                  |          |
|-------------------------------------|------------------|----------|
| <input type="checkbox"/>            | Dept. Head       | _____    |
| <input checked="" type="checkbox"/> | Finance Director | 8/5/2021 |
| <input checked="" type="checkbox"/> | Attorney         | 8/5/2021 |
| <input checked="" type="checkbox"/> | City Clerk       | 8/5/2021 |
| <input checked="" type="checkbox"/> | City Manager     | 8/5/2021 |

PROGRAM/PROJECT TITLE:

**Garbage Contract  
Amendment**

ATTACHMENTS:  
**Amendment**

- |                                     |            |
|-------------------------------------|------------|
| <input type="checkbox"/>            | Ordinance  |
| <input type="checkbox"/>            | Resolution |
| <input checked="" type="checkbox"/> | Motion     |
| <input checked="" type="checkbox"/> | Other      |

### DESCRIPTION OF THE PROGRAM/PROJECT AND BACKGROUND INFORMATION:

This is the second amendment to the contract between WasteConnections and the City for refuse and recycling services. The original agreement was signed in 2017. This amendment further clarifies billing and delinquency collections and provides that the contracted private hauler has the authority to suspend services and seek legal recourse for delinquent accounts. This amendment does not impact the compulsory service requirements for garbage and recycling collection in the City and/or City recourse for accounts in violation of code.

### ANALYSIS/OPTIONS/ALTERNATIVES:

### BUDGET/FISCAL INFORMATION:

### PUBLIC INFORMATION REQUIREMENTS:

Information can be obtained from the City Clerk.

### STAFF RECOMMENDATION/MOTION:

"I move that we forward this Amendment to the September 7<sup>th</sup> City Council meeting for further consideration."

**SECOND AMENDMENT TO AGREEMENT BETWEEN CITY OF SHELTON AND MASON COUNTY GARBAGE CO., INC. FOR THE COLLECTION AND DISPOSAL OF SOLID WASTE, RECYCLABLES, AND YARD WASTE IN THE CITY OF SHELTON.**

This SECOND AMENDMENT TO AGREEMENT (this "Amendment") is made and entered into by and between the CITY OF SHELTON, WASHINGTON, a municipal corporation (the "City"), and MASON COUNTY GARBAGE CO., INC., a Washington corporation ("Contractor"). The City and Contractor may be collectively referred to herein as the "Parties" and individually as a "Party", unless specifically identified otherwise. This Amendment shall be effective upon the Effective Date as defined below. All capitalized terms not otherwise defined herein shall have the meanings set forth in the Agreement.

**RECITALS**

**WHEREAS**, on July 1, 2017, the Parties entered into the above-referenced Agreement for the Collection and Disposal of Solid Waste, Recyclables, and Yard Waste in the City of Shelton (hereinafter "Agreement"); and

**WHEREAS**, since the date of the Agreement, the City and Contractor evaluated billing and collection procedures and the Parties executed the First Amendment of the Agreement on July 17, 2018; and

**WHEREAS**, the Parties wish to Amend the Agreement to ensure that the Contractor assumes all responsibility for billing and collections on solid waste accounts.

**NOW, THEREFORE**, in consideration of the mutual covenants and promises contained herein, the Parties mutually agree, represent and warrant as follows:

1. **Amendment to Section 9.** Section 9 of the Agreement is hereby deleted in its entirety and replaced with the following:

9. **Billing and Collections.**

- a. All billing for solid waste collection and recycling services within the City limits shall be performed by Contractor on a monthly basis in accordance with the rates established in this Agreement. A billing for the preceding month's services shall be issued by the Contractor on or before the first day of the following month (or next business day if a holiday/weekend). Billing notices shall inform the Customer that payment is due within 30 days. In the event a Customer does not pay the Contractor by the billing due date, the Contractor shall provide the Customer with a written notice of late payment, which shall warn that service shall be discontinued if payment is not received. If the Customer does not bring the account current within thirty (30) days following issuance of the notice of late payment, the Contractor may suspend solid waste and recyclable service to the Customer. If the Customer remains delinquent for sixty (60) days or longer following the notice of late payment, the Contractor may remove the solid waste and recycle containers. If the Customer remains delinquent in excess of ninety (90) days following the notice of late payment, the Contractor may pursue additional legal remedies including seeking private debt collection services. In any case when a customer has cured delinquency and paid any applicable charges for resuming service, the Contractor shall resume solid waste and recyclable service.

- b. The charge for any special services not covered in the rates adopted via **Exhibit A** to this Agreement will be determined by mutual agreement of the parties.
  - c. The types of services for which the Customer is being charged will be clearly stated on the faces of the bill provided by Contractor. The bill will include a breakdown of charges for each type of service and applicable taxes. Upon request, Contractor shall facilitate the creation of duplicate bills in landlord/tenant situations.
  - d. A fee outlined in **Exhibit A** will apply to all Customers stopped for nonpayment to reestablish service, plus applicable taxes, if any.
  - e. A fee outlined in **Exhibit A** will be assessed on all checks returned by a financial institution for insufficient funds plus applicable taxes, if any.
  - f. The Contractor shall provide the City with a monthly report of delinquent accounts to include the name on the account and address, number of months delinquent, outstanding balance due, partial payments made in the past month, and date the account was sent to collections, if applicable.
  - g. A fee outlined in **Exhibit A** shall be assessed for redelivery of carts/receptacles where the Customer had requested suspension or termination of service or where the service was suspended for nonpayment, unless the Customer elects to pick up new carts/receptacles directly from the Contractor.
  - h. A fee outlined in **Exhibit A** shall apply to commercial or multi-family accounts requiring special administrative services beyond regular invoicing, such as waste trend reports, disposal ticket proof, receipt of service slips, 3<sup>rd</sup> party website data upload, or customized billing terms which conflict with the terms of this Agreement.
  - i. The Contractor shall be responsible for all costs of billing and bill collection.
2. **Counterparts.** This Amendment may be executed in one or more facsimile or original counterparts, each of which shall be deemed an original and both of which together shall constitute one and the same instrument.
3. **Ratification.** All terms and provisions of the Agreement not amended hereby, either expressly or by necessary implication, shall remain in full force and effect. From and after the date of this Amendment, all references to the term "Agreement" and/or "Contract" in this Amendment and/or in the Agreement shall include the terms contained in the Amendment.
4. **Conflicting Provisions.** In the event of any conflict between the terms of the Agreement and this Amendment, the terms of this Amendment shall prevail.
5. **Effective Date.** This Amendment will take effect upon the latest date of execution by the Contractor and the City.

IN WITNESS WHEREOF, the Parties enter into this Amendment. Each person signing this Agreement represents and warrants that he or she has been duly authorized to enter into this Amendment by the Party on whose behalf it is indicated that the person is signing.

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

**Contractor**

\_\_\_\_\_  
Matt O'Connell  
Divisional Vice President  
Entity Name: \_\_\_\_\_

**City of Shelton**

\_\_\_\_\_  
Jeff Niten  
City Manager

**Attest:**

\_\_\_\_\_  
Jay Harris  
Public Works Director



**CITY OF SHELTON  
COUNCIL BRIEFING REQUEST  
(Agenda Item E3)**

Touch Date: 07/19/2021  
Brief Date: 08/17/2021  
Action Date: 09/07/2021

Department: Police  
Presented By: Chief Carole Beason

**APPROVED FOR COUNCIL PACKET:**

Action Requested:

**ROUTE TO:**

**REVIEWED:**

☒ Dept. Head

☐ Finance Director

☐ Attorney

☒ City Clerk

☐ City Manager

PROGRAM/PROJECT TITLE:  
Surplus Vehicles

ATTACHMENTS:  
Resolution No. 1205-0721  
Vehicle Information from Police Dept.

☐

Ordinance

☒

Resolution

☐

Motion

☐

Other

**DESCRIPTION OF THE PROGRAM/PROJECT AND BACKGROUND INFORMATION:**

The Police Department has three patrol vehicles that have well exceeded their life as patrol vehicles. One of the vehicles is a 2004, one is a 2006 and one is a 2008. They are Crown Victoria police vehicles, which are no longer made by Ford. These vehicles have become too costly to maintain, and it is not safe to continue using them as police patrol vehicles. The 2004 was in an accident and has been used as a training tool/prop for police training and is hulk/scrap.

**ANALYSIS/OPTIONS/ALTERNATIVES:**

The Police Department would like to surplus the listed vehicles for auction. The 2004 will be hauled away as hulk/scrap.

**BUDGET/FISCAL INFORMATION:**

The estimated value of the three patrol vehicles is approximately \$2,100 total.

**PUBLIC INFORMATION REQUIREMENTS:**

N/A

**STAFF RECOMMENDATION/MOTION:**

"I move that we forward this Resolution to the September 7th City Council meeting for further consideration.

**RESOLUTION NO. 1205-0721**

**A RESOLUTION OF THE CITY OF SHELTON, WASHINGTON DECLARING CITY  
VEHICLES SURPLUS TO THE NEEDS OF THE CITY, AND DISPOSING OF SUCH  
VEHICLES FOR THE COMMON BENEFIT.**

**WHEREAS**, RCW 35A.11.010 and 35A.79.010 allow a municipal code city to dispose of surplus property for the common benefit; and

**WHEREAS**, the City owns vehicles that are no longer needed in order to perform the business of the Police Department and Fire Department.

**NOW, THEREFORE BE IT RESOLVED**, by the City Council of the City of Shelton, Washington, as follows:

1. All property of the City of Shelton Police Department, shown on Exhibit “A”, is hereby declared surplus to the needs of the City.
2. Disposal of property on Exhibit “A” is declared to be for the common benefit.
3. The property herein declared surplus will be disposed of in accordance with City Policy.

**PASSED** by the City Council of the City of Shelton on this 7th day of September 2021.

\_\_\_\_\_  
Mayor Dorcy

ATTEST:

\_\_\_\_\_  
City Clerk Nault

**Exhibit “A” for Resolution No. 1205-0721**

<b>POLICE DEPARTMENT</b>			
<b>City Asset #</b>	<b>Description</b>	<b>License #</b>	<b>Value</b>
	2004 Ford Crown Victoria	19928D	\$100 (hulk)
	2006 Ford Crown Victoria	19947D	\$1000
	2008 Ford Crown Victoria	19993D	\$1000



## CITY OF SHELTON COUNCIL BRIEFING REQUEST (Agenda Item E4)

Touch Date: 08/05/2021  
Brief Date: 08/17/2021  
Action Date: 09/07/2021

Department: Public Works  
Presented By: Jay Harris

### APPROVED FOR COUNCIL PACKET:

#### ROUTE TO:

- ☒ Dept. Head  
☐ Finance Director  
☐ Attorney  
☒ City Clerk  
☐ City Manager

#### REVIEWED:

JOH  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

#### PROGRAM/PROJECT TITLE:

**Res. No. 1206-0821 Approving  
Appendix J for Inclusion in the Joint  
Mason County/City of Shelton  
Comprehensive Solid Waste  
Management Plan**

#### ATTACHMENTS:

- Request for Concurrence
- Mason County CROP
- Resolution No. 1206-0821
- Letter of Concurrence

#### Action Requested:

- ☐ Ordinance  
☒ Resolution  
☒ Motion  
☐ Other

### DESCRIPTION OF THE PROGRAM/PROJECT AND BACKGROUND INFORMATION:

RCW 70A.205 (formally RCW 70.95) requires each county within the state to prepare a Comprehensive Solid Waste Management Plan (CSWMP). The RCW also allows the County to prepare a plan, on the City's behalf, for inclusion in the County's Plan, after authorization from the City. In June 2006, the City of Shelton Commission passed Resolution 892-0506 which authorized Mason County to include the City of Shelton in its preparation of a CSWMP.

Each county is required to periodically update the plan and receive approval from any joint municipalities prior to submission to the Department of Ecology. In April of 2018, the Mason County Solid Waste Advisory Committee completed a new Comprehensive Solid Waste Management Plan, which received approval from the City Council in October of 2018, authorizing the Public Works Director to sign a letter of concurrence approving the updated CSWMP.

In early August, City staff received a notice from the Mason County Deputy Director of Utilities and Waste Management, informing the City of new legislation requiring local jurisdictions to adopt a Contamination Reduction and Outreach Plan (CROP) as part of their Comprehensive Solid Waste Plan. The Mason County Solid Waste Utility has completed preparing its CROP, which will be included the CSWMP as Appendix J, and has provided it to the City for review and approval.

Resolution No. 1206-0821 provides the Council's approval of the CROP and authorizes the City Manager to sign a letter of concurrence, on the City's behalf.

### ANALYSIS/OPTIONS/ALTERNATIVES:

N/A

### BUDGET/FISCAL INFORMATION:

There is no financial impact to the City of Shelton. The partnership with Mason County to complete and manage the Comprehensive Solid Waste Management Plan not only saves the City valuable staff time, but the time and money that would have been spent to complete the comprehensive plan would duplicate efforts.



PUBLIC INFORMATION REQUIREMENTS:

Information can be obtained through the City of Shelton Public Works Department, as well as the Mason County Public Works Department.

STAFF RECOMMENDATION/MOTION:

Staff recommends: "I move to forward Resolution No. 1206-0821 to the September 7th Council Meeting Action Agenda for further consideration".



12

#### MASON COUNTY MISSION

The mission of Mason County Government is to provide essential & mandated services which will preserve & benefit the health, safety & welfare of the general public in a professional and courteous manner through the effective and equitable management of available public resources.

Mason County recognizes that its employees & volunteers are the foundation upon which these services are provided.

# MASON COUNTY DEPARTMENT OF PUBLIC WORKS

100 W PUBLIC WORKS DRIVE  
SHELTON, WASHINGTON 98584

*Phone (360) 427-9670 ext. 450*

*Fax (360) 427-7783*

August 2<sup>nd</sup>, 2021

Jay Harris  
Public Works Director  
City of Shelton  
525 W Cota St.  
Shelton, WA 98584

Subject: Mason County 2021 Solid Waste Comprehensive Management Plan Amendment Approval, Appendix J CROP (Contamination Reduction Outreach Plan) recycling

Dear Jay,

The Washington State Legislature directed the Department of Ecology to develop a plan to reduce recycling contamination. Ecology prepared a state-wide Contamination Reduction and Outreach Plan (CROP) and local jurisdictions with a population of 25,000 or more are required to adopt a CROP as part of their Comprehensive Solid Waste Management Plan no later than September 30<sup>th</sup>, 2021. The Mason County Solid Waste Utility has prepared its CROP and is sending it to you for review and comment if applicable.

Mason County is requesting the City write a letter of concurrence or complete similar action in approving the updated CSWMP to include Appendix J: CROP, so that the CSWMP can be approved by the County Board of Commissioners and Department of Ecology.

I am available to speak about the CSWMP with the Commission or another public meeting if you will feel that is beneficial.

Please call me at (360) 427-9670 x652 or e-mail me at [rdickinson@co.mason.wa.us](mailto:rdickinson@co.mason.wa.us) with any questions.

Sincerely,

Richard Dickinson  
Mason County  
Deputy Director / Utilities and Waste Management



## **Mason County Solid Waste**

### **Recycling Contamination Reduction and Outreach Plan (CROP)**

The goal of the CROP is to reduce contamination of the materials collected in **Mason County's** single-family, multi-family, drop box, and commercial recycling programs. This, in turn, helps **Mason County Solid Waste** more fully realize the economic, environmental, social, and public health benefits of these programs. The CROP does not specifically include strategies to reduce contamination of other material streams such as organics or construction and demolition debris. However, many of the same strategies apply to these streams and may be included in future CROP updates.

The CROP intends to meet the requirement in [RCW 70A.205.045\(10\)](#) that counties with a population of more than 25,000, and cities within these counties with independent Solid Waste Management Plans (SWMP), include a CROP in their SWMP by September 30<sup>th</sup>, 2021.

This CROP includes ten action steps and is a framework for developing a more detailed and customized implementation plan in the future. In addition, it also identifies the need to align the CROP with the SWMP, and secure and allocate funding for ongoing planning and implementation.

#### **Step 1: Inventory current recycling collection services and programs**

**Mason County Solid Waste** will inventory single-family, multi-family, drop box, and commercial collection programs to identify what is accepted for recycling, where and how it is collected and by whom, and how it should be prepared for recycling.

This inventory may include, but is not limited to the following:

- Designated recyclables list in the SWMP
- Collection methods (single- or multi-stream, carts or stackable bins, etc.)
- Number of tons collected for recycling and customers for each type of program
- Types of materials accepted for recycling in each type of program
- Minimum service-level or other ordinances, resolutions, or interlocal agreements
- Collection or material processing contracts
- Local government and recycling collector websites and social media sites
- Stickers and signs on containers, in businesses, etc.
- Brochures, newsletters, information shared at community events, etc.

- Recent media coverage

**Mason County Solid Waste** will identify differences or inconsistencies across contracts and agreements for recycling programs, and in the information provided to residents and businesses about what to recycle and how it should be prepared for collection. **Mason County Solid Waste** will use this data to identify opportunities for more consistent and aligned programs. The data will also be used to help determine what specific contamination reduction strategies to implement.

## **Step 2: Develop scope of work with stakeholders**

**Mason County Solid Waste** will work with key stakeholders to develop a scope of work for the CROP addressing the specific challenges and opportunities associated with local recycling contamination. To begin this scoping process, the information learned in Step 1 will be shared with the Solid Waste Advisory Committee (SWAC) and the SWAC's role in developing the CROP will be defined.

These stakeholders may include, but are not limited to:

- SWAC members
- Elected officials and key staff from other local governments, including potential regional partners in the same MRF-shed
- Garbage and recycling collection companies and their front-line staff
- Organizations representing homeowners, tenants, and multi-family and business interests
- Material recovery facilities (MRF) and transfer station operators
- End markets for recovered materials
- **Mason County Solid Waste**'s Ecology Regional Planner and grant manager
- Non-governmental organizations and community groups
- Regional, statewide, and national organizations that can provide technical assistance and/or financial support.

## **Step 3: Prioritize the recycling program(s) to focus on first**

Together with key stakeholders, **Mason County Solid Waste** will identify what recycling collection program(s) to focus on first. Driving this decision could be current knowledge of contamination levels and their estimated impact on costs and material quality, the number of customers, total quantity of material collected, etc.

## **Step 4: Establish acceptable materials lists**

Starting with the highest-priority program(s), **Mason County Solid Waste** will establish lists of acceptable materials. This effort will be coordinated with the SWAC, MRF operators, collectors, end markets, and other key stakeholders. Criteria for determining the acceptable materials lists may include, but are not limited to:

- Alignment with the SWMP mission and goals, and community values
- Degree of uniformity across local programs, regionally, and statewide
- Diversion potential
- Cost to collect and process relative to other management options
- Strength and long-term viability and stability of end markets
- Environmental, social, and other benefits and costs

- Potential to cross-contaminate or lower the value of other materials
- Potential to cause customer confusion

The Washington State Association of Counties Solid Waste Managers Affiliate, the Washington State Refuse and Recycling Association, and the Department of Ecology have supported the establishment of regional, and if possible, statewide uniformity in what materials are accepted for recycling and how they should be prepared. More harmonization across programs reduces customer confusion and contamination. To that end, they identified these four priority materials for statewide recovery:

1. Paper (including office and notebook paper, newspaper, mail, catalogues, magazines, and cereal or cracker boxes)
2. Cardboard
3. Plastic bottles and jugs (clear, colored, and natural)
4. Steel and aluminum cans

The resources and guidelines developed by these organizations to establish their list of priority materials will help guide the development of **Mason County Solid Waste**'s acceptable materials list. [Ecology's Resource Library](#) contains this information and, along with [Ecology's Best Management practices \(BMPs\) and Resources document](#), includes other resources to assist in developing an accepted materials list. This includes information on the specific challenges and opportunities associated with collecting glass and aseptic and polycoat containers, which some recycling programs in Washington accept.

#### **Step 5: Define what data to collect to determine baseline levels of recycling contamination**

Starting with the highest priority program(s), and based on the review completed in Step 1, **Mason County Solid Waste** will identify what the acceptable materials are and what is considered contamination for the purposes of establishing a baseline recycling contamination rate. This data will also inform decisions about what, if any, changes to make to the accepted materials list in the future.

#### **Step 6: Gather baseline recycling contamination data**

Starting with the highest-priority program(s), **Mason County Solid Waste** will establish baseline levels and types of recycling contamination. Recycling contamination rates can vary significantly across different programs and communities. Nationally, The Recycling Partnership (TRP) estimated an average contamination rate of about 17% across 197 programs that participated in their 2019 State of Curbside Survey. In Washington State, TRP's 2019 survey of seven MRFs found inbound levels of contamination from commingled recycling collection programs ranging from 5%-20% by weight. Recent drop-off programs and cart lid-lift audits in Washington showed rates as high as 40%. For this reason, it is important to gather data on local recycling contamination levels.

In discussions with stakeholders, and building on the information in the State CROP and [Ecology's Resource Library](#), and on the work completed in Step 5 **Mason County Solid Waste** will identify and develop ways to track specific contaminants. For example, tracking the number of carts containing plastic bags may be a more useful metric than an estimated overall percentage of contamination by volume.

Data collection methods may include, but are not limited to:

- Recycling stream composition studies
- Survey of transfer stations and MRF operators
- Tracking contamination using on-board truck or container-mounted cameras
- Drop box composition studies or visual audits
- Container lid-lift audits for residential, multi-family and commercial accounts
  - *Legal questions have been raised about lid-lift audits. The Measurement and Reporting section of [Ecology's BMPs](#) provides more details.*

### **Step 7: Identify key contaminants and their costs and impacts**

Based on the data collected in Step 6 and collaborating with key stakeholders, **Mason County Solid Waste** will identify the most problematic and costly contaminants starting with the highest-priority program(s). Although the types and impacts of contamination don't vary as much as the levels of contamination across different communities and programs, it is still important to gather locally specific data. This data is critical to designing outreach campaigns and other strategies targeting the most problematic materials. It can also be helpful in calculating the economic and other benefits of removing problematic materials from the recycling stream.

In recent surveys, such as the one conducted by the TRP in 2019, MRFs and cities in Washington identified the following recycling contaminants as the most problematic and costly to manage:

- Plastic bags and film
- Tanglers including rope, cords, chains, and hoses
- Food and liquids
- Shredded paper
- Bagged garbage
- Non-program plastics including clamshells and polystyrene foam
- Hypodermic needles

These contaminants can:

- Slow down the sorting and processing of materials.
- Reduce the quality and value of secondary material feedstocks.
- Result in costly shutdowns.
- Damage collection, processing, and remanufacturing equipment.
- Cause serious injuries to collection and processing facility staff.

According to TRP, the greatest costs associated with managing a contaminated recycling stream at MRFs nationally come from the following and represent 80% of total contamination-related costs:

- 40% for disposal of residuals
- 26% in value lost from contaminated recyclables
- 14% in labor to remove contamination from sorting equipment, etc.

### **Step 8: Develop and implement education and outreach strategies to reduce contamination**

**Mason County Solid Waste** will develop and implement education and outreach strategies based on best practices. This starts with addressing any inconsistencies in recycling information and messaging identified in Step 1. All new outreach materials and messages will be aligned and consistent across all platforms.

Depending on the type of recycling program, outreach and education strategies may include, but are not limited to:

- Moving toward uniformity in cart and container colors (or at least lids)
  - blue for recycling, gray or black for garbage, and green for organics
- Visual, easy-to-understand signage using photos and universal pictures and symbols
- Cart-tagging and cart rejection
- On-route monitoring tools, including apps and cameras
- Pairing right-sized recycling and trash bins
- On-site assistance and outreach at drop-off sites
- Up-to-date, and easy-to-find and access websites with clear, consistent messaging
- Social media posts, campaigns, mailings, brochures, and other communications
- Online apps for residents and businesses to get answers to their recycling questions
- Community presentations, tabling, and activities at community events
- School presentations and activities focused on recycling right
- Translation and transcreation of educational materials and campaigns to ensure recycling information is clearly understood by all audiences
- Social marketing campaigns to effectively promote long-term behavior change

Where possible, free and customizable resources will be utilized, including [Ecology's Recycle Right](#) campaign materials and [The Recycling Partnership's Anti-Contamination Kit](#). [Ecology's Contamination Reduction Best Management Practices & Resources document](#) and [Resource Library](#) have examples of successful anti-contamination programs.

#### **Step 9: Evaluate the effectiveness of anti-contamination strategies and set next steps**

**Mason County Solid Waste** will conduct periodic assessments on the effectiveness of recycling contamination reduction programs and strategies, and share the results with key stakeholders and the public. These assessments will use, at least in part, the same methodology used in Step 6 to establish baseline contamination levels.

The assessment results inform what is working and what adjustments to make for better results. This includes reducing contamination in other recycling programs that were not a focus during the initial CROP implementation.

#### **Step 10: Explore contamination reduction strategies beyond education and outreach**

As part of a statewide effort, **Mason County Solid Waste** will work with Ecology and other partners to explore strategies and solutions beyond education and outreach. These could address regional planning, operations

and collection, contracting, incentives, pricing, policies, mandates, enhanced data collection, etc. Based on this evaluation, **Mason County Solid Waste** will identify and pursue the most promising initiatives.

These options may include, but are not limited to:

- Regional planning and aligned or joint contracting for services to harmonize messaging, lower program costs, and improve program performance.
- Evaluating the costs and benefits of operational changes, including collection frequency, level of source-separation at the curb, and innovative drop-off container designs on contamination levels and overall program performance.
- Product bans or restrictions.
- Strengthening contracts with haulers and MRFs to include provisions focused on reducing contamination, collecting and reporting data on program performance and ensuring materials on the accepted materials list are responsibly recycled. Consult [The Recycling Partnership's BMPs for MRF contracting](#) and their [supporting materials](#) for guidance.

### **Ensure alignment of the CROP and SWMP and secure and allocate funding to implement the**

**CROP:** This work will occur throughout the process as needed. Updates to the CROP can occur during SWMP revisions, including the required five-year revision process.

This work includes involving key stakeholders in reviewing, and if necessary, updating related elements in the SWMP to ensure they are aligned and consistent with the contents of the CROP and implementation work.

This information may include, but is not limited to:

- Designated recyclables list
- Recycling facilities including transfer stations, drop-off sites, and MRFs
- Recycling collection services and providers, and collection systems and fees
- Waste reduction and recycling education and outreach strategies
- Funding sources and mechanisms for recycling programs and services

During this process, **Mason County Solid Waste** will also work with Ecology and other key stakeholders to identify and secure new and/or allocate existing funding, and forge partnerships with agencies and organizations to provide technical and financial assistance.

The State CROP and [Ecology's Resource Library](#) are tools to get started on implementing the CROP. The library includes contamination reduction best management practices, contracting guides, MRF-shed maps, materials from successful programs in Washington State and across the country, and more.

An initial 3-year implementation schedule for all ten steps in the CROP is included below. As **Mason County Solid Waste** clarifies and defines the scope of work, and identifies the resources to complete the work, a more detailed and refined implementation plan, schedule and budget will be developed.

### **CROP Implementation Schedule**

#### **Year 1 (2023)**



Step 1: Inventory current recycling collection services and programs

Step 2: Develop scope of work with stakeholders

Step 3: Prioritize the recycling program(s) to focus on first

Step 4: Establish acceptable materials list

## **Year 2 (2024)**

Step 5: Define what data to collect to determine baseline levels of recycling contamination

Step 6: Gather baseline recycling contamination data

Step 7: Identify key contaminants and their costs and impacts

## **Year 3 (2025)**

Step 8: Develop and implement education and outreach strategies to reduce contamination

Step 9: Evaluate the effectiveness of anti-contamination strategies and set next steps

Step 10: Explore contamination reduction strategies beyond education and outreach

**Ensure alignment of the CROP and SWMP and identify and secure or allocate funding to implement the CROP –** These are steps that will be addressed throughout the process as needed.

**RESOLUTION NO. 1206-0821**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF SHELTON, WASHINGTON, APPROVING THE  
UPDATED COMPREHENSIVE SOLID WASTE MANAGEMENT PLAN TO INCLUDE APPENDIX J:  
CONTAMINATION REDUCTION AND OUTREACH PLAN, AND AUTHORIZING THE CITY MANAGER TO  
SIGN A LETTER OF CONCURRENCE**

**WHEREAS**, RCW 70A.205 (formally RCW 70.95) requires each county within the state to prepare a Comprehensive Solid Waste Management Plan (CSWMP); and

**WHEREAS**, RCW 70A.205 also allows for the county to prepare a plan, on the City's behalf, for inclusion in the County's plan, following authorization from the City; and

**WHEREAS**, in June 2006 the City Commission passed Resolution 892-0506, authorizing Mason County to include the City of Shelton in its preparation of a CSWMP; and

**WHEREAS**, each county is required to periodically update the plan and receive approval from any joint municipalities prior to submitting the plan to the Department of Ecology; and

**WHEREAS**, in 2018 Mason County Solid Waste Advisory Committee completed a new CSWMP and received approval from the City Council in October of that same year; and

**WHEREAS**, following new Washington State Legislation, the Department of Ecology developed a plan to reduce recycling contamination and prepared a state-wide Contamination Reduction and Outreach Plan (CROP), requiring local jurisdictions with a population of 25,000 or more to adopt a CROP as part of their Comprehensive Solid Waste Management Plan no later than September 30, 2021; and

**WHEREAS**, Mason County Solid Waste Utility has prepared its CROP and provided it to the City of Shelton for review and approval so it can then be approved by the County Board of Commissioners and Department of Ecology.

**THEREFORE, BE IT RESOLVED** by the City Council of the City of Shelton that the update to the Comprehensive Solid Waste Management Plan to include Appendix J: Contamination Reduction and Outreach Plan is approved and the City Manager is authorized to sign a letter of concurrence.

Passed by the City Council at its regular meeting held on the 7<sup>th</sup> day of September 2021.

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Mayor Dorcy

ATTEST:

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City Clerk Nault



September 8, 2021

Richard Dickinson  
Mason County Utilities and Waste Management  
100 W Public Works Drive  
Shelton, WA 98584

**SUBJECT: Updated Comprehensive Solid Waste Management Plan to include Appendix J: CROP**

Dear Richard,

This letter is to advise you of our concurrence with the update to the Comprehensive Solid Waste Management Plan to include Appendix J: CROP, as written and prepared by Mason County Solid Waste Utility. The CROP was reviewed and approved by the City Council through Resolution No. 1206-0821 on September 7, 2021. This meets the provisions and standards of the City of Shelton's Resolution No. 892-0506, passed and signed by the Mayor of Shelton and the City Commissioners on June 19, 2006.

Sincerely,

**Jeff Niten**  
City of Shelton City Manager



## CITY OF SHELTON COUNCIL BRIEFING REQUEST (Agenda Item F1)

Touch Date: 06/07/2021  
Brief Date: 08/03/2021  
Action Date: 08/17/2021

Department: Executive  
Presented By: Jeff Niten

### APPROVED FOR COUNCIL PACKET:

Action Requested:

#### ROUTE TO:

#### REVIEWED:

- |                                     |                  |       |
|-------------------------------------|------------------|-------|
| <input type="checkbox"/>            | Dept. Head       | _____ |
| <input type="checkbox"/>            | Finance Director | _____ |
| <input type="checkbox"/>            | Attorney         | _____ |
| <input checked="" type="checkbox"/> | City Clerk       | _____ |
| <input checked="" type="checkbox"/> | City Manager     | JN    |

PROGRAM/PROJECT TITLE:  
**PUD 3 Franchise Agreement**

#### ATTACHMENTS:

- Ordinance No. 1963-1220
- PUD 3 Franchise Agreement
- Public Notice

- |                                     |            |
|-------------------------------------|------------|
| <input checked="" type="checkbox"/> | Ordinance  |
| <input type="checkbox"/>            | Resolution |
| <input checked="" type="checkbox"/> | Motion     |
| <input type="checkbox"/>            | Other      |

### DESCRIPTION OF THE PROGRAM/PROJECT AND BACKGROUND INFORMATION:

City staff and representatives of PUD 3 have been working toward a Franchise Agreement to benefit the citizens of Shelton, protect the City's interests, as well as the individual utilities' needs.

There is no existing Franchise Agreement; rather this agreement replaces a city-wide Right-of-Way permit issued on February 13, 2017. The City has worked to ensure that provisions contained in this new agreement provide adequate protection of the public Right-of-Way and the City's ability to require movement of utilities consistent with City needs. This agreement grants a non-exclusive Franchise to PUD 3 for a primary term of ten (10) years.

The Franchise Agreements attached comply with Shelton Municipal Code (SMC) Chapter 5.44 and all applicable State and Federal regulations. Council heard this item at the regular Council meeting on August 3, 2021. No changes have been made to the Ordinance.

### ANALYSIS/OPTIONS/ALTERNATIVES:

City staff propose the following as alternatives:

- Adopt the agreements as presented
- Request Staff re-enter negotiations over modifications to terms
- Take no action at this time

### BUDGET/FISCAL INFORMATION:

None, other than applicable permit fees associated with specific projects.

### PUBLIC INFORMATION REQUIREMENTS:

Information can be obtained through the City Clerk.

### STAFF RECOMMENDATION/MOTION:

A recommended motion is: "I move to approve Ordinance No. 1963-1220 as presented."

## **ORDINANCE NO. 1963-1220**

### **AN ORDINANCE OF THE CITY OF SHELTON, WASHINGTON, GRANTING A NONEXCLUSIVE FRANCHISE FOR THE TRANSMISSION, DISTRIBUTION AND SALE OF ELECTRICITY**

This Electricity and Telecommunication Franchise ("Franchise") is entered into in Shelton, Washington, this 17<sup>th</sup> day of August 2021, by and between the City of Shelton, Washington, a municipal corporation, (hereinafter "City") and Public Utility District No. 3 of Mason County. (hereinafter "PUD 3"). The City and PUD 3 are sometimes referred to hereinafter collectively as the "parties."

**WHEREAS**, PUD 3 has applied for a nonexclusive Franchise to construct, operate, and maintain an electric line system in, across, over, upon, along, and under City of Shelton Rights-of-Way; and

**WHEREAS**, PUD 3 has applied for a nonexclusive Franchise to construct, operate, and maintain a telecommunication system in, across, over, upon, along and under City of Shelton Right-of-Way; and

**WHEREAS**, the City has reviewed PUD 3's performance, has identified the future electricity and telecommunication-related needs and interests of the City and its citizens, has considered the financial, technical and legal qualifications of PUD 3, and has determined that PUD 3's plans for constructing, operating and maintaining its System are adequate, in a full public proceeding affording due process to all concerned; and

**WHEREAS**, the public has had adequate notice and opportunity to comment on PUD 3's proposal to provide electricity and telecommunication services within the City; and

**WHEREAS**, the City has a legitimate and necessary regulatory role in ensuring the availability of electricity and telecommunication services in the franchise area; and

**WHEREAS**, the City is authorized by applicable law to grant one or more nonexclusive franchises to construct, operate and maintain electricity and telecommunication system or systems within the boundaries of the City.

**NOW, THEREFORE**, in consideration of the mutual promises made herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the City and PUD 3 do hereby agree as follows:

#### **SECTION 1 GRANT OF FRANCHISE**

The City hereby grants to PUD 3 a right and Franchise for the period of ten (10) years from and after the effective date of Ordinance 1963-1220 to construct, operate and maintain in, over, upon, and under the present and future Right-of-Way and easements within the present and future limits of the City, communication lines, electric power lines, and all necessary and desirable appurtenances thereto, for the purpose of providing communications and transmitting electric power and energy.

## **SECTION 2 FRANCHISE NONEXCLUSIVE**

This Franchise shall be nonexclusive. The City may at any time grant authorization to use the Rights-of-Way for any purpose not incompatible with PUD 3's authority under this Franchise and for such additional franchises as the City deems appropriate.

## **SECTION 3 INDEMNIFICATION AND INSURANCE REQUIREMENTS**

### **3.1 Indemnification**

(A) General Indemnification. PUD 3 shall indemnify, defend and hold harmless the City, and its officers, officials, boards, commissions, agents and employees (while acting in an official capacity) from any action, claim, damage, loss, liability, cost or expense, including court and appeal costs and reasonable attorneys' fees and expenses, arising from any action, neglect, omission or inaction of PUD 3 its agents or employees including, but not limited to, delays on City construction projects caused by or arising out of PUD 3's failure to relocate its facilities in a timely manner. PUD 3 shall consult and cooperate with the City while conducting its defense of the City. If any such claim or demand is subject to RCW 4.24.115 and caused by or results from the concurrent negligence of (a) the City, its elected or appointed officials, or its agents or employees and (b) PUD 3, or its agents or employees, then in such event the defense and indemnity provisions provided for in the preceding paragraph 9.1 shall be valid and enforceable only to the extent of PUD 3's negligence. The City shall indemnify, defend and hold harmless PUD 3, and its officers, officials, boards, commissions, agents and employees (while acting in an official capacity) from any action, claim, damage, loss, liability, cost or expense, including court and appeal costs and reasonable attorneys' fees and expenses, arising from any action, neglect, omission or inaction of the City its agents or employees including, but not limited to, delays on PUD 3 construction projects caused by or arising out of City's failure to relocate its facilities in a timely manner. The City shall consult and cooperate with PUD 3 while conducting its defense of PUD 3. If any such claim or demand is subject to RCW 4.24.115 and caused by or results from the concurrent negligence of (a) PUD 3, its elected or appointed officials, or its agents or employees and (b) the City, or its agents or employees, then in such event the defense and indemnity provisions provided for in the preceding paragraph 9.1 shall be valid and enforceable only to the extent of the City's negligence.

(B) Procedures and Defense. The indemnified party shall give the other party timely written notice of any claim or of the commencement of any action, suit or other proceeding covered by the indemnity in this Section. If a claim or action arises, indemnified party shall then tender the defense of the claim to other within six (6) business days of receipt of such notice, which defense shall be at the indemnifying party's expense. The indemnified party may participate in the defense of a claim and, in any event, the Indemnifying party may not agree to any settlement of claims financially affecting the indemnified party without the indemnified party's prior written approval, which approval shall not be unreasonably withheld.

(C) Expenses. If separate representation to fully protect the interests of both parties is necessary, such as a conflict of interest between the indemnified party and the counsel selected

by indemnifying party to represent the indemnified party, the indemnifying party shall pay the expenses incurred by the indemnified party in defending itself with regard to any action, suit or proceeding indemnified. The indemnified party's expenses shall include all out of-pocket expenses that are necessary for the indemnified party defense, such as consultants' fees, and shall also include the reasonable value of any services rendered by the General Counsel/City Attorney or his/her assistants or any employees of the indemnified party or its agents but shall not include outside attorneys' fees for services that are unnecessarily duplicative of services provided the indemnified party by the indemnifying party.

### **3.2 Insurance Requirements**

(A) General Requirement. PUD 3 must have adequate insurance during the entire term of this Franchise (and for a period of twelve [12] months thereafter) to protect the City against claims for death or injuries to Persons or damages to property or equipment which in any way relate to, arise from or are connected with this Franchise, or involve PUD 3, its agents, representatives, contractors, subcontractors and their employees.

(B) Minimum Insurance Limits. PUD 3 must keep insurance in effect in accordance with the minimum insurance limits herein set forth:

- (1) Commercial General Liability: Two million dollars (\$2,000,000) per occurrence and five million dollars (\$5,000,000) general aggregate for bodily injury, personal injury and property damage.
- (2) Automobile Liability: Three million dollars (\$3,000,000) combined single limit per accident for bodily injury and property damage.
- (3) Workers Compensation Insurance: In accordance with State law requirements.
- (4) Excess Liability or Umbrella Coverage: One million dollars (\$1,000,000).

The amounts listed above are the minimum deemed necessary by the City to protect the City's interests in this matter. The City has made no recommendation to PUD 3 as to the amount of insurance coverage necessary to protect PUD 3's interests. Any decision by PUD 3 to carry or not carry insurance amounts in excess of the above is solely that of PUD 3.

(C) Endorsements.

(1) All policies shall contain, or shall be endorsed so that:

- (a) The City shall be designated as an additional insured;
- (b) Any insurance or self-insurance maintained by the City, its officers, officials, boards, commissions, employees and agents shall be in excess of PUD 3's primary insurance and shall not contribute to it; and
- (c) The policy shall contain a severability of interests provision. PUD 3's insurance shall apply separately to each insured against whom a claim is made or lawsuit is brought, except with respect to the limits of the insurer's liability.

(2) The insurance provided herein shall not be cancelled or the limits reduced so as to be out of compliance with the requirements of this Section without forty-five (45) days written notice first being given to the City. If the insurance is cancelled PUD 3 shall provide a replacement policy. PUD 3 agrees to maintain continuous uninterrupted insurance coverage, in the amounts required, for the duration of this Franchise (and as specified above, thereafter).

(D) Acceptability of Insurers. The City has reviewed PUD 3's self-insurance pool coverage and accepts the same.

(E) Verification of Coverage. PUD 3 shall furnish the City with certificates of insurance. The certificate for each insurance policy is to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificate for each insurance policy must be on standard forms or on such forms as are consistent with standard industry practices, and are to be provided to the City upon acceptance of this Franchise. PUD 3 hereby warrants that its insurance policies satisfy the requirements of this Franchise.

(F) Verification of Additional Insured Coverage. PUD 3 shall furnish the City with a written copy of the contract of additional insured coverage in a form acceptable to the City. If the additional insured coverage is part of PUD 3's insurance policy, then PUD 3 shall furnish a copy of those pages of its policy showing the City is covered as an additional insured to the City.

## **SECTION 4 GENERAL RIGHTS-OF-WAY USE AND CONSTRUCTION**

### **4.1 Right to Construct**

Subject to generally applicable laws, regulations, rules, resolutions, and ordinances of the City and the provisions of this Franchise, PUD 3 may perform all construction in the Rights-of-Way for any facility needed for the maintenance, operation or extension of PUD 3's Electrical System and/or Telecommunications System. Construction shall include repair, replacement, or installation that is needed to provide for the safe and reliable operations of electricity distribution and transmission facilities and fiber optic communications facilities within the right of way. Permissible activities may include:

- Emergency response (e.g., electrical or fiber outage response, downed power lines and/or replacement of poles due to weather or accidents);
- Tree trimming;
- Replacement, repair, or installation of street and/or security lighting;
- Replacement, repair, or installation of conductor (underground and overhead);
- Replacement, repair, or installation of transformers (pole and pad mounted) and/or overcurrent, regulation, capacitance, or sectionalizing devices;
- Replacement, repair, or installation of poles;
- Replacement, repair, or installation of guy wires;
- Replacement, repair, or installation of fiber or electric service drops;



- Replacement, repair, or installation of fiber optic communications or electrical distribution systems (e.g., transformers, protection devices, distribution huts, splice cases, service terminals, vaults, cabinets, poles, etc.)

#### **4.2 Rights-of-Way Meetings**

Subject to receiving advance notice, PUD 3 shall make reasonable efforts to attend and participate in meetings of the City regarding Rights-of-Way issues that may impact the Electricity and Telecommunication System.

#### **4.3 General Standards**

All work authorized and required hereunder shall be done in a safe, thorough and workmanlike manner. All installations of equipment shall be durable and installed in accordance with good engineering practices and in compliance with all federal, State, and local laws and regulations. PUD 3 shall promptly respond to any construction issues raised by the City and remedy any construction-related problems in a timely and responsive manner. To the maximum extent possible, PUD 3 shall utilize existing facilities in lieu of installing new equipment such as conduit, poles, or wires. This Franchise does not grant, give or convey to PUD 3 the right or privilege to install its facilities in any manner on specific utility poles or equipment owned by the City or any private third party. Equipment associated with PUD 3's Electricity and/or Telecommunication Systems may be in appropriate housing upon the surface of the ground. Nothing in this Franchise shall be construed to require PUD 3 to construct, operate, or maintain underground any ground-mounted appurtenances such as pedestals, provided that such facilities must be placed in accordance with City Code and any permit requirements.

#### **4.4 Joint Trenching/Boring**

To the extent it is economically feasible, PUD 3 shall joint trench or share bores or cuts and work with other providers (such as, but not limited to, gas, water, sanitary sewer), licensees, permittees, and franchisees so as to reduce the number of Rights-of-Way cuts within the City. PUD 3 shall follow all State law requirements for trench safety, including RCW 39.04.180.

#### **4.5 Movement of Facilities During Emergencies**

In the case of fire, disaster, or other emergency, the City may move, remove, or disconnect PUD 3's facilities and equipment located in the Rights-of-Way or on any other property of the City. The City shall provide reasonable notice to PUD 3 prior to taking such action and shall provide PUD 3 with the opportunity to perform such action unless, in the City's sole judgment, the imminent threat to public health, safety or welfare makes such notice impractical.

For the safety of all, a Qualified Worker meeting Washington State Labor & Industries requirements must be used to perform work that falls under this provision.

#### **4.6 One Call**

The Parties will maintain membership in good standing with the Utilities Underground Location Center or other similar or successor organization which is designated to coordinate underground equipment locations and installations. Parties shall abide by the State's "Underground Utilities" statutes (Chapter

19.122 RCW) and will further comply with and adhere to City regulations related to the One Call locator service program.

#### **4.7 Permits Required for Construction**

Prior to doing any work in the Rights-of-Way or other public property, PUD 3 shall apply for and obtain any permits necessary from the City. As part of the permitting process, the City may impose such conditions and regulations as are necessary for protecting any structures in such Rights-of-Way, for restoration of such Rights-of-Way, and for protection of the public and the continuity of pedestrian or vehicular traffic. PUD 3 shall pay all generally applicable fees for the requisite City permits.

#### **4.8 Emergency Permits**

In the event that emergency repairs are necessary, PUD 3 shall immediately notify the City of the need for such repairs. PUD 3 may initiate such emergency repairs and shall apply for appropriate permits within forty-eight (48) hours after completion of the repair.

#### **4.9 Compliance with Applicable Codes**

(A) City Codes. PUD 3 shall comply with all lawful and applicable City codes, including, without limitation, construction codes, building codes, the Fire Code, and zoning codes and regulations that do not conflict with PUD 3's contractual rights under this Franchise.

(B) Regulations and Safety Codes. PUD 3 shall comply with all lawful and applicable federal, State, and City safety requirements, rules, regulations, laws, and practices. By way of illustration and not limitation, PUD 3 shall comply with the National Electric Code, National Electrical Safety Code, and Occupational Safety and Health Administration (OSHA) Standards.

#### **4.10 Least Interference**

Work in the Rights-of-Way, or on other public property, shall be done in a manner that causes the least interference with the rights and reasonable convenience of adjacent property owners. PUD 3's Electricity System and Telecommunications System shall be located, erected, and maintained so as not to endanger the lives of Persons, or to interfere with new improvements the City may deem proper to make, or to unnecessarily hinder or obstruct the free use of the Rights-of-Way or other public property, and shall not unreasonably interfere with travel and use of public places by persons during the construction, repair, operation, or removal thereof. The City may require the removal or relocation of PUD 3's lines, cables, equipment, and other appurtenances that are in violation of this Section from the property in question at PUD 3's expense.

#### **4.11 Prevent Injury/Safety**

PUD 3 shall provide and use any equipment and facilities necessary to control and carry PUD 3's signals so as to prevent injury to the City's property or property belonging to any Person. PUD 3, at its own expense, shall repair, renew, change, and improve its facilities to keep them in good repair, and safe and presentable condition. All excavations made by PUD 3 in the Rights-of-Way shall be properly safeguarded for the prevention of accidents.

#### **4.12 Notice to Private Property Owners**

Except in the case of an emergency involving public safety or an outage, or service interruption to a large number of customers or subscribers, PUD 3 shall give reasonable advance notice to private property owners of construction work on or in adjacent Rights-of-Way. If PUD 3's work is a result of a larger City project, other public project, or a private developer project, Notice to Property Owners and detailed project information that may affect their property shall be the responsibility of the lead agency, or the City. PUD 3 may, at its discretion, supplement other customer communication regarding the impact of PUD 3's facilities and operations.

#### **4.13 Clear Zone Requirements**

PUD 3 recognizes the need for the City to maintain adequate width for installation and maintenance of sanitary sewer, water, and storm drainage utilities owned by the City, and other public utility providers.

Thus, the City reserves the right to maintain clear zones with the Rights-of-Way for installation and maintenance of said utilities. The clear zones for each Rights-of-Way segment shall be noted and conditioned with the issuance of each Rights-of-Way permit. If adequate clear zones are unable to be achieved on a particular Right-of-Way, PUD 3 shall locate in an alternate Right-of-Way or propose alternate construction methods which maintain and/or enhance the existing clear zones.

#### **4.14 Underground Construction; Location & Relocation of Facilities**

PUD 3 will cooperate with the City, developers, and with other affected utilities in the underground construction of new electricity distribution and telecommunications facilities within the franchise area, which shall be at developer or requestor expense.

- A. PUD 3 shall, at its sole expense, relocate its overhead facilities upon request by the City if:
  - (1) Necessary to accommodate City capital projects, provided that the City has reasonably complied with the notification requirements of this Section, and provided that if the City requests relocation for a second time in a five year period, the City shall bear the costs of the second relocation; or
  - (2) Due to unforeseen emergencies as necessary to protect the public health, welfare, and safety.
- B. If the City requests that existing PUD 3 facilities be relocated underground, the City shall reimburse the PUD the incremental cost of underground construction compared to aerial relocation. The PUD 3 shall comply with all federal, state, and local regulations on undergrounding.
- C. If the City determines that a City project necessitates the relocation of PUD 3's existing facilities, then:
  - (1) Within a reasonable time, which shall be no less than 90 days prior to the necessary relocation, the City shall provide PUD 3 with written notice requiring relocation; provided that in the event of an emergency beyond the control of the City and which

will result in severe financial consequences to the City or its citizens or businesses, the City shall give PUD 3 as much advance written notice as is practicable;

(2) When City projects are under consideration and/or preliminary Funding Application Level Design (e.g. "10% Design") begins, the City will contact PUD 3 to schedule an initial project scope meeting so tentative plans, system impact studies, community partnerships, and enhanced communication can begin with as much preparation time as possible.

(2) The City shall provide PUD 3 with copies of information for such improvement project and a proposed location for PUD 3's facilities so that PUD 3 may relocate its facilities in the Rights-of-Way in order to accommodate the project; and

(3) In calculating the date that relocation must be completed, the City shall consult with PUD 3 and other franchise holders and consider the extent of facilities to be relocated, the service requirements, and the construction sequence for the relocation, within the City's overall project construction sequence and constraints, to safely complete the relocation. PUD 3 shall complete the relocation by the date specified, unless the City establishes a later date for completion, after a showing by PUD 3 that the relocation cannot be completed by the date specified using best efforts and meeting safety and service requirements. In the event of an emergency as described in this Section, PUD 3 shall relocate its facilities within a reasonable time period specified by the City.

(4) The City and/or Requestor shall provide traffic-control, permitting, trenching, backfill, and restoration for the relocation of PUD 3's facilities if the new facilities are to be placed underground. The undergrounding of the electric or telecommunications underground infrastructure may extend outside of the project boundaries in order to accommodate the request, and this must be included in eligible relocation costs and plans.

(5) To ensure proper space and availability in a supplied joint trench, PUD 3 shall pay for the work (time and materials) necessary to complete Electric System and/or Telecommunications related engineering and coordination with the other utilities involved in the project.

- D. PUD 3 may, after receipt of written notice requesting a relocation of its facilities, submit to the City written alternatives to such relocation. The City shall evaluate such alternatives and advise PUD 3 in writing if one or more of the alternatives are suitable to accommodate the work, which would otherwise necessitate relocation of the facilities. If so requested by the City, PUD 3 shall submit additional information to assist the City in making such evaluation. The City shall give each alternative proposed by PUD 3 full and fair consideration, within a reasonable time, so as to allow for the relocation work to be performed in a timely manner. In the event the City ultimately determines that there is no other reasonable alternative, PUD 3 shall relocate its facilities as otherwise provided in this Section.

- E. In the event that the City requests PUD 3 to relocate its facilities for a project which is primarily for benefit of a third-party, the PUD 3 shall relocate its facilities contingent upon permit approvals from the City and the third party's entry into a reimbursement agreement with PUD 3.
- F. In the event the City establishes a Local Improvement District (LID) to fund a relocation or conversion project, PUD 3 shall be reimbursed by the LID for all expenses incurred as a result of the project.

At the City's request, PUD 3 shall supply drawings or other documentation indicating the location of its facilities within City streets and rights-of-way.

#### **4.15 Additional Ducts and Conduits**

PUD 3 and the City recognize that situations may occur in the future where the City may desire to place its own fiber optic cable in trenches or bores opened by PUD 3. PUD 3 agrees to cooperate with the City in any construction that involves trenching or boring, provided that the City has first provided reasonable notice to PUD 3 in some manner that it is interested in sharing the trenches or bores in the area where PUD 3's construction is occurring. PUD 3 shall allow the City to lay City conduit in PUD 3's trenches and bores, provided that the City shares pro rata in the cost of the trenching and boring with PUD 3. The City shall be responsible for maintaining its respective conduit, which is buried in PUD 3's trenches and bores. The City agrees that any conduit placed in these projects shall not now or throughout the term of this Franchise be utilized to provide services that interfere with the services provided by PUD 3 or be provided for access by a private, for-profit electricity or telecommunications company.

(A) If PUD 3 is constructing, relocating, or placing ducts or conduits in the Rights-of-Way and upon request by the City, additional duct or conduit and related structures necessary to access the duct or conduit shall be provided for the City, subject to the following conditions:

- (1) The City shall not require that the additional duct or conduit space be connected to the access structures and vaults of PUD 3.
- (2) Upon written request by the City for a cost estimate to share a trench or bore within a Right-of-Way, PUD 3 shall prepare such estimate and present the same to the City within sixty (60) days thereafter regarding the incremental costs and Fully Allocated Costs of providing the City with ducts, conduits, and related structures necessary to access the conduit or duct and of the date such construction, relocation, or placement will begin. If PUD 3 and the City disagree regarding the appropriateness of the proposed incremental and Fully Allocated Costs, the parties may negotiate.
- (3) The City may require PUD 3 to furnish such additional duct or conduit and the related structures necessary to access the conduit or duct for the incremental costs by so notifying PUD 3 no later than sixty (60) days after the information referred to in subsection (B) is provided by PUD 3 or a court.
- (4) If the City requires PUD 3 to furnish additional duct, conduit, or related structures pursuant to this subsection, PUD 3 shall construct the facilities to the same standards as PUD 3's other new facilities, and shall turn such additional duct, conduit or related

structures over to the City upon completion of same and satisfactory inspection thereof by the City.

(5) Any duct or conduit and related structures necessary to access the duct or conduit that are furnished by PUD 3 to the City pursuant to this Section shall be used exclusively by, and directly for, the City for any commercial or noncommercial purposes.

All provisions for the placement of Additional Ducts and Conduits within this section bilaterally also apply to the City's open trench and/or directional bore projects. The City shall notify PUD 3 of all such projects prior to 90 days before work commencement, or during preliminary designs, whichever is sooner.

#### **4.16 Restoration of Property**

(A) PUD 3 shall protect public and private property from damage. If damage occurs, PUD 3 shall promptly notify the property owner within twenty-four (24) hours.

(B) In the event PUD 3 disturbs or damages any Rights-of-Way or other public property, PUD 3 shall promptly restore the Rights-of-Way or property to at least its prior condition, normal wear and tear excepted.

(C) PUD 3 shall warrant any street restoration work performed by or for PUD 3 in the Rights-of-Way or on other public property for the greater of one (1) year or for the life of the asphalt street patch until overlay occurs, provided that no action by a third party or acts of nature materially affects the integrity of PUD 3's street cut work, unless a different period is required by the City Code. If street cut work is not satisfactorily performed by PUD 3 within a reasonable time, the City may, after prior notice to PUD 3, or without notice where the disturbance or damage may create a risk to public health or safety, cause the work to be done and recover the reasonable cost of the work from PUD 3. Within forty-five (45) days of receipt of an itemized list of those costs, including the costs of labor, materials and equipment, PUD 3 shall pay the City.

(D) Upon completion of the work that caused any disturbance or damage, PUD 3 shall promptly commence restoration of the property, and will use its best efforts to complete temporary restoration within twenty-four (24) hours, and permanent restoration within 90 days, considering the nature of the work that must be performed.

#### **4.17 Discontinuing Use**

Whenever PUD 3 intends to discontinue using any facility within the Rights-of-Way, PUD 3 shall notify the City of its intention. PUD 3 may remove the facility or request that the City permit it to remain in place. Notwithstanding PUD 3's request that any such facility remain in place, the City may require PUD 3 to remove the facility from the Rights-of-Way or modify the facility to protect the public health, welfare or safety. The City may require PUD 3 to perform a reasonable combination of modification and removal of the facility. PUD 3 shall complete such removal and/or modification respectively in accordance with a schedule reasonably set by the City. Until such time as PUD 3 removes or modifies the facility as reasonably directed by the City, or until the rights to and responsibility for the facility are accepted by another Person having authority to use, construct and/or maintain such facility, PUD 3 shall

retain all liability for such facility and shall remain responsible for all necessary repairs and relocations of the facility in the same manner and degree as if the facility were in active use.

#### **4.18 LED Street Lights**

PUD 3 shall keep the LED streetlight system in good repair and working condition. PUD 3 shall charge the City at PUD 3's Schedule 41 rate for outdoor lighting as now adopted or hereinafter amended. All PUD 3 electrical service rules and regulations shall apply to billings and payments. City-owned LED streetlight poles shall not be subject to PUD 3 charges and assessments.

PUD 3 shall perform maintenance on the City-owned streetlight poles as needed and upon request by the City, subject to PUD 3's then existing labor and equipment rates, and scheduling availability.

Upon request from the City, PUD 3 shall install or replace the City's streetlight poles, vaults, and/or conduits, and bill the City for the work at PUD 3's then existing labor and equipment rates. In such projects, the City shall provide all traffic control, trenching, backfilling, restoration, permitting, and easements, and shall work with PUD 3 to determine acceptable locations and specifications of infrastructure. All staking of agreed upon pole locations shall be provided by the City.

The City shall have priority to utilize GFI outlets on the light poles for Christmas decorations or other uses. The City shall notify PUD 3 of the dates of installation and removal of lighted decorations, along with the actual wattage and count of each fixture. Unmetered electricity shall be billed to the City, or its designee, at PUD 3's Schedule 20 (small commercial) rate or Unmetered Device rate, at PUD 3's discretion.

#### **4.19 Movement of System Facilities for Other Franchise or Permit Holders**

If any removal, replacement, modification or disconnection of the Electricity System and/or Telecommunication System is required to accommodate the construction, operation, or repair of the facilities or equipment of another City franchise or permit holder, PUD 3 shall, after at least forty-five (45) days advance written notice, take action to effect the necessary changes requested by the responsible entity. PUD 3 may require that the costs associated with the removal, replacement, modification, or disconnection of the Electricity System and/or Telecommunication System be paid by the benefited party, and PUD 3 may require a reasonable deposit of the estimated payment in advance.

#### **4.20 Reservation of City Use of Rights-of-Way**

Nothing in this Franchise shall prevent the City from constructing sewers; grading, paving, repairing or altering any Rights-of-Way; laying down, repairing or removing water mains; installing conduit or fiber optic cable; or constructing or establishing any other public work or improvement. All such work shall be done, insofar as practicable, so as not to obstruct, injure or prevent the use and operation of PUD 3's Electricity System and/or Telecommunication System.

#### **4.21 Tree Trimming**

PUD 3 may prune or cause to be pruned, using proper pruning practices, any tree in the Rights-of-Way which interferes with the reliability, construction, operations, and maintenance of PUD 3's Electricity System and/or Telecommunication System. PUD 3 shall comply with any and all City regulations regarding tree trimming, including obtaining a permit, if required, to remove Right-of-Way trees.

Except in emergencies, before pruning trees at a point below fifteen and a half (15.5) feet above the sidewalk grade, PUD 3 will make a reasonable attempt to contact the owner or occupant of the premises abutting the rights of way in or over which the tree is growing. For purposes of this subsection, emergencies exist when it is necessary to prune to protect the public or PUD 3's facilities from imminent danger.

#### **4.22 Inspection of Construction and Facilities**

The City may inspect any of PUD 3's facilities, equipment, or construction within the Rights-of-Way and on other public property in the franchise area. If an unsafe condition is found to exist, the City, in addition to taking any other action permitted under applicable law, may order PUD 3, in writing, to make the necessary repairs and alterations specified therein forthwith to correct the unsafe condition within a reasonable amount of time established by the City. The City has the right to inspect, repair, and correct the unsafe condition if PUD 3 fails to do so, and to reasonably charge PUD 3 therefore.

For the safety of all, a Qualified Worker meeting Washington State Labor & Industries requirements must be used to perform work that falls under this provision.

#### **4.23 Stop Work**

On notice from the City that any work is being performed contrary to the provisions of this Franchise, or in an unsafe or dangerous manner as reasonably determined by the City, or in violation of the terms of any regulations or permits issued, then the work may immediately be stopped by the City.

The stop work order shall:

- (1) Be in writing;
- (2) Be given to the person doing the work, or be posted on the work site;
- (3) Submitted via email to PUD 3's Director of Engineering & Utility Services and Operations Manager;
- (4) Indicate the nature of the alleged violation or unsafe condition;
- (5) Establish conditions under which work may be resumed; and
- (6) Provide the name and contact information for the representative of the City for further discussion.

#### **4.24 Nonconforming or Unauthorized Conditions**

Whenever the City determines that PUD 3 has taken any action or caused any condition within the franchise area in violation of the City Code that results in or produces any unsafe, nonconforming, or unauthorized condition, the City may order the correction or discontinuance of such condition or any activity causing such condition, or order the taking of any other remedial action, pursuant to applicable provisions of the City Code.

#### **4.25 Work of Contractors and Subcontractors**



PUD 3's contractors and subcontractors shall be licensed and bonded in accordance with the City's generally applicable regulations. Work by contractors and subcontractors is subject to the same restrictions, limitations and conditions as if the work were performed by PUD 3. PUD 3 shall be responsible for all work performed by its contractors and subcontractors and others performing work on its behalf as if the work were performed by it, and shall ensure that all such work is performed in compliance with this Franchise and other applicable laws, and shall be jointly and severally liable for all damages and correcting all damage caused by them. It is PUD 3's responsibility to ensure that contractors, subcontractors, or other Persons performing work on PUD 3's behalf are familiar with the requirements of this Franchise and other applicable laws governing the work performed by them.

## **SECTION 5 FRANCHISE FEES AND UTILITY TAX**

### **5.1 Franchise Fees**

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 PUD 3. However, as provided in RCW 35.21.860, PUD 3 shall reimburse and pay the City's actual administrative expenses incurred by the City that are directly related to: (i) receiving and approving a permit or license, (ii) inspecting plans and construction, or (iii) preparing detailed statement pursuant to Chapter 43.21C RCW.

### **5.2 Tax Liability**

**Utility Tax.** PUD 3 acknowledges that the City is authorized under RCW 35.21.870, as amended, and Shelton Municipal Code 3.38 and 3.48, to impose a utility tax on PUD 3 for provision of electrical services. Nothing in this Franchise shall exempt nor be construed to exempt PUD 3 from payment of the City's utility tax, currently 6% of total gross receipts for both electrical and non-exempt telecommunications, in accordance with the City's Code.

## **SECTION 6 MISCELLANEOUS PROVISIONS**

### **6.1 Local Employment Efforts**

PUD 3 shall use reasonable efforts to utilize qualified local contractors, including minority business enterprises and woman business enterprises, whenever PUD 3 employs contractors to perform work under this Franchise.

### **6.2 Notices**

Throughout the term of this Franchise, each party shall maintain and file with the other a local address for the service of notices by mail. All notices shall be sent to such respective address, and such notices shall be effective upon the date of mailing. At the effective date of this Franchise:

PUD 3's address shall be:

Mason PUD 3  
Attention: General Manager; and Director of Engineering & Utility Services  
PO Box 2148

2621 E Johns Prairie Road  
Shelton, WA 98584

The City's address shall be:

City of Shelton  
Attention: City Clerk; Finance Director; and City Manager  
525 W. Cota Street  
Shelton, WA 98584

### **6.3 Cumulative Rights**

Subject to applicable law, all rights and remedies given to the City by this Franchise or retained by the City herein shall be in addition to and cumulative with any and all other rights and remedies, existing or implied, now or hereafter available to the City, at law or in equity, and such rights and remedies shall not be exclusive, but each and every right and remedy specifically given by this Franchise or otherwise existing may be exercised from time to time and as often and in such order as may be deemed expedient by the City, and the exercise of one or more rights or remedies shall not be deemed a waiver of the right to exercise at the same time or thereafter any other right or remedy.

### **6.4 Binding Effect – Cancellation of Interlocal Agreements**

This Franchise shall be binding upon the parties hereto, their permitted successors and assigns. The 2017 Interlocal Agreement for Recurring Annual Right of Way Permit is cancelled and of no further effect.

The following interlocal agreements for LED Street and Pedestrian Lighting are superseded and therefore cancelled:

1. 2018 Interlocal Agreement for LED Street and Pedestrian Lighting
2. 2015 Amended Interlocal Agreement for LED Street Lighting
3. 2013 Interlocal Agreement for LED Street Lighting Project

### **6.5 Authority to Amend**

This Franchise may also be amended at any time by mutual written agreement between the parties.

### **6.6 Disputes and Venue**

If any disputes shall arise concerning application or interpretation of this Agreement, the Parties shall first attempt to resolve the dispute through negotiation, with or without the help of a professional mediator. Venue for any dispute related to this Franchise shall be in Mason County Superior Court.

### **6.7 Governing Laws**

This Franchise shall be governed, construed and enforced in accordance with the laws of the State of Washington (as amended), and any other applicable local, State and federal laws, rules, regulations, legislation or orders (as such now exist, are later amended or subsequently adopted).

## **6.8 No Joint Venture**

Nothing herein shall be deemed to create a joint venture or principal-agent relationship between the parties, and neither party is authorized to, nor shall either party act toward third persons or the public in any manner which would indicate any such relationship with the other.

## **6.9 Waiver**

The failure of the City at any time to require performance by PUD 3 of any provision hereof shall in no way affect the right of the City hereafter to enforce the same, nor shall the waiver by the City of any breach of any provision hereof be taken or held to be a waiver of any succeeding breach of such provision, or as a waiver of the provision itself or any other provision.

## **6.10 Severability**

If any Section, subsection, paragraph or provision of this Franchise is determined to be illegal, invalid or unconstitutional by any court or agency of competent jurisdiction, such determination shall have no effect on the validity of any other Section, subsection, paragraph or provision of this Franchise, all of which will remain in full force and effect for the term of the Franchise.

## **6.11 Entire Agreement**

This Franchise and Exhibit represent the entire understanding and agreement between the parties hereto with respect to the subject matter hereof and supersede all prior oral and written negotiations between the parties.

## **6.12 Force Majeure**

In the event PUD 3 is prevented or delayed in the performance of any of its obligations under this Franchise by a reason beyond the control of PUD 3, PUD 3 shall have a reasonable time, under the circumstances, to perform the affected obligation under this Franchise or to procure a substitute for such obligation which is satisfactory to the City. Those conditions which are not within the control of PUD 3 include, but are not limited to, natural disasters, civil disturbances, severe or unusual weather conditions which have a direct and substantial impact on PUD 3's ability to provide Electricity Service and/or Telecommunication Services in the City, work delays caused by waiting for utility providers to service or perform make-ready services on their utility poles or other facilities to which PUD 3's Electricity System and/or Telecommunication System is attached, and PUD 3's inability to obtain federal, State or railroad permits despite PUD 3's best efforts to do so. If PUD 3 believes that a reason beyond its control has prevented or delayed its compliance with the provisions of this Franchise, PUD 3 shall provide documentation as reasonably required by the City to substantiate PUD 3's claim. If PUD 3 has not yet cured the deficiency, PUD 3 shall also provide the City with its proposed plan for remediation, including the timing for such cure.

## **6.13 Attorneys' Fees**

If any action or suit arises in connection with this Franchise, the Parties shall bear their own expenses, including attorney fees and court costs.

**6.14 Actions of the City or PUD 3**

In any action by the City or PUD 3 mandated or permitted under the terms hereof, it shall act in a reasonable, expeditious and timely manner. Furthermore, in any instance where approval or consent is required under the terms hereof, such approval or consent shall not be unreasonably withheld.

**6.15 Acceptance**

Within thirty (30) days of receipt of the Franchise after its execution by the City, this Franchise shall be formally adopted by PUD 3's legislative body in accordance with PUD 3's procedures and State law.

IN WITNESS WHEREOF, this Franchise is signed in the name of the City of Shelton, Washington, this \_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

**CITY OF SHELTON**

By \_\_\_\_\_.

Mayor

ATTEST:

\_\_\_\_\_.

City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_.

City Attorney

ACCEPTED AND APPROVED this \_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

**Mason PUD 3**

By \_\_\_\_\_.

Its \_\_\_\_\_.



CITY OF SHELTON  
525 W. COTA ST.  
SHELTON, WA 98584

TO: Shelton-Mason County Journal

DATE: July 19, 2021

**Please publish the following notice on July 22, 2021**

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**NOTICE OF PUBLIC HEARING  
for the  
CITY OF SHELTON**

**ORDINANCE NO. 1963-1220**

**AN ORDINANCE OF THE CITY OF SHELTON, WASHINGTON,  
GRANTING A NONEXCLUSIVE FRANCHISE FOR THE  
TRANSMISSION, DISTRIBUTION AND SALE OF ELECTRICITY**

The City Council will conduct a public hearing on August 3, 2021 at 6:00 p.m. to consider adoption of a Franchise Agreement with PUD 3. The public is invited to comment on the above referenced matters, or provide written testimony to the City Clerk.

Donna Nault  
City Clerk  
(360) 810-0351



## CITY OF SHELTON COUNCIL BRIEFING REQUEST (Agenda Item F2)

Touch Date: 08/17/2021  
Brief Date: 08/17/2021  
Action Date: 08/17/2021

Department: Community Development  
Presented By: Mark Ziegler

### APPROVED FOR COUNCIL PACKET:

Action Requested:

#### ROUTE TO:

#### REVIEWED:

☒ Dept. Head

☐ Finance Director

☐ Attorney

☒ City Clerk

☐ City Manager

PROGRAM/PROJECT TITLE:

**Rotating Art Gallery**

ATTACHMENTS:

**Copies of the chosen art work**

☐

Ordinance

☐

Resolution

☒

Motion

☐

Other

### DESCRIPTION OF THE PROGRAM/PROJECT AND BACKGROUND INFORMATION:

The Shelton Arts Commission is recommending the latest installation of the Civic Center Rotating Art Gallery project. As approved by the City Council, the Civic Center Rotating Art Gallery policy and procedure has been followed with the following tasks:

1. Call for Artists – The call for artists was distributed to local artists through press releases, art organizations, and galleries. The deadline for artist submittals was July 30, 2021. Four artists submitted proposals for the gallery.
2. The Shelton Arts Commission met on August 3, 2021 to jury the submittals.
3. On August 17, 2021, the Shelton Arts Commission is presenting the recommended art to the City Council for approval. Upon approval, the art will be installed on August 31, 2021 and in place through November 30, 2021.

The selected artist and work includes:

ARTIST	MEDIUM	TITLES
Janette Stiles	Acrylic, Colored Pencil	Bighorn Sheep at Hurwall Pass and Mali Savanna Queens
Kelley Vance	Acrylic	Down in the Flood and Snipe, Riga
Cynthia Lee	Watercolor	Shadowwood and Barn Owls
Deborah Chava Singer	Photography	Evening Pair and Fall Color Over Blue

### ANALYSIS/OPTIONS/ALTERNATIVES:

N/A

### BUDGET/FISCAL INFORMATION:

N/A

### PUBLIC INFORMATION REQUIREMENTS:

N/A

### STAFF RECOMMENDATION/MOTION:

Staff recommends: "I move to approve the Shelton Arts Commission's recommendations for placement in the

Civic Center Rotating Art Gallery.”



Janette Stiles



Bighorn Sheep at Hurwal Pass

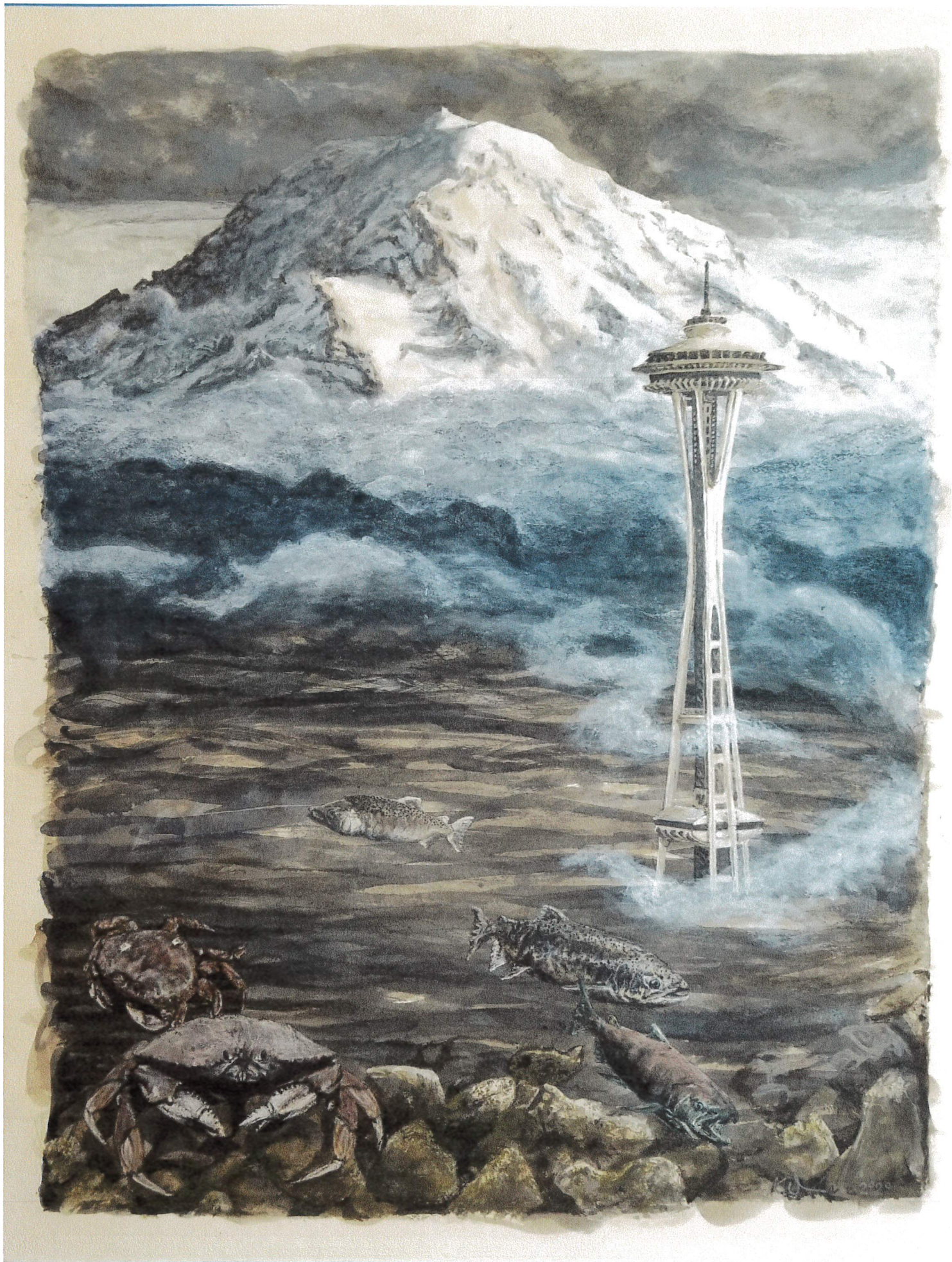
YES



Mali Savanna Queens

YES





One of an Aftermath series—numbering 1 Pieces so far.

Entry #1 "Down in the Flood," Kelley Vance, giclee print of acrylic on paper, 16"x20," A surreal environmental statement





Entry 5 "Snipe, Riga" Kelley Vance, acrylic on paper, 14"x20.5", My Art Asks: "Where will They go?"

One of Escape Hatch series



#1



Cynthia Lee "Shadowwood" watercolor 20"x16"



#4



Cynthia Lee "Barn owls" 14"x11" watercolor



Deborah Chava Singer



Evening Pair





Fall Color Over Blue