



EVERETT

WASHINGTON

Everett City Council Preliminary Agenda 6:30 p.m., Wednesday, March 12, 2025 City Council Chambers

Roll Call

Pledge Of Allegiance

Land Acknowledgment

Approval Of Minutes: March 5, 2025

Mayor's Comments

Public Comment

Council Comments

Administration Update

City Attorney

CONSENT ITEMS:

(1) Adopt Resolution Authorizing Claims Against The City Of Everett In The Amount Of \$989,923.63 For The Period Ending February 22, 2025 Through February 28, 2025.

Documents:

[RES_CLAIMS PAYABLE 2.28.25.PDF](#)

(2) Adopt Resolution Authorizing Electronic Fund Transfers Against The City Of Everett In The Amount Of \$12,094,002.87 For The Period January 1, 2025 Through January 31, 2025.

Documents:

[EFT COUNCIL RESOLUTION 2025-1.PDF](#)

(3) Adopt Resolution Authorizing Payroll Against The City Of Everett In The Amount Of \$5,599,864.30 For The Period February 22, 2025.

Documents:

[2025 RESOLUTION FOR PAYROLL PAY PERIOD 05.PDF](#)

(4) Award And Authorize The Purchase Of Seven Reconditioned Gillig Buses From Complete Coach Works Using The Washington State Department Of Enterprise Services Contract #06719-01/EVT #2021-121 For A Total Of \$2,140,989.55.

Documents:

[SEVEN REFURBISHED BUSES.PDF](#)

(5) Award The Construction Contract Of The New Everett Transit Mall Station At Everett Mall To Colacurcio Brothers Inc. In The Amount Of \$1,992,715.50.

Documents:

[APPROVAL FOR CONSTRUCTION BID AWARD - MALL STATION RELOCATION.PDF](#)

(6) Authorize The Call For Bids For The Main Library Building Envelope Improvements Project.

Documents:

[MAIN LIBRARY BUILDING ENVELOPE IMPROVEMENTS - CALL FOR BIDS.PDF](#)

(7) Authorize The Mayor To Sign Forestry Agreement No. 2025-03 License To Use City Of Everett Property With DNR.

Documents:

[DNR-FORESTRY AGREEMENT NO. 2025-03 LICENSE.PDF](#)

(8) Authorize The Mayor To Sign Amendment No. 3 To The Professional Services Agreement With Northwest Corrosion Engineering To Increase Compensation In The Amount Of \$75,000 For A Total Contract Amount Of \$177,201.00.

Documents:

[NW CORROSION ENGINEERING-CATHODIC PROTECTION AND COATING EVAL-AMEND 3.PDF](#)

(9) Adopt A Resolution Declaring A 2008 Dodge Sprinter Van, V0204, Surplus And Authorizing Its Sale At Public Auction.

Documents:

[RES_2008 DODGE SPRINTER VAN.PDF](#)

(10) Authorize The Mayor To Sign The Amended Professional Services Agreement For 2022-2025 On-Call Structural Support Services With TranTech Engineering, LLC (DEA).

Documents:

[TRANTECH ENGINEERING, LLC-STRUCTURAL ON-CALL SUPPORT-AMENDMENT NO. 1.PDF](#)

PROPOSED ACTION ITEMS:

(11) CB 2502-17 – 2nd Reading - Adopt An Ordinance Providing For The Issuance, Sale, And Delivery Of One Of More Series Of Limited Tax General Obligation Bonds In An Aggregate Principal Amount Not To Exceed \$28,000,000. (3rd & Final Reading 3/19/25)

Documents:

[CB 2502-17.PDF](#)

(12) CB 2502-18 – 2nd Reading - Adopt An Ordinance Providing For The Issuance Of One Or More Series Of Water And Sewer Revenue Bonds In An Aggregate Principal Amount Not To Exceed \$181,000,000. (3rd & Final Reading 3/19/25)

Documents:

[CB 2502-18.PDF](#)

(13) CB 2502-19 – 1st Reading - Adopt An Ordinance Amending Ordinance No. 4019-24 Entitled A Special Improvement Project Entitled "Thornton A. Sullivan Park Floating Dock Repairs", Fund 354, Program 100, To Accumulate All Costs For The Project. (3rd & Final Reading 3/26/25)

Documents:

[CB 2502-19.PDF](#)

ACTION ITEMS:

(14) CB 2502-14 – 3rd & Final Reading – Adopt An Ordinance Creating A Special Improvement Project Entitled "Forest Park Entry Driveway Repave Project", Fund 354, Program 107, To Accumulate All Design And Permitting Costs For The Project In The Amount Of \$50,000.

Documents:

[CB 2502-14.PDF](#)

(15) CB 2502-15 – 3rd & Final Reading – Adopt An Ordinance Creating A Special Improvement Project Entitled "Lowell Park Playground Replacement", Fund 354, Program 104, To Accumulate Project Costs In The Amount Of \$575,000.

Documents:

[CB 2502-15.PDF](#)

(16) CB 2502-16 – 3rd & Final Reading – Adopt An Ordinance Creating A Special Improvement Project Entitled "Park And Downtown Restrooms Access Control Project", Fund 354, Program 105, And Fund 342, Program 048 To Accumulate All Costs For The Project.

Documents:

[CB 2502-16.PDF](#)

Executive Session

Adjourn

PARTICIPATION IN REMOTE COUNCIL MEETINGS

- o Participate remotely via Zoom by registering to speak at everettwa.gov/speakerform. You must register no later than 30 minutes prior to the meeting. You may contact the Council office at 425.257.8703 or aely@everettwa.gov and identify the topic you wish to address.

- Provide written public comments by email to Council@everettwa.gov or mail to 2930 Wetmore Avenue, Suite 9A, Everett, WA 98201. Emailing comments 24 hours prior to the meeting will ensure your comment is distributed to councilmembers and appropriate staff.
- Persons seeking to comment on non-agenda items may be asked to submit the comments in writing if the comment does not address an issue of broad public interest.

AGENDAS, BROADCAST AND RECORDINGS

- The Council agendas and meeting recordings can be found, in their entirety, at everettwa.gov/citycouncil.
- Watch live meetings and recordings at [YouTube.com/EverettCity](https://www.youtube.com/EverettCity).

CONTACT THE COUNCIL

If you do not wish to participate in the meeting, we provide these other methods of contacting your elected officials: Email the Council at Council@everettwa.gov or call the Council offices at 425.257.8703.

The City of Everett does not discriminate on the basis of disability in the admission or access to, or treatment in, its programs or activities. Requests for assistance or accommodations can be arranged by contacting the Everett City Council Office at 425.257.8703. For additional information, please visit our website at <https://www.everettwa.gov/3129/American-Disabilities-Act-ADA-and-Title->.



RESOLUTION NO. _____

Be it Resolved by the City Council of the City of Everett:

That the claims made by electronic transfer against the City of Everett for the month January 1 through January 31 2025, having been audited, be and the same are hereby approved, and the proper officers are hereby authorized and directed to charge claims made by electronic transfer against the proper funds in payment thereof, as follows:

<u>Fund</u>	<u>Department</u>	<u>Amount</u>
002	General Fund	325,608.21
101	Park	10,576.48
110	Library	14,088.63
112	Community Theater	1,022.77
119	Public Works - Street Imp	400.91
120	Streets	2,901.01
126	Moter Vehicle/Equip Repl	256.00
138	Hotel/Motel	1,077.76
145	ESCROQ	260.00
146	Parking Lot Reserve	1,325.03
151	Animal Reserve	2,672.62
152	Library Reserve	571.31
153	EMS	17,997.16
155	Gen Gov Spec Proj	6,006.94
156	Criminal Justice	35,508.06
197	CHIP	57.41
303	Public Works Improvement Proj	1,186.50
336	Water/Sewer System Imprpov	489,660.17
342	City Facilities Construction	4,543.57
354	Parks Capital Construction	2,455.19
401	Utilities	463,269.25
402	Solid Waste Utility	870.08
425	Transit	49,410.14
430	Everpark Garage	4,984.94
440	Golf	136,091.78
501	Transportation Services	102,542.93
503	Self-Insurance Fund	512,184.26
505	Computer Reserve Fund	11,180.83
507	Telecom	39,573.25
508	Health Benefits Reserve	1,451,297.95
637	Police Pension	84,517.84
638	Fire Pension	92,382.40
661	Payroll Withholding	8,225,586.85
670	Custodial Funds	1,934.64

TOTAL CLAIMS
BY ELECTRONIC TRANSFER **12,094,002.87**

Councilmember Introducing Resolution

Passed and approved this ____ day of _____, 2025

Council President



RESOLUTION NO. _____

Be it resolved by the City Council of the City of Everett:

That the payroll of the employees of the City of Everett as of February 22, and checks issued February 28, 2025, having been audited, be and the same is hereby approved and the proper officers are hereby authorized and directed to charge checks on the Payroll Fund in payment thereof:

Fund	Department	Gross Payroll	Employer Contributions
001	Legislative	13,681.23	7,747.92
003	Legal	100,203.82	26,601.98
004	Administration	54,799.84	12,066.88
005	Municipal Court	74,710.55	24,223.49
007	Personnel	54,633.31	17,342.26
010	Finance	113,494.79	34,261.89
015	Information Technology	118,229.89	36,977.87
018	Communications and Marketing	18,588.24	5,247.38
021	Planning & Community Dev	123,628.71	36,595.54
024	Public Works	219,532.83	71,449.76
026	Animal Shelter	60,751.18	22,617.76
030	Emergency Management	8,322.24	2,674.57
031	Police	1,300,037.82	319,176.14
032	Fire	830,493.82	210,001.52
038	Facilities/Maintenance	100,219.08	38,250.70
101	Parks & Recreation	130,834.40	51,964.80
110	Library	106,889.08	37,043.52
112	Community Theatre	8,974.23	2,107.75
120	Street	72,740.71	26,918.65
153	Emergency Medical Services	463,645.77	103,884.49
197	CHIP	7,988.00	2,030.68
198	Community Dev Block	4,049.68	1,268.08
401	Utilities	961,125.45	351,985.37
425	Transit	544,176.88	199,959.06
440	Golf	24,323.61	10,863.27
501	Equip Rental	83,789.14	30,763.16
		<u>\$5,599,864.30</u>	<u>\$1,684,024.49</u>

Councilperson Introducing Resolution

Passed and approved this _____ day of _____, 2025.

Council President

Project title: Award and Authorize the Purchase of Seven Reconditioned Gillig Buses from Complete Coach Works Using the Washington State Department of Enterprise Services Contract #06719-01/EVT #2021-121

Council Bill # *interoffice use*

Agenda dates requested:

Briefing
Proposed action
Consent 3/12/2025
Action
Ordinance
Public hearing
Yes X No

Budget amendment:
Yes X No

PowerPoint presentation:
Yes X No

Attachments:
Quote

Department(s) involved:
Procurement & Transit

Contact person:
Theresa Bauccio-Teschlog

Phone number:
(425) 257-8901

Email:
tbauccio@everettwa.gov

Initialed by:
HB

Department head

Administration

Council President

Project: Purchase of Seven Reconditioned Gillig Buses

Partner/Supplier: Complete Coach Works

Location: N/A

Preceding action: N/A

Fund: 425

Fiscal summary statement:

The funds for this purchase will be used from Fund 425, and there are adequate funds available to cover this purchase.

The bus cost is \$305,842.65 x 7 = \$2,140,898.55. Per WA RCW 82.04.4496 and RCW 82.12.020, the price of the buses is exempt from sales tax.

Project summary statement:

Everett Transit continues to face challenges with the reliability of its Proterra battery electric buses, which make up nine of its current fleet of nineteen electric buses. Issues have worsened following Proterra's Chapter 11 bankruptcy filing in late 2023. In 2024, Phoenix Motors took over the Proterra business line, yet they have struggled to supply the necessary parts and services to keep these buses operational. Currently, only four of the nine Proterra buses are in service, and we do not anticipate a return of any of these buses to functional status. Sadly, it appears that all of them will be out of service well before they reach the end of their useful life.

Considering this high failure rate and lack of adequate support, Everett Transit has sought waivers from our grant funding partners, the Federal Transit Administration and the Washington State Department of Transportation, requesting to be released from the obligation to keep these buses on its active roster.

To maintain Everett Transit's commitment to reliable transit service, staff are proposing the purchase of seven reconditioned Gillig buses through Complete Coach Works (CCW). Five buses have already been successfully deployed from CCW, and they are performing exceptionally well. These vehicles offer significant value and can be on the road within six months.

The seven reconditioned buses will be purchased through a Washington State Department of Enterprise Services contract #06719-01/EVT #2021-121, which allows for purchases from competitively awarded contracts instead of soliciting bids on our own.

Recommendation (exact action requested of Council):

Award and authorize the purchase of seven reconditioned Gillig Buses from Complete Coach Works using the Washington State Department of Enterprise Services contract #06719-01/EVT #2021-121 for a total of \$2,140,989.55.



February 12, 2025

Everett Transit
3201 Smith Ave., Everett, WA 98201
Attention: Michael Schmieder
mschmieder@everettwa.gov

RE: Everett Transit – Bus Purchase and Extra Work Quote

On behalf of Complete Coach Works (CCW), I am pleased to submit our quote for the Sale and agreed upon SOW of (7) used Transit buses. As the largest rehabilitation, retrofit, and upgrade company in North America, with over thirty-six (36) years of experience, Complete Coach Works stands uniquely qualified to partner with Everett Transit on this project.

Complete Coach Works along with Everett Transit has developed a base scope of work that has been tailored to fit Everett Transit's needs. Quote is based on this scope which is attached for reference. Any change to this scope will affect final pricing.

Complete Coach Works quote for the base scope of work attached is as follows:

Per Bus Purchase Total: \$299,160.15
Per Bus Transportation to Everett Transit Total: \$6,682.50
Total Cost Per Bus: \$305,842.65

Total for 7 bus Project: \$2,140,898.55

Please note the "other" line is the total for sublet work including paint, graphics install, tire install.

This pricing is based on work being completed at CCW Headquarters in Riverside CA and does not any applicable sales tax or vehicle registration fees. Pricing is valid for 90 days.

This Quotation is done in concert with WA State Contract # 06719-04 and would be applicable with this order.

Thank you for the opportunity to provide this quote. Please contact me by phone at (951) 836-6526 or e-mail: james@completecoach.com if you have any questions or need additional information.

Sincerely,

A handwritten signature in blue ink, appearing to read 'James Carson', is written over a light blue horizontal line.

James Carson
Regional Sales Manager



Everett Transit Bus Purchase Add-Ons EuroWindow (7 Buses)

CUST:	Everett Transit				BUS #:		DATE:	1/30/2025	
VIN #:	XXXXXXXXXX179622				MODEL:	2011 Gillig 35' Diesel LF			
ITEM #	LOCATION OF DAMAGE	DESCRIPTION	QTY	UOM	PART #	COST EA	EXT COST	LABOR HRS	
00 - Bus Purchase									
01		Purchase of Used Gillig 35 ft Diesel Transit Bus	1.00	EACH	-X-	80,000.00	80,000.00		
01 - Interior Components									
01	Interior Seating	Customer Requested Passenger Seats Be Reupholstered / Remove Seat Inserts, Palletize, Transport, Install Seat Inserts			-X-	0.00	0.00	60.00	
01.01	Sublet for Line 01	Reupholster Seat Backs	32.00	EACH	Sublet	100.00	3,200.00		
01.02	Sublet for Line 01	Reupholster Seat Bottoms	32.00	EACH	Sublet	100.00	3,200.00		
02	Interior	Customer has Requested Installation of Full Camera System / Remove Existing Camera System and Install New Camera System			-X-	0.00	0.00	84.00	
02.01	Kit for Line 02	Luminator Camera System, Everett Specific Kit (Includes Cameras, DVR, Cables, Housings)	1.00	EACH	A-0164867	18,477.33	18,477.33		
03	ADA Belts	Customer has Requested Replacement of Existing ADA Securement with New Q-Straint / Remove Existing ADA and Install New			-X-	0.00	0.00	12.00	
03.01	Part for Line 03	Restraint, Retractor, Female, Seat Belt, Lap	1.00	EACH	Q8-6340-1	86.11	86.11		
03.02	Part for Line 03	Deluxe Retractor with Red Webbing	4.00	EACH	Q7-5200-R	146.67	586.67		
03.03	Part for Line 03	Restraint, Retractor, Male, Seat Belt, Lap	1.00	Each	Q8-6340-2	86.11	86.11		
03.04	Part for Line 03	Retractor, Shoulder Belt	1.00	EACH	Q5-3405-1	93.57	93.57		
03.05	Part for Line 03	Qrt Max Red Web, Auto Release, Auto Tensioning w/30" Cable, Hook Facing Down	4.00	EACH	Q7-5200-CR30A	137.35	549.39		
03.06	Part for Line 03	Lap & Shoulder Belt Assy	1.00	EACH	Q-86002	625.33	625.33		
04	Passenger Stanchions	Customer has Request Hand Straps be Installed / Install Hand Strap on Stanchions			-X-	0.00	0.00	6.00	
04.01	Part for Line 04	Strap, Hand	10.00	EACH	15-68952-000	56.89	568.93		
01A - Flooring									
01	Interior Flooring	Customer Has Requested Flooring Be Replaced / Remove Seating, Modesty Panels, Flooring, Repair Sub Floor			-X-	0.00	0.00	94.00	
01.01	Misc Materials for Line 01	Misc Materials, Bondo, Sandpaper, Alcohol, Propane, Rags	1.00	EACH	Misc Materials	333.33	333.33		
02	Interior Flooring	Install New Flooring, Install Seating, Modesty Panels and Attach Stanchions			-X-	0.00	0.00	110.00	
02.01	Part for Line 02	Gerflor Sirius, 6801 Graphite Flooring	1.00	ROLL	372C6081	1,687.79	1,687.79		
02.02	Part for Line 02	Molding, Black Plastic Corner Trim, Gillig	3.00	EACH	15-44603L000	55.07	165.20		
02.03	Part for Line 02	Weldrod, Flat, Gerflor Graphite	0.20	ROLL	CR50	52.00	10.40		
02.04	Part for Line 02	Weldrod, Corner, Gerflor Graphite	0.20	ROLL	CA72	58.01	11.60		
02.05	Part for Line 02	Platform, Drivers Mat	1.00	EACH	18-48612M002	80.85	80.85		
02.06	Part for Line 02	Mat, Driver's Floor	1.00	EACH	18-58654CYM27892	263.97	263.97		
02.07	Part for Line 02	Flooring, Step Nosing, Yellow	2.00	EACH	15-51025-002	24.69	49.39		
02.08	Part for Line 02	Step Nosing, Entrance Door Center, Yellow	1.00	EACH	15-46192-002	81.29	81.29		
02.09	Part for Line 02	Flooring Step Nosing (Yellow)	1.00	EACH	15-42881-004	98.40	98.40		



Everett Transit Bus Purchase Add-Ons EuroWindow (7 Buses)

CUST: Everett Transit		BUS #:		DATE: 1/30/2025				
VIN #: XXXXXXXXXX179622		MODEL: 2011 Gillig 35' Diesel LF						
ITEM #	LOCATION OF DAMAGE	DESCRIPTION	QTY	UOM	PART #	COST EA	EXT COST	LABOR HRS
02.10	Part for Line 02	Standee, Yellow, EP27, 2.5 inch Wide (Length Specified When Ordered) Transflor Altro (RVWD)	4.00	FEET	ASFSTANDEE-EP27	6.57	26.29	
02.11	Part for Line 02	Flooring, Yellow, 36" x 15"	1.00	EACH	TFM2229	48.72	48.72	
02.12		Molding, Floor Trim, Yellow, Rubber, (90° Angle Shape), 1-1/4 x 1-1/4 inch ID (1.250) x 12 foot Long (144 inch) (RVWD)	12.00	FEET	15-61039L144.00	5.88	70.56	
02.13	Part for Line 02	Adhesive, Ecofix 25 Pressure Sensitive, 4.0 Gal (900-1200 SF Approx) HELEC254.0	1.00	EACH	HELEC251.0	217.28	217.28	
02.14	Part for Line 02	Adhesive, Contact, Hemiplast - HEL81651.0	1.00	GAL	ADJ81651.0	59.65	59.65	
02.15	Part for Line 02	Blade, Grooving, "U" Shape, Pack of 10	2.00	EACH	E8190001	4.72	9.44	
02.16	Part for Line 02	Sealant, Mastic, Altro Black (TFM27892) (A1M100)	6.00	EACH	A1M100	43.20	259.20	
02 - Driver's Area								
01	Driver's Area	Customer Requested and Specified New Driver's Seat / Remove Existing Seat and Install New Seat			-X-	0.00	0.00	4.00
01.01	Part for Line 01	Driver Seat Assy	1.00	EACH	800.2B.2A1.VC11	3,266.67	3,266.67	
02	Driver's Area	Customer Requested Gooseneck Microphone be Installed / Remove Dash Mounted Phone Microphone and Route Wiring to Overhead and Install Gooseneck Microphone			-X-	0.00	0.00	12.00
02.01	Part for Line 02	Microphone, Goose Neck, 24" On/Off Switch	1.00	EACH	13-57023-001	206.07	206.07	
03	Driver's Area	Customer Requested Steering Wheels be Replaced with Specified Wheel / Remove and Replace Steering Wheel.			-X-	0.00	0.00	6.00
03.01	Part for Line 03	Wheel, Steering	1.00	EACH	53-35392-000N	195.15	195.15	
03.02	Part for Line 03	Horn Button, Part Number Unknown.	1.00	EACH	Horn Button	43.12	43.12	
04	Driver's Area	Customer Requested New "Diamond" Farebox / Install Fairbox and Connect Light			-X-	0.00	0.00	12.00
04.01	Part for Line 04	Model RV Fare Box w/ Two Vaults	1.00	EACH	Model RV	2,769.33	2,769.33	
04.02	Part for Line 04	D-10 Heavy Duty Stand 31" tall	1.00	EACH	D-10	478.00	478.00	
05	Driver's Area	Customer Requested New Adjustable Brake/Throttle Combination / Remove Existing and Install New Brake & Throttle Pedals			-X-	0.00	0.00	16.00
05.01	Part for Line 05	Pedal, Brake & Throttle, Adjustable (Kongsberg 317880-001) (Old Gillig# 82-51051-001)	1.00	EACH	317880-001	2,242.44	2,242.44	
06	Driver's Area	Customer Requested Installation of Driver's Barrier			-X-	0.00	0.00	13.00
06.01	Part for Line 06	Barrier, Arow Global Slide Stowable Driver Protection System (Gillig) (Arow# MV3080022)	1.00	EACH	3080022	7,554.64	7,554.64	
03 - Exterior Components								
01	Exterior Mirrors	Customer Requested New Exterior Driver's Mirror Be Installed / Remove Existing Mirrors and Install New Power/Heated Mirrors			-X-	0.00	0.00	12.00
01.01	Part for Line 01	Driver's Mirror, R/S, Power/Heated	1.00	EACH	20-55184V026	1,149.11	1,149.11	
01.02	Part for Line 01	Driver's Mirror, C/S, Power/Heated	1.00	EACH	20-55185V034	1,212.05	1,212.05	
01.03	Part for Line 01	Switch Assy, Joystick, Mirror w/Heat	1.00	EACH	X522ASY-4H-3	458.55	458.55	



Everett Transit Bus Purchase Add-Ons EuroWindow (7 Buses)

CUST:	Everett Transit					BUS #:		DATE:	1/30/2025	
VIN #:	XXXXXXXXXX179622					MODEL:	2011 Gillig 35' Diesel LF			
ITEM #	LOCATION OF DAMAGE	DESCRIPTION	QTY	UOM	PART #	COST EA	EXT COST	LABOR HRS		
02	Wheel Fenders	Customer has Requested Wheel Fender Flares be Replaced / Remove and Replace Existing Fender Flares			-X-	0.00	0.00	8.00		
02.01	Part for Line 02	Fender Flare, Front LH/RH, (Gillig)	2.00	EACH	50-35475-003	187.48	374.96			
02.02	Part for Line 02	Fender Flare, Rear LH/RH, (Gillig)	2.00	EACH	50-35475-004	190.80	381.60			
03	Battery Compartment	Customer has Requested Replacement of Existing Batteries with New AGM Bateriaes / Replace Batteries with Upgrade Batteries, AGM vs Convention Lead Acid (Customer to Pay Cost Difference of Upgrade)			-X-	0.00	0.00	8.00		
03.01	Part for Line 03	Battery, 8D Flag Post, AGM	2.00	EACH	DN250-12D (8D)	796.23	1,592.45			
04	Front Bumper	Customer Requested New Bicycle Rack be Installed / Remov and Replace Front Bike Rack			-X-	0.00	0.00	12.00		
04.01	Part for Line 04	Apex 2 Bike Rack, Stainless Steel, Anti-Glare Finish	1.00	EACH	101082	1,541.33	1,541.33			
04.02	Part for Line 04	Bracket, Stand-Off, 5.5T, 9.19L, 2.00F (N).2	2.00	EACH	101004	113.33	226.67			
04.03	Part for Line 04	Bolt Kit, Stand Off Bracket - For Sportworks Bike Racks, (Mfg# 100194)	1.00	EACH	100194	36.00	36.00			
04.04	Part for Line 04	Pivot Plate Assy, Apex 2, 14, 18 Mounting	1.00	EACH	101175	342.67	342.67			
05	Exterior Speaker	Customer Requested New Exterior Speaker be Installed / Remove Existing Speaker and Install New			-X-	0.00	0.00	3.00		
05.01	Part for Line 05	Speaker, Exterior	1.00	EACH	51-52445-000	104.88	104.88			
06	Exterior Front	Customer Requested Front License Plate Mount / Install Mounting Holes in Front Mask			-X-	0.00	0.00	2.00		
07	Exterior Compartment Doors	Customer Requested All Exterior Door Struts and Latches be Replaced			-X-	0.00	0.00	28.00		
07.01	Part for Line 07	Strut, Gas, Spring Assembly	2.00	EACH	53-20347-007	18.11	36.21			
07.02	Part for Line 07	Spring Assembly, Strut, Gas 85 LBS	4.00	EACH	53-20347-008	13.55	54.19			
07.03	Part for Line 07	Spring/Strut Assy	2.00	EACH	53-02231-017	19.47	38.93			
07.04	Part for Line 07	Gas Spring Assy, W/O Lock	2.00	EACH	53-02231-014	11.99	23.97			
07.05	Part for Line 07	Plate, Lock Mounting	11.00	EACH	40-00445-003	7.41	81.55			
07.06	Part for Line 07	Lock, Square Key, 5/16"	11.00	EACH	50-00019-000	4.05	44.59			
07.07	Part for Line 07	Prop Rod Assy, Rear Wheel C/S and R/S Arc Panel (Old Gillig# 53-29743-000)	4.00	EACH	53-29743-000	26.09	104.37			
03A - Exterior Windows Euro Style										
01	Passenger and Driver's Windows	Remove and Reinstall Passenger Windows for Pre and Post Paint			-X-	0.00	0.00	72.00		
02	Passenger and Driver's Windows	Installation of Customer Requested Eurostyle Passenger Windows On Site at Everett Transit.	1.00	EACH	-X-	7,864.00	0.00			
02.01	Kit for Line 01	Storm-Tite Flush Mounted Window Kit, 35ft Gillig	1.00	EACH	25-009	31,613.59	31,613.59			
04 - Suspension										
01	Front Suspension	Customer Requested Replacement of Air Bags and Shocks / Remove and Replace Front Axle Air Bags and Shocks			-X-	0.00	0.00	10.00		
01.01	Part for Line 01	Air Spring / Air Bag, Front Suspension, Firestone# W01-358-5298	4.00	EACH	08-37209-000N	124.05	496.21			



Everett Transit Bus Purchase Add-Ons EuroWindow (7 Buses)

CUST: Everett Transit		BUS #:		DATE: 1/30/2025				
VIN #: XXXXXXXXXX179622		MODEL: 2011 Gillig 35' Diesel LF						
ITEM #	LOCATION OF DAMAGE	DESCRIPTION	QTY	UOM	PART #	COST EA	EXT COST	LABOR HRS
01.02	Part for Line 01	Shock, Absorber, Front, Monroe # 74414 Gabriel 85723	2.00	EACH	08-73701-000	182.32	364.64	
02	Rear Suspension	Customer Requested Replacement of Air Bags and Shocks / Remove and Replace Rear Axle Air Bags and Shocks			-X-	0.00	0.00	20.00
02.01	Part for Line 02	Air Spring / Air Bag, Rear, Firestone# W01-358-9697	4.00	EACH	82-60271-000	148.29	593.17	
02.02	Part for Line 02	Absorber, Shock, RR	4.00	EACH	11-73703-000	160.08	640.32	
03	Wheels and Tires	Customer Requested Wheels be Replaced with New / Remove Tires from Existing Rims and Install on New Rims			-X-	0.00	0.00	6.00
03.01	Sublet for Line 03	Sublet, Remove and Install Tires on New Rims	1.00	EACH	Sublet	226.67	0.00	
03.02	Part for Line 03	Wheels, Disc Hub Piloted, Steel	6.00	EACH	53-16097-001	328.65	1,971.92	
05 - Paint & Decals								
01	Bus Exterior	Paint Bus to Match Everett Transit Fleet Scheme (Red Above Belt Line, Black Window Panels and Entrance and Exit Door Panels, Silver Below Belt Line) See Drawing			-X-	0.00	0.00	12.00
01.01	Sublet for Line 01	Sublet of Painting Bus	1.00	EACH	Sublet	37,200.00	0.00	
02	Bus Exterior	Install Decals to Match Customer Supplied Scheme			-X-	0.00	0.00	0.00
02.01	Parts for Line 01	Kit, Decals Everett Wings Branding	1.00	EACH	Decals	2,933.33	2,933.33	
02.02	Sublet for Line 02	Sublet Installation of Graphics	1.00	EACH	Sublet	2,000.00	0.00	
APPROVED BY CCW: _____ DATE _____						TOTAL LABOR COST	77,750.00	622.00
APPROVED BY CUSTOMER: _____ DATE _____						TOTAL PARTS COST	174,119.48	
						TRANSPORTATION	0.00	
						OTHER	47,290.67	
						TAX @	0.00	
						TOTAL	299,160.15	



City Council Agenda Item Cover Sheet

Project title: Bid Award – Everett Transit Mall Station Platform & Building Construction

Council Bill # *interoffice use*

Agenda dates requested:

Briefing
Proposed action
Consent 3/12/25
Action
Ordinance
Public hearing
 Yes No

Budget amendment:
 Yes No

PowerPoint presentation:
 Yes No

Attachments:
Bid summary

Department(s) involved:
Transit

Contact person:
Mike Schmieder

Phone number:
425-257-7761

Email:
mschmieder@everettwa.gov

Initialed by:
MJS
Department head

Administration

Council President

Project: Everett Mall Station Platform

Partner/Supplier: PACE Engineers Inc.

Location: Everett Mall, 1330 SE Everett Mall Way, Everett WA 98208

Preceding action: RFQ 2024-019
PSA with PACE Engineers Inc. 3/27/24, Amended 8/14/24 & 2/12/25
Authorization for Call for Bids 1/22/2025

Fund: Fund 425, Transit

Fiscal summary statement:

Bids for construction were opened on February 18, 2025, with six bids received.

Colacurcio Brothers Inc. submitted the lowest responsive, responsible bid in the amount of \$1,992,715.50.

The engineering estimate for the construction was \$1,512,032. The project is funded with Everett Transit fund 425 and offset with a \$200,000 contribution from the Mall ownership group, Brixton Capital.

Project summary statement:

Everett Mall is redeveloping and expanding its footprint. To accommodate the new footprint, Everett Transit was asked to relocate its Mall Station platform and driver facility approximately 500 ft west of its current location.

PACE Engineers Inc. provided design and engineering services for the relocation of the bus platform, customer amenities, and driver facility, produced the construction bid specifications and bid drawings for the project, and will provide construction management services.

Recommendation (exact action requested of Council):

Award the construction contract of the new Everett Transit Mall Station at Everett Mall to Colacurcio Brothers Inc. in the amount of \$1,992,715.50.



3200 Cedar Street,
Everett WA 98201
(425) 257-8800

BID SUMMARY

Everett Mall Bus Platform, City of Everett, WA
W.O.# MALLSTN/24462

Date: 2/18/2025

For:

Bidder Name:	Bidder Totals:
ENGINEER'S ESTIMATE	\$1,512,010.42
Colacurcio Brothers, Inc.	\$1,992,715.50
MidMountain Contractors, Inc.	\$2,193,203.00
Bayshore Construction Company, LLC	\$2,203,984.00
SRV Construction, Inc.	\$2,204,194.75
A-1 Landscaping and Construction. Inc.	\$2,632,435.40
Accord Contractors	\$3,138,500.00

Project title: Call for Bids for the Main Library Building Envelope Improvements Project

Council Bill #

Agenda dates requested:

Briefing
Proposed action
Consent 3/12/2025
Action
Ordinance
Public hearing
Yes No

Budget amendment:
Yes No

PowerPoint presentation:
Yes No

Attachments:
None

Department(s) involved:
Parks and Facilities
Administration

Contact person:
Bob Leonard

Phone number:
425 257-8335

Email:
bleonard@everettwa.gov

Initialed by:
RML
Department head

Administration

Council President

Project: Main Library Building Envelope Improvements Project

Partner/Supplier: N/A

Location: 2702 Hoyt Avenue

Preceding action: [Ordinance 3959-23](#)

Fund: Fund 342, Program 040 (CIP-1)

Fiscal summary statement:

The source of funds for the Main Library Building Envelope Improvements Project is Fund 342, Program 040 (CIP-1), as established by City Ordinance No. 3959-23.

Authorizing the call for bids at this time will allow the project to be advertised for competitive bids after the completion of the construction documents.

Project summary statement:

This project will make necessary repairs to the roof and facades of the building where there is a documented history of water intrusion. A scope of work has been prepared to address deficient conditions and design drawings have been completed to support a repair plan and resealing of the brick and masonry exterior surfaces. Once bids are received staff will return for City Council to authorize an amendment to the funding ordinance for the cost of the construction of the Main Library Building Envelope Improvements Project.

Recommendation (exact action requested of Council):

Authorize the Call for Bids for the Main Library Building Envelope Improvements Project.



City Council Agenda Item Cover Sheet

Project title: Forestry Agreement No. 2025-03 License to use City of Everett Property for Large Woody Debris Salvage

Council Bill # *interoffice use*

Agenda dates requested:

Briefing
Proposed action
Consent 03/12/25
Action
Ordinance
Public hearing
 Yes No

Budget amendment:
 Yes No

PowerPoint presentation:
 Yes No

Attachments:
License

Department(s) involved:
Public Works

Contact person:
Jeff Marrs

Phone number:
425-257-8967

Email:
jmarrs@everettwa.gov

Initialed by:

Department head

Administration

Council President

Project: Forestry Agreement No. 2025-03 License to use COE Property

Partner/Supplier: Washington State Department of Natural Resources (DNR)

Location: Lake Chaplain Tract

Preceding action: N/A

Fund: 401 – Water and Sewer Utility

Fiscal summary statement:

Forestry Agreement No. 2025-03 License to use COE Property will bring a total revenue of \$45,000.

Project summary statement:

On November 19, 2024, a severe windstorm affected several areas across Snohomish County. Lake Chaplain Tract experienced significant loss in timber as a result of this windstorm.

In 2009, the City entered into an agreement with the Washington Department of Fish and Wildlife and the Public Utility District No. 1 of Snohomish County for the management of City lands at Lake Chaplain. This agreement required the City to develop the Lake Chaplain Tract Wildlife Habitat Management Plan (LCT-WHMP). This plan was modified in 2015 by the Safe/Harbor Cooperative Habitat Enhancement Agreement (SHA-CHEA) with the United States Fish and Wildlife Service and Washington State Department of Natural Resources.

The LCT-WHMP and SHA-CHEA manage timber harvest and forestry activities to maintain and enhance habitat for wildlife. The windstorm related timber loss occurred in areas designated for harvest by these management plans.

The City seeks to partner with DNR’s Large Woody Supply Initiative. Approximately 30 of the large diameter trees, with sizeable root balls attached, that were blown down during the November 19 windstorm will be used during river restoration projects on the Pilchuck and Snohomish rivers.

Recommendation (exact action requested of Council):

Authorize the Mayor to sign Forestry Agreement No. 2025-03 License to use City of Everett Property with DNR.



**LICENSE TO USE CITY PROPERTY
(TIMBER/FORESTRY USE BY PUBLIC AGENCY)**

This License to Use City Property (“*License*”) is made as of the Effective Date in Part A below and is between the City of Everett, a Washington municipal corporation (*the “City”*), and the public agency identified below as Licensee (“*Licensee*”). In consideration of the covenants, terms and conditions set forth below, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and Licensee agree as follows:

A. SPECIFIC LICENSE PROVISIONS

The following definitions and provisions apply and are part of this License:

Licensee	Washington State Department of Natural Resources (“DNR”)
Licensee Contact Person	Matt Steinwurtzel
	919 N. Township St.
	Sedro-Woolley, WA 98284
	Matthew.Steinwurtzel@dnr.wa.gov
Effective Date	March 1, 2025
Term	from March 1, 2025 to April 12, 2025
Licensed Property	City of Everett Lake Chaplain Tract The Licensed Property is more fully described in attached <u>Exhibit A</u> .
Payment	\$ 45,000.00
Approved Use/Timber Removal Authorization	Removal of up to 30 windthrown Douglas-fir logs and root wads.
Operational Requirements	Operational Requirements for use of the Licensed Property are contained in attached <u>Exhibit B</u> . Licensee (and its Permittees) shall comply with all such Operational Requirements.
City Contact Person/Contract Administrator	Anna Thelen City of Everett 3200 Cedar St.

	Everett, WA 98201 athelen@everettwa.gov
Additional Provisions	N/A

B. GENERAL LICENSE CONDITIONS

Unless specifically provided otherwise in the Specific License Provisions, the following provisions apply:

1. LICENSED PROPERTY. The City licenses to Licensee the Licensed Property. Licensee has examined the Licensed Property and is in all respects familiar with the Licensed Property and the improvements in the Licensed Property. Licensee accepts the Licensed Property and its improvements in their “as is” condition.

2. PERMITTEES. Licensee may allow its employees, agents, contractors, licensees, purchasers of timber or other profits, and their agents to use this Licensee. All such persons are referred to in this Licensee as “Permittees.”

3. TERM. The Term of this License is as set forth in Part A, unless terminated earlier as set forth in this License.

4. PAYMENT. Prior to moving any equipment onto City property, Licensee shall pay the full payment amount of \$45,000.00 to:

Treasurer
City of Everett
2930 Wetmore Avenue
Everett, WA 98201

5. USE. Licensee (and its Permittees) shall use the Licensed Property only for the Approved Use stated in Part A and in accordance with this License. Licensee (and its Permittees) shall not use or permit the use of the Licensed Property for any other use without the prior written consent of the City, which may be withheld at the City’s sole discretion. The Approved Use shall not interfere in any way with any of the City use of the Licensed Property.

6. COMPLIANCE WITH LAW. Licensee (and its Permittees) shall not do anything or permit anything to be done in or about the Licensed Property which will in any way violate or conflict with any applicable federal, state or local law. Unless otherwise agreed in writing by the City, Licensee at no cost to the City must acquire all permits required by law or regulation necessary for the Approved Use.

7. INSPECTION AND RIGHT-OF-ENTRY. The City and its agents shall have the right, but not the duty, to inspect the Licensed Property at any time to determine whether Licensee (and its Permittees) is/are complying with the terms of this License.

8. DAMAGE OF PROPERTY. Licensee (and its Permittees) shall use care to avoid damaging or destroying the City property by reason of its operations pursuant to this License. The Payment covers minor incidental damage to nearby residual trees and logs. If the City determines that damage to timber resources exceeds \$10,000.00, the Licensee is responsible for reimbursing the City the Delivered Log Value of the damaged forest resources minus \$10,000.00. Any damage to roads or other non-timber City property as the direct result of this License shall be repaired at the expense of the Licensee.

9. THE CITY'S ACCESS RIGHTS. The City reserves the right to make alterations to the Licensed Property as the City deems necessary, and Licensee (and its Permittees) shall permit the City to enter the Licensed Property for this purpose at any time.

10. SUBLETTING AND ASSIGNMENT. Except as to Permittees in accordance with this License, this License is personal to the Licensee and may not be transferred, assigned, subletted, conveyed, pledged, inherited, encumbered, or hypothecated. The contractor selected by the Licensee to remove the logs must be preapproved by the City in writing.

11. INDEMNIFICATION.

(a) Indemnity. Licensee shall indemnify, defend and hold harmless the City against and from any and all claims, actions, damages, liability, costs and expenses, including attorney's fees, arising out of or relating to (a) Licensee's negligence or willful misconduct in connection with the Licensed Property, in connection with this License or in connection with the Licensee's use of the Licensed Property, (b) any Permittee's negligence or intentional misconduct in connection with the Licensed Property, in connection with this License or in connection with the Permittee's use of the Licensed Property, (c) any breach or default in the performance of any obligation on Licensee's part or any Permittee's part to be performed under the terms of this License, and from all costs, damages, attorneys' fees and liabilities incurred in defense of any such claim in any action or proceeding brought thereon. In (a), (b), and (c) of the preceding sentence, the terms "Licensee" and "Permittee" include the Licensee's and Permittee's officers, agents, employees, contractors, guests, and invitees. Licensee, as a material part of the consideration to the City, hereby assumes all risk of damage to property or injury to persons in, upon or about the Licensed Property from any cause other than and to the extent of the City's gross negligence or willful misconduct. Licensee shall give prompt notice to the City in case of casualty or accident in the Licensed Property. This Section shall survive the expiration or termination of this License. For the purposes of this License, the claims, actions, damages, liability and expenses for which Licensee must indemnify, defend and hold harmless the City are referred to as "**Covered Claims**". This Section is not limited by the amount of insurance required under this License.

(b) Washington Law. This Section is specifically and expressly intended to constitute a waiver of Licensee's immunity under Washington's Industrial Insurance Act, RCW Title 51, to the full extent necessary to provide the City with a full and complete indemnity from claims made by Licensee and its employees, to maximum extent allowed by law. THE CITY AND LICENSEE ACKNOWLEDGE THAT THE INDEMNIFICATION PROVISIONS OF THIS SECTION WERE SPECIFICALLY NEGOTIATED AND AGREED UPON BY THEM.

12. INSURANCE. Licensee shall, throughout the Term, require all Permittees who are contractors or subcontractors of Licensee to maintain no less than the same insurance policies, coverages, and limits as the Licensee customarily requires when such contractors or subcontractors operate on Licensee's own property, which are agreed for the purpose of this License to be as set forth under the heading "Insurance Requirements" below. Licensee shall require each such Permittee to include the City as an additional insured on liability and auto policies. At the City's request, Licensee shall cause each Permittee to deliver to the City, prior to the commencement of Permittee's use of the Licensed Property and from time to time thereafter, certificates and endorsements evidencing the existence and amounts of such policy and copies of such insurance policy. Receipt by the City or the City's designee of any certificate or other insurance document showing less coverage than required is not a waiver of the obligations to fulfill the requirements of this Section.

Insurance Requirements

Licensee shall, at its cost and expense, buy and maintain insurance of the types and amounts listed below. Failure to buy and maintain the required insurance may result in a breach and/or termination of the License at City's option. City may suspend Licensee operations until required insurance has been secured.

All insurance and surety bonds should be issued by companies admitted to do business within the State of Washington and have a rating of A-, Class VII or better in the most recently published edition of Best's Reports. Any exception shall be reviewed and approved by the City's Risk Manager before the insurance coverage is accepted. If an insurer is not admitted, all insurance policies and procedures for issuing the insurance policies must comply with Chapter 48.15 RCW.

The City shall be provided written notice before cancellation or non-renewal of any insurance referred to therein, in accord with the following specifications:

1. Insurers subject to Chapter 48.18 RCW (admitted and regulated by the Insurance Commissioner): The insurer shall give the City 45 days advance notice of cancellation or non-renewal. If cancellation is due to non-payment of premium, the City shall be given 10 days advance notice of cancellation.
2. Insurers subject to Chapter 48.15 RCW (surplus lines): The City shall be given 20 days advance notice of cancellation. If cancellation is due to non-payment of premium, the City shall be given 10 days advance notice of cancellation.

Prior to the performing any part of this License, Licensee shall provide the City with a Certificate of Insurance acceptable to the City Attorney evidencing the required insurance. In addition, Licensee shall provide the City with either (1) a true copy of an endorsement naming the City of Everett, its officers, employees and agents as Additional Insureds on all general liability, excess, umbrella, and property insurance policies with respect to the operations performed and services provided under this License and that such insurance shall apply as primary, non-contributing insurance on behalf of such Additional Insureds or (2) a true copy of the blanket additional insured clause providing such coverage from the policies. Receipt by the City of any certificate showing less

coverage than required is not a waiver of the Service Provider's obligations to fulfill the requirements. The full policy limits maintained by the Licensee shall be available to the City as Additional Insured, even if such limits are greater than those required by this License.

Insurance coverage shall be obtained by the Licensee prior to operations commencing and continually maintained in full force until all License obligations have been satisfied or an operating release has been signed by the City.

Licensee shall include all subcontractors as insured under all required insurance policies, or shall furnish separate certificates of insurance and endorsements for each subcontractor. Subcontractor(s) must comply fully with all insurance requirements stated herein. Failure of subcontractor(s) to comply with insurance requirements does not limit Licensee's liability or responsibility.

All insurance provided in compliance with this License shall be primary as to any other insurance or self-insurance programs afforded to or maintained. Licensee waives all rights against City for recovery of damages to the extent these damages are covered by general liability or umbrella insurance maintained pursuant to this License.

By requiring insurance herein, City does not represent that coverage and limits will be adequate to protect Licensee and such coverage and limits shall not limit Licensee liability under the indemnities and reimbursements granted to City in this License.

The limits of insurance, which may be increased as deemed necessary by City, shall not be less than as follows:

Commercial General Liability (CGL) Insurance. Licensee shall maintain general liability (CGL) insurance, and, if necessary, commercial umbrella insurance with a limit of not less than \$2,000,000.00 per each occurrence. If such CGL insurance contains aggregate limits, the General Aggregate limit shall be at least twice the "each occurrence" limit. CGL insurance shall have products-completed operations aggregate limit of at least two times the "each occurrence" limit. CGL coverage shall include a Logging and Lumbering Endorsement (i.e. Logger's Broad-Form) to cover the events that include, but are not limited to, fire suppression expenses, accidental timber trespasses, and wildfire property damage with limits of not less than \$2,000,000.00 each occurrence.

CGL insurance shall be written on Insurance Services Office (ISO) occurrence form CG 00 01 (or a substitute form providing equivalent coverage). All insurance shall cover liability arising out of premises, operations, independent contractors, products completed operations, personal injury and advertising injury, and liability assumed under an insured contract (including the tort liability of another party assumed in a business contract), and contain separation of insureds (cross liability) condition.

Employer's Liability "Stop Gap" Insurance. Licensee shall buy employers liability insurance, and, if necessary, commercial umbrella liability insurance with limits not less than \$1,000,000.00 each accident for bodily injury by accident or \$1,000,000.00 each employee for bodily injury by disease.

Workers' Compensation Coverage. Licensee shall comply with all State of Washington workers' compensation statutes and regulations. Workers' compensation coverage shall be provided for all employees of Licensee and employees of any subcontractor or sub-subcontractor. Coverage shall include bodily injury (including death) by accident or disease, which exists out of or in connection with the performance of this License. Except as prohibited by law, Licensee waives all rights of subrogation against City for recovery of damages to the extent they are covered by workers' compensation, employer's liability, commercial general liability, or commercial umbrella liability insurance.

If Licensee, subcontractor or sub-subcontractor fails to comply with all State of Washington workers' compensation statutes and regulations and City incurs fines or is required by law to provide benefits to or obtain coverage for such employees, Licensee shall indemnify City. Indemnity shall include all fines, payment of benefits to Licensee or subcontractor employees, or their heirs or legal representatives, and the cost of effecting coverage on behalf of such employees.

Business Auto Policy (BAP). Licensee shall maintain business auto liability and, if necessary, commercial umbrella liability insurance with a limit not less than \$1,000,000.00 per accident. Such insurance shall cover liability arising out of "Any Auto". Business auto coverage shall be written on ISO form CA 00 01, or substitute liability form providing equivalent coverage. If necessary the policy shall be endorsed to provide contractual liability coverage and cover a "covered pollution cost or expense" as provided in the 1990 or later editions of CA 00 01. Licensee waives all rights against City for the recovery of damages to the extent they are covered by business auto liability or commercial umbrella liability insurance.

13. HAZARDOUS MATERIALS.

(a) Licensee (and its Permittees) shall not cause or permit any storage, use, sale, release, generation or disposal of any Hazardous Materials (as defined below) in, on or about the Licensed Property; provided, however, Licensee (and its Permittees) shall be allowed without notice or the City's written consent to handle, store, use or dispose of products containing small quantities of Hazardous Materials, such as ordinary cleaning and ordinary maintenance products used by Licensee for cleaning and maintenance in the reasonable and prudent conduct of the Approved Use on the Licensed Property. Licensee further covenants and agrees that at all times during the Term of this License, Licensee and its Permittees shall comply with all applicable Environmental Laws (as defined below), now or hereafter in effect, regulating Licensee's and Permittees' occupation and/or operation and/or use of the Licensed Property.

(b) "**Hazardous Materials**" means any waste, pollutant, contaminant, chemical, petroleum product, pesticide, fertilizer, substance, or material that is defined, classified, or designated as hazardous, toxic, radioactive, dangerous, or other comparable term or category under any Environmental Laws (as defined below), including, but not limited to, gasoline, oil or any byproducts or fractions thereof, polychlorinated biphenyls, per- and polyfluoroalkyl substances, asbestos, paints, solvents, lead, cyanide, radioactive material, or any other materials which have adverse effects on the environment or the health and safety of persons.

(c) **“Environmental Laws”** means all federal, state, and local laws, statutes, rules, regulations, ordinances, and codes, and any judicial or administrative interpretation thereof or requirement thereunder, now or hereafter in effect, relating, to the regulation or protection of human health, safety, the environment and natural resources, including without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. §§ 9601 et seq.), the Hazardous Substances Transportation Act (49 U.S.C. §§ 5101 et seq.), the Clean Air Act (42 U.S.C. §§ 7401 et seq.), the Clean Water Act (33 U.S.C. §§ 1251 et seq.), the Solid Waste Disposal Act (42 U.S.C. §§ 6901 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. §§ 6901 et seq.), the Toxic Substances Control Act (15 U.S.C. §§ 2601 et seq.), the Emergency Planning and Community Right-To-Know Act (42 U.S.C. §§ 11001 et seq.), and any similar or comparable state or local laws, including without limitation, the Model Toxics Control Act (Chapter 70A.030 RCW, formerly codified at Chapter 70.105D RCW) and the Hazardous Waste Management Act (Chapter 70A.029 RCW, formerly codified at Chapter 70.105 RCW).

(d) All portions of this Section shall survive the expiration or termination of this License.

14. MISCELLANEOUS

(a) **Notices.** All notices to be given by the parties shall be in writing and may either be served personally, delivered by overnight courier (such as UPS or Fed Ex) or deposited in the United States mail, postage prepaid, by either registered or certified mail to the notice addresses provided in Part A of this License. A party may change its notice address effective on written notice to the other party. All such notices shall be deemed delivered and effective on the earlier of (i) the date received or refused for delivery, or (ii) five (5) calendar days after having been deposited in the United States Postal Service, postage prepaid. In lieu of the foregoing, the City may deliver any notice to the Licensee’s email address in Part A, in which case the notice shall be deemed delivered and effective upon sending.

(b) **No Waiver of Covenants.** No waiver of any default hereunder shall be implied from any omission by either party to take any action on account of such default if such default persists or is repeated and no express waiver shall affect any default other than the default specified in the express waiver and then only for the time and to the extent therein stated. The subsequent acceptance of Rent by the City shall not be deemed to be a waiver of any preceding breach by Licensee of any agreement, condition or provision of this License, other than the failure of Licensee to pay the particular Rent so accepted, regardless of the City's knowledge of such preceding breach at the time of acceptance of such Rent. One or more waivers of any breach of any covenant, term, or condition of this License shall not be construed as a waiver of any subsequent breach of the same covenant, term, or condition.

(c) **No Consequential Damages.** Notwithstanding any contrary provision herein, the City shall not be liable under any circumstances for injury or damage to, or interference with, Licensee's business, or for any consequential, incidental or special damages, including but not limited to, loss of profits, loss of rents or other revenues, loss of business opportunity, loss of goodwill or loss of use, in each case, however occurring.

(d) Nature of License. The City does not warrant its title or ownership of the Licensed Property. This License is not exclusive. The City is not prohibited from granting permission to others to occupy or use portions of the Licensed Property where such uses are not inconsistent with this License. No possessory interest is granted to Licensee in the License Property. The City reserves all rights not expressly granted by this License. This License does not create any rights in any third party.

(e) Risk of Loss to Licensee's Property. Licensee bears all risk of any and all damage and loss to Licensee's property being on the Licensed Property.

(f) Entire Agreement; Amendment. This License represents the entire agreement between the parties relating to the Licensed Property and supersedes all other agreements and representations made prior hereto. No amendment hereof shall be binding on either party unless and until approved in writing by both parties, with the Mayor signing on behalf of the City and a representative of Licensee signing on behalf of Licensee.

(g) Severability. If any provision of this License or any application hereof shall be found to be invalid or unenforceable, for any reason, such provisions shall be enforceable to the maximum extent permitted by law and the remainder of this License and any other application of such provision shall not be affected thereby.

(h) Choice of Law and Venue. This License shall be administered and interpreted under the laws of the State of Washington. Exclusive venue for litigation arising from or relating to this License shall be in Snohomish County, Washington.

(i) Additional Provision(s). The parties will comply with any Additional Provision(s) in Part A. If an Additional Provision contains an obligation concerning events or conduct after the termination of this License, then the obligation survives the termination.

(j) Survivability. All clauses of this License that require performance beyond the expiration of termination of the License shall survive such termination or expiration.

(k) No Third Party Beneficiary. This License is executed for the exclusive benefit of the signatory parties and their respective successors and assigns. Nothing herein shall be construed as creating any enforceable right, interest, claim or cause of action in or for any third-party.

(l) Regulatory Authority Reserved. Licensee expressly acknowledges that the City is a municipal corporation organized under the laws of the state of Washington and has executed this License in its capacity as owner of the Licensed Property. Nothing in this License shall be construed as waiving, abridging or otherwise limiting the City of Everett's regulatory authority, police power and/or legislative discretion, which are hereby expressly reserved in full. Without prejudice to the foregoing, nothing in this License shall be construed as entitling Licensee to receive any permit, license or other regulatory approval, or as waiving or excusing Licensee's compliance with any applicable regulatory process.

(m) Public Records Disclosure. Licensee expressly acknowledges that the City is an "agency" as defined by Chapter 42.56 RCW, and is fully subject to the provisions governing

the disclosure of public records codified in that statute. To the extent required or otherwise authorized by said statutes or other applicable law:

➤ Any public records submitted to or generated by City in connection with this License are potentially subject public to inspection and copying upon request. Licensee expressly waives any claim or cause of action against City arising out of such disclosure.

➤ Licensee shall fully cooperate with and assist City with respect to any request for public records received by City and related to any public records generated, produced, created and/or possessed by City and related to this License. Upon written demand by City, Licensee shall furnish City with full and complete copies of any such records within ten business days. Licensee's failure to timely provide such records upon demand shall be deemed a breach of this License. To the extent that City incurs any monetary penalties, attorneys' fees, and/or any other expenses as a result of such breach, Licensee shall fully indemnify and hold harmless City therefor.

For purposes of this subsection, the term "public records" shall have the same meaning as defined Chapter 42.56 RCW, as such chapter has been construed by Washington courts. The provisions of this subsection shall survive the expiration or termination of this License.

(n) Counterparts / Signatures. This License may be executed in counterparts with the same effect as if both parties hereto had executed the same document. Both counterparts shall be construed together and shall constitute a single License. Both parties agree that electronic signatures, copies of signatures by photocopy, email, pdf or fax shall be considered equivalent to handwritten signatures executed on paper. Scanned copies of a signature will be considered the same as a handwritten signature. AdobeSign signatures are fully binding.

[signatures on following pages(s)]

IN WITNESS WHEREOF, the City and Licensee have executed this License.

**CITY OF EVERETT
WASHINGTON**

**WASHINGTON STATE DEPARTMENT OF NATURAL
RESOURCES**

Cassie Franklin, Mayor

Signature: _____

Name of Signer: Thomas Gorman

Signer's Email Address: thomas.gorman@dnr.gov

Date

Title of Signer: Aquatics Division Manager

ATTEST

Office of the City Clerk

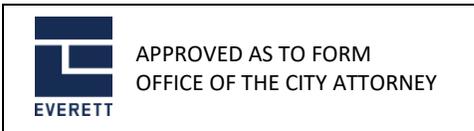


EXHIBIT A-
DESCRIPTION OF LICENSED PROPERTY

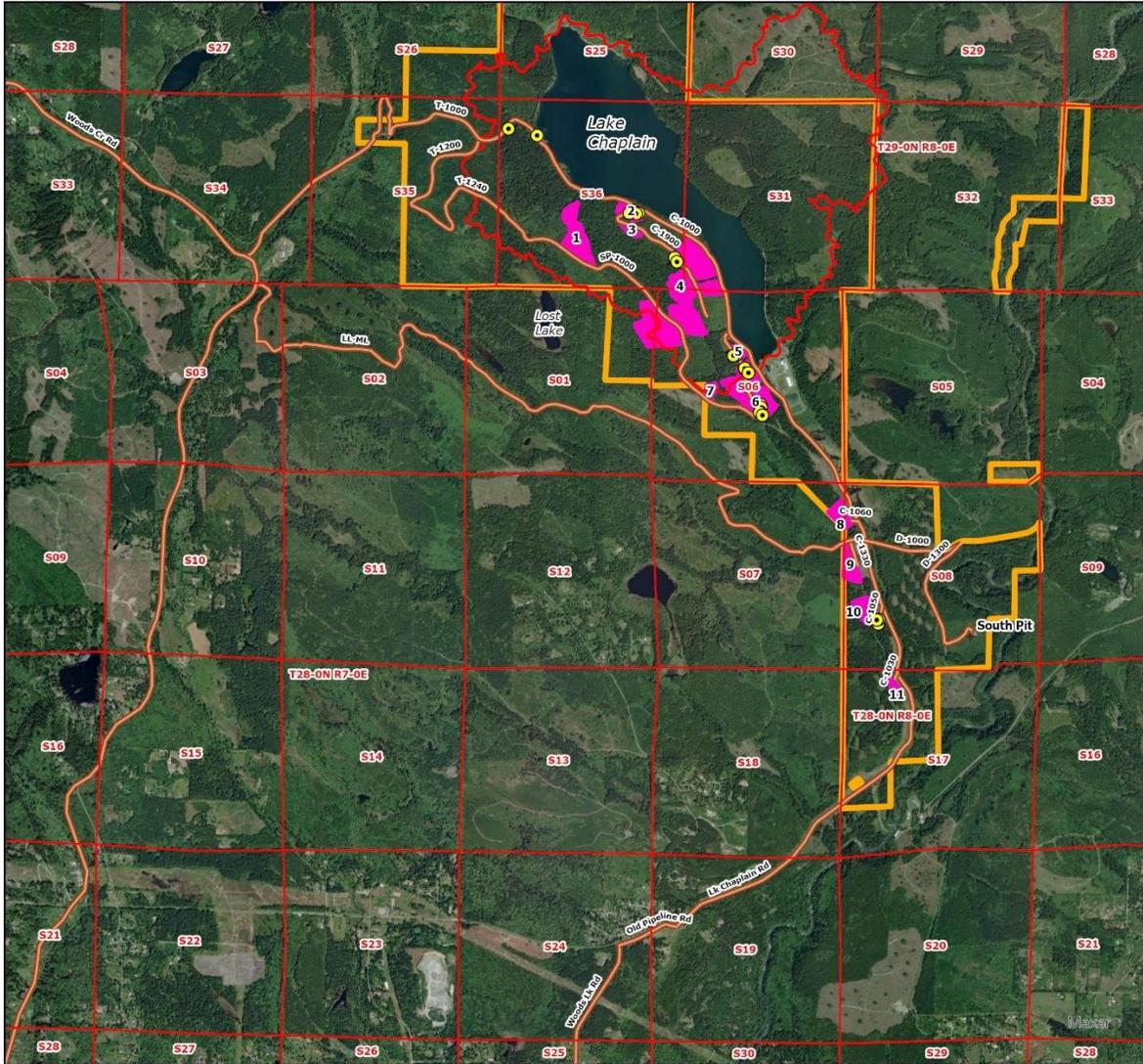
The location of each log to be removed is listed in the table below and shown on the map on the following page:

Log #	Unit ID	Latitude	Longitude	Northing	Easting
1	10	47.92457363	-121.817043	947743.4618	1317448.331
2	10	47.92486952	-121.8172259	947852.1561	1317405.274
3	10	47.92491261	-121.8170051	947866.9694	1317459.693
4	6	47.94044792	-121.8306905	953590.7485	1314199.636
5	6	47.9406577	-121.8310205	953668.6432	1314120.039
6	6	47.94070694	-121.8309629	953686.3695	1314134.472
7	6	47.94103331	-121.8308786	953805.0821	1314157.141
8	6	47.94105445	-121.8308516	953812.6847	1314163.886
9	6	47.94118247	-121.8309459	953859.7787	1314141.557
10	6	47.9411968	-121.8310454	953865.4173	1314117.259
11	6	47.94126607	-121.8309102	953890.1298	1314150.831
12	6	47.94236434	-121.8384631	954322.1201	1312306.23
13	6	47.94369288	-121.8323644	954781.48	1313809.315
14	6	47.94399566	-121.8328182	954893.8176	1313699.955
15	6	47.94403632	-121.8327865	954908.5191	1313707.97
16	5	47.94499179	-121.8341048	955262.5473	1313390.749
17	5	47.94502045	-121.8338479	955271.9382	1313453.897
18	4	47.95213396	-121.8407559	957895.7542	1311804.808
19	4	47.95216977	-121.8407857	957908.9437	1311797.725
20	4	47.95223326	-121.8409388	957932.7412	1311760.609
21	4	47.95224251	-121.8409124	957936.0072	1311767.139
22	4	47.95228084	-121.8409096	957949.9807	1311768.051
23	4	47.95243557	-121.8410093	958006.8427	1311744.574
24	2	47.95577918	-121.8455086	959245.4208	1310662.731
25	2	47.95580766	-121.8463027	959259.1289	1310468.317
26	2	47.95582182	-121.8452395	959259.851	1310728.955
27	2	47.95591629	-121.8459562	959297.3092	1310553.911
28	2	47.95601963	-121.8459197	959334.857	1310563.481
29	T-1000 ROW	47.96164934	-121.8569803	961435.1039	1307888.38
30	T-1000 ROW	47.9621252	-121.8602694	961622.588	1307085.437

Date:
02/13/25

Lake Chaplain LWD Salvage - Vicinity Map

Snohomish County,
Washington



- Legend
- City Ownership
 - Salvage Unit
 - Pertinent Roads
 - Lake Chaplain Watershed
 - Rock Pit
 - Log Locations



Roots Forestry Consulting 2025

1:48,000

EXHIBIT B-
OPERATIONAL AUTHORIZATION & REQUIREMENTS

Any deviation from the following must be granted in writing by the City

Log Removal Authorization

DNR is authorized to remove up to 30 Douglas-fir logs and root wads from City property for salmon enhancement projects. The exact log locations are described in Exhibit A. Logs are marked in the field with pink paint and orange flagging. Substituting logs of similar size and species may be permitted by the City. The City reserves the right to allow additional logs to be removed under this License.

Removal of Logs

DNR shall make every effort to remove the authorized logs without damaging nearby logs, snags, or merchantable trees. If another log needs to be moved in order to remove an authorized log, it shall be bucked into 40ft segments and carefully placed intact out of the way on the forest floor. Standing snags may be felled for safety reasons only if preapproved by the City. Non-merchantable trees and vegetation are expected to be disturbed during the removal process, but no merchantable trees are to be felled. Excessive damage to timber products is addressed in clause B-8 of this License.

Log Haul & Designated Haul Routes

DNR shall inform the City of all anticipated traffic associated with this License. A minimum 24-hour notice is required prior to log haul and heavy equipment mobilization/demobilization. All gates on City property shall remain closed at all times unless otherwise specified by the City. Post-haul maintenance shall be performed on all roads used under this License if needed to restore roads to prework conditions. Any damage caused to the roads or other non-timber City property shall be repaired at the expense of the DNR.

Log haul shall only occur according to the table below for each unit unless written permission is granted by the City:

- o Unit 5 & 6: SP-1000 to T-1240 to T-1200 to T-1000 to Woods Creek Rd
- o Units 2 & 4: C-1900 to C-1000 to T-1000 to Woods Creek Rd
- o Unit 10: C-1000 to LL-ML to Woods Creek Rd
- o T-1000 ROW: T-1000 to Woods Creek Rd

WATER QUALITY PROTECTION SPECIFICATIONS- IN WATERSHED WORK

The following are required when working inside the Lake Chaplain Watershed. Watershed Boundaries are depicted on the map in Exhibit A.

I. DESCRIPTION

Water from Lake Chaplain Reservoir is used to provide drinking water for the majority of Snohomish County residents. The Licensee shall use EXTREME care to protect water quality in the watershed.

REGULATIONS

- A. Lake Chaplain and its tributaries are classified as “AA”, a designation reserved for very high quality waterways. No discharge of any waste or wastewater will be permitted to the reservoir or its tributary streams.
- B. The Licensee shall comply with regulations from the Department of Health, Rules and Regulations of the State Board of Health Regarding Public Water Systems (WAC 246-290) and Department of Ecology Water Quality Standards for Waters of the State of Washington (WAC 173-201).

II. CONTRACTOR REQUIREMENTS

- A. Compliance. The Licensee shall comply with the restrictions, requirements and methods listed below and it shall be the Licensee responsibility to ensure that workers are fully aware of the importance of maintaining high water quality in the watershed. All workers shall be familiar with these water quality protection specifications and understand that violation may be grounds for dismissal and/or contract termination.
 - 1. Site Requirements. The Licensee shall, where applicable, divert clean water around construction sites and yard areas to reduce the amount of water subject to contamination. Temporary ditches, culverts and dikes may be used. Licensee shall disturb areas no larger than necessary for work yards and construction areas.
 - 2. The Licensee shall not discharge waste of any type into the Lake Chaplain Reservoir or its tributaries.
 - 3. Licensee shall regularly instruct workers of the importance of maintaining sanitary conditions in the watershed and complying with specifications as they pertain to water quality protection. The Licensee shall make a copy of these specifications available to all workers in the watershed.

4. Licensee shall not draw, dip or pump water from the Reservoir or its tributaries for drinking, culinary or other construction purposes without the written approval of the City's Contract Administrator.
5. Domestic animals are not permitted on the work site or in vehicles.
6. Swimming or other water contact activities are not permitted in the watershed. The Licensee shall discharge any worker violating this rule.
7. To the extent practical refueling and servicing of construction equipment shall be performed outside the watershed. When necessary to bring or dispense fuel, lubricants or other petroleum products into the watershed to service construction equipment, it shall be accomplished with the use of a designated refueling truck which has been suitably equipped for this purpose. The location for refueling and servicing of construction equipment shall be approved by the City's Contract Administrator prior to starting construction work. The cleanliness, condition, suitability and use of the refueling truck shall be subject to review by the City's Contract Administrator.
8. During transfer of fuels from one container or vehicle to another, a competent operator shall be on-site to oversee the operation. Dispensing devices shall automatically shut off when the container is full. No overflows or spillage will be allowed. Condensation siphoned from fuel tanks shall not be discharged onto the ground or the surface waters. It shall be collected and disposed of off-site by the Licensee. Storage tanks shall be structurally capable of holding the full contents without leakage. Excessive rust, perforations, holes, splits, *et cetera*, on tanks will not be permitted. The fuel trucks shall be labeled or marked as such and shall carry a minimum of one 5-gallon bucket with lid, one shovel and oil absorptive pads for use in the event of a spill. Fueling of equipment shall not take place where spillage could contaminate the water of Lake Chaplain, tributaries and streams except as approved by the City's Contract Administrator.
9. All stationary equipment shall be stored in a designated storage and maintenance area. This includes generators, compressors and engine-driven pumps in addition to other equipment while not in use such as backhoes, loaders, dozers, trucks and other construction vehicles. Each equipment item to be left overnight shall have an oil absorbent pad placed beneath it and reasonable measures taken to protect against vandalism.
10. Soiled pads shall be replaced as often as necessary to preclude runoff of water containing sheens. Pads need to be picked up immediately when equipment is moved. Also, when the equipment is moved, any contaminated soil beneath it shall be excavated to a minimum depth of 6 inches and disposed of off-site by the Licensee.

11. Petroleum products or waters containing sheens or rainbows shall not be discharged or be permitted to drain into the Reservoir. Spillage shall be mopped up immediately. Absorbent material and spillage shall be disposed of off-site by the Licensee.
12. In the event of repair or routine maintenance such as oil changes or adjustment of hydraulic gear, equipment shall be moved to a designated storage and maintenance location agreed to by City's Contract Administrator.
13. Particular attention shall be given to housekeeping practices in the watershed. The area shall be kept free of trash, oily rags, empty containers etc. All extraneous or partially full containers of petroleum products or other chemicals shall be removed from the watershed at the end of each day.
14. Sanitary facilities provided by the City and rubbish containers provided by the Licensee shall be located at all work sites and all locations where workers gather prior to start of work or shift changes. Sanitary facilities shall be maintained by the City in a clean and sanitary condition and shall be serviced regularly to prevent spillage or undue odors. All personnel shall be required to exclusively use the sanitary facilities. Notice shall be given that offenders will be dismissed and shall not be rehired for work on this contract. Rubbish containers will have watertight lids, will be lined with plastic and will not be permitted to overflow. Whenever possible, sanitary facilities and rubbish containers shall be located, so that should a spill occur, it will drain away from the Reservoir.
15. Stockpiles of construction materials such as explosives and other potential pollutants shall be stored and protected from the effects of weather and surface runoff.

B. Earthwork.

1. The Licensee shall exercise judgment and skill in carrying out all earthwork-related activities due to the turbidity threat they pose to water quality. All work shall be within accepted standards of good practice for environmentally sensitive locations and as specified.
2. Constructed slopes whether temporary or permanent shall be constructed as shown on the Road Plan and/or as dictated by safe practice.
3. The Licensee shall conduct work activities under the premise that an intense precipitation event can occur at any time and preventive measures should be

taken to protect against erosion. Temporary erosion control shall be installed prior to start of earthwork activities.

4. Drainage shall be arranged to avoid concentration of runoff. Preference shall be given to longer, less direct drainage paths to existing waterways utilizing overland flow through undisturbed areas.

C. Emergency Response.

1. Any condition causing or threatening to cause chemicals, petroleum products or large amount of turbid water to enter the Reservoir or natural streams, or an accident such as a vehicle entering the Reservoir will be considered an emergency condition and actions to stop or remove the violating conditions shall be taken immediately. Licensee shall contact City's Contract Administrator or Water Filtration Plant Personnel immediately. Licensee shall have a list of emergency phone numbers readily available at all times. This list shall be coordinated with the City to ensure the inclusion of City required emergency phone numbers.
2. The Licensee shall provide the City's Contract Administrator with a list of personnel, their addresses and telephone numbers who can be contacted if a spill occurs during the Licensee absence.
3. The Licensee shall immediately notify the City's Contract Administrator or City of Everett Filtration Plant at 425-257-8200 if an emergency condition occurs and maintain contact until the matter is corrected. Containment and clean-up measures are subject to review and approval by the City's Contract Administrator.
4. Licensee shall provide and maintain at each active worksite an Emergency Oil spill kit with enough capacity to effectively control a container or equipment leak and to contain & recover a hazardous materials spill equal to the largest single on-site storage container volume. The Spill Kit shall be kept in a clearly labeled, waterproof container and include (but not limited to) the following items in appropriate quantities:
 - Shovel
 - Screened pitchfork
 - Flashlight including batteries
 - 5-gallon containers with lids
 - Oil absorbent pads/oil absorbent pellets
 - 30 gallon Plastic garbage bags



City Council Agenda Item Cover Sheet

Project title: Amendment No. 3 to the Professional Services Agreement with Northwest Corrosion Engineering.

Council Bill # *interoffice use*

Agenda dates requested:

Briefing
Proposed action
Consent 03/05/25
Action
Ordinance
Public hearing
Yes X No

Budget amendment:
Yes X No

PowerPoint presentation:
Yes X No

Attachments:

Department(s) involved:
Public Works

Contact person:
Jeff Marrs

Phone number:
(425) 257-8967

Email:
jmarrs@everettwa.gov

Initialed by:

Department head

Administration

Council President

Project: Cathodic Protection and Coating Evaluation

Partner/Supplier: Northwest Corrosion Engineering

Location: Everett Water Filtration Plant

Preceding action: Amendment No. 2: [12/7/22](#)

Fund: 401 – Water & Sewer Utility Fund

Fiscal summary statement:

Amendment No. 3 increases the total compensation of the professional services agreement with Northwest Corrosion Engineering. The original total compensation was \$102,201.00, the budget will be increased by \$75,000, for a total revised compensation of \$177,201.00.

Project summary statement:

The City requires specialized technical services to evaluate cathodic protection and coating systems. It is essential for Everett to monitor, prevent and inhibit corrosion on critical infrastructure. Northwest Corrosion Engineering currently provides on-call corrosion and coating evaluation services for the City. Northwest Corrosion Engineering’s on-call services are being utilized for cathodic protection throughout the Utilities division.

Amendment No. 3 will increase the total compensation amount of the existing contract, set to expire December 31, 2025, for continued on-call cathodic protection and coating evaluation services.

Recommendation (exact action requested of Council):

Authorize the Mayor to sign Amendment No. 3 to the Professional Services Agreement with Northwest Corrosion Engineering to increase compensation in the amount of \$75,000 for a total contract amount of \$177,201.00.



**AMENDMENT NO. 3
PROFESSIONAL SERVICES AGREEMENT**

This Amendment to Professional Services Agreement ("**Amendment**") is effective as of the date of the Mayor's signature below, and is between the City of Everett, a Washington municipal corporation (the "**City**"), and the person identified as the Service Provider below ("**Service Provider**"). The City and Service Provider are parties to the Professional Services Agreement described below, as may have been previously amended ("**Agreement**"). In consideration of the covenants, terms and conditions set forth below, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and Service Provider agree to amend the Agreement as set forth below:

Service Provider	Northwest Corrosion Engineering
City Project Manager	Brian Doolan
	bdoolan@everettwa.gov
Original Agreement Date	3/26/2019

AMENDMENTS							
New Completion Date	<p>If this Amendment changes the Completion Date, enter the new Completion Date: <i>Enter new Completion Date, if any</i></p> <p>If no new date is entered, this Amendment does not change the Completion Date.</p>						
New Maximum Compensation Amount	<p>If this Amendment changes compensation, complete the following table. If the table is not completed, this Amendment does not change compensation.</p> <table border="1" style="width: 100%;"> <tr> <td>Maximum Compensation Amount Prior to this Amendment</td> <td align="right">\$102,201.00</td> </tr> <tr> <td>Compensation Added (or Subtracted) by this Amendment</td> <td align="right">\$75,000.00</td> </tr> <tr> <td>Maximum Compensation Amount After this Amendment</td> <td align="right">\$177,201.00</td> </tr> </table>	Maximum Compensation Amount Prior to this Amendment	\$102,201.00	Compensation Added (or Subtracted) by this Amendment	\$75,000.00	Maximum Compensation Amount After this Amendment	\$177,201.00
	Maximum Compensation Amount Prior to this Amendment	\$102,201.00					
	Compensation Added (or Subtracted) by this Amendment	\$75,000.00					
Maximum Compensation Amount After this Amendment	\$177,201.00						

<p>Changes to Scope of Work</p>	<p>Scope of Work is not changed by this Amendment Leaving selection as “Click for Dropdown Menu” means no change to Scope of Work.</p>
<p>Other Provisions</p>	<p>Current Fee Schedule provided in Exhibit A.</p>
<p>Standard Amendment Provisions</p>	<p>Regardless of the date(s) on which this Amendment is signed by the parties, and regardless of any Agreement completion date(s) that may have been in the Agreement prior to this Amendment, the parties agree that the Agreement is deemed continuously in effect since the Original Agreement Date.</p> <p>This Amendment may be signed in counterparts, each of which shall be deemed an original, and all of which, taken together, shall be deemed one and the same document. AdobeSign signatures are fully binding. Any ink, electronic, faxed, scanned, photocopied, or similarly reproduced signature on this Amendment will be deemed an original signature and will be fully enforceable as an original signature.</p> <p>All provisions in the Agreement shall remain in effect except as expressly modified by this Amendment. From and after the effective date of this Amendment, all references to the Agreement in the Agreement are deemed references to the Agreement as modified by this Amendment.</p>

SIGNATURES ON FOLLOWING PAGE

IN WITNESS WHEREOF, the City and Service Provider have executed this Amendment.

**CITY OF EVERETT
WASHINGTON**

NORTHWEST CORROSION ENGINEERING

Cassie Franklin, Mayor

Signature: _____

Name of Signer: Vanessa Hailey

Signer's Email Address: vanessa@nwcorrosion.com

Title of Signer: Co-Owner

Date

ATTEST

Office of the City Clerk

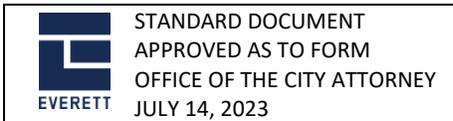


EXHIBIT A

Compensation shall not exceed the contracted amount over the lifetime of the contract. Invoice rates must match rates defined within the contract.

See attached rate sheet.

FEE SCHEDULE – NORTHWEST CORROSION ENGINEERING

EFFECTIVE: 01/01/25 – 12/31/25

A. PERSONNEL CHARGES:	<u>RATE PER HOUR</u>
PROFESSIONAL SERVICES:	
Principal	262.11
NACE Cathodic Protection Technician	137.74
NACE Level 3 Coating Inspector	178.43
NACE Level 1 and 2 Coating Inspector	133.98
Expert Witness / Forensic Analysis	450.00
OTHER SERVICES:	
Administration	90.00

B. MISCELLANEOUS CHARGES:

The following expenses will be invoiced as direct costs.

1. Commercial transportation and rental vehicles.
2. Project vehicle at current government allowable rate (gsa.gov), portal-to-portal.
3. Lodging and subsistence when away from company office city.
4. Necessary toll telephone calls, shipping and express charges.
5. Insurance certificates.

C. SPECIAL SERVICES & EQUIPMENT:

Authorized special services and equipment applicable to work which differs from items normally furnished will be invoiced at cost plus ten (10) percent, including:

1. Specialized equipment and instrumentation.
2. Outside consultants and special technical services.
3. Soil borings, soil samples and laboratory expenses.
4. Commercial binding and printing.
5. Special stationary and other special engineering supplies.

D. TERMS OF PAYMENT:

Charges will be invoiced monthly, payment due net thirty (30) days.

Interest due on overdue accounts @ 1.5% per month.

Project title: Adopt a Resolution Declaring a 2008 Dodge Sprinter Cargo Van Surplus and Authorizing Sale at Public Auction

Council Bill # *interoffice use*

Agenda dates requested:

Briefing
Proposed action
Consent 3/12/2025
Action
Ordinance
Public hearing
Yes X No

Budget amendment:
Yes X No

PowerPoint presentation:
Yes X No

Attachments:
Resolution

Department(s) involved:
Procurement & Motor Vehicles

Contact person:
Theresa Bauccio-Teschlog

Phone number:
(425) 257-8901

Email:
tbauccio@everettwa.gov

Initialed by:
HB
Department head

Administration

Council President

Project: Resolution declaring a 2008 Dodge Sprinter Cargo Van (V0204) Surplus and Authorizing Sale at Public Auction

Partner/Supplier: N/A

Location: N/A

Preceding action: N/A

Fund: 401 Utilities

Fiscal summary statement

Funds received from this surplus sale will be returned to Fund 401 Utilities.

Project summary statement:

The Public Works Department Operations Division owns a 2008 Dodge Sprinter Cargo Van (V0204). Based on its age, maintenance cost, and maintenance cost scoring.

J0082 has approximately 112,203 miles and has an estimated surplus value of \$10,000. It was replaced by a 2024 Ford Transit Cargo Van (V0204) and is no longer needed.

Recommendation (exact action requested of Council):

Adopt a Resolution declaring a 2008 Dodge Sprinter Van, V0204, surplus and authorizing its sale at public auction.



RESOLUTION NO. _____

A RESOLUTION declaring a 2008 Dodge Sprinter Cargo Van (V0204) surplus and authorizing it for sale at public auction.

WHEREAS,

1. The City has a 2008 Dodge Sprinter Cargo Van (V0204), and
2. The above-referenced equipment is no longer of value or use to the City; and
3. Ordinance 2963-06 establishes a procedure and methods for surplus or disposition of City-owned personal property; and
4. Based on the guidelines set forth in EMC 3.88.020, a public auction is the disposition method that best meets the City's interests and
5. The City's Procurement Manager has reported the basis for the estimated value of the surplus property and has recommended the surplus of the above-referenced vehicle and equipment by public auction.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND EVERETT CITY COUNCIL THAT:

1. The City has a 2008 Dodge Sprinter Cargo Van (V0204);
2. The disposition of this equipment at a public auction is hereby authorized.

Councilmember introducing Resolution

Passed and approved this _____ day of _____, 2025.

Council President

Project title: Amendment No. 1 to Professional Services Agreement with TranTech Engineering LLC (DBA DEA) for Structural On-Call Support

Council Bill #

Agenda dates requested:

Briefing
Proposed action
Consent 03/12/25
Action
Ordinance
Public hearing
 Yes No

Budget amendment:

Yes No

PowerPoint presentation:

Yes No

Attachments:

Amended Professional Services Agreement, Attachment A

Department(s) involved:

Public Works, Admin

Contact person:

Tom Hood

Phone number:

425-257-8809

Email:

thood@everettwa.gov

Initialed by:

RLS

Department head

Administration

Council President

Consideration: Amend Professional Services Agreement for Structural On-Call Support

Project: Multiple Projects

Partner/Supplier: TranTech Engineering, LLC (DBA David Evans Associates-DEA)

Location: Citywide

Preceding action: On-Call Agreement Council [8/31/2022](#)

Fund: Fund 303- Public Works Improvement Projects

Fiscal summary statement:

The City of Everett seeks an amendment for the Professional Services Agreement (\$190,000) with TranTech Engineering, LLC (DEA) for an additional amount of \$120,000 with a total compensation amount not to exceed \$310,000.

Project summary statement:

The City requires scour evaluation on additional structures not identified in the original agreement, covered by Task 2 of the amendment.

TranTech (DEA) will provide miscellaneous engineering support under the direction of the City's Project Manager (addressed in Task 6). Anticipated work might include tasks associated with bridge maintenance such as emergency repairs and site visits, inspection, design, economic analysis studies and reports.

Recommendation (exact action requested of Council):

Authorize the Mayor to sign the amended Professional Services Agreement for 2022-2025 On-Call Structural Support Services with TranTech Engineering, LLC (DEA).



**AMENDMENT NO. 1
PROFESSIONAL SERVICES AGREEMENT**

This Amendment to Professional Services Agreement ("**Amendment**") is effective as of the date of the Mayor's signature below, and is between the City of Everett, a Washington municipal corporation (the "**City**"), and the person identified as the Service Provider below ("**Service Provider**"). The City and Service Provider are parties to the Professional Services Agreement described below, as may be previously amended ("**Agreement**"). In consideration of the covenants, terms and conditions set forth below, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and Service Provider agree to amend the Agreement as set forth below:

Service Provider	David Evans and Associates
City Manager Project	Dan Enrico
	Denrico@everettwa.gov
Original Agreement Date	9/6/2022

AMENDMENTS		
New Date Completion	<p>If this Amendment changes the Completion Date, enter the new Completion Date: 12/31/2026</p> <p>If no new date is entered, this Amendment does not change the Completion Date.</p>	
New Maximum Compensation Amount	If this Amendment changes compensation, complete the following table. If the table is not completed, this Amendment does not change compensation.	
	Maximum Compensation Amount Prior to this Amendment	\$190,000
	Compensation Added (or Subtracted) by this Amendment	\$120,000
	Maximum Compensation Amount After this Amendment	\$310,000

<p>Changes to Scope of Work</p>	<p>Scope of Work is changed by ADDING the work in the attachment to this Amendment </p> <p>Leaving selection as “Click for Dropdown Menu” means no change to Scope of Work.</p>
<p>Other Amendments</p>	<p>N/A</p>
<p>Standard Amendment Provisions</p>	<p>Regardless of the date(s) on which this Amendment is signed by the parties, and regardless of any Agreement completion date(s) that may have been in the Agreement prior to this Amendment, the parties agree that the Agreement is deemed continuously in effect since the Original Agreement Date.</p> <p>This Amendment may be signed in counterparts, each of which shall be deemed an original, and all of which, taken together, shall be deemed one and the same document. AdobeSign signatures are fully binding. Any ink, electronic, faxed, scanned, photocopied, or similarly reproduced signature on this Amendment will be deemed an original signature and will be fully enforceable as an original signature.</p> <p>All provisions in the Agreement shall remain in effect except as expressly modified by this Amendment. From and after the effective date of this Amendment, all references to the Agreement in the Agreement are deemed references to the Agreement as modified by this Amendment.</p>

SIGNATURES ON FOLLOWING PAGE

IN WITNESS WHEREOF, the City and Service Provider have executed this Amendment.

**CITY OF EVERETT
WASHINGTON**

DAVID EVANS ASSOCIATES

Cassie Franklin, Mayor

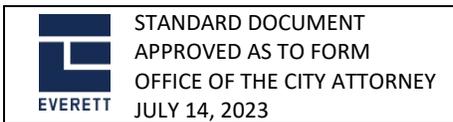
Signature: _____

Name of Signer: **Kash Nikzad, PhD, PE**
Signer's Email Address: **Kash.Nikzad@deainc.com**
Title of Signer: **Project Manager**

Date

ATTEST

Office of the City Clerk



AMENDED EXHIBIT A - CITY OF EVERETT ENGINEERING SUPPORT ON-CALL SERVICES



INTRODUCTION

The City of Everett (City) has requested an engineering services proposal from TranTech Engineering LLC, (DBA David Evans and Associates Engineering,- DEA) to provide bridge load rating, miscellaneous engineering support and funding to support on-call services.

All work shall be in accordance with City, WSDOT, and FHWA guidelines and with the requirements of the National Bridge Inspection Standards (NBIS), where applicable.

Throughout this proposed work, there will be close coordination between DEA and the City. DEA will manage the proposed activities to ensure timeliness of required submittals within FHWA and WSDOT timeline requirements. DEA will also provide bridge program liaison support with those agencies.

Details of the necessary amended tasks associated with the proposed work are described in further detail in the following sections.

Task 2 – Scour Evaluations

DEA shall provide scour evaluations per WSDOT Bridge Scour Evaluation Form for uploading into WSDOT Bridge Works for up to 6 City Bridges.

Assumptions

The activities in this task is limited to structures that their scour stability can be determined via the WSDOT Bridge Scour Evaluation Form.

Budget

The amended budget for this task is estimated at \$20,000 as provided in Exhibit B – Compensation per Hourly Rate to a Maximum Amount (see original contract).

Task 6 – Miscellaneous Engineering Support

DEA shall provide miscellaneous engineering support under the direction of the City’s Project Manager. Anticipated work might include tasks associated with bridge maintenance such as emergency repairs and site visits. Other tasks might include inspection, design, economic analysis, studies and reports, general engineering and structural engineering support for City’s various transportation infrastructure as needed and identified by the City.

Budget

The amended budget for this task is estimated at \$160,043 as provided in Exhibit B – Compensation per Hourly Rate to a Maximum Amount (see original contract).

Summary

Task No.	Original Amount	Amended Amount	Increase
Task 2	\$5,000	\$20,000	\$15,000
Task 6	\$55,043	\$160,043	\$105,000
Total Increase			\$120,000

Actuals Not To Exceed Table (ANTE)

David Evans and Associates, Inc.				
JOB CLASSIFICATIONS	2024 Labor Rate NTE	Overhead NTE 176.24%	Fixed Fee NTE 30%	2024 All Inclusive Hourly Billing Rate NTE
Administrative Assist IV (ADM4)	\$45.00	\$79.31	\$13.50	\$137.81
Business Development Leader I (BUD1)	\$70.23	\$123.77	\$21.07	\$215.07
Business Development Leader II (BUD2)	\$113.63	\$200.27	\$34.09	\$348.00
Business Development Leader III (BUD3)	\$108.18	\$190.66	\$32.45	\$331.29
Business Development Leader IV (BUD4)	\$148.00	\$260.84	\$44.40	\$453.24
BU/COE Sr. Manager I (BUS1)	\$84.58	\$149.07	\$25.37	\$259.02
BU/COE Sr. Manager II (BUS2)	\$116.35	\$205.06	\$34.91	\$356.31
BU/COE Sr. Manager III (BUS3)	\$157.00	\$276.70	\$47.10	\$480.80
CAD Technician I (CAD1)	\$29.71	\$52.35	\$8.91	\$90.97
CAD Technician II (CAD2)	\$37.00	\$65.21	\$11.10	\$113.31
CAD Technician III (CAD3)	\$38.37	\$67.62	\$11.51	\$117.50
CAD Technician IV (CAD4)	\$55.39	\$97.63	\$16.62	\$169.64
CAD Technician V (CAD5)	\$56.42	\$99.43	\$16.93	\$172.77
COE Delivery Leader I (CDL1)	\$51.73	\$91.17	\$15.52	\$158.41
COE Delivery Leader II (CDL2)	\$58.70	\$103.45	\$17.61	\$179.76
COE Delivery Leader III (CDL3)	\$88.08	\$155.24	\$26.42	\$269.74
Construction Inspector I (CIN1)	\$36.52	\$64.36	\$10.96	\$111.83
Construction Inspector II (CIN2)	\$42.71	\$75.28	\$12.81	\$130.81
Construction Inspector III (CIN3)	\$50.75	\$89.44	\$15.22	\$155.41
Construction Inspector IV (CIN4)	\$61.89	\$109.07	\$18.57	\$189.52
Construction Services Manager I (CSM1)	\$42.20	\$74.37	\$12.66	\$129.23
Construction Services Manager II (CSM2)	\$51.68	\$91.09	\$15.51	\$158.28
Construction Services Manager III (CSM3)	\$77.24	\$136.13	\$23.17	\$236.54
Construction Services Manager IV (CSM4)	\$82.31	\$145.07	\$24.69	\$252.08
Deputy Construction Manager (DCON)	\$44.23	\$77.96	\$13.27	\$135.46
Designer I (DES1)	\$35.29	\$62.19	\$10.59	\$108.06
Designer II (DES2)	\$46.00	\$81.07	\$13.80	\$140.87
Designer III (DES3)	\$59.00	\$103.98	\$17.70	\$180.68
Designer IV (DES4)	\$69.02	\$121.64	\$20.71	\$211.37
Designer V (DES5)	\$70.56	\$124.36	\$21.17	\$216.10
Electrical Engineer II (ELE2)	\$50.60	\$89.18	\$15.18	\$154.96
Electrical Engineer III (ELE3)	\$49.60	\$87.42	\$14.88	\$151.90
Engineering Designer I (END1)	\$42.98	\$75.75	\$12.89	\$131.62
Engineering Designer II (END2)	\$53.46	\$94.21	\$16.04	\$163.71
Engineering Designer III (END3)	\$59.19	\$104.32	\$17.76	\$181.27
Engineer III (ENG3)	\$61.84	\$108.99	\$18.55	\$189.39
Engineer IV (ENG4)	\$69.50	\$122.49	\$20.85	\$212.85
Engineer V (ENG5)	\$79.00	\$139.23	\$23.70	\$241.93

Actuals Not To Exceed Table (ANTE)

David Evans and Associates, Inc.				
JOB CLASSIFICATIONS	2024 Labor Rate NTE	Overhead NTE 176.24%	Fixed Fee NTE 30%	2024 All Inclusive Hourly Billing Rate NTE
Engineer VI (ENG6)	\$92.00	\$162.14	\$27.60	\$281.74
Engineer VII (ENG7)	\$114.00	\$200.91	\$34.20	\$349.11
Flight Operations Manager (FLOM)	\$77.36	\$136.34	\$23.21	\$236.91
Field Survey Technician I (FST1)	\$27.00	\$47.58	\$8.10	\$82.68
Field Survey Technician II (FST2)	\$29.17	\$51.40	\$8.75	\$89.32
Field Survey Technician III (FST3)	\$33.02	\$58.19	\$9.91	\$101.12
Field Survey Technician IV (FST4)	\$34.59	\$60.96	\$10.38	\$105.93
GIS Analyst II (GIA2)	\$45.00	\$79.31	\$13.50	\$137.81
GIS Analyst III (GIA3)	\$49.51	\$87.26	\$14.85	\$151.63
GIS Analyst IV (GIA4)	\$53.00	\$93.41	\$15.90	\$162.31
GIS Manager (GISM)	\$59.00	\$103.98	\$17.70	\$180.68
Graphic Designer II (GRD2)	\$46.00	\$81.07	\$13.80	\$140.87
Graphic Designer III (GRD3)	\$49.19	\$86.69	\$14.76	\$150.63
Hydrographer I (HYD1)	\$30.94	\$54.53	\$9.28	\$94.74
Hydrographer II (HYD2)	\$33.41	\$58.89	\$10.02	\$102.33
Hydrographer III (HYD3)	\$39.61	\$69.81	\$11.88	\$121.30
Hydrographer IV (HYD4)	\$58.92	\$103.83	\$17.67	\$180.42
Hydrographer V (HYD5)	\$70.00	\$123.37	\$21.00	\$214.37
Intern I (INT1)	\$26.21	\$46.18	\$7.86	\$80.25
Intern II (INT2)	\$22.90	\$40.36	\$6.87	\$70.14
Landscape Designer I (LAD1)	\$29.40	\$51.81	\$8.82	\$90.03
Landscape Designer IV (LAD4)	\$47.66	\$83.99	\$14.30	\$145.94
Landscape Architect II (LAR2)	\$41.43	\$73.01	\$12.43	\$126.87
Landscape Architect III (LAR3)	\$49.09	\$86.51	\$14.73	\$150.32
Landscape Architect IV (LAR4)	\$60.50	\$106.63	\$18.15	\$185.28
Landscape Architect V (LAR5)	\$62.49	\$110.12	\$18.75	\$191.36
Office Survey Technician I (OST1)	\$33.50	\$59.04	\$10.05	\$102.59
Office Survey Technician II (OST2)	\$33.02	\$58.19	\$9.91	\$101.12
Office Survey Technician III (OST3)	\$39.62	\$69.83	\$11.89	\$121.34
Office Survey Technician IV (OST4)	\$45.00	\$79.31	\$13.50	\$137.81
Office Survey Technician V (OST5)	\$47.50	\$83.71	\$14.25	\$145.46
Project Accountant II (PAC2)	\$36.10	\$63.62	\$10.83	\$110.55
Project Accountant III (PAC3)	\$41.50	\$73.15	\$12.45	\$127.10
Project Accountant IV (PAC4)	\$47.00	\$82.83	\$14.10	\$143.93
Project Accountant V (PAC5)	\$50.78	\$89.49	\$15.23	\$155.51
Party Chief I (PCH1)	\$36.50	\$64.33	\$10.95	\$111.78
Party Chief II (PCH2)	\$42.08	\$74.16	\$12.62	\$128.85
Party Chief III (PCH3)	\$48.27	\$85.08	\$14.48	\$147.83

Actuals Not To Exceed Table (ANTE)

David Evans and Associates, Inc.				
JOB CLASSIFICATIONS	2024 Labor Rate NTE	Overhead NTE 176.24%	Fixed Fee NTE 30%	2024 All Inclusive Hourly Billing Rate NTE
Party Chief IV (PCH4)	\$55.50	\$97.81	\$16.65	\$169.96
Project Controls Specialist III (PCS3)	\$51.40	\$90.59	\$15.42	\$157.41
Project Controls Specialist IV (PCS4)	\$60.27	\$106.22	\$18.08	\$184.58
Project Controls Specialist V (PCS5)	\$67.70	\$119.31	\$20.31	\$207.32
Project Coordinator I (PJC1)	\$31.66	\$55.80	\$9.50	\$96.96
Project Coordinator II (PJC2)	\$35.11	\$61.89	\$10.53	\$107.54
Project Coordinator III (PJC3)	\$38.70	\$68.20	\$11.61	\$118.51
Project Coordinator IV (PJC4)	\$43.95	\$77.45	\$13.18	\$134.58
Project Coordinator V (PJC5)	\$49.09	\$86.51	\$14.73	\$150.32
Project Coordinator VI (PJC6)	\$58.00	\$102.22	\$17.40	\$177.62
Project Manager I (PJM1)	\$55.36	\$97.57	\$16.61	\$169.53
Project Manager II (PJM2)	\$68.07	\$119.97	\$20.42	\$208.47
Project Manager III (PJM3)	\$82.46	\$145.32	\$24.74	\$252.52
Project Manager IV (PJM4)	\$100.99	\$177.99	\$30.30	\$309.28
Project Manager V (PJM5)	\$119.00	\$209.73	\$35.70	\$364.43
Project Manager VI (PJM6)	\$132.00	\$232.64	\$39.60	\$404.24
Planner I (PLN1)	\$37.13	\$65.45	\$11.14	\$113.72
Planner II (PLN2)	\$46.42	\$81.82	\$13.93	\$142.17
Planner III (PLN3)	\$58.21	\$102.59	\$17.46	\$178.27
Planner IV (PLN4)	\$69.07	\$121.74	\$20.72	\$211.53
Project Surveyor I (PSV1)	\$53.93	\$95.05	\$16.18	\$165.15
Project Surveyor II (PSV2)	\$53.50	\$94.29	\$16.05	\$163.84
Project Surveyor III (PSV3)	\$62.00	\$109.27	\$18.60	\$189.87
Project Surveyor IV (PSV4)	\$72.00	\$126.89	\$21.60	\$220.49
QA/QC Specialist II (QAC2)	\$41.17	\$72.56	\$12.35	\$126.09
QA/QC Specialist III (QAC3)	\$52.00	\$91.64	\$15.60	\$159.24
QA/QC Specialist IV (QAC4)	\$92.00	\$162.14	\$27.60	\$281.74
Remote Pilot I (RPL1)	\$29.10	\$51.29	\$8.73	\$89.12
Remote Pilot II (RPL2)	\$42.08	\$74.16	\$12.62	\$128.85
Remote Pilot III (RPL3)	\$65.00	\$114.56	\$19.50	\$199.06
Survey Analyst I (SAN1)	\$38.78	\$68.35	\$11.64	\$118.77
Survey Analyst II (SAN2)	\$57.50	\$101.34	\$17.25	\$176.09
Survey Analyst III (SAN3)	\$50.00	\$88.12	\$15.00	\$153.12
Scientist I (SCI1)	\$36.87	\$64.98	\$11.06	\$112.91
Scientist II (SCI2)	\$41.00	\$72.26	\$12.30	\$125.56
Scientist III (SCI3)	\$43.32	\$76.34	\$13.00	\$132.66
Scientist IV (SCI4)	\$73.00	\$128.66	\$21.90	\$223.56
Support Svcs Specialist II (SSS2)	\$22.17	\$39.07	\$6.65	\$67.88

Actuals Not To Exceed Table (ANTE)

David Evans and Associates, Inc.				
JOB CLASSIFICATIONS	2024 Labor Rate NTE	Overhead NTE 176.24%	Fixed Fee NTE 30%	2024 All Inclusive Hourly Billing Rate NTE
Support Svcs Specialist III (SSS3)	\$30.96	\$54.57	\$9.29	\$94.82
Support Svcs Specialist IV (SSS4)	\$32.17	\$56.70	\$9.65	\$98.52
Support Svcs Specialist V (SSS5)	\$39.70	\$69.97	\$11.91	\$121.57
Support Svcs Specialist VII (SSS7)	\$56.00	\$98.69	\$16.80	\$171.49
Survey Manager I (SVM1)	\$63.75	\$112.35	\$19.12	\$195.22
Survey Manager II (SVM2)	\$77.00	\$135.70	\$23.10	\$235.80
Survey Manager III (SVM3)	\$81.00	\$142.75	\$24.30	\$248.05



Development Division
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Olympia, WA 98504-7408
7345 Linderson Way SW
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TTY: 1-800-833-6388
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April 30, 2024

David Evans and Associates, Inc.
703 Douglas Fir Dr.
Magnolia, TX 77354

Subject: Acceptance FYE 2023 ICR – Cognizant Review

Dear Marie Fuzzell:

We have accepted your firms FYE 2023 Indirect Cost Rate (ICR) of 176.24% of direct labor (rate includes 0.86% Facilities Capital Cost of Money) based on the “Cognizant Review” from Oregon Department of Transportation (ODOT) who accepted the audit performed by Moss Adams, LLP. This rate will be applicable for WSDOT Agreements and Local Agency Contracts in Washington only. This rate may be subject to additional review if considered necessary by WSDOT. Your ICR must be updated on an annual basis.

Costs billed to agreements/contracts will still be subject to audit of actual costs, based on the terms and conditions of the respective agreement/contract.

Any other entity contracting with your firm is responsible for determining the acceptability of the ICR.

If you have any questions, feel free to contact our office at **(360) 704-6397** or via email consultanrates@wsdot.wa.gov.

Regards,


Schatzie Harvey
Schatzie Harvey (Apr 30, 2024 12:20 PDT)

SCHATZIE HARVEY, CPA
Contract Services Manager

SH:sms

Project title: Adopt an Ordinance Providing for the Issuance, Sale, and Delivery of One of More Series of Limited Tax General Obligation Bonds in an Aggregate Principal Amount Not to Exceed \$28,000,000.

Council Bill # *interoffice use*

CB 2502-17

Agenda dates requested:

Briefing, 1st Reading 03/05/25

2nd Reading 03/12/25

3rd Reading 03/19/25

Ordinance X

Public hearing

Yes X No

Budget amendment:

Yes X No

PowerPoint presentation:

Yes X No

Attachments:

Ordinance

Department(s) involved:

Finance

Contact person:

Heide Brillantes, Finance Director

Phone number:

(425) 257-8612

Email:

HBrillantes@everettwa.gov

Initialed by:

HB

Department head

Administration

Council President

Project: 2025 Limited Tax General Obligation Bonds

Partner/Supplier: NA

Location: NA

Preceding action: NA

Fund: Capital Improvement Reserve Fund 162 and Bond Redemption Fund 210

Fiscal summary statement:

The total principal amount is not to exceed \$28,000,000. The debt service for the bond issue is funded through the Capital Improvement Reserve Fund 162, with primary revenue sources coming from the first quarter percent of the Real Estate Excise Tax (REET 1) and Local Infrastructure Financing Tool (LIFT) proceeds. The payments for the debt service are recorded in the Bond Redemption Fund 210

Project summary statement:

The issuance, sale, and delivery of one or more series of limited tax general obligation bonds provide funds to (1) pay or reimburse the costs of various projects including the Everett Municipal Building Project, Riverfront Trail Improvement Project, Eclipse Mill Park Improvement Project, and the Edgewater Bridge Improvement Project, and (2) to pay the costs of issuance of the bonds.

Recommendation (exact action requested of Council):

Adopt an Ordinance Providing for the Issuance, Sale, and Delivery of One of More Series of Limited Tax General Obligation Bonds in an Aggregate Principal Amount Not to Exceed \$28,000,000.

CITY OF EVERETT, WASHINGTON

ORDINANCE NO. _____

AN ORDINANCE of the City of Everett, Washington, relating to contracting indebtedness; providing for the issuance, sale, and delivery of one or more series of limited tax general obligation bonds in an aggregate principal amount not to exceed \$28,000,000 to provide funds (1) to pay or reimburse the costs of various Projects, including the Everett Municipal Building Project, the Bridge Improvements, the Riverfront Trail Improvements, the LIFT Parks & Trails Improvements, and other capital improvements, and (2) to pay the costs of issuance of the Bonds; fixing or setting parameters with respect to certain terms and covenants of the Bonds; appointing the City's designated representative to approve the Sale Terms of the sale of each Series of the Bonds; and providing for other related matters.

Passed March __, 2025

This document prepared by:

*Stradling Yocca Carlson & Rauth LLP
Seattle, Washington*

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CITY OF EVERETT, WASHINGTON

ORDINANCE NO. _____

AN ORDINANCE of the City of Everett, Washington, relating to contracting indebtedness; providing for the issuance, sale, and delivery of one or more series of limited tax general obligation bonds in an aggregate principal amount not to exceed \$28,000,000 to provide funds (1) to pay or reimburse the costs of various Projects, including the Everett Municipal Building Project, the Bridge Improvements, the Riverfront Trail Improvements, the LIFT Parks & Trails Improvements, and other capital improvements, and (2) to pay the costs of issuance of the Bonds; fixing or setting parameters with respect to certain terms and covenants of the Bonds; appointing the City’s designated representative to approve the Sale Terms of the sale of each Series of the Bonds; and providing for other related matters.

BE IT ORDAINED BY THE CITY OF EVERETT as follows:

Section 1. Findings and Determinations. The City takes makes the findings and determinations set forth below. Capitalized terms have the meanings given in Section 2.

(a) *Authority and Description of Projects.* The City is in need of completing the Projects (as defined in Section 2), the total expected cost of which is estimated to be approximately \$77.1 million, which is expected to be paid from proceeds of the Bonds and other available money of the City. Because the City does not have sufficient funds currently available and budgeted for these Projects, the City Council finds that it is in the best interests of the City to issue the Bonds to carry out the Projects. Pursuant to applicable law, including without limitation chapters 35.37, 35.40, 39.36, 39.44, 39.46, and 39.52 RCW, the City is authorized to issue general obligation bonds for the purpose of financing the Projects.

(b) *Findings with Respect to LIFT Bonds.* The City previously passed Ordinance No. 2997-07, creating the Everett Riverfront Revenue Development Area and received approval on September 13, 2007 from the Community Economic Revitalization Board to use the Local Infrastructure Financing Tool under chapter 39.102 RCW to finance certain public improvements within the Revenue Development Area (the “LIFT Public Improvements”), which included the LIFT Parks & Trails Improvements (as defined in Section 2). In Ordinance No. 3539-17, passed on April 12, 2017, the City Council found that the City had satisfied all statutory preconditions to imposing the LIFT Tax (including without limitation, the conditions set forth in RCW 39.102.040 and 82.14.475) and began imposing the local option sales and use tax under RCW 82.14.475, which constitutes the State Contribution under the LIFT Program. On March 5, 2025, the City Council approved Resolution No. __, declaring its intent to issue general obligation bonds pursuant to RCW 39.102.150 after an opportunity for public comment. Pursuant to RCW 39.102.150, the City is authorized to issue general obligation bonds for the purpose of financing the LIFT Public Improvements. The City hereby dedicates the LIFT Revenues and revenues from other local public sources to retiring such indebtedness.

(c) *Debt Capacity.* The maximum amount of indebtedness authorized by this ordinance is \$28,000,000. Based on the following facts, this amount is to be issued within the amount permitted to be issued by the City for general municipal purposes without a vote:

(1) The assessed valuation of the taxable property within the City as ascertained by the last preceding assessment for City purposes (i.e., for collection in the calendar year 2025) is \$27,847,087,386.

(2) As of the date of this ordinance, the City has limited tax general obligation indebtedness, consisting of bonds, notes, public works trust fund loans and City guarantees outstanding in the principal amount of \$18,503,523, which is incurred within the limit of up to 1½% of the value of the taxable property within the City permitted for general municipal purposes without a vote.

(3) As of the date of this ordinance, the City has no unlimited tax general obligation indebtedness incurred with the approval of the requisite proportion of the City's qualified voters at an election meeting the minimum turnout requirements, within the limit of up to 2½% of the value of the taxable property within the City for general municipal purposes (when combined with the outstanding limited tax general obligation indebtedness), 2½% for utility purposes and 2½% for open space, parks and economic development purposes.

(d) *The Bonds.* For the purpose of providing the funds necessary to carry out the Projects and to pay the costs of issuance and sale of the Bonds, the City Council finds that it is in the best interests of the City and its taxpayers to issue and sell one or more Series of the Bonds to the Purchaser of each Series, pursuant to the terms set forth in one or more Bond Purchase Agreements, as approved by the City's Designated Representative consistent with this ordinance.

Section 2. Definitions.

(a) Defined Terms. As used in this ordinance, the following definitions shall apply unless a different meaning clearly appears from the context:

(1) "*Authorized Denomination*" means \$5,000 or any integral multiple thereof within a maturity of a Series.

(2) "*Beneficial Owner*" means, with respect to a Bond, the owner of any beneficial interest in that Bond.

(3) "*Bond*" means each bond issued pursuant to and for the purposes provided in this ordinance.

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

(5) "*Bond Purchase Agreement*" means an offer to purchase a Series of the Bonds pursuant to certain Sale Terms, setting forth certain terms and conditions of the issuance, sale and delivery of such Series, which offer is authorized to be accepted by the Designated Representative on behalf of the City, consistent with this ordinance. In the case of a competitive sale, the official notice of sale, the Purchaser's bid and the award by the City, and a certificate of the Designated Representative confirming the Sale Terms shall constitute the Bond Purchase Agreement for purposes of this ordinance.

(6) “*Bond Redemption Fund*” means Fund 210-Bond Redemption Fund of the City previously created and maintained for the payment of the principal of and interest on the Bonds and other outstanding limited tax general obligation bonds of the City.

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

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

(9) “*Bonds*” means the general obligation bonds authorized to be issued pursuant to this ordinance in one or more Series, consisting of the LIFT Bonds and the Various Purpose Bonds.

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

(11) “*Bridge Improvements*” means the repair or replacement of the Edgewater Bridge, which spans Edgewater Creek on West Mukilteo Boulevard between Everett and Mukilteo, including seismic improvements, sidewalks, multimodal lanes for pedestrian and bicycle traffic, and design elements including railings, lighting, accessibility, safety, and related improvements.

(12) “*City*” means the City of Everett, Washington, a municipal corporation duly organized and legally existing as charter city of the first class under the laws of the State.

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

(14) “*Code*” means the United States Internal Revenue Code of 1986, as amended, and applicable rules and regulations promulgated from time to time thereunder.

(15) “*Continuing Disclosure Certificate*” means the undertaking to provide continuing disclosure executed by the Finance Director pursuant to Section 16 of this ordinance in order to permit the underwriter or successful bidder for the Bonds to comply with Rule 15c2-12.

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

(17) “*Designated Representative*” means the officer of the City appointed in Section 4 of this ordinance to serve as the City’s designated representative in accordance with RCW 39.46.040(2).

(18) “*Everett Municipal Building Project*” means the project to upgrade to the Everett Municipal Building and to undertake certain tenant improvements and critical system replacements. The Everett Municipal Building Project includes the repair, renovation, remodeling, installation, replacement, or other improvements to the building infrastructure, roof, elevators, HVAC systems, electrical distribution and lighting controls, fire protection systems, emergency generators, domestic hot water systems, plumbing and plumbing fixtures, renovations to enhance the functionality and efficiency of useable floor space, and related improvements.

(19) “*Finance Director*” means the person who holds the office of Finance Director of the City, or such successor officer as may be charged with carrying out all or substantially all of the duties of the office of Finance Director-Treasurer under the City Charter.

(20) “*Fiscal Agent*” means the fiscal agent of the State, as the same may be designated by the State from time to time.

(21) “*Government Obligations*” has the meaning given in RCW 39.53.010, as now in effect or as may hereafter be amended.

(22) “*Issue Date*” means, with respect to a Bond, the date of initial issuance and delivery of that Bond to the Purchaser in exchange for the purchase price of that Bond.

(23) “*Letter of Representations*” means a Blanket Issuer Letter of Representations between the City and DTC, on file with DTC and any successor or substitute letter relating to the operational procedures of the Securities Depository.

(24) “*LIFT*” or “*LIFT Program*” means the local infrastructure financing tool authorized under chapter 39.102 RCW.

(25) “*LIFT Bonds*” means a Series of the Bonds issued to provide funds to pay all or a portion of the costs of the LIFT Public Improvements.

(26) “*LIFT Public Improvements*” means those improvements approved as part of the LIFT Program application, as set forth in Ordinance No. 2997-07 of the City, which includes the LIFT Parks & Trails Improvements.

(27) “*LIFT Parks & Trails Improvements*” means the public amenities, urban parks, wetland enhancements, and trails improvements known as the Eclipse Mill Park project, including riverbank stabilization, waterside amenities (which may include improvements such as a river overlook deck, gangway, personal watercraft floating boarding dock, and debris deflector), development of an access trail in the lowland park area, and other improvements public access and enjoyment of the park, and other infrastructure improvements located within the RDA, consistent with the City’s application for the LIFT Program, as it may be amended from time to time.

(28) “*LIFT Revenues*” means the revenues derived by the City from implementation of the LIFT Program, including but not limited to the State Contribution received as a result of imposing the sales and use tax under RCW 82.14.475.

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

(30) “*Official Statement*” means an offering document, disclosure document, private placement memorandum or substantially similar disclosure document provided to purchasers and potential purchasers in connection with the initial offering of a Series of the Bonds in conformance with Rule 15c2-12 or other applicable regulations of the SEC.

(31) “*Owner*” means, without distinction, the Registered Owner and the Beneficial Owner.

(32) “*Project Fund*” means collectively or individually, depending on context (1) with respect to the LIFT Parks & Trails Improvements, the City’s Fund 308–Riverfront District Development, which has been designated for the purpose of carrying out the LIFT Public Improvements; and (2) with respect to the other Projects, the City’s Fund 342–City Facilities Construction Fund, Fund 303–Public Works Improvement Project Fund, and Fund 354–Parks CIP 3 Construction Fund, which have been designated for the purpose of carrying out the Everett Municipal Building Project, the Bridge Improvements, and the Riverfront Trail Improvements, respectively.

(33) “*Projects*” means, collectively, the LIFT Parks & Trails Improvements, the Everett Municipal Building Project, the Bridge Improvements, the Riverfront Trail Improvements, and other capital purposes identified by ordinance, all as deemed necessary and advisable by the City. The City Council reserves the right to amend this ordinance to make such changes in or additions to the Projects (including changes to the construction or design of other City facilities) as may be found necessary or desirable. Incidental costs incurred in connection with carrying out and accomplishing the Projects may be included as costs of the Projects. The Projects include acquisition, construction, and installation of all necessary furniture, equipment, apparatus, accessories, fixtures, and appurtenances. The Projects may also include the costs of design, engineering, permitting, acquisition of land, construction, installation, site clearing or preparation, demolition, and other costs necessary to construction of the proposed improvements. The term “land,” when used in connection with the Projects, includes all real property and all appurtenant improvements, structures, and interests therein.

(34) “*Purchaser*” means a corporation, firm, association, partnership, trust, bank, financial institution or other legal entity or group of entities selected by the Designated Representative to serve as purchaser in a private placement, underwriter or placement agent in a negotiated sale or awarded as the successful bidder in a competitive sale of any Series of the Bonds.

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

(36) “*RDA*” or “*Revenue Development Area*” means the geographic area adopted by the City pursuant to chapter 39.102 RCW, regarding local infrastructure financing under the LIFT Program.

(37) “*Record Date*” means the Bond Registrar’s close of business on the 15th day of the month preceding an interest payment date. With respect to redemption of a Bond prior to its maturity, the Record Date shall mean the Bond Registrar’s close of business on the date on which the Bond Registrar sends the notice of redemption in accordance with Section 9.

(38) “*Registered Owner*” means, with respect to a Bond, the person in whose name that Bond is registered on the Bond Register. For so long as the City utilizes the book-entry only system for the Bonds under the Letter of Representations, Registered Owner shall mean the Securities Depository.

(39) “*Riverfront Trail Improvements*” means, to the extent not included as part of the LIFT Public Improvements, the Riverfront Trail Improvement project, which includes relocating a section of the existing trail that is being eroded by the Snohomish River, along with the other necessary major trail repairs to ensure safety, accessibility, and sustainability of the trail system.

(40) “*Rule 15c2-12*” means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934, as amended.

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

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

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

(44) “*Series of the Bonds*” or “*Series*” means a series of the Bonds issued pursuant to this ordinance.

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

(46) “*State Contribution*” has the meaning given in RCW 39.102.020(29).

(47) “*System of Registration*” means the system of registration for the City’s bonds and other obligations set forth in chapter 3.18 of the Everett Municipal Code and in this ordinance.

(48) “*Taxable Bond*” means any Bond the interest on which is not intended, as of the Issue Date, to be excludable from gross income for federal income tax purposes.

(49) “*Tax-Exempt Bond*” means any Bond the interest on which is intended on the Issue Date to be excludable from gross income for federal income tax purposes.

(50) “*Term Bond*” means each Bond designated as a Term Bond and subject to mandatory redemption in the years and amounts set forth in the Bond Purchase Agreement.

(51) “*Undertaking*” means the undertaking to provide continuing disclosure entered into pursuant to Section 15 of this ordinance.

(52) “*Various Purpose Bonds*” means the Series of Bonds issued to provide the funds to pay the costs of the Projects other than the LIFT Public Improvements.

(b) *Rules of Interpretation.* In this ordinance, unless the context otherwise requires:

(1) The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this ordinance, refer to this ordinance as a whole and not to any particular article, section, subdivision, or clause hereof. The term “hereafter” shall mean after, and the term “heretofore” shall mean before, the date of this ordinance.

(2) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa.

(3) Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons.

(4) Any headings preceding the text of the several articles and Sections of this ordinance, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this ordinance, nor shall they affect its meaning, construction or effect.

(5) All references herein to “articles,” “sections” and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof.

Section 3. Authorization of Bonds. The City is authorized to borrow money on the credit of the City and issue negotiable limited tax general obligation improvement bonds evidencing indebtedness in one or more Series in an aggregate principal amount not to exceed \$_____ to provide funds necessary to carry out the Projects, and to pay the costs of issuance and sale of the Bonds. The proceeds of the Bonds allocated to paying the cost of the Projects shall be deposited as

set forth in Section 8 of this ordinance and shall be used to carry out the Projects, or such portion of the Projects, in such order of time as the City determines is advisable and practicable.

Section 4. Description of the Bonds; Appointment of Designated Representative. The Finance Director is appointed to act as the Designated Representative of the City and is authorized and directed to conduct the sale of the Bonds in one or more Series, in the manner and upon the terms deemed most advantageous to the City, and to approve the Sale Terms of each Series of the Bonds, with such additional terms and covenants as the Designated Representative deems advisable, within the parameters set forth in Exhibit A, which is attached to this ordinance and incorporated by this reference.

Section 5. Bond Registrar; Registration and Transfer of Bonds.

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

(b) *Bond Registrar; Duties.* The Fiscal Agent is appointed as initial Bond Registrar. The Bond Registrar shall keep, or cause to be kept, sufficient books for the registration and transfer of the Bonds, which shall be open to inspection by the City at all times. The Bond Registrar is authorized, on behalf of the City, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of the Bonds and this ordinance, to serve as the City's paying agent for the Bonds and to carry out all of the Bond Registrar's powers and duties under this ordinance and the System of Registration. The Bond Registrar shall be responsible for its representations contained in the Bond Registrar's Certificate of Authentication on each Bond. The Bond Registrar may become an Owner with the same rights it would have if it were not the Bond Registrar and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as members of, or in any other capacity with respect to, any committee formed to protect the rights of Owners.

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

(d) *Securities Depository; Book-Entry Only Form.* If a Bond is to be issued in book-entry form, DTC shall be appointed as initial Securities Depository and each such Bond initially shall be registered in the name of Cede & Co., as the nominee of DTC. Each Bond registered in the name of the Securities Depository shall be held fully immobilized in book-entry only form by the Securities Depository in accordance with the provisions of the Letter of Representations. Registered ownership of any Bond registered in the name of the Securities Depository may not be transferred except: (i) to any successor Securities Depository; (ii) to any substitute Securities Depository appointed by the City; or (iii) to any person if the Bond is no longer to be held in book-entry only form. Upon the resignation of the Securities Depository, or upon a termination of the services of the Securities Depository by the City, the City may appoint a substitute Securities Depository. If (i) the Securities Depository resigns and the City does not appoint a substitute Securities Depository, or (ii) the City terminates the services of the Securities Depository, the Bonds no longer shall be held in book-entry only form and the registered ownership of each Bond may be transferred to any person as

provided in this ordinance. Neither the City nor the Bond Registrar shall have any obligation to participants of any Securities Depository or the persons for whom they act as nominees regarding accuracy of any records maintained by the Securities Depository or its participants. Neither the City nor the Bond Registrar shall be responsible for any notice that is permitted or required to be given to a Registered Owner except such notice as is required to be given by the Bond Registrar to the Securities Depository.

Section 6. Form and Execution of Bonds.

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

(b) *Authentication.* Only a Bond bearing a Certificate of Authentication in substantially the following form, manually signed by the Bond Registrar, shall it be valid or obligatory for any purpose or entitled to the benefits of this ordinance: "Certificate of Authentication. This Bond is one of the fully registered City of Everett, Washington, Limited Tax General Obligation Bonds, 2025 [Series __]." The authorized signing of a Certificate of Authentication shall be conclusive evidence that the Bond so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this ordinance.

Section 7. Payment of Bonds. Principal of and interest on each Bond shall be payable in lawful money of the United States of America. Principal of and interest on each Bond registered in the name of the Securities Depository is payable in the manner set forth in the Letter of Representations. Interest on each Bond not registered in the name of the Securities Depository is payable by electronic transfer on the interest payment date, or by check or draft of the Bond Registrar mailed on the interest payment date to the Registered Owner at the address appearing on the Bond Register on the Record Date. However, the City is not required to make electronic transfers except pursuant to a request by a Registered Owner in writing received on or prior to the Record Date and at the sole expense of the Registered Owner. Principal of each Bond not registered in the name of the Securities Depository is payable upon presentation and surrender of the Bond by the Registered Owner to the Bond Registrar. The Bonds are not subject to acceleration under any circumstances.

Section 8. Bond Redemption Fund.

(a) *Creation of Bond Redemption Fund.* Fund 210-Bond Redemption Fund has been previously created as a special fund of the City for the sole purpose of paying principal of and interest on the limited tax general obligation bonds of the City. The Finance Director may create such subfunds or accounts as may be necessary for the separate tracking of each Series of the Bonds. Bond proceeds (if any) in excess of the amounts needed to pay the costs of the Projects, and to pay the

costs of issuance shall be deposited into the Bond Redemption Fund and used on the first interest payment date.

(b) *Deposit of Funds for Debt Service.* All amounts from whatever source allocated to the payment of the principal of and interest on the Bonds shall be deposited in the Bond Redemption Fund as necessary for the timely payment of amounts due with respect to the Bonds. The principal of and interest on the Bonds shall be paid out of the Bond Redemption Fund. Until needed for that purpose, the City may invest money in the Bond Redemption Fund temporarily in any legal investment, and the investment earnings shall be retained in the Bond Redemption Fund and used for the purposes of that Fund.

(c) *Deposit of LIFT Revenues.* All LIFT Revenues and other amounts allocated to the payment of the principal of and interest on the LIFT Bonds shall be deposited in the Bond Redemption Fund (or such subfund or account therein as the Finance Director may designate for the benefit of the LIFT Bonds) as necessary for the timely payment of amounts due with respect to the LIFT Bonds.

Section 9. Use of Bond Proceeds; Project Funds. Fund 30-Riverfront District Development Fund, Fund 354-Parks CIP 3 Construction, Fund 342-City Facilities Construction, and Fund 303-Public Works Improvement Project Funds of the City have been designated by the City as the Project Funds to be used for the purpose of paying the costs of the Projects. Proceeds received from the sale and delivery of the Bonds and allocated to carrying out the Projects shall be deposited into the applicable Project Fund and used to pay the respective costs of the Projects and to pay the costs of issuance of the Bonds, if necessary. Implementation or completion of any specified project or improvement shall not be required if the City determines that, due to substantially changed circumstances, it has become advisable or impractical. If the Projects are completed (or their completion duly provided for) by another source of funds, or if their completion found to be impractical, the City may apply the Bond proceeds or any portion thereof or to other capital improvements of the City as the City Council in its discretion may direct. Notwithstanding the foregoing, proceeds of the LIFT Bonds shall be applied only to capital improvements that are LIFT Public Improvements. If the Bond proceeds, plus other legally available funds, are insufficient to accomplish all of the Projects, the City may use the available funds for paying the cost of such portion of the Projects deemed by the Council most necessary and in the best interest of the City. Until needed to pay such costs, the City may invest those proceeds temporarily in any legal investment, and the investment earnings shall be retained in the Project Fund and used for the purposes of that Fund, except that earnings subject to a federal tax or rebate requirement (if applicable) may be withdrawn from the Project Fund and used for those tax or rebate purposes.

Section 10. Redemption Provisions and Purchase of Bonds.

(a) *Optional Redemption.* Each Series of the Bonds shall be subject to redemption at the option of the City on terms acceptable to the Designated Representative, as set forth in the Bond Purchase Agreement, consistent with the parameters set forth in Exhibit A.

(b) *Mandatory Redemption.* Each Bond that is designated as a Term Bond in the Bond Purchase Agreement, except as set forth below, shall be called for redemption at a price equal to the stated principal amount to be redeemed, plus accrued interest, on the dates and in the amounts as set forth in the Bond Purchase Contract. If a Term Bond is redeemed under the optional redemption provisions, defeased or purchased by the City and surrendered for cancellation, the principal amount of the Term Bond so redeemed, defeased or purchased (irrespective of its actual redemption or purchase price) shall be credited against one or more scheduled mandatory redemption installments

for that Term Bond. The City shall determine the manner in which the credit is to be allocated and shall notify the Bond Registrar in writing of its allocation prior to the earliest mandatory redemption date for that Term Bond for which notice of redemption has not already been given.

(c) *Selection of Bonds for Redemption; Partial Redemption.* If fewer than all of the outstanding Bonds within a Series are to be redeemed at the option of the City, the City shall select the Series and maturities to be redeemed. If fewer than all of the outstanding Bonds of a maturity of a Series are to be redeemed, the Securities Depository shall select Bonds registered in the name of the Securities Depository to be redeemed in accordance with the Letter of Representations, and the Bond Registrar shall select all other Bonds to be redeemed randomly in such manner as the Bond Registrar shall determine. All or a portion of the principal amount of any Bond that is to be redeemed may be redeemed in any Authorized Denomination. If less than all of the outstanding principal amount of any Bond is redeemed, upon surrender of that Bond to the Bond Registrar, there shall be issued to the Registered Owner, without charge, a new Bond (or Bonds, at the option of the Registered Owner) of the same Series, maturity and interest rate in any Authorized Denomination in the aggregate principal amount to remain outstanding.

(d) *Notice of Redemption.* Notice of redemption of each Bond registered in the name of the Securities Depository shall be given in accordance with the Letter of Representations. Notice of redemption of each other Bond, unless waived by the Registered Owner, shall be given by the Bond Registrar not less than 20 nor more than 60 days prior to the date fixed for redemption by first-class mail, postage prepaid, to the Registered Owner at the address appearing on the Bond Register on the Record Date. The requirements of the preceding sentence shall be satisfied when notice has been mailed as so provided, whether or not it is actually received by an Owner. In addition, the redemption notice shall be mailed or sent electronically within the same period to the MSRB (if required under the Undertaking), to each Rating Agency, and to such other persons and with such additional information as the Finance Director shall determine, but these additional mailings shall not be a condition precedent to the redemption of any Bond.

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

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

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

Section 11. Pledge of Taxes.

(a) *General Obligation Pledge.* The Bonds constitute a general indebtedness of the City and are payable from tax revenues of the City and such other money as is lawfully available and pledged by the City for the payment of principal of and interest on the Bonds. For as long as any of the Bonds are outstanding, the City irrevocably pledges that it shall, in the manner provided by law within the constitutional and statutory limitations provided by law without the assent of the voters,

include in its annual property tax levy amounts sufficient, together with other money that is lawfully available, to pay principal of and interest on the Bonds as the same become due. The full faith, credit and resources of the City are pledged irrevocably for the prompt payment of the principal of and interest on the Bonds and such pledge shall be enforceable in mandamus against the City.

(b) *Additional Pledge of LIFT Revenues.* In addition to the general obligation pledge, above, the proceeds received by the City of sales and use tax authorized under RCW 82.14.475, imposed, collected and dedicated by Ordinance No. 3539-17 of the City, which amounts comprise the State Contribution portion of the LIFT Revenues, are pledged, as necessary, to the payment of those Bonds (or series of Bonds) designated as LIFT Bonds. For purposes of RCW 82.14.475 and chapter 39.102 RCW, the pledge herein of taxes from local sources other than the State Contribution portion of the LIFT Revenues to the repayment of the LIFT Bonds shall be deemed to be a dedication of such funds to the payment of public improvement costs (as defined in RCW 39.102.020) and shall be counted toward the local match requirement of RCW 39.102.020(30)(b).

Section 12. Failure To Pay Bonds. If the principal of any Bond is not paid when the Bond is properly presented at its maturity or date fixed for redemption, the City shall be obligated to pay interest on that Bond at the same rate provided in the Bond from and after its maturity or date fixed for redemption until that Bond, both principal and interest, is paid in full or until sufficient money for its payment in full is on deposit in the Bond Redemption Fund, or in a trust account established to refund or defease the Bond, and the Bond has been called for payment by giving notice of that call to the Registered Owner.

Section 13. Refunding or Defeasance of the Bonds. The City may issue refunding bonds pursuant to State law or use money available from any other lawful source to carry out a refunding or defeasance plan, which may include (a) paying when due the principal of and interest on any or all of the Bonds (the “defeased Bonds”); (b) redeeming the defeased Bonds prior to their maturity; and (c) paying the costs of the refunding or defeasance. If the City sets aside in a special trust fund or escrow account irrevocably pledged to that redemption or defeasance (the “trust account”), money and/or Government Obligations maturing at a time or times and bearing interest in amounts sufficient to redeem, refund or defease the defeased Bonds in accordance with their terms, then all right and interest of the Owners of the defeased Bonds in the covenants of this ordinance and in the funds and accounts obligated to the payment of the defeased Bonds shall cease and become void. Thereafter, the Owners of defeased Bonds shall have the right to receive payment of the principal of and interest on the defeased Bonds solely from the trust account and the defeased Bonds shall be deemed no longer outstanding. In that event, the City may apply money remaining in any fund or account (other than the trust account) established for the payment or redemption of the defeased Bonds to any lawful purpose. Unless otherwise specified by the City in a refunding or defeasance plan, notice of refunding or defeasance shall be given, and selection of Bonds for any partial refunding or defeasance shall be conducted, in the manner prescribed in this ordinance for the redemption of Bonds.

Section 14. Federal Tax Matters.

(a) *Tax-Exempt Bonds.* The Sale Terms and other documents executed in conjunction with the sale of the Bonds (or a Series of the Bonds) may include such additional terms and covenants relating to federal tax matters as the Finance Director deems necessary or appropriate, including the following:

(1) *Preservation of Tax Exemption for Interest on Tax-Exempt Bonds.* The City covenants that if it determines to sell the Bonds (or any series of the Bonds) as Tax-Exempt Bonds, it will take all actions necessary to prevent interest on those Bonds from being included in gross income for federal income tax purposes, and it will neither take any action nor make or permit any use of proceeds of those Tax-Exempt Bonds or other funds of the City treated as proceeds of those Tax-Exempt Bonds that will cause interest on those Tax-Exempt Bonds to be included in gross income for federal income tax purposes. The City also covenants that it will, to the extent the arbitrage rebate requirements of Section 148 of the Code are applicable to the Tax-Exempt Bonds (or a series thereof), take all actions necessary to comply (or to be treated as having complied) with those requirements.

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

(b) *Taxable Bonds.* Notwithstanding the foregoing, nothing herein prevents the Finance Director from determining that the Bonds, or a series of the Bonds, is to be issued as Taxable Bonds.

Section 15. Sale and Delivery of the Bonds.

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

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

(c) *Procedure for Competitive Sale.* If the Designated Representative determines that a Series of the Bonds is to be sold by competitive sale, the Designated Representative shall cause the preparation of an official notice of bond sale setting forth parameters for the Sale Terms and any other bid parameters that the Designated Representative deems appropriate consistent with this ordinance. Bids for the purchase of the Series shall be received at such time or place and by such means as the Designated Representative directs. On the date and time established for the receipt of bids, the Designated Representative (or the designee of the Designated Representative) shall open bids and shall cause the bids to be mathematically verified. The Designated Representative is authorized to award, on behalf of the City, the winning bid and accept the winning bidder's offer to purchase the Series, with such adjustments to the aggregate principal amount and principal amount per maturity as the Designated Representative deems appropriate, consistent with the terms of this ordinance. The Designated Representative may reject any or all bids submitted and may waive any formality or irregularity in any bid or in the bidding process if the Designated Representative deems

it to be in the City's best interest to do so. If all bids are rejected, the Series may be sold pursuant to negotiated sale or in any manner provided by law as the Designated Representative determines is in the best interest of the City, within the parameters set forth in this ordinance.

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

Section 16. Official Statement; Continuing Disclosure.

(a) *Preliminary Official Statement Deemed Final.* The Designated Representative shall review and, if acceptable to him or her, approve the preliminary Official Statement prepared in connection with each sale of a Series of the Bonds to the public or through a Purchaser acting as a placement agent. For the sole purpose of the Purchaser's compliance with paragraph (b)(1) of Rule 15c2-12, the Designated Representative is authorized to deem that preliminary Official Statement final as of its date, except for the omission of information permitted to be omitted by Rule 15c2-12. The City approves the distribution to potential purchasers of the Bonds of a preliminary Official Statement that has been approved by the Designated Representative and been deemed final, if applicable, in accordance with this subsection.

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

(c) *Undertaking to Provide Continuing Disclosure.* If necessary to meet the requirements of paragraph (b)(5) of Rule 15c2-12, as applicable to the Purchaser acting as a participating underwriter for a Series of the Bonds, the Designated Representative is authorized to execute a written undertaking to provide continuing disclosure for the benefit of holders of a Series of the Bonds in substantially the form attached as Exhibit B.

Section 17. Supplemental and Amendatory Ordinances. The City may supplement or amend this ordinance for any one or more of the following purposes without the consent of any Owners of the Bonds:

(a) To add covenants and agreements that do not materially adversely affect the interests of Owners, or to surrender any right or power reserved to or conferred upon the City.

(b) To cure any ambiguities, or to cure, correct or supplement any defective provision contained in this ordinance in a manner that does not materially adversely affect the interest of the Beneficial Owners of the Bonds.

(c) To impose upon the Bond Registrar (or a bond trustee, if any), with its consent, any additional rights, remedies, powers, authority, security, liabilities or duties which may lawfully be granted, conferred or imposed and which are not contrary to or inconsistent with this ordinance as theretofore in effect;

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

(e) To authorize different denominations of the Bonds and to make correlative amendments and modifications to this ordinance regarding exchangeability of Bonds of different authorized denominations, redemptions of portions of Bonds of particular authorized denominations and similar amendments and modifications of a technical nature;

(f) To amend or supplement this ordinance in any other respect which is not materially adverse to the registered owners of the Bonds; and

(g) To maintain the exclusion from gross income of the interest on the Tax-Exempt Bonds from federal income taxation in light of a change or proposed change in federal law, regulations, rulings, or administrative orders.

Section 18. General Authorization and Ratification. The Designated Representative and other appropriate officers of the City are severally authorized to take such actions and to execute such documents as in their judgment may be necessary or desirable to carry out the transactions contemplated in connection with this ordinance, and to do everything necessary for the prompt delivery of each Series of the Bonds to the Purchaser thereof and for the proper application, use and investment of the proceeds of the Bonds. All actions taken prior to the effective date of this ordinance in furtherance of the purposes described in this ordinance and not inconsistent with the terms of this ordinance are ratified and confirmed in all respects.

Section 19. Severability. If any provision in this ordinance is declared by any court of competent jurisdiction to be contrary to law, then such provision shall be null and void and shall be deemed separable from the remaining provision of this ordinance and shall in no way affect the validity of the other provisions of this ordinance or of the Bonds.

Section 20. Effective Date of Ordinance. This ordinance shall be effective fifteen days after it becomes valid pursuant to Section 3.4 of the City Charter.

PASSED by the City Council of the City of Everett, Washington, at a regular open public meeting thereof, this ___ day of March, 2025, and signed in authentication of its passage this ___ day of March, 2025.

CITY OF EVERETT, WASHINGTON

By _____
Mayor

Attest:

APPROVED AS TO FORM

City Clerk

By _____
Stradling Yocca Carlson & Rauth LLP
Bond Counsel to the City

DATE OF PUBLICATION:

EFFECTIVE DATE:

EXHIBIT A
PARAMETERS FOR SALE TERMS

- (a) Principal Amount. The Bonds may be issued in one or more Series and shall not exceed the aggregate principal amount of \$28,000,000.
- (b) Date or Dates. Each Bond shall be dated its Issue Date, which date may not be later than one year after the effective date of this ordinance.
- (c) Denominations, Name, etc. The Bonds shall be issued in Authorized Denominations and shall be numbered separately in the manner and bearing such name (including any series or additional designation) as deemed necessary or appropriate by the Designated Representative.
- (d) Interest Rate(s). Each Bond shall bear interest at a fixed rate per annum (computed on the basis of a 360-day year of twelve 30-day months) from the Issue Date or from the most recent date for which interest has been paid or duly provided for, whichever is later. One or more rates of interest may be fixed for the Bonds. The true interest cost to the City for each Series of the Bonds may not exceed 5.25%.
- (e) Payment Dates. Interest shall be payable semiannually on dates acceptable to the Designated Representative. Principal payments shall commence on a date acceptable to the Designated Representative and shall be payable at maturity (or in mandatory redemption installments) on dates acceptable to the Designated Representative.
- (f) Final Maturity. The Bonds shall mature no later than December 1, 2045.
- (g) Redemption Rights. The Designated Representative may approve in the Bond Purchase Agreement for each Series provisions for the optional and mandatory redemption of the Bonds of such Series, subject to the following:
- (1) Optional Redemption. Any Bond may be designated as being (A) subject to redemption at the option of the City prior to its maturity date on the dates and at the prices set forth in the Bond Purchase Agreement; or (B) not subject to redemption prior to its maturity date. If a Tax-Exempt Bond is subject to optional redemption prior to its maturity, it must be subject to such redemption on one or more dates occurring not more than 10½ years after the Issue Date.

- (2) Mandatory Redemption. Any Bond may be designated as a Term Bond, subject to mandatory redemption prior to its maturity on the dates and in the amounts set forth in the Bond Purchase Agreement.
- (h) Price. The purchase price for each Series of the Bonds may not be less than 98.0% or more than 135.0% of the stated principal amount of that Series.
- (i) Other Terms and Conditions.
- (1) *Debt Capacity Not Exceeded*. A Series of the Bonds may not be issued if it would cause the indebtedness of the City to exceed the City's legal debt capacity on the Issue Date.
- (2) *Reasonably Expected Life*. As of the Issue Date of each Series, the Designated Representative must find to the Designated Representative's satisfaction that the average expected life of the capital facilities or assets to be financed with the proceeds (or allocable share of proceeds) of that Series exceeds the weighted average maturity of such Series (or share thereof allocated to financing those capital facilities).
- (3) *Federal Tax Status of the Bonds*. The Designated Representative may designate any Series of the Bonds as Tax-Exempt Bonds, Taxable Bonds, or Tax Credit Subsidy Bonds, consistent with Section 14 of this ordinance.
- (4) *Additional Terms, Conditions, and Agreements*. The Sale Terms for any Series may provide for bond insurance or for any other credit enhancement as the Designated Representative may find necessary or desirable. The Sale Terms may include such additional terms, conditions, and covenants as may be necessary or desirable, including but not limited to: restrictions on investment of Bond proceeds and pledged funds (including any escrow established for the defeasance of any of the Bonds); provisions for the conversion of interest rate modes; provisions for the reimbursement of a credit enhancement provider; and requirements to give notice to or obtain the consent of a credit enhancement provider. The Designated Representative is authorized to execute, on behalf of the City, such additional certificates and agreements as may be necessary or desirable to reflect such terms, conditions, and covenants.

EXHIBIT B

[Form of]

UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

City of Everett, Washington Limited Tax General Obligation Bonds, 2025[]

The City of Everett, Washington (the “City”), makes the following written Undertaking for the benefit of holders of the above-referenced bonds (the “Bonds”), for the sole purpose of assisting the Purchaser in meeting the requirements of paragraph (b)(5) of Rule 15c2-12, as applicable to a participating underwriter for the Bonds. Capitalized terms used but not defined below shall have the meanings given in Ordinance No. ___ of the City (the “Bond Ordinance”).

(a) Undertaking to Provide Annual Financial Information and Notice of Listed Events. The City undertakes to provide or cause to be provided, either directly or through a designated agent, to the MSRB, in an electronic format as prescribed by the MSRB, accompanied by identifying information as prescribed by the MSRB:

(i) Annual financial information and operating data of the type included in the final official statement for the Bonds and described in paragraph (b) (“annual financial information”). The timely filing of unaudited financial statements shall satisfy the requirements and filing deadlines pertaining to the filing of annual financial statements under subsection (b), provided that audited financial statements are to be filed if and when they are otherwise prepared and available to the City.

(ii) Timely notice (not in excess of 10 business days after the occurrence of the event) of the occurrence of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notice of Proposed Issue (IRS Form 5701 – TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of holders of the Bonds, if material; (8) bond calls (other than scheduled mandatory redemptions of Term Bonds), if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the City, as such “Bankruptcy Events” are defined in Rule 15c2-12; (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect holders of the Bonds, if material; and (16) any default, event of acceleration, termination event, modification of terms, or other similar event under the terms of a financial obligation of the City, any of which reflect financial difficulties.

For purposes of this Undertaking, the term “financial obligation” shall mean a debt obligation; derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or a guarantee of either a debt obligation or a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation. The term “financial obligation” does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

(iii) Timely notice of a failure by the City to provide required annual financial information on or before the date specified in paragraph (b).

(b) Type of Annual Financial Information Undertaken to be Provided. The annual financial information that the City undertakes to provide in paragraph (a):

(i) Shall consist of (1) annual financial statements, which statements may or may not be audited, showing ending fund balances, prepared in accordance with regulations prescribed by the Washington State Auditor pursuant to RCW 43.09.200 (or any successor statutes) and generally of the type included in the Official Statement and described as follows: [*blank to be filled in based on the Official Statement*]; (2) the assessed valuation of taxable property in the City; (3) *ad valorem* taxes due and percentage of taxes collected; (4) property tax levy rate per \$1,000 of assessed valuation; and (5) outstanding general obligation debt of the City. Items (2) through (5) shall be required only to the extent that such information is not included in the annual financial statements of the City.

(ii) Shall be provided not later than the last day of the ninth month after the end of each fiscal year of the City (currently, a fiscal year ending December 31), as such fiscal year may be changed as required or permitted by State law, commencing with the City’s fiscal year ending December 31, 2024; and

(iii) May be provided in a single or multiple documents, and may be incorporated by specific reference to documents available to the public on the Internet website of the MSRB or filed with the SEC.

(c) Amendment of Undertaking. This Undertaking is subject to amendment after the primary offering of the Bonds without the consent of any holder of any Bond, or of any broker, dealer, municipal securities dealer, participating underwriter, Rating Agency or the MSRB, under the circumstances and in the manner permitted by Rule 15c2-12. The City will give notice to the MSRB of the substance (or provide a copy) of any amendment to the Undertaking and a brief statement of the reasons for the amendment. If the amendment changes the type of annual financial information to be provided, the annual financial information containing the amended financial information will include a narrative explanation of the effect of that change on the type of information to be provided.

(d) Beneficiaries. This Undertaking shall inure to the benefit of the City and the holder of each Bond, and shall not inure to the benefit of or create any rights in any other person.

(e) Termination of Undertaking. The City’s obligations under this Undertaking shall terminate upon the legal defeasance of all of the Bonds. In addition, the City’s obligations under this Undertaking shall terminate if the provisions of Rule 15c2-12 that require the City to comply with this Undertaking become legally inapplicable in respect of the Bonds for any reason, as confirmed by an opinion of Bond Counsel delivered to the City, and the City provides timely notice of such termination to the MSRB.

(f) Remedy for Failure to Comply with Undertaking. As soon as practicable after the City learns of any material failure to comply with this Undertaking, the City will proceed with due diligence to cause such noncompliance to be corrected. No failure by the City or other obligated person to comply with this Undertaking shall constitute a default in respect of the Bonds. The sole remedy of any holder of a Bond shall be to take action to compel the City or other obligated person to comply with this Undertaking, including seeking an order of specific performance from an appropriate court.

(g) Designation of Official Responsible to Administer Undertaking. The Finance Director (or such officer's designee) is the person designated, in accordance with the Bond Ordinance, to carry out the Undertaking in accordance with Rule 15c2-12, including, without limitation, the following actions:

(i) Preparing and filing the annual financial information undertaken to be provided;

(ii) Determining whether any event specified in paragraph (a) has occurred, assessing its materiality, where necessary, with respect to the Bonds, and preparing and disseminating any required notice of its occurrence;

(iii) Determining whether any person other than the City is an "obligated person" within the meaning of Rule 15c2-12 with respect to the Bonds, and obtaining from such person an undertaking to provide any annual financial information and notice of listed events for that person required under Rule 15c2-12;

(iv) Selecting, engaging and compensating designated agents and consultants, including financial advisors and legal counsel, to assist and advise the City in carrying out this Undertaking; and

(v) Effecting any necessary amendment of this Undertaking.

CERTIFICATION

I, the undersigned, City Clerk of the City of Everett, Washington (the “City”), hereby certify as follows:

1. The attached copy of Ordinance No. _____ (the “Ordinance”) is a full, true and correct copy of an ordinance duly passed at a regular meeting of the City Council of the City held at the regular meeting place thereof on March 5, 2025, as that ordinance appears on the minute book of the City.

2. A quorum of the members of the City Council was present throughout the meeting and a majority of the members voted in the proper manner for the passage of the Ordinance.

Dated: March 5, 2025.

CITY OF EVERETT, WASHINGTON

MARISTA JORVE
City Clerk

Project title: Adopt an Ordinance Providing for the Issuance of One or More Series of Water and Sewer Revenue Bonds in an Aggregate Principal Amount Not to Exceed \$181,000,000.

Council Bill # *interoffice use*

CB 2502-18

Agenda dates requested:

Briefing, 1st Reading 03/05/25

2nd Reading 03/12/25

3rd Reading 03/19/25

Ordinance

Public hearing

Yes No

Budget amendment:

Yes No

PowerPoint presentation:

Yes No

Attachments:

Ordinance

Department(s) involved:

Finance

Contact person:

Heide Brillantes, Finance Director

Phone number:

(425) 257-8612

Email:

HBrillantes@everettwa.gov

Initialed by:

HB

Department head

Administration

Council President

Project: 2025 Water and Sewer Revenue Bonds

Partner/Supplier: NA

Location: NA

Preceding action: NA

Fund: Water & Sewer Utility Fund 401

Fiscal summary statement:

The total principal amount is not to exceed \$181,000,000. The debt service for the bond issue is funded through the Water & Sewer Utility Fund 401. The payments for the debt service are recorded in the Water & Sewer Utility Fund 401.

Project summary statement:

The issuance of one or more services of water and sewer revenue bonds provide funds to (1) pay or reimburse all or a portion of the costs of carrying out certain projects including the Port Gardner Storage Facility (PGSF) Project, PGSF West Marine View Drive Combined Conveyance Improvement Project, 36th Street Combined Sewer Outflow Control Project, and Water Pollution Control Facility (WPCF) Headworks Replacement Project, (2) to provide for meeting the debt service Reserve Requirement, if necessary, and (3) to pay the costs of issuance of the bonds.

Recommendation (exact action requested of Council):

Adopt an Ordinance Providing for the Issuance of One or More Series of Water and Sewer Revenue Bonds in an Aggregate Principal Amount Not to Exceed \$181,000,000.

CITY OF EVERETT, WASHINGTON

ORDINANCE NO. _____

AN ORDINANCE of the City of Everett, Washington, relating to the combined water, sanitary sewer, and storm and surface water drainage systems of the City (the “Water & Sewer System”); specifying, adopting and ordering the carrying out of a system or plan of additions to and betterments and extensions of the Water & Sewer System; providing for the issuance of one or more series of Water & Sewer Revenue bonds in an aggregate principal amount not to exceed \$181,000,000 for the purpose of providing funds necessary: (a) to pay or reimburse all or a portion of the costs of carrying out certain projects comprising a portion of the Plan of Additions, (b) to provide for meeting the debt service Reserve Requirement, if necessary, and (c) to pay the costs of issuance of the bonds; fixing or setting parameters with respect to certain terms and covenants of the bonds; appointing the City’s designated representative to approve the Sale Terms for the bonds; and providing for other related matters.

Passed March __, 2025

This document prepared by:

*Stradling Yocca Carlson & Rauth LLP
Seattle, Washington*

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EXHIBITS

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EXHIBIT B..... PARITY CONDITIONS
EXHIBIT C..... PARAMETERS FOR BOND SALE TERMS
EXHIBIT D..... DESCRIPTION OF PROJECTS
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CITY OF EVERETT, WASHINGTON

ORDINANCE NO. _____

AN ORDINANCE of the City of Everett, Washington, relating to the combined water, sanitary sewer, and storm and surface water drainage systems of the City (the “Water & Sewer System”); specifying, adopting and ordering the carrying out of a system or plan of additions to and betterments and extensions of the Water & Sewer System; providing for the issuance of one or more series of Water & Sewer Revenue bonds in an aggregate principal amount not to exceed \$181,000,000 for the purpose of providing funds necessary: (a) to pay or reimburse all or a portion of the costs of carrying out certain projects comprising a portion of the Plan of Additions, (b) to provide for meeting the debt service Reserve Requirement, if necessary, and (c) to pay the costs of issuance of the bonds; fixing or setting parameters with respect to certain terms and covenants of the bonds; appointing the City’s designated representative to approve the Sale Terms for the bonds; and providing for other related matters.

BE IT ORDAINED BY THE CITY OF EVERETT as follows:

Section 1. Findings and Determinations. The City Council makes the findings and determinations set forth below. Capitalized terms have the meanings given in Section 2 of this ordinance.

(a) *Combined Water & Sewer System.* Pursuant to chapter 35.67 RCW, the City now owns, operates and maintains the Water & Sewer System, currently consisting of its existing water system, sanitary sewer system, and storm and surface water drainage system, as they now exist, and including any and all additions, extensions and betterments to any of the foregoing.

(b) *Outstanding Parity Bonds.* The City’s currently outstanding Parity Bonds payable from the Net Revenue are described in Exhibit A. The terms of the currently outstanding Parity Bonds permit the City to issue debt constituting a lien and charge upon the Net Revenue and ULID Assessments on parity with the lien and charge of the outstanding Parity Bonds if certain conditions (the “Parity Conditions”) are met.

(c) *Plan of Additions.* The City specifies, adopts and orders the carrying out of the Plan of Additions, including the Projects intended to be financed with the proceeds of the Bonds. The aggregate estimated total cost of the Projects is more than \$332 million. The City does not have available sufficient funds from current resources, grants, and Government Loans to pay the costs and is in need of funds with which to finance the remaining costs of the Projects. The Projects shall be carried out in accordance with the plans and specifications therefor prepared by the City’s engineers and consulting engineers. The City Council may modify the details of the Projects where, in its judgment, it appears advisable if such modifications do not substantially alter the purposes of the Projects, or if such modifications provide funding to other elements described in the Plan of Additions, as then in effect. The cost of the Projects, including the cost of issuance and sale of the Bonds, shall be paid from the proceeds of the Bonds and from other money available to the Water & Sewer System, including current resources, grants and loans. The average expected useful life of the Projects exceeds the maximum maturity of the Bonds authorized herein.

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

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

Section 2. Definitions.

(a) *Defined Terms.* As used in this ordinance, the following definitions shall apply unless a different meaning clearly appears from the context:

(1) *"Accreted Value"* means (1) with respect to any Capital Appreciation Bonds, as of any date of calculation, the sum of the amount set forth in the ordinance authorizing their issuance as the amount representing the initial principal amount of such Capital Appreciation Bonds plus the interest accumulated, compounded and unpaid thereon as of the most recent compounding date, or (2) with respect to bonds designated as "original issue discount bonds" in conjunction with their original issuance, as of the date of calculation, the amount representing the initial public offering price of such original issue discount bonds plus the amount of discounted principal that has accreted since the date of issue. In each case, the Accreted Value shall be determined in accordance with the provisions of the ordinance authorizing the issuance of such Capital Appreciation Bonds.

(2) *"Annual Debt Service"* means the total amount of Debt Service for any Parity Bond or series of Parity Bonds or other Subordinate Debt, depending on context, that is payable from Gross Revenue in any fiscal year or other Base Period. Annual Debt Service shall be calculated net of any federal subsidy legally available to pay the principal of or interest on those Parity Bonds (or other indebtedness) in the year of calculation. For purposes of calculating the Reserve Requirement, demonstrating satisfaction of the Rate Covenant, or delivering a certificate required by the Parity Conditions, calculations of Annual Debt Service shall include all Parity Bonds outstanding at the time of such calculation, excluding Subordinate Debt and those maturities of Parity Bond debt that have been or are to be redeemed or defeased as of the date of the calculation. If the calculation is performed in connection with the issuance of Future Parity Bonds, the calculation date may be deemed to be the issue date of such Future Parity Bonds.

(3) *"Assessment Bonds"* means the principal portion of any issue of Parity Bonds allocated to the financing of improvements within a ULID. The allocation shall be determined as of the issue date of each series of Parity Bonds (and as of any date on which any Parity Bonds are redeemed, defeased or purchased), and the total amount so allocated shall be equal to the principal amount of ULID Assessments on the final assessment roll for that ULID remaining unpaid as of that date. Assessment Bonds shall be allocated *pro rata* to each maturity within a series of Parity Bonds. Upon redemption, defeasance or purchase of all or a portion of a series of Parity Bonds that includes

an allocation of Assessment Bonds, the amount of Assessment Bonds remaining outstanding shall be reduced on a *pro rata* basis with bonds that are not deemed Assessment Bonds.

(4) “*Authorized Denomination*” means \$5,000 or any integral multiple thereof within a maturity of a Series unless otherwise specified by the Designated Representative in approving the Bond Sale Terms.

(5) “*Average Annual Debt Service*” means, as of its date of calculation, the sum of the Annual Debt Service for the applicable Base Period, depending on context, and the remaining years to the last scheduled maturity, divided by the number of those years. For purposes of computing the Reserve Requirement, the estimated amount of bonds to be redeemed prior to maturity may be taken into account if required under federal arbitrage regulations. Unless otherwise specified, Average Annual Debt Service for all outstanding Parity Bonds shall be calculated based on the aggregate Annual Debt Service of all Parity Bonds then outstanding, without regard to series.

(6) “*Balloon Maturity Bonds*” means any evidences of indebtedness of the City payable from Gross Revenue that are so designated pursuant to the ordinance authorizing such indebtedness to be incurred.

(7) “*Base Period*” means a fiscal year, calendar year, or Bond Year, depending on context. For purposes of a certificate delivered to demonstrate compliance with the Parity Requirement, “Base Period” means any consecutive 12-month period out of the 36-month period next preceding the date of issuance of the proposed Future Parity Bonds.

(8) “*Beneficial Owner*” means, with respect to a Bond or the Parity Bonds (depending on context), the owner of any beneficial interest in that Bond or Parity Bond.

(9) “*Bond*” means each bond issued pursuant to and for the purposes provided in this ordinance.

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

(11) “*Bond Purchase Agreement*” means an offer to purchase a Series of the Bonds pursuant to certain Sale Terms, setting forth certain terms and conditions of the issuance, sale and delivery of such Series, which offer is authorized to be accepted by the Designated Representative on behalf of the City, consistent with this ordinance. In the case of a competitive sale, the official notice of sale, the Purchaser’s bid and the award by the City, and a certificate of the Designated Representative confirming the Sale Terms shall constitute the Bond Purchase Agreement for purposes of this ordinance.

(12) “*Bond Redemption Subaccount*” means the “Fund 401–Water & Sewer Utility Fund” created in the office of the Finance Director for the sole purpose of paying and securing the payment of the principal of, premium, if any, and interest on the Parity Bonds, including principal of Term Bonds due on scheduled mandatory redemption dates.

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

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

(15) “*Book-Entry Form*” means a fully registered form in which physical bond certificates are registered only in the name of the Securities Depository (or its nominee), as

Registered Owner, with the physical bond certificates held by and immobilized in the custody of the Securities Depository (or its designee), where the system for recording and identifying the transfer of the ownership interests of the Beneficial Owners in those Bonds is neither maintained by nor the responsibility of the City or the Bond Registrar.

(16) “*Capital Appreciation Bonds*” means any series of Future Parity Bonds, all or a portion of the interest on which is compounded, accumulated, and payable only upon redemption or on the maturity date of such Capital Appreciation Bonds. A series of Future Parity Bonds may be deemed to be Capital Appreciation Bonds for only a portion of their term. Beginning on the date on which such Future Parity Bonds (or portion thereof) are no longer deemed to be Capital Appreciation Bonds, they shall be deemed outstanding in a principal amount equal to their Accreted Value.

(17) “*City*” means the City of Everett, Washington, a municipal corporation duly organized and legally existing as charter city of the first class under the laws of the State.

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

(19) “*Code*” means the United States Internal Revenue Code of 1986, as amended, and applicable rules and regulations promulgated from time to time thereunder.

(20) “*Common Reserve Subaccount*” means the subaccount previously created in the office of the Finance Director known as “Fund 401–Water & Sewer Utility Fund” and maintained for the purpose of securing the payment of the principal of and interest on the Covered Bonds.

(21) “*Construction Fund*” means the City’s Fund 336—Water/Sewer System Improvement Projects Fund or such other fund, subfund, or account within the Water & Sewer System Fund as may be designated by the Finance Director for paying or reimbursing the costs of carrying out the Projects and paying the costs of issuance of the Bonds.

(22) “*Contract Resource Obligation*” means an obligation of the City, designated as a Contract Resource Obligation in accordance with Section 19 of this ordinance, to make payments for water, sanitary sewer, and storm and surface water drainage system facilities, commodities, or services to another person or entity (including without limitation any Separate Utility System).

(23) “*Costs of Maintenance and Operation*” means all necessary operating expenses, current maintenance expenses, expenses of reasonable upkeep and repairs, and insurance and administrative expense with respect to the System, but excludes depreciation, payments for debt service or into Reserve Accounts, costs of capital additions to or replacements of the System, municipal taxes, or payments to the City in lieu of taxes.

(24) “*Coverage Stabilization Account*” means the account of that name maintained pursuant to Section 15 of this ordinance.

(25) “*Covered Bonds*” means the Outstanding Parity Bonds and such Future Parity Bonds as may be designated by the Designated Representative, pursuant to the ordinance authorizing their issuance, as Covered Bonds secured by the Common Reserve Subaccount. In approving the Sale Terms for the Bonds (or any Series of the Bonds), the City’s Designated Representative is authorized to designate the Bonds as Covered Bonds if it appears to such official that such designation is in the best interests of the City and its ratepayers.

(26) “*Credit Facility*” means policy of municipal bond insurance (including Qualified Insurance), a letter of credit, surety bond, line of credit, guarantee, or other financial instrument (which may be a Qualified Reserve Security) or any combination of the foregoing, which

obligates a third party to make payment or provide funds for the payment of financial obligations of the City. There may be one or more Credit Facilities outstanding at any time.

(27) “*Debt Service*” on Parity Bonds means, for any period of time:

(i) With respect to any outstanding Capital Appreciation Bonds that are not designated as Balloon Maturity Bonds, the principal amount shall be equal to the Accreted Value thereof maturing or scheduled for redemption in such period, and the interest payable during such period;

(ii) With respect to any outstanding Fixed Rate Bonds, an amount equal to (A) the principal amount of such Fixed Rate Bonds due or subject to mandatory redemption during such period and for which no sinking fund installments have been established, plus (B) the amount of any payments required to be made during such period into any sinking fund established for the payment of any such Fixed Rate Bonds, plus (C) all interest payable during such period on any such outstanding Fixed Rate Bonds and with respect to Fixed Rate Bonds with mandatory sinking fund requirements, calculated on the assumption that mandatory sinking fund installments will be applied to the redemption or retirement of such Fixed Rate Bonds on the date specified in the ordinance authorizing such Fixed Rate Bonds; and

(iii) With respect to all other series of Parity Bonds other than Fixed Rate Bonds or Capital Appreciation Bonds, specifically including but not limited to Balloon Maturity Bonds and Parity Bonds bearing variable rates of interest, an amount for any period equal to the amount which would have been payable for principal and interest on such Parity Bonds during such period computed to provide for essentially level annual debt service of principal and interest over such period, using the following assumptions:

(A) The principal amount of such bonds, as of the date of such computation, shall be amortized in accordance with the mandatory redemption provisions, if any, approved by the City in conjunction with the issuance of such Parity Bonds or, if mandatory redemption provisions are not provided, during a period commencing on the date of computation and ending on the date 30 years after the date of issuance; and

(B) The interest rate for the Base Period utilized in such calculation shall be determined as follows: (I) if such bonds have been outstanding for at least 12 months as of the date of calculation, assume that the such bonds bear interest at the higher of (i) the actual rate borne by those bonds on the date of calculation, or (ii) the average rate borne by the Parity Bonds over the 12 months immediately preceding the date of calculation; and (II) if such bonds have been outstanding for less than 12 months (or are not yet outstanding) as of the date of calculation, assume that the such bonds bear interest at the higher of (i) the actual rate borne by such bonds on the date of calculation, or (ii)(a) for Tax-Exempt Bonds, the average rate set forth on the Securities Industry and Financial Markets Association Municipal Swap Index over the 12-month period immediately preceding the date of calculation, or (b) for Taxable Bonds, the average rate on direct obligations of (or obligations unconditionally guaranteed by) the United States of America over the 12 months immediately preceding the date of calculation, with maturities comparable to the rate reset period for such Taxable Bonds.

(iv) In addition, Debt Service on Parity Bonds shall be calculated net of any principal and/or interest funded out of proceeds of Parity Bonds; shall include reimbursement obligations to providers of Credit Facilities to the extent authorized by ordinance, and shall exclude the payments required to be made with respect to revenue bond anticipation notes to the extent that

the City has provided in conjunction with their issuance that the bond anticipation notes will be funded with the proceeds of Future Parity Bonds.

(28) “*Designated Representative*” means the officer of the City appointed in Section 4 of this ordinance to serve as the City’s designated representative in accordance with RCW 39.46.040(2).

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

(30) “*Finance Director*” means the person who holds the office of Finance Director of the City, or such successor officer as may be charged with carrying out all or substantially all of the duties of the office of Finance Director-Treasurer under the City Charter.

(31) “*Fiscal Agent*” means the fiscal agent of the State, as the same may be designated by the State from time to time.

(32) “*Fixed Rate Bonds*” means those Parity Bonds with respect to which the rate of interest is fixed and determinable through their final maturity or for a specified period of time. If so provided, Parity Bonds may be deemed to be Fixed Rate Bonds for only a portion of their term.

(33) “*Future Parity Bond Authorizing Ordinance*” means an ordinance of the City authorizing the issuance of Future Parity Bonds.

(34) “*Future Parity Bonds*” means any and all revenue bonds or other obligations of the Water & Sewer System issued or incurred after the Issue Date of the Bonds, the payment of the principal of and interest on which constitutes a charge or lien on the Net Revenue and ULID Assessments equal in rank with the charge and lien upon such revenue and assessments required to be paid into the Revenue Bond Fund to pay and secure the payment of the principal of and interest on the Bonds and the Outstanding Parity Bonds.

(35) “*Government Loans*” means any State or federal loans entered into at any time that are payable by the City solely from the Net Revenue of the Water & Sewer System on a basis subordinate to the lien and charge of the Parity Bonds and constituting Subordinate Debt. The currently outstanding Government Loans are identified in Exhibit A.

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

(37) “*Gross Revenue*” or “*Revenue of the System*” means all of the earnings and revenues received by the City from the maintenance and operation of the Water & Sewer System; connection and capital improvement charges collected for the purpose of defraying the cost of capital facilities of the Water & Sewer System; except as excluded below, investment earnings and income from investments of money in the Revenue Fund and the Revenue Bond Fund or from any other investment of Gross Revenue; and any federal or state reimbursements of operating expenses to the extent such expenses are included as Costs of Maintenance and Operation. Gross Revenue shall exclude: (i) federal or state grants, and gifts from any source allocated to capital projects; (ii) proceeds from the sale of Water & Sewer System property; (iii) City taxes collected by or through the System; (iv) principal proceeds of bonds (and earnings on such proceeds) invested in a trust, defeasance, or escrow fund created to defease or refund System obligations (until commingled with other earnings and revenues of the System) or held in a special account for the purpose of paying a rebate to the United States Government under the Code; (v) local improvement district assessments including ULID Assessments; (vi) income and revenue which may not legally be pledged for revenue

bond debt service; (vii) payments under bond insurance or any other credit enhancement policy or device; (viii) insurance or condemnation proceeds used for the replacement of capital projects or equipment; and (ix) unless declined by a written election by the City's Designated Representative, any federal subsidy legally available to pay the principal of or interest on Parity Bonds. For purposes of determining compliance with the Rate Covenant, amounts withdrawn from the Coverage Stabilization Account shall increase the Gross Revenue for the period in which they are withdrawn, and amounts deposited in the Coverage Stabilization Account shall reduce Revenue for the period during which they are deposited. Credits to or from the Coverage Stabilization Account that occur within 90 days after the end of a fiscal year may be treated as occurring within such fiscal year. If the City creates a Separate Utility System in accordance with Section 18 of this ordinance, revenue from such Separate Utility System shall be excluded from Gross Revenue.

(38) “*Independent Consultant*” means a professional, independent consultant experienced with municipal utilities of comparable size and character to the Water & Sewer System and in such areas as are relevant to the purpose for which he or she is being retained. Such a consultant shall be deemed independent if he or she is not an employee or officer of the City.

(39) “*Issue Date*” means, with respect to a Bond, the date of initial issuance and delivery of that Bond to the Purchaser in exchange for the purchase price of that Bond.

(40) “*Letter of Representations*” means the Blanket Issuer Letter of Representations between the City and DTC on file with DTC, and any successor or substitute letter relating to the operational procedures of the Securities Depository.

(41) “*Maximum Annual Debt Service*” means, as of the date of calculation, the highest amount of Annual Debt Service that will come due in any fiscal year or Base Period for all outstanding Parity Bonds and, if required by context, for all Subordinate Debt.

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

(43) “*Municipal Advisor*” means PFM Financial Advisors LLC, or any other Municipal Advisor then appointed and acting as financial advisor to the City.

(44) “*Net Revenue*” means Gross Revenue, less Costs of Maintenance and Operation.

(45) “*Official Statement*” means an offering document, disclosure document, private placement memorandum or substantially similar disclosure document provided to purchasers and potential purchasers in connection with the initial offering of a Series of the Bonds in conformance with Rule 15c2-12 or other applicable regulations of the SEC.

(46) “*Outstanding Parity Bonds*” means those Parity Bonds that are outstanding at a given time. As of the date of this ordinance, the Outstanding Parity Bonds are identified in Exhibit A.

(47) “*Owner*” means, without distinction, the Registered Owner and the Beneficial Owner of a Bond or of a Parity Bond, depending on context.

(48) “*Parity Bond Authorizing Ordinance*” means any ordinance authorizing the issuance of one or more series of Parity Bonds, including the ordinances identified in Exhibit A, this ordinance, and any Future Parity Bond Authorizing Ordinance.

(49) “*Parity Bonds*” means the Outstanding Bonds, the Bonds, and any Future Parity Bonds that may be issued in accordance with the Parity Conditions.

(50) “*Parity Conditions*” means the conditions for the issuance of Future Parity Bonds set forth in Exhibit B of this ordinance, which is incorporated by this reference.

(51) “*Parity Covenant Date*” means the date on which the Outstanding Parity Bonds described on Exhibit A to this ordinance (namely, the outstanding portions of the City’s Water & Sewer Revenue Bonds, 2013; Water & Sewer Revenue Bonds, 2015; Water & Sewer Revenue Refunding Bonds, 2016; and Water & Sewer Revenue and Refunding Bonds, 2023) are fully defeased or redeemed.

(52) “*Parity Requirement*” has the meaning given in the Parity Conditions set forth in Exhibit B of this ordinance and incorporated by this reference.

(53) “*Permitted Investments*” means any investment that, at the time of such investment, is permitted as legal investment for City funds under State law.

(54) “*Plan of Additions*” means the system or plan of additions and improvements to and betterments and extensions of the Water & Sewer System, described under the heading Comprehensive Plans, as set forth in the Comprehensive Sewer and Surface Water Plans of the City adopted and in effect from time to time (most recently, approved in the City’s Comprehensive Sewer Plan, dated December 17, 2014; and 2022 Surface Water Comprehensive Plan, dated March 30, 2022. The Plan of Additions also includes, but is not limited to, the Projects.

(55) “*Projects*” means those projects described in Exhibit D, or any other projects comprising a portion of the Plan of Additions. The City Council reserves the right to amend this ordinance to make such changes in or additions to the Projects (including changes to the construction or design of other facilities of the System) as may be found necessary or desirable. The Projects shall include acquisition by purchase, lease, or condemnation of all real or personal property, including any interest, right-of-way, or easement that may be found necessary to acquire, construct, install, or otherwise undertake the Projects. Incidental costs incurred in connection with carrying out and accomplishing the Projects, consistent with RCW 39.46.070, may be included as costs of the Projects.

(56) “*Purchaser*” means a corporation, firm, association, partnership, trust, bank, financial institution, or other legal entity or group of entities selected by the Designated Representative to serve as purchaser in a private placement, to serve as underwriter in a negotiated sale, or otherwise awarded as the successful bidder in a competitive sale of any Series of the Bonds.

(57) “*Qualified Insurance*” means any non-cancelable municipal bond insurance policy or surety bond issued by an insurance company licensed to conduct an insurance business in any state of the United States (or by a service corporation acting on behalf of one or more such insurance companies) which issuer, as of the time of issuance of such policy or surety bond, is rated in one of the two highest rating categories by any Rating Agency (e.g., Aaa or Aa), without regard to gradation within a category.

(58) “*Qualified Reserve Security*” means any Qualified Insurance or other Credit Facility (which may be in the form of reserve insurance, reserve surety, collateral, security, letter of credit, guaranty, surety bond, or similar credit enhancement device) providing for or securing the payment of all or part of the principal of and interest on Parity Bonds, issued by an institution which has been assigned a credit rating by a Rating Agency, at the time that such Reserve Security is obtained by the City, in one of the two highest rating categories (e.g., Aaa or Aa), without regard to gradations within those categories.

(59) “*Rate Covenant*” means, for any fiscal year (or other Base Period, as applicable by context), an amount of Net Revenue at least equal to 1.25 times the Annual Debt Service in that year on all Parity Bonds outstanding as of the calculation date, subtracting from Annual Debt Service the amount of ULID Assessments collected in such year in respect of Assessment Bonds. In determining compliance with the Rate Covenant, (i) Gross Revenue and Costs of Maintenance and Operation used to calculate Net Revenue may be adjusted, regardless of then applicable generally accepted accounting principles, for certain items (e.g., to omit unrealized gains or losses in investments) to more fairly reflect the Water & Sewer System’s annual operating performance; (ii) absent a written election by a Designated Representative to the contrary, Debt Service shall be calculated net of any Tax Credit Subsidy or other federal subsidy legally available to pay the principal of or interest on Parity Bonds in the year of calculation; and (iii) Debt Service shall exclude the payments required to be made with respect to revenue bond anticipation notes to the extent that the City provided in conjunction with their issuance that such bond anticipation notes would be funded with the proceeds of Future Parity Bonds.

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

(61) “*Record Date*” means the Bond Registrar’s close of business on the 15th day of the month preceding an interest payment date. With respect to redemption of a Bond prior to its maturity, the Record Date shall mean the Bond Registrar’s close of business on the date on which the Bond Registrar sends the notice of redemption in accordance with Section 9 of this ordinance.

(62) “*Registered Owner*” means, with respect to a Bond or the Parity Bonds (depending on context), the person in whose name that Bond is registered on the Bond Register. With respect to any Parity Bonds held in Book-Entry Form, Registered Owner shall mean the Securities Depository.

(63) “*Reserve Account*” means, as determined by context, the Common Reserve Subaccount created to secure payment of the Covered Bonds, and/or any other reserve subaccount created to secure payment of one or more Series of Parity Bonds.

(64) “*Reserve Requirement*” means a dollar amount to be calculated as follows:

(i) With respect to the Covered Bonds secured by the Common Reserve Subaccount, the Reserve Requirement shall be equal to the least of: (A) Maximum Annual Debt Service for all Covered Bonds, (B) 10% of the outstanding principal amount of each series of Covered Bonds then outstanding, and (C) 125% of Average Annual Debt Service for all Covered Bonds. In conjunction with the issuance of a series of Future Parity Bonds that are Covered Bonds, the dollar amount required to be contributed, if any, shall not be greater than the Tax Maximum and shall approved by the Finance Director in approving the Sale Terms for such Parity Bonds at an amount equal to the incremental amount needed to bring the balance in the Common Reserve Subaccount (or the subaccount therein securing the Covered Bonds) to the amount calculated in the preceding sentence, and may, in the Finance Director’s discretion, take into account the maximum amount payable under any Qualified Reserve Security. Once calculated, the Reserve Requirement shall remain in effect until the earlier of (i) at the City’s option, a payment of principal of Covered Bonds, or (ii) upon the issuance of a subsequent series of Future Parity Bonds that are Covered Parity Bonds.

(ii) With respect to any series of Parity Bonds that are not Covered Bonds, the Reserve Requirement (if any) shall be equal to the amount specified by the Finance Director in approving the Sale Terms for such Parity Bonds, which amount (if any) shall be deposited

and maintained in a subaccount within the Revenue Bond Fund that is held separate from the Common Reserve Subaccount securing the Covered Bonds.

(65) “*Revenue Bond Fund*” means, together, (i) the Bond Redemption Subaccount and (ii) the Common Reserve Subaccount.

(66) “*Revenue of the System*” means Gross Revenue.

(67) “*Revenue Fund*” means the Water & Sewer System Revenue Fund.

(68) “*Rule 15c2-12*” means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934, as amended.

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

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

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

(72) “*Separate Utility System*” means any water, sanitary sewer, and storm and surface water drainage systems, or other utility service or facilities that may be created, acquired or constructed by the City as provided in Section 18 of this ordinance.

(73) “*Series of the Bonds*” or “*Series*” means a series of the Bonds issued pursuant to this ordinance.

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

(75) “*Subordinate Debt*” means any obligation of the Water & Sewer System that is payable from Net Revenue on a basis that is junior and inferior to the lien and charge on the Net Revenue in respect of the Parity Bonds.

(76) “*System*” means the Water & Sewer System.

(77) “*System of Registration*” means the system of registration for the City’s bonds and other obligations set forth in in chapter 3.18 of the Everett Municipal Code and in this ordinance.

(78) “*Tax Credit Subsidy Bond*” means any bond that is designated by the City as a type of tax credit bond authorized under the Code and which is further designated as a “qualified bond” under provisions of the Code providing for “direct-pay” tax credit bonds.

(79) “*Tax Credit Subsidy Payment*” means the federal subsidy amounts that may be requested as a tax credit payable by the United States Treasury in respect of any bonds issued as Tax Credit Subsidy Bonds.

(80) “*Tax Maximum*” means the maximum dollar amount permitted by the Code, to be allocated to a debt service Reserve Account from bond proceeds without requiring the balance to be invested at a restricted yield.

(81) “*Term Bond*” means a Parity Bond designated as a Term Bond and subject to mandatory redemption in the years and amounts set forth in the relevant Bond Purchase Agreement.

(82) “*ULID*” means any utility local improvement district now existing or hereafter created for the acquisition or construction of additions, extensions, or betterments of any portion of the Water & Sewer System, which additions, extensions, or betterments are financed through the issuance of Parity Bonds and the assessments in which are payable into the Revenue Bond Fund. As used in this ordinance, the term *ULID* does not include any utility local improvement district created for the financing of additions, extensions, or betterments by methods other than the issuance of Parity Bonds.

(83) “*ULID Assessments*” means the assessments levied in any *ULID*, including installment payments of any assessment as well as the interest and penalties (if any) thereon, less any prepaid assessments permitted by law to be paid into a construction fund or account.

(84) “*Undertaking*” means the written undertaking to provide continuing disclosure executed by the Finance Director pursuant to Section 24 of this ordinance in order to permit the underwriter or successful bidder for the Bonds to comply with Rule 15c2-12.

(85) “*Water & Sewer System*” consists of the water, sanitary sewer, and storm and surface water drainage systems of the City, as set forth in Section 14.16.010 of the Everett Municipal Code, including (1) the sanitary sewage collection and treatment system of the City, including facilities for the collection and disposal of storm water runoff, (2) the existing water supply and distribution system of the City, including the interest of the City in the water supply facilities constructed by Public Utility District No. 1 of Snohomish County pursuant to the Sultan River Project Agreement, as the foregoing Water & Sewer Systems now exist and together with all additions thereto and betterments and extensions thereof at any time made, and (3) including any other Water & Sewer Systems hereafter combined with the Water & Sewer System by ordinance of the City Council.

(86) “*Water & Sewer System Revenue Fund*” or “*Revenue Fund*” means that special fund of the City created by Section 6 of Ordinance No. 536-78, now known as “Fund 401–Public Works–Utilities” and shall include all cash and accounts therein.

(b) *Rules of Interpretation.* In this ordinance, unless the context otherwise requires:

(1) The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this ordinance, refer to this ordinance as a whole and not to any particular article, section, subdivision, or clause hereof. The term “hereafter” shall mean after, and the term “heretofore” shall mean before, the date of this ordinance.

(2) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa.

(3) Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons.

(4) Any headings preceding the text of the sections of this ordinance, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this ordinance, nor shall they affect its meaning, construction or effect.

(5) All references herein to sections and other subsections or clauses are to the corresponding sections, subsection, or clauses hereof.

Section 3. Purpose and Authorization of the Bonds . For the purpose of (a) paying or reimbursing the costs of all or a portion of the costs of carrying out the Projects, (b) providing for meeting the debt service Reserve Requirement, if necessary, and (c) paying the costs of issuance of the Bonds, the City is authorized to issue Water & Sewer Revenue Bonds in one or more series in an aggregate principal amount not to exceed \$181,000,000. The proceeds of the Bonds shall be deposited as set forth in Section 8 of this ordinance and shall be allocated to paying the respective costs of the Projects in such order of time as the City determines is advisable and practicable.

Section 4. Description of Bonds; Appointment of Designated Representative; Parity Certificate. The Finance Director is appointed to act as the Designated Representative of the City and is authorized and directed to conduct the sale of the Bonds in one or more Series, in the manner and upon the terms deemed most advantageous to the City, and to approve the Bond Sale Terms of each Series of the Bonds, with such additional terms and covenants as the Designated Representative deems advisable, within the parameters set forth in Exhibit C, which is attached to this ordinance and incorporated by this reference. As a condition to delivery of the Bonds as Parity Bonds, the Designated Representative shall find, to such official's satisfaction, that the Parity Conditions as set forth in Ordinance Nos. 3313-13, 3518-16, and 3946-23 have been met or complied with.

Section 5. Bond Registrar; Registration and Transfer of Bonds.

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

(b) *Bond Registrar; Duties*. The Fiscal Agent is appointed as initial Bond Registrar. The Bond Registrar shall keep, or cause to be kept, sufficient books for the registration and transfer of the Bonds, which shall be open to inspection by the City at all times. The Bond Registrar is authorized, on behalf of the City, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of the Bonds and this ordinance, to serve as the City's paying agent for the Bonds and to carry out all of the Bond Registrar's powers and duties under this ordinance and the System of Registration. The Bond Registrar shall be responsible for its representations contained in the Bond Registrar's Certificate of Authentication on each Bond. The Bond Registrar may become an Owner with the same rights it would have if it were not the Bond Registrar and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as members of, or in any other capacity with respect to, any committee formed to protect the rights of Owners.

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

(d) *Securities Depository; Book-Entry Only Form*. If a Bond is to be issued in book-entry form, DTC shall be appointed as initial Securities Depository and each such Bond initially shall be registered in the name of Cede & Co., as the nominee of DTC. Each Bond registered in the name of the Securities Depository shall be held fully immobilized in book-entry only form by the Securities Depository in accordance with the provisions of the Letter of Representations. Registered ownership of any Bond registered in the name of the Securities Depository may not be transferred except: (i) to

any successor Securities Depository; (ii) to any substitute Securities Depository appointed by the City; or (iii) to any person if the Bond is no longer to be held in book-entry only form. Upon the resignation of the Securities Depository, or upon a termination of the services of the Securities Depository by the City, the City may appoint a substitute Securities Depository. If (i) the Securities Depository resigns and the City does not appoint a substitute Securities Depository, or (ii) the City terminates the services of the Securities Depository, the Bonds no longer shall be held in book-entry only form and the registered ownership of each Bond may be transferred to any person as provided in this ordinance. Neither the City nor the Bond Registrar shall have any obligation to participants of any Securities Depository or the persons for whom they act as nominees regarding accuracy of any records maintained by the Securities Depository or its participants. Neither the City nor the Bond Registrar shall be responsible for any notice that is permitted or required to be given to a Registered Owner except such notice as is required to be given by the Bond Registrar to the Securities Depository.

Section 6. Form and Execution of Bonds.

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

(b) *Authentication.* Only a Bond bearing a Certificate of Authentication in substantially the following form, manually signed by the Bond Registrar, shall it be valid or obligatory for any purpose or entitled to the benefits of this ordinance: "Certificate of Authentication. This Bond is one of the fully registered City of Everett, Washington, Water & Sewer Revenue Bonds, 2025 [Series _]." The authorized signing of a Certificate of Authentication shall be conclusive evidence that the Bond so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this ordinance.

Section 7. Payment of the Bonds. Principal of and interest on each Bond shall be payable in lawful money of the United States of America. Principal of and interest on each Bond registered in the name of the Securities Depository is payable in the manner set forth in the Letter of Representations. Interest on each Bond not registered in the name of the Securities Depository is payable by electronic transfer on the interest payment date, or by check or draft of the Bond Registrar mailed on the interest payment date to the Registered Owner at the address appearing on the Bond Register on the Record Date. However, the City is not required to make electronic transfers except pursuant to a request by a Registered Owner in writing received on or prior to the Record Date and at the sole expense of the Registered Owner. Principal of each Bond not registered in the name of the Securities Depository is payable upon presentation and surrender of the Bond by the Registered Owner to the Bond Registrar. The Bonds are not subject to acceleration under any circumstances.

Section 8. Deposit and Use of Bond Proceeds.

(a) *Construction Fund Deposit; Investment and Use of Proceeds.* The proceeds of the Bonds, less the amount necessary to satisfy the Reserve Requirement applicable to the Bonds (if any) as set forth in subsection (b), shall be deposited in the Construction Fund and be used to pay the costs of issuance and sale of the Bonds and the costs of carrying out the Projects. Until needed to pay such costs, the City may invest those proceeds temporarily in any Permitted Investment, and the investment earnings shall be retained in the Construction Fund and used for the purposes of that fund, except that earnings subject to a federal tax or rebate requirement may be withdrawn from the Construction Fund and used for those tax or rebate purposes.

Implementation or completion of any specified Project shall not be required if the City determines that, due to substantially changed circumstances, it has become advisable or impractical. If the Projects are completed (or their completion duly provided for) by another source of funds, or if their completion found to be impractical, the City may apply the Bond proceeds or any portion thereof or to other improvements to the Water & Sewer System, as the City Council in its discretion may direct. If the Bond proceeds, plus other legally available funds, are insufficient to accomplish all of the Projects, the City may use the available funds for paying the cost of such portion of the Projects deemed by the Council most necessary and in the best interest of the City.

(b) *Reserve Requirement.* On the Issue Date, if the Finance Director designates the Bonds as Covered Bonds, proceeds of the Bonds in an amount (if any) necessary to satisfy the Reserve Requirement in the manner and time as determined by the Finance Director and approved in the Sale Terms, may be deposited into the Common Reserve Subaccount or, in the discretion of the Finance Director, into a separate reserve subaccount created to secure the Bonds. In the Finance Director's discretion, the Finance Director may create such additional reserve subaccounts within the Revenue Bond Fund as may be required in respect of a series of Parity Bonds that are not Covered Bonds (if any).

Section 9. Redemption Provisions and Purchase of Bonds.

(a) *Optional Redemption.* Each Series of the Bonds shall be subject to redemption at the option of the City on terms acceptable to the Designated Representative, as set forth in the Bond Purchase Agreement, consistent with the parameters set forth in Exhibit C.

(b) *Mandatory Redemption.* Each Bond that is designated as a Term Bond in the Bond Purchase Agreement, except as set forth below, shall be called for redemption at a price equal to the stated principal amount to be redeemed, plus accrued interest, on the dates and in the amounts as set forth in the Bond Purchase Contract. If a Term Bond is redeemed under the optional redemption provisions, defeased or purchased by the City and surrendered for cancellation, the principal amount of the Term Bond so redeemed, defeased or purchased (irrespective of its actual redemption or purchase price) shall be credited against one or more scheduled mandatory redemption installments for that Term Bond. The City shall determine the manner in which the credit is to be allocated and shall notify the Bond Registrar in writing of its allocation prior to the earliest mandatory redemption date for that Term Bond for which notice of redemption has not already been given.

(c) *Selection of Bonds for Redemption; Partial Redemption.* If fewer than all of the outstanding Bonds within a Series are to be redeemed at the option of the City, the City shall select the Series and maturities to be redeemed. If fewer than all of the outstanding Bonds of a maturity of a Series are to be redeemed, the Securities Depository shall select Bonds registered in the name of the Securities Depository to be redeemed in accordance with the Letter of Representations, and the Bond Registrar shall select all other Bonds to be redeemed randomly in such manner as the Bond Registrar

shall determine. All or a portion of the principal amount of any Bond that is to be redeemed may be redeemed in any Authorized Denomination. If less than all of the outstanding principal amount of any Bond is redeemed, upon surrender of that Bond to the Bond Registrar, there shall be issued to the Registered Owner, without charge, a new Bond (or Bonds, at the option of the Registered Owner) of the same Series, maturity and interest rate in any Authorized Denomination in the aggregate principal amount to remain outstanding.

(d) *Notice of Redemption.* Notice of redemption of each Bond registered in the name of the Securities Depository shall be given in accordance with the Letter of Representations. Notice of redemption of each other Bond, unless waived by the Registered Owner, shall be given by the Bond Registrar not less than 20 nor more than 60 days prior to the date fixed for redemption by first-class mail, postage prepaid, to the Registered Owner at the address appearing on the Bond Register on the Record Date. The requirements of the preceding sentence shall be satisfied when notice has been mailed as so provided, whether or not it is actually received by an Owner. In addition, the redemption notice shall be mailed or sent electronically within the same period to the MSRB (if required under the Undertaking), to each Rating Agency, and to such other persons and with such additional information as the Finance Director shall determine, but these additional mailings shall not be a condition precedent to the redemption of any Bond.

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

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

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

Section 10. Refunding or Defeasance of the Bonds. The City may issue refunding bonds pursuant to State law or use money available from any other lawful source to carry out a refunding or defeasance plan, which may include (a) paying when due the principal of and interest on any or all of the Bonds (the “Defeased Bonds”); (b) redeeming the Defeased Bonds prior to their maturity; and (c) paying the costs of the refunding or defeasance. If the City sets aside in a special trust fund or escrow account irrevocably pledged to that redemption or defeasance (the “trust account”), money and/or Government Obligations maturing at a time or times and bearing interest in amounts sufficient to redeem, refund or defease the Defeased Bonds in accordance with their terms, then all right and interest of the Owners of the Defeased Bonds in the covenants of this ordinance and in the funds and accounts obligated to the payment of the Defeased Bonds shall cease and become void. Thereafter, the Owners of Defeased Bonds shall have the right to receive payment of the principal of and interest on the Defeased Bonds solely from the trust account and the Defeased Bonds shall be deemed no longer outstanding. In that event, the City may apply money remaining in any fund or account (other than the trust account) established for the payment or redemption of the Defeased Bonds to any lawful purpose. Unless otherwise specified by the City in a refunding or defeasance plan, notice of refunding or defeasance shall be given, and selection of Bonds for any partial refunding or

defeasance shall be conducted, in the manner prescribed in this ordinance for the redemption of Bonds.

Section 11. Failure To Pay Bonds. If the principal of any Bond is not paid when the Bond is properly presented at its maturity or date fixed for redemption, the City shall be obligated to pay interest on that Bond at the same rate provided in the Bond from and after its maturity or date fixed for redemption until that Bond, both principal and interest, is paid in full or until sufficient money for its payment in full is on deposit in the Revenue Bond Fund, or in a trust account established to refund or defease the Bond, and the Bond has been called for payment by giving notice of that call to the Registered Owner.

Section 12. Pledge of Net Revenue and Lien Position. The Net Revenue and ULID Assessments are pledged irrevocably to the payment of the amounts required to be paid into the Revenue Bond Fund for the payment of the Bonds. The amounts so pledged to be paid into the Revenue Bond Fund from the Water & Sewer System Revenue Fund are hereby declared to be a lien and charge upon the Gross Revenue junior in lien to the Costs of Maintenance and Operation and equal to the lien of the charges upon such Net Revenue and ULID Assessments that have heretofore been made to pay and secure the payment of the principal of and interest on the Outstanding Parity Bonds and which may hereafter be made upon the Net Revenue and ULID Assessments to pay and secure the payment of the principal of and interest on any Future Parity Bonds, and prior and superior to all other charges of any kind or nature whatsoever.

Section 13. Revenue Bond Fund; Payments into the Revenue Bond Fund.

(a) *Payments into Revenue Bond Fund.* The Revenue Bond Fund has previously been created in the office of the Finance Director and is composed of two subaccounts: the Bond Redemption Subaccount and the Common Reserve Subaccount. The Finance Director may create such additional accounts and subaccounts as may be convenient for the payment of the Parity Bonds and incorporate them as part of the Revenue Bond Fund, so long as the maintenance of such accounts does not conflict with the rights of the Owners of Parity Bonds.

(1) So long as any Parity Bonds are outstanding, the City covenants that all ULID Assessments (if any) shall be paid into the Revenue Bond Fund and that the City shall set aside and pay into the Revenue Bond Fund out of the Net Revenue, certain fixed amounts without regard to any fixed proportion, namely:

(i) Into the Bond Redemption Subaccount, on or before each interest (or principal and interest) payment date, an amount that will be sufficient, together with ULID Assessments and other money then on deposit therein, to pay the interest on and principal of (if any) the Parity Bonds then coming due and payable, including mandatory redemption amounts with respect to Term Bonds; and

(ii) Into the Common Reserve Subaccount (and into any separate reserve subaccount, if any, created in respect of any Parity Bonds that are not Covered Bonds), an amount necessary to satisfy the Reserve Requirements applicable to Bonds secured by such subaccounts in the time and manner required pursuant to subsection (c) of this section.

(2) When the total amount in the subaccounts in Revenue Bond Fund that are pledged to payment of the Parity Bonds equals the total amount of principal and interest with respect to all outstanding Parity Bonds to the last maturity thereof, no further payment need be made into those subaccounts in the Revenue Bond Fund.

(b) *Bond Redemption Subaccount.* For so long as any Parity Bonds are outstanding, the City covenants to maintain the Bond Redemption Subaccount for the payment of the Parity Bonds and to make deposits therein as set forth in subsection (a), above. If there is a deficiency in the Bond Redemption Subaccount to make the next upcoming payment of either principal or interest, that deficiency shall be made up from the Common Reserve Subaccount by the withdrawal of amounts necessary for that purpose.

(c) *Reserve Requirement.*

(1) *Designation as Covered Bonds and Establishment of Reserve Requirement.* In connection with the issuance of the Bonds and approval of the Sale Terms, the Finance Director shall determine whether to designate the Bonds (i) as Covered Bonds secured by the Common Reserve Subaccount, (ii) as Parity Bonds secured by a separate reserve subaccount, or (iii) as Parity Bonds not secured by a reserve subaccount. If the Bonds are not designated as Covered Bonds, any separate Reserve Requirement (if any) shall be established in the Bond Sale Terms set forth in the Bond Purchase Agreement.

(2) *Covered Bonds; Maintenance of Common Reserve Subaccount.* If the Finance Director determines to designate the Bonds as Covered Bonds, then for so long as the Bonds are outstanding, the City shall be required to maintain a balance in the Common Reserve Subaccount (including the value of all Reserve Securities held therein) at least equal to the Reserve Requirement, except for withdrawals as authorized in this subsection. The Reserve Requirement may be maintained by holding cash (which may be invested as set forth below), one or more Qualified Reserve Securities, Qualified Insurance, or a combination of the foregoing. In computing the amount on hand in the Common Reserve Subaccount, Qualified Reserve Securities or Qualified Insurance shall be valued at the face amount thereof. All other obligations purchased as an investment of money held in such subaccount shall be valued at cost. As used herein, the term “cash” shall include U.S. currency, cash equivalents, and evidences thereof, including demand deposits and certified or cashier’s checks. The deposit to the Common Reserve Subaccount may be satisfied initially by the transfer of qualified investments to such subaccount. In the event of any cancellation or termination of a Qualified Reserve Security or Qualified Insurance, the Common Reserve Subaccount shall be funded as if the Covered Bonds that remain outstanding on the date of such notice of cancellation or termination had been issued on that date. If the Bonds are designated as Covered Bonds, the Reserve Requirement must be satisfied in connection with the issuance of the Bonds and any Future Parity Bonds that are Covered Bonds, by any combination of: (i) a deposit of Bond proceeds on the issue date; (ii) the purchase of one or more Qualified Reserve Securities or Qualified Insurance on the issue date; and (iii) the deposit of Net Revenue, ULID Assessments, or other legally available money of the City in approximately equal annual installments (made no later than December 20 of each year) so that the Reserve Requirement is funded no later than five years after the issue date of the Bonds or of such Future Parity Bonds, as applicable.

(3) *Withdrawals from and Replenishment of Debt Service Reserve Subaccount(s).* On any principal or interest payment date in which there is a deficiency in the Bond Redemption Subaccount in respect of any Parity Bonds secured by the Common Reserve Subaccount or by a separate reserve subaccount, amounts sufficient to make up that deficiency shall be withdrawn from the Common Reserve Subaccount (or from the separate reserve subaccount, if applicable) (including by a draw on a Qualified Reserve Security or Qualified Insurance, if any) and shall be transferred to the Bond Redemption Subaccount. If, by reason of such withdrawal, the balance remaining in such reserve subaccount is insufficient to meet the Reserve Requirement for the Covered Bonds (or the reserve requirement established to secure Parity Bonds that are not Covered Bonds), such deficiency shall then be made up from the next available payments of Net Revenue and ULID Assessments after

making necessary provision for the required payments into the Bond Redemption Subaccount. Except for withdrawals described above, the money in the Common Reserve Subaccount (and in any other reserve subaccount that may be established) otherwise shall be held intact and may be applied against the last outstanding Parity Bonds. However, if at any time the Common Reserve Subaccount (or any subaccount) is fully funded, money in excess of the applicable Reserve Requirement shall be withdrawn and deposited, first, in any other subaccount having a deficiency in its Reserve Requirement, and second, at the option of the Finance Director, either in the Bond Redemption Subaccount and spent for the purpose of retiring Parity Bonds, or in into the Water & Sewer System Revenue Fund and spent for other lawful system purposes.

(d) *Investment of Money Deposited in Revenue Bond Fund.* All money in the Revenue Bond Fund may be kept in cash or shall be invested in Permitted Investments maturing not later than the date when needed (for investments in the Bond Redemption Subaccount) or the last maturity of any outstanding Parity Bonds (for investments in the Common Reserve Subaccount or other reserve subaccount). Income from investments in the Bond Redemption Subaccount shall be retained in and used for the purposes of that subaccount. Income from investments in the Common Reserve Subaccount (or other reserve subaccount) shall be retained in and used for the purposes of that subaccount until the amount therein is equal to the applicable Reserve Requirement, and thereafter shall be deposited in the Bond Redemption Subaccount or used for other Water & Sewer System purposes.

(e) *Action to Compel Payments.* The City may transfer any money from any funds or accounts of the System legally available therefor, except bond redemption funds, refunding escrow funds, or defeasance funds, to meet the required payments to be made into the Revenue Bond Fund. If the City fails to set aside and pay into the Revenue Bond Fund the amounts set forth above, the owner of any of the outstanding Parity Bonds may bring action against the City and compel the setting aside and payment, consistent with the rights and remedies set forth in Section 22 of this ordinance.

Section 14. Water & Sewer System Revenue Fund; Flow of Funds.

(a) *Revenue Fund.* The Water & Sewer System Revenue Fund has previously been established as a special fund of the City into which shall be deposited the Gross Revenue as collected, except the interest earned and income derived from investments of money in the Revenue Bond Fund and the accounts therein. The Water & Sewer System Revenue Fund shall be held separate and apart from all other funds and accounts of the City. Money in the Revenue Fund may be invested by the City in any investment that is a legal investment for the City.

(b) *Flow of Funds.* So long as any Parity Bonds are outstanding, the City covenants that all ULID Assessments (if any) shall be paid into the Revenue Bond Fund, and the Gross Revenue shall be deposited into the Water & Sewer System Revenue Fund to be used for the following purposes only in the following order of priority:

- (1) To pay the Costs of Maintenance and Operation;
- (2) To make when due the required payments into the Bond Redemption Subaccount in respect of interest on the Parity Bonds, including reimbursements to the issuer of a Credit Facility if the Credit Facility secures the payment of interest on Parity Bonds and the ordinance authorizing such Parity Bonds provides for such reimbursement;
- (3) To make when due the required payments into the Bond Redemption Subaccount in respect of principal of (and premium on, if any) the Parity Bonds at maturity and on

mandatory redemption dates with respect to Term Bonds, and to pay all reimbursements due to the issuer of a Credit Facility if the Credit Facility secures the payment of principal of Parity Bonds and the ordinance authorizing such Parity Bonds provides for approval of Bond Sale Terms authorizing such reimbursement;

(4) To make all payments required to be made into any sinking fund account hereafter created (exclusive of payments made into the Bond Redemption Subaccount in respect of mandatory redemption payments then due) to provide for the payment of the principal of Term Bonds or Balloon Maturity Bonds;

(5) To make all payments required to be made into the Common Reserve Subaccount for Covered Bonds (and to any reserve subaccount that may be created in the future to secure payment of debt service on Parity Bonds that are not Covered Bonds), including reimbursements to the issuer of a Qualified Reserve Security utilized to satisfy the Reserve Requirement for the Covered Bonds (or for a series of Parity Bonds secured by a separate reserve subaccount) and the ordinance authorizing such Parity Bonds provides for approval of Bond Sale Terms authorizing such reimbursement;

(6) To make all payments required to be made into any revenue debt redemption fund, debt service account, Reserve Account, or sinking fund account created to pay and secure the payment of the principal of and interest on Subordinate Debt, including Government Loans and any revenue bonds, revenue warrants, or other revenue obligations of the City having a lien upon the Net Revenue junior and inferior to the lien thereon for the payment of the principal of and interest on the Parity Bonds

(7) For any of the following purposes without priority: (i) to retire by redemption or to purchase in the open market any outstanding obligations of the Water & Sewer System; (ii) to make necessary betterments and replacements of or repairs, additions or extensions to the Water & Sewer System; (iii) to make deposits into the Coverage Stabilization Account; or (iv) for any other lawful City purpose.

Section 15. Coverage Stabilization Account. The Finance Director is hereby authorized to create a Coverage Stabilization Account within the Revenue Fund at the option of the Finance Director. The City hereby determines that the maintenance of a Coverage Stabilization Account will moderate fluctuations in Net Revenue and help to alleviate the need for short-term rate adjustments. Money in the Coverage Stabilization Account may be transferred as determined from time to time by the Finance Director. The City may make deposits into the Coverage Stabilization Account from the Water & Sewer System Revenue Fund at any time in accordance with the flow of funds set forth in subsection (a) of this section. Money in the Coverage Stabilization Account may be withdrawn at any time and used for the purposes for which the Gross Revenue may be used. For purposes of measuring compliance with the Rate Covenant, amounts withdrawn from the Coverage Stabilization Account shall increase Gross Revenue for the period in which they are withdrawn, and amounts deposited in the Coverage Stabilization Account shall reduce Gross Revenue for the period during which they are deposited. Transfers to or from the Coverage Stabilization Account that occur within 90 days after the end of a fiscal year may be treated as occurring within such fiscal year. Earnings on the Coverage Stabilization Account shall be credited to the Water & Sewer System Revenue Fund.

Section 16. Bond Covenants. For so long as any of the Bonds are outstanding, the City covenants and agrees as follows:

(a) *Maintenance and Operation.* The City shall at all times maintain, preserve and keep the properties of the Water & Sewer System in good repair, working order and condition and will from time to time make all necessary and proper repairs, renewals, replacements, extensions and betterments thereto, so that at all times the business carried on in connection therewith will be properly and advantageously conducted, and the City will at all times operate or cause to be operated said properties of the Water & Sewer System and the business in connection therewith in an efficient manner and at a reasonable cost.

(b) *Rate Covenant.* The City will establish, maintain, and collect such rates and charges for service of the Water & Sewer System for so long as any Parity Bonds are outstanding as will maintain the Rate Covenant.

(c) *Payment of Costs of Maintenance and Operation.* In accordance with the flow of funds from the Water & Sewer System Revenue Fund as required by Section 14 hereof, there shall be maintained in the Revenue Fund sufficient money to enable the City to meet the Costs of Maintenance and Operation on a current basis.

(d) *Sale or Disposition of the Water & Sewer System.* The City will not sell or otherwise dispose of the Water & Sewer System in its entirety unless simultaneously with such sale or other disposition, provision is made for the payment into the Revenue Bond Fund of cash or Government Obligations sufficient together with interest to be earned thereon to pay the principal of and interest on the then-Outstanding Parity Bonds, nor will it sell or otherwise dispose of any part of the useful operating properties of the Water & Sewer System unless such facilities are replaced or provision is made for payment into the Revenue Bond Fund of the greatest of the following:

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

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

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

The proceeds of any such sale or disposition of a portion of the properties of the Water & Sewer System (to the extent required above) shall be paid into the Revenue Bond Fund. Notwithstanding any other provision of this subsection (d), the City may sell or otherwise dispose of any of the works, plant, properties, and facilities of the Water & Sewer System (or any real or personal property comprising a part of the same) which shall have become unserviceable, inadequate, obsolete, unfit to be used in the operation of the Water & Sewer System, or no longer necessary, material to, or useful in such operation, without making any deposit into the Revenue Bond Fund.

(e) *Liens or Encumbrances.* The City will not at any time create or permit to accrue or to exist any lien or other encumbrance or indebtedness upon the Water & Sewer System or the Gross Revenue, or any part thereof, prior or superior to the lien thereon for the payment of the Parity Bonds, and will pay and discharge, or cause to be paid and discharged, any and all lawful claims for

labor, materials, or supplies which, if unpaid, might become a lien or charge upon the Gross Revenue, or any part thereof, or upon any funds in the hands of the City, prior to or superior to the lien of the Parity Bonds, or which might impair the security of the Parity Bonds.

(f) *Insurance.* The City will keep the works, plants and facilities comprising the Water & Sewer System insured, and will carry such other insurance, with responsible insurers, with policies payable to the City, against risks, accidents or casualties, at least to the extent that insurance is usually carried by private corporations operating like properties, or will implement a self-insurance program with reserves adequate, in the judgment of the Council, to protect the City and the holders of Parity Bonds against loss. In the event of any loss or damage, the City will promptly repair or replace the damaged portion of the insured property and apply the proceeds of any insurance policy for that purpose; or in the event the City should determine not to repair or reconstruct such damaged portion of the properties of the Water & Sewer System, the proceeds of such insurance shall be paid into the Common Reserve Subaccount (or any other debt service reserve subaccount established to secure any Parity Bonds) to the extent that such transfer is necessary to make up any deficiency in said subaccount and the balance, if any, shall be used, at the option of the City: (i) for repairs, renewals, replacements, or capital additions to the Water & Sewer System, (ii) for the redemption of Parity Bonds, or (iii) for deposit into the Revenue Bond Fund.

(g) *Books and Accounts.* The City shall keep proper books of account in accordance with any applicable rules and regulations prescribed by the State. The City shall annually prepare balance sheets and profit and loss statements showing in reasonable detail: the financial condition of the Water & Sewer System as of the close of each year; the income and expenses of such year, including the amounts paid into the Water & Sewer System Revenue Fund, the Revenue Bond Fund, and into any and all special funds or accounts created pursuant to the provisions of this ordinance; and the amounts expended for maintenance, renewals, replacements, and capital additions to the Water & Sewer System. Such annual financial and operating statements shall be provided to any owner of Parity Bonds upon request.

(h) *No Free Service.* Except to aid the poor or infirm, the City will not furnish or supply or permit the furnishing or supplying of any service or facility in connection with the operation of the Water & Sewer System free of charge to any person, firm, or corporation, public or private, other than the City, so long as any Bonds are outstanding and unpaid.

(i) *Additions and Improvements.* The City will not expend any of the Gross Revenue derived by it from the operation of the Water & Sewer System, or the proceeds of any indebtedness payable from the Gross Revenue for any extensions, betterments, or improvements to the Water & Sewer System that are not legally required or economically sound, in the judgment of the City, and that will not, in the judgment of the City, properly and advantageously contribute to the conduct of the business of the Water & Sewer System in an efficient manner.

(j) *Collection of Delinquent Accounts.* The City will, on or before April 1 of each calendar year, determine all accounts that are delinquent and will take all necessary action to enforce payment of such accounts including real property foreclosure actions pursuant to RCW ch. 35.67, as amended, or its successor statute, if any, against those property owners whose accounts are delinquent.

(k) *Collection and Application of ULID Assessments.* All ULID Assessments (if any) shall be paid into the Revenue Bond Fund and shall be used to pay and secure the payment of the principal of and interest on the Parity Bonds. Nothing in this ordinance or this section shall be construed to prohibit the City from issuing water, sewer or other utility system revenue bonds or other debt obligations subordinate in lien to the Bonds and pledging as security for their payment

assessments levied in any ULID which may have been specifically created to pay part of the cost of improvements to the Water & Sewer System for which such Subordinate Debt was specifically issued.

(l) *Collection of Delinquent ULID Assessments.* The City will, on or before April 1 of each calendar year (or such other annual date that is consistent with the collection of ULID Assessments), determine all ULID Assessments or installments thereof that are delinquent and will take all necessary action to enforce payment of such ULID Assessments, including real property foreclosure actions pursuant to RCW Chapter 35.50, as amended, or its successor statute, if any, against the property owners whose ULID Assessments are delinquent.

Section 17. Provisions for Future Parity Bonds

(a) *Parity Conditions.* The City reserves the right to issue Future Parity Bonds if the Parity Conditions set forth in Exhibit B are met and complied with at the time of the issuance of those Future Parity Bonds.

(b) *Junior Liens.* Nothing herein contained shall prevent the City from issuing revenue bonds or other obligations that are a charge upon the Gross Revenue junior or inferior to the payments required by this ordinance to be made out of such Gross Revenue into the Revenue Bond Fund and accounts therein to pay and secure the payment of any Outstanding Parity Bonds, or from pledging the payment of utility local improvement district assessments into a bond redemption fund created for the payment of the principal of and interest on Subordinate Debt, as long as such utility local improvement district assessments are levied for improvements constructed from the proceeds of that Subordinate Debt.

(c) *Refunding to Avoid Default.* Nothing herein contained shall prevent the City from issuing revenue bonds to refund maturing Parity Bonds for the payment of which money is not otherwise available.

Section 18. Separate Utility Systems. ***The following provision shall automatically become effective upon the Parity Covenant Date:*** *The City may at any time create, acquire, construct, finance, own and operate one or more systems for water, sanitary sewer, and storm and surface water drainage systems (or other utility commodity or service), which systems are separate from and in addition to the Water & Sewer System. The revenue of any such Separate Utility System (and any utility local improvement district assessments payable solely with respect to improvements to a Separate Utility System), may be excluded from the Gross Revenue and may be pledged to the payment of revenue obligations that are issued to purchase, construct, condemn or otherwise acquire or expand the Separate Utility System and are payable solely from the net revenues of that Separate Utility System (and any utility local improvement district assessments payable solely with respect to improvements to a Separate Utility System). Neither the Gross Revenue of the Water & Sewer System nor the ULID Assessments (if any) may be pledged to the payment of any obligations of such a Separate Utility System, except that the Net Revenue may be pledged on a basis subordinate to the lien of the Parity Bonds.*

Section 19. Contract Resource Obligations. ***The following provision shall automatically become effective upon Parity Covenant Date:*** *The City may at any time enter into one or more Contract Resource Obligations for the acquisition, from facilities to be constructed or improved by the use of payments under such Contract Resource Obligations, of water, sanitary sewer, and storm and surface water drainage facilities, commodities, or services, or any other facility, commodity, or service relating to the Water & Sewer System, consistent with the following:*

(a) Obligations Relating to New Facilities. *The City may agree under a contract containing a Contract Resource Obligation that all payments in respect of that Contract Resource Obligation (including payments prior to the time that water, sanitary sewer, and storm and surface water drainage service is placed in service or connected, and during any suspension or after termination of supply or service) shall be deemed a Costs of Maintenance and Operations, so long as the payments required to be made under the Contract Resource Obligation are not subject to acceleration and the following additional requirements are met at the time such a Contract Resource Obligation is entered into:*

(1) *No event of default has occurred and is continuing under the terms of any debt obligation of the City in respect of the Water & Sewer System; and*

(2) *The City has obtained a certificate of an Independent Consultant stating that in such consultant's professional opinion: (i) the payments to be made by the City in connection with the Contract Resource Obligation are reasonable for the facilities, commodities, or services provided; (ii) the source of any new supply, and any facilities to be constructed to provide the supply or transmission, are sound from a supply or planning standpoint, are technically and economically feasible in accordance with prudent utility practice, and are likely to provide service no later than a date set forth in the certification; and (iii) the Net Revenue of the Water & Sewer System will be sufficient to satisfy the Rate Covenant for each of the five calendar years following the calendar year in which the Contract Resource Obligation is incurred, where the calculation of Net Revenue (A) takes into account the adjustments permitted in connection with a certificate delivered to satisfy the Parity Conditions, and (B) adjusts the Costs of Maintenance and Operation by such Independent Consultant's estimate of the payments to be made in accordance with the Contract Resource Obligation.*

(b) Obligations Relating to Existing Facilities. *Nothing in this section shall prevent the City from entering into agreements relating to obtaining or acquiring facilities, commodities, or services relating to the Water & Sewer System from existing facilities or sources of supply and from treating those payments as a Costs of Maintenance and Operations.*

(c) Subordinate Obligations. *Nothing in this section shall prevent the City from entering into agreements for facilities, commodities, or services relating to the Water & Sewer Systems that are to be constructed or obtained in the future and from agreeing to make payments with respect thereto that constitute Subordinate Obligations.*

Section 20. Tax Covenants.

(a) Tax-Exempt Bonds. *The Sale Terms and other documents executed in conjunction with the sale of the Bonds (or a Series of the Bonds) may include such additional terms and covenants relating to federal tax matters as the Finance Director deems necessary or appropriate, including the following:*

(1) Preservation of Tax Exemption for Interest on Tax-Exempt Bonds. *The City covenants that if it determines to sell the Bonds (or any series of the Bonds) as Tax-Exempt Bonds, it will take all actions necessary to prevent interest on those Bonds from being included in gross income for federal income tax purposes, and it will neither take any action nor make or permit any use of proceeds of those Tax-Exempt Bonds or other funds of the City treated as proceeds of those Tax-Exempt Bonds that will cause interest on those Tax-Exempt Bonds to be included in gross income for federal income tax purposes. The City also covenants that it will, to the extent the arbitrage rebate requirements of Section 148 of the Code are applicable to the Tax-Exempt Bonds (or*

a Series thereof), take all actions necessary to comply (or to be treated as having complied) with those requirements.

(2) *Post-Issuance Compliance with Federal Tax-Exempt Bond Requirements.*

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

(b) *Taxable Bonds.* Notwithstanding the foregoing, nothing herein prevents the Finance Director from determining that the Bonds, or a Series of the Bonds, is to be issued as Taxable Bonds.

Section 21. Amendatory and Supplemental Ordinances. This ordinance shall not be modified or amended in any respect subsequent to the initial issuance of the Bonds, except as provided in and in accordance with and subject to the provisions of this section. For purposes of this provision, the passage of an ordinance authorizing the issuance of Future Parity Bonds shall not be considered an amendatory or supplemental ordinance subject to these restrictions.

(a) *Certain Amendatory or Supplemental Ordinances Permitted Without Bond Owner Consent.* From time to time, and at any time, without the consent of or notice to the Registered Owners of the Parity Bonds, the City, may pass amendatory or supplemental ordinances as set forth in this subsection (a). The permitted purposes under this subsection (a) are:

(1) To add to the covenants and agreements of the City set forth in this ordinance, additional covenants or agreements to be observed by the City thereafter, which do not adversely affect the interest of the holders of any then-outstanding Parity Bonds, or to surrender any right or power herein reserved to the City.

(2) To make such provisions as the City Council may deem necessary or desirable for the purpose of curing any ambiguities or of curing, correcting, or supplementing any defective provision contained in this ordinance or any Future Parity Bond Authorizing Ordinance in regard to matters or questions arising under such ordinances, provided that such action is not inconsistent with such ordinances and does not adversely affect, in any material respect, the interests of the holders of the Parity Bonds.

(b) *Amendatory or Supplemental Ordinances Requiring Consent of Registered Owners of 65% of Parity Bonds Outstanding.* In addition to any ordinance permitted pursuant to paragraph (a) and subject to the terms and conditions contained in subsection (c) and not otherwise, upon consent of the Registered Owners of not less than 65% in aggregate principal amount of the Parity Bonds then outstanding the City Council may pass any supplemental or amendatory ordinance for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this ordinance or of any other Parity Bond Ordinance. It shall not be necessary for the consent of bondholders under this subsection (b) to approve the particular form of any proposed supplemental ordinance, but it shall be sufficient if such consent shall approve the substance thereof, and nothing contained herein shall prevent the City Council from passing such an ordinance with an effective date that is contingent upon obtaining the consents described herein.

For the purpose of consenting to amendments under this subsection (b) except for amendments that alter the interest rate, maturity date, interest payment dates, purchase upon tender or redemption of any Parity Bonds, the issuer or provider of a Credit Facility shall be deemed to be the sole Registered Owner of the Parity Bonds that are payable from such Credit Facility and that are then outstanding.

(c) *Amendatory or Supplemental Ordinances Requiring Consent of All Registered Owners.* Notwithstanding the foregoing, no supplemental or amendatory ordinance shall:

(1) Extend the fixed maturity of any Parity Bonds, or reduce the rate of interest thereon, or extend the time of payment of interest from their due date, or reduce the amount of the principal thereof, or reduce any premium payable on the redemption thereof, without the consent of the Registered Owner of each Parity Bond so affected; or

(2) Reduce the aforesaid percentage of bondholders required to approve any supplemental or amendatory ordinance, without the consent of the Registered Owners of all of the Parity Bonds then outstanding.

(d) *Effect of Passage of Amendatory or Supplemental Ordinance.* Upon the effective date of any amendatory or supplemental ordinance passed and approved, if required, pursuant to the provisions of this section, this ordinance shall be, and shall be deemed to be, amended and supplemented accordingly. The respective rights, duties and obligations under this ordinance of the City, the Bond Registrar, and all Registered Owners shall thereafter be determined, exercised, and enforced under this ordinance subject in all respects to such supplements and amendments, and all terms and conditions of any such supplemental ordinance shall be deemed to be part of the terms and conditions of this ordinance for any and all purposes.

Any Bonds executed and delivered pursuant to this ordinance after the effective date of any amendatory or supplemental ordinance passed in accordance with this section may include a notation as to any matter provided for in such amendatory or supplemental ordinance. If such amendatory or supplemental ordinance shall so provide, new Bonds bearing the same principal amounts and terms that are modified so as to conform, in the opinion of the City Council, to the supplement or amendment of this ordinance, may be prepared and delivered without cost to the holders of any affected Bonds, upon surrender for cancellation of such original Bonds (together with all unmatured coupons and all matured coupons not fully paid, if any).

Section 22. Defaults and Remedies.

(a) *Events of Default.* The following shall constitute “Events of Default” with respect to the Bonds:

(1) If a default is made in the payment of the principal of or interest on any of the Bonds when the same shall become due and payable; or

(2) If the City files a petition in bankruptcy or is placed in receivership under any state or federal bankruptcy or insolvency law; or

(3) If the City defaults in the observance and performance of any other of its covenants, conditions and agreements set forth in this ordinance and such default or defaults have continued for a period of six months after they have received from the registered owners of not less than 25% in outstanding principal amount of the Parity Bonds, a written notice specifying and demanding the cure of such default. However, if the default in the observance and performance of any other of the covenants, conditions and agreements is one which cannot be completely remedied within the six-month period, it shall not be an Event of Default with respect to the Bonds as long as the City has taken active steps within 90 days to remedy the default and is diligently pursuing such remedy.

(b) *No Acceleration.* Nothing contained in this ordinance shall, in any event or under any circumstance, be deemed to authorize the acceleration of maturity of principal of the Parity Bonds. The remedy of acceleration is expressly denied to the Owners of the Parity Bonds under any

circumstances including, without limitation, upon the occurrence and continuance of an Event of Default.

(c) ***Subsections (c) through (g), as set forth below, shall become effective only upon the Parity Covenant Date: Bondowners' Trustee.*** A notice to the City of an Event of Default under subsection (a)(3) may alternatively be given by a Bondowners' Trustee appointed as described in this subsection. Upon occurrence of an Event of Default (notwithstanding the notice requirement under subsection (a)(3), a Bondowners' Trustee may be appointed by the Registered Owners of 25% in principal amount of the Parity Bonds then outstanding, by an instrument or concurrent instruments in writing signed and acknowledged by such Registered Owners of the Parity Bonds or by their attorneys-in-fact, duly authorized and delivered to such Bondowners' Trustee, and after notice of such appointment has been delivered to the City. That appointment shall become effective immediately upon acceptance thereof by the Bondowners' Trustee. Any Bondowners' Trustee must be a bank or trust company organized under the laws of the State of Washington or the State of New York or a national banking association. The bank or trust company acting as Bondowners' Trustee may be removed at any time, and a successor Bondowners' Trustee may be appointed, by the registered owners of a majority in principal amount of the Parity Bonds, by an instrument or concurrent instruments in writing signed and acknowledged by such registered owners of the Bonds or by their attorneys-in-fact duly authorized. The Bondowners' Trustee may require such security and indemnity as may be reasonable against the costs, expenses and liabilities that may be incurred in the performance of its duties. If any Event of Default is, in the sole judgment of the Bondowners' Trustee, cured and the Bondowners' Trustee furnishes to the City a certificate so stating, that Event of Default shall be conclusively deemed to be cured and the City, the Bondowners' Trustee and the registered owners of the Parity Bonds shall be restored to the same rights and position which they would have held if no Event of Default had occurred. The Bondowners' Trustee appointed in the manner herein provided, and each successor thereto, is declared to be a trustee for the Registered Owners of all the Parity Bonds and is empowered to exercise all the rights and powers herein conferred on the Bondowners' Trustee.

(d) ***Suits at Law or in Equity.*** Upon the happening of an Event of Default and during the continuation thereof, the Bondowners' Trustee may (and, upon the written request of the registered owners of not less than 25% in principal amount of the Parity Bonds outstanding, must) take such steps and institute such suits, actions or other proceedings, all as it may deem appropriate for the protection and enforcement of the rights of the registered owners of the Parity Bonds, to collect any amounts due and owing to or from the City, or to obtain other appropriate relief, and may enforce the specific performance of any covenant, agreement or condition contained in this ordinance or in any of the Parity Bonds. Any action, suit or other proceedings instituted by the Bondowners' Trustee hereunder shall be brought in its name as trustee for the Bondowners and all such rights of action upon or under any of the Parity Bonds or the provisions of this ordinance may be enforced by the Bondowners' Trustee without the possession of any of those Parity Bonds and without the production of the same at any trial or proceedings relative thereto except where otherwise required by law. Any such suit, action or proceeding instituted by the Bondowners' Trustee shall be brought for the ratable benefit of all of the registered owners of those Parity Bonds, subject to the provisions of this ordinance. The respective registered owners of the Parity Bonds, by taking and holding the same, shall be conclusively deemed irrevocably to appoint the Bondowners' Trustee the true and lawful trustee of the respective registered owners of those Parity Bonds, with authority to institute any such action, suit or proceeding; to receive as trustee and deposit in trust any sums becoming distributable on account of those Parity Bonds; to execute any paper or documents for the receipt of money; and to do all acts with respect thereto that the registered owner himself or herself might have done in person. Nothing herein shall be deemed to authorize or empower the Bondowners' Trustee to

consent to accept or adopt, on behalf of any registered owner of the Parity Bonds, any plan of reorganization or adjustment affecting the Parity Bonds or any right of any registered owner thereof, or to authorize or empower the Bondowners' Trustee to vote the claims of the registered owners thereof in any receivership, insolvency, liquidation, bankruptcy, reorganization or other proceeding to which the City is a party.

(e) Application of Money Collected by Bondowners' Trustee. Any money collected by the Bondowners' Trustee at any time pursuant to this section shall be applied in the following order of priority:

(1) First, to the payment of the charges, expenses, advances and compensation of the Bondowners' Trustee and the charges, expenses, counsel fees, disbursements and compensation of its agents and attorneys.

(2) Second, to the payment to the persons entitled thereto of all installments of interest then due on the Parity Bonds in the order of maturity of such installments and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon to the persons entitled thereto, without any discrimination or preference.

(3) Third, to the payment to the persons entitled thereto of the unpaid principal amounts of any Parity Bonds which shall have become due (other than Parity Bonds previously called for redemption for the payment of which money is held pursuant to the provisions hereto), whether at maturity or by proceedings for redemption or otherwise, in the order of their due dates and, if the amount available shall not be sufficient to pay in full the principal amounts due on the same date, then to the payment thereof ratably, according to the principal amounts due thereon to the persons entitled thereto, without any discrimination or preference.

(f) Duties and Obligations of Bondowners' Trustee. The Bondowners' Trustee shall not be liable except for the performance of such duties as are specifically set forth herein. During an Event of Default, the Bondowners' Trustee shall exercise such of the rights and powers vested in it hereby, and shall use the same degree of care and skill in its exercise, as a prudent person would exercise or use under the circumstances in the conduct of their own affairs. The Bondowners' Trustee shall have no liability for any act or omission to act hereunder except for the Bondowners' Trustee's own negligent action, its own negligent failure to act or its own willful misconduct. The duties and obligations of the Bondowners' Trustee shall be determined solely by the express provisions of this ordinance, and no implied powers, duties or obligations of the Bondowners' Trustee shall be read into this ordinance. The Bondowners' Trustee shall not be required to expend or risk its own funds or otherwise incur individual liability in the performance of any of its duties or in the exercise of any of its rights or powers as the Bondowners' Trustee, except as may result from its own negligent action, its own negligent failure to act or its own willful misconduct. The Bondowners' Trustee shall not be bound to recognize any person as a registered owner of any Bond until title thereto, if disputed, has been established to its reasonable satisfaction. The Bondowners' Trustee may consult with counsel and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel. The Bondowners' Trustee shall not be answerable for any neglect or default of any person, firm or corporation employed and selected by it with reasonable care.

(g) Suits by Individual Bondowners Restricted. Neither the registered owner nor the beneficial owner of any one or more of Parity Bonds shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of same unless: (1) an Event of Default has

happened and is continuing; (2) a Bondowners' Trustee has been appointed; (3) such owner previously shall have given to the Bondowners' Trustee written notice of the Event of Default on account of which such suit, action or proceeding is to be instituted; (4) the registered owners of 25% in principal amount of the then outstanding Parity Bonds have made, after the occurrence of such Event of Default, written request of the Bondowners' Trustee and have afforded the Bondowners' Trustee a reasonable opportunity to institute such suit, action or proceeding; (5) there have been offered to the Bondowners' Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby; and (6) the Bondowners' Trustee has refused or neglected to comply with such request within a reasonable time. No Owner of any Parity Bond shall have any right in any manner whatever by such Owner's action to affect or impair the obligation of the City to pay from the Net Revenue the principal of and interest on such Parity Bonds to the respective Owners thereof when due.

Section 23. Sale and Delivery of the Bonds.

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

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

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

(d) *Preparation, Execution and Delivery of the Bonds.* Each Series of the Bonds will be prepared at City expense and will be delivered to the Purchaser in accordance with the Bond

Purchase Agreement, together with the approving legal opinion of Bond Counsel regarding the Series.

Section 24. Official Statement; Continuing Disclosure.

(a) *Preliminary Official Statement Deemed Final.* The Designated Representative shall review and, if acceptable to him or her, approve the preliminary Official Statement prepared in connection with each sale of a Series of the Bonds to the public or through a Purchaser acting as a placement agent. For the sole purpose of the Purchaser's compliance with paragraph (b)(1) of Rule 15c2-12, the Designated Representative is authorized to deem that preliminary Official Statement final as of its date, except for the omission of information permitted to be omitted by Rule 15c2-12. The City approves the distribution to potential purchasers of the Bonds of a preliminary Official Statement that has been approved by the Designated Representative and been deemed final, if applicable, in accordance with this subsection.

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

(c) *Undertaking to Provide Continuing Disclosure.* If necessary to meet the requirements of paragraph (b)(5) of Rule 15c2-12, as applicable to the Purchaser acting as a participating underwriter for a Series of the Bonds, the Designated Representative is authorized to execute a written undertaking to provide continuing disclosure for the benefit of holders of a Series of the Bonds in substantially the form attached as Exhibit E.

Section 25. General Authorization and Ratification. The Designated Representative and other appropriate officers of the City are severally authorized to take such actions and to execute such documents as in their judgment may be necessary or desirable to carry out the transactions contemplated in connection with this ordinance, and to do everything necessary for the prompt delivery of each Series of the Bonds to the Purchaser thereof and for the proper application, use and investment of the proceeds of the Bonds. All actions taken prior to the effective date of this ordinance in furtherance of the purposes described in this ordinance and not inconsistent with the terms of this ordinance are ratified and confirmed in all respects.

Section 26. Severability. If any provision in this ordinance is declared by any court of competent jurisdiction to be contrary to law, then such provision shall be null and void and shall be deemed separable from the remaining provision of this ordinance and shall in no way affect the validity of the other provisions of this ordinance or of the Bonds.

Section 27. Effective Date of Ordinance. This ordinance shall be effective fifteen days after it becomes valid pursuant to Section 3.4 of the City Charter.

PASSED by the City Council of the City of Everett, Washington, at a regular open public meeting thereof, this ___ day of March, 2025, and signed in authentication of its passage this ___ day of March, 2025.

CITY OF EVERETT, WASHINGTON

By _____
Mayor

Attest:

APPROVED AS TO FORM

City Clerk

By _____
Stradling Yocca Carlson & Rauth LLP
Bond Counsel to the City

DATE OF PUBLICATION:

EFFECTIVE DATE:

EXHIBIT A**OUTSTANDING WATER & SEWER SYSTEM INDEBTEDNESS****Outstanding Parity Bonds**

Issue Name	Authorizing Ordinance	Issue Date	Final Maturity Date	Original Par Amount	Amount Outstanding as of 1/1/2025
Water & Sewer Revenue Refunding Bonds, 2013	Ord. 3313-13	3/1/2023	12/1/2030	\$62,145,000	\$ 7,740,000
Water & Sewer Revenue Bonds, 2015	Ord. 3450-15	11/3/2015	12/1/2040	\$50,525,000	\$ 35,615,000
Water & Sewer Revenue Refunding Bonds, 2016	Ord. 3518-16	11/29/2016	12/1/2035	\$68,050,000	\$ 50,180,000
Water & Sewer Revenue and Refunding Bonds, 2023	Ord. 3946-23	5/31/2023	12/1/2048	\$49,235,000	\$ 45,020,000

Outstanding Government Loans

Program Lender/Bondholder	Issue Date	Maturity Date	Maximum Authorized Amount	Amount Outstanding as of 1/1/2025
Public Works Trust Fund ("PWTF") Loan Treatment Plant Upgrade	4/25/2005	7/1/2025	\$9,500,000	\$ 527,778
PWTF Loan Water Pollution Facility Expansion	6/25/2006	7/1/2026	\$7,000,000	\$ 736,842
PWTF Loan Water Pollution Facility Expansion	1/31/2013	6/1/2032	\$10,000,000	\$ 4,387,351
Drinking Water State Revolving Fund ("DWSRF") Loan Clearwell No. 2	3/3/2006	10/1/2025	\$4,040,000	\$ 222,574
DWSRF Loan Clearwell No. 2	12/21/2007	10/1/2026	\$4,040,000	\$ 425,263
DWSRF Loan Clearwell No. 2	3/3/2008	10/1/2027	\$3,030,000	\$ 478,421
DWSRF Loan Clearwell No. 2	8/22/2008	10/1/2028	\$4,040,000	\$ 853,278
SWSRF Recovered Water Outfall	08/05/2009	10/1/2029	\$1,376,473	\$ 362,249
DWRFL Bond Street CSO	10/13/2010	9/6/2033	\$1,994,497	\$ 994,824

EXHIBIT B

Requirements for the Issuance of Future Parity Bonds ("Parity Conditions")

(a) *Conditions to the Issuance of Future Parity Bonds.* The City may issue Future Parity Bonds secured by a lien and charge on the Net Revenues and ULID Assessments on a parity with the Bonds and the Outstanding Parity Bonds if and only if the following conditions are met and complied with at the time of issuance of those proposed Future Parity Bonds:

(1) The City shall not have been in default of its Rate Covenant for the immediately preceding fiscal year, without regard to transfers from the Coverage Stabilization Account; and

(2) The Future Parity Bond Authorizing Ordinance must include a covenant that the City will establish, maintain, and collect such rates and charges for service of the Water & Sewer System for so long as any Parity Bonds are outstanding as will maintain the Rate Covenant.

There shall have been filed a certificate (prepared as described in subsection (c) or (d) below) demonstrating fulfillment of the Parity Requirement, commencing with the first full fiscal year following the date on which any portion of interest on the series of Future Parity Bonds then being issued no longer will be paid from the proceeds of such series of Future Parity Bonds. For purposes of this certificate:

(i) "Parity Requirement" means Net Revenue equal to or greater than 125% of Average Annual Debt Service for all Parity Bonds, computed by deducting from Annual Debt Service the Annual Debt Service for each series or issue of Parity Bonds that is covered by ULID Assessments. In determining the amount of Annual Debt Service "covered by ULID Assessments," Annual Debt Service for each future year is reduced by the dollar amount of ULID Assessments projected to be received during such future year, and the remaining outstanding ULID Assessments are assumed to be paid in the remaining number of annual installments with no prepayments. For purposes of determining whether the Parity Requirement has been met, transfers from the Coverage Stabilization Account shall not be taken into account.

(ii) "Historical Net Revenue" or "Net Revenue" means Gross Revenue (or the relevant part or parts thereof) (A) less the normal expenses of maintenance and operation of the Water & Sewer System (or the relevant part or parts thereof), (B) before depreciation, and (C) adjusted to reflect the rates and charges effective on the date of such certificate if there has been any change in such rates and charges during or after such Base Period.

(b) *No Certificate Required.* The certificate described in the foregoing subsection (a)(3) shall not be required as a condition to the issuance of Future Parity Bonds:

(1) If the Future Parity Bonds being issued are for the purpose of refunding Outstanding Parity Bonds; or

(2) If the Future Parity Bonds are being issued to pay costs of construction of facilities of the Water & Sewer System for which Future Parity Bonds have been issued previously and the principal amount of such Future Parity Bonds being issued for completion purposes does not exceed an amount equal to an aggregate of 15% of the principal amount of Future Parity Bonds theretofore issued for such facilities and reasonably allocable to the facilities to be completed as shown in a written certificate of the Finance Director, and there is delivered a Designated

Representative's certificate stating that the nature and purpose of such facilities has not materially changed.

(c) *Certificate of the City Without an Independent Consultant.* If required pursuant to the foregoing subsection (a)(3), a certificate may be delivered by the City, executed by the Finance Director, without an Independent Consultant, if Net Revenues for the Base Period (confirmed by an audit) conclusively demonstrate that the Parity Requirement will be fulfilled commencing with the first full fiscal year following the date on which any portion of interest on the series of Future Parity Bonds then being issued will not be paid from the proceeds of such series of Future Parity Bonds.

(d) *Certificate of an Independent Consultant.* Unless compliance with the requirements of subsection (a)(3) have been otherwise satisfied as provided in (b) or (c) above, compliance with the Parity Requirement shall be demonstrated conclusively by a certificate of an Independent Consultant.

In making the computations of Net Revenue for the purpose of certifying compliance with the Parity Requirement, the Independent Consultant shall use as a basis the Net Revenue (which may be based upon unaudited financial statements of the City if the audit has not yet been completed) for the Base Period. Such Net Revenue shall be determined by adding the following:

(1) The Historical Net Revenue for the Base Period, as determined by the Independent Consultant.

(2) The Net Revenue derived from those customers of the Water & Sewer System that have become customers during such Base Period or thereafter and prior to the date of such certificate, adjusted to reflect a full year's Net Revenue from each such customer, to the extent such Net Revenue was not included in (1) above.

(3) The estimated annual Net Revenue to be derived from any person, firm, association, or private or municipal corporation under any executed contract for service, which Net Revenue was not included in any of the sources of Net Revenue described in this subsection (d).

(4) The estimated annual Net Revenue to be derived from the operation of any additions to or improvements or extensions of the Water & Sewer System under construction but not completed at the time of such certificate and not being paid for out of the proceeds of sale of such Future Parity Bonds being issued, and which Net Revenue is not otherwise included in any of the sources of Net Revenue described in this subsection (d).

(5) The estimated annual Net Revenue to be derived from the operation of any additions and improvements to or extensions of the City being paid for out of the proceeds of the sale of such Future Parity Bonds being issued.

In the event the City will not derive any revenue as a result of the construction of the additions, improvements, or extensions being made or to be made to the Water & Sewer System that is reflected in the provisions of subparagraphs (4) and (5) immediately above, the estimated normal Costs of Maintenance and Operation (excluding any transfer of money to other funds of the City and license fees, taxes, and payments in lieu of taxes payable to the City) of such additions, improvements, and extensions shall be deducted from estimated annual Net Revenue.

EXHIBIT C

PARAMETERS FOR SALE TERMS

- (a) Principal Amount. The Bonds may be issued in one or more Series and shall not exceed the aggregate principal amount of \$181,000,000.
- (b) Date or Dates. Each Bond shall be dated its Issue Date, which date may not be later than one year after the effective date of this ordinance.
- (c) Denominations, Name, etc. The Bonds shall be issued in Authorized Denominations and shall be numbered separately in the manner and bearing such name (including any series or additional designation) as deemed necessary or appropriate by the Designated Representative.
- (d) Interest Rate(s). Each Bond shall bear interest at a fixed rate per annum (computed on the basis of a 360-day year of twelve 30-day months) from the Issue Date or from the most recent date for which interest has been paid or duly provided for, whichever is later. One or more rates of interest may be fixed for the Bonds. The true interest cost to the City for each Series of the Bonds may not exceed 5.50%.
- (e) Payment Dates. Interest shall be payable semiannually on dates acceptable to the Designated Representative. Principal payments shall commence on a date acceptable to the Designated Representative and shall be payable at maturity (or in mandatory redemption installments) on dates acceptable to the Designated Representative.
- (f) Final Maturity. The Bonds shall mature no later than December 1, 2050.
- (g) Redemption Rights. The Designated Representative may approve in the Bond Purchase Agreement for each Series provisions for the optional and mandatory redemption of the Bonds of such Series, subject to the following:
- (1) Optional Redemption. Any Bond may be designated as being (A) subject to redemption at the option of the City prior to its maturity date on the dates and at the prices set forth in the Bond Purchase Agreement; or (B) not subject to redemption prior to its maturity date. If a Tax-Exempt Bond is subject to optional redemption prior to its maturity, it must be subject to such redemption on one or more dates occurring not more than 10½ years after the Issue Date.

(2) Mandatory Redemption. Any Bond may be designated as a Term Bond, subject to mandatory redemption prior to its maturity on the dates and in the amounts set forth in the Bond Purchase Agreement.

(h) Price. The purchase price for each Series of the Bonds may not be less than 98.0% or more than 135.0% of the stated principal amount of that Series.

(i) Other Terms and Conditions. (1) *Parity Conditions Met*. The Designated Representative must be satisfied that the Parity Conditions have been met to permit the Bonds to be issued as Parity Bonds.

(2) *Reasonably Expected Life*. As of the Issue Date of each Series, the Designated Representative must find to the Designated Representative's satisfaction that the average expected life of the capital facilities or assets to be financed with the proceeds (or allocable share of proceeds) of that Series exceeds the weighted average maturity of such Series (or share thereof allocated to financing those capital facilities).

(3) *Tax Status of the Bonds*. The Designated Representative may designate any Series of the Bonds as Tax-Exempt Bonds, Taxable Bonds, or Tax Credit Subsidy Bonds, consistent with Section 20 of this ordinance.

(4) *Reserve Requirement*. In approving the Sale Terms, the Designated Representative shall determine whether it is in the City's best interest to designate the Bonds (or a Series of the Bonds) as Covered Bonds and whether to provide for such Reserve Requirement by Bond Insurance or other credit enhancement or Reserve Securities; and may accept such additional terms, conditions and covenants in relation thereto as the Designated Representative may determine are in the best interests of the City, consistent with this ordinance.

- (5) *Additional Terms, Conditions, and Agreements.* The Sale Terms for any Series may provide for bond insurance or for any other credit enhancement as the Designated Representative may find necessary or desirable. The Sale Terms may include such additional terms, conditions, and covenants as may be necessary or desirable, including but not limited to: restrictions on investment of Bond proceeds and pledged funds (including any escrow established for the defeasance of any of the Bonds); provisions for the conversion of interest rate modes; provisions for the reimbursement of a credit enhancement provider; and requirements to give notice to or obtain the consent of a credit enhancement provider. The Designated Representative is authorized to execute, on behalf of the City, such additional certificates and agreements as may be necessary or desirable to reflect such terms, conditions, and covenants.

EXHIBIT D

DESCRIPTION OF PROJECTS

Water System Projects:

- [Reserved]

Sewer System Projects:

- **Port Gardner Storage Facility (PGSF).** This project will redevelop the former Kimberly-Clark Industrial wastewater treatment plant to provide temporary storage and control of combined sewer outflows and a regional treatment system for urban stormwater runoff.
- **PGSF West Marine View Drive (WMVD) Combined Conveyance Improvements.** This project is one of the conveyance projects related to the PGSF program. It includes the design and construction of new large diameter storm and combined sewer pipelines and manholes and rehabilitation and replacement of a water main for combined sewer.
- **36th Street Combined Sewer Outflow (CSO) Control.** This project will control and eliminate combined sewer flooding at 36th Street and McDougall Avenue to reduce CSO discharges at the Snohomish River Outfalls. The project will build a large underground storage tank and associated pipe infrastructure for storage of excess combined storm and sewer flows.
- **Water Pollution Control Facility (WPCF) Headworks Replacement.** The headworks structure at the City of Everett's WPCF is a key piece of wastewater treatment infrastructure for the City and the surrounding region. The headworks structure needs complete replacement due to internal structural degradation and process equipment deterioration.

Storm & Surface Water Drainage System Projects:

- **The Port Gardner Storage Facility (PGSF) and PGSF West Marine View Drive Combined Conveyance Improvements Projects.** These projects are components of the Sewer System Projects. Refer to Sewer System Projects section for project details.

EXHIBIT E

[Form of]

UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

**City of Everett, Washington
Water & Sewer Revenue Bonds, 2025[]**

The City of Everett, Washington (the “City”), makes the following written Undertaking for the benefit of holders of the above-referenced bonds (the “Bonds”), for the sole purpose of assisting the Purchaser in meeting the requirements of paragraph (b)(5) of Rule 15c2-12, as applicable to a participating underwriter for the Bonds. Capitalized terms used but not defined below shall have the meanings given in Ordinance No. ___ of the City (the “Bond Ordinance”).

(a) Undertaking to Provide Annual Financial Information and Notice of Listed Events. The City undertakes to provide or cause to be provided, either directly or through a designated agent, to the MSRB, in an electronic format as prescribed by the MSRB, accompanied by identifying information as prescribed by the MSRB:

(i) Annual financial information and operating data of the type included in the final official statement for the Bonds and described in paragraph (b) (“annual financial information”). The timely filing of unaudited financial statements shall satisfy the requirements and filing deadlines pertaining to the filing of annual financial statements under subsection (b), provided that audited financial statements are to be filed if and when they are otherwise prepared and available to the City.

(ii) Timely notice (not in excess of 10 business days after the occurrence of the event) of the occurrence of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notice of Proposed Issue (IRS Form 5701 – TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of holders of the Bonds, if material; (8) bond calls (other than scheduled mandatory redemptions of Term Bonds), if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the City, as such “Bankruptcy Events” are defined in Rule 15c2-12; (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect holders of the Bonds, if material; and (16) any default, event of acceleration, termination event, modification of terms, or other similar event under the terms of a financial obligation of the City, any of which reflect financial difficulties.

For purposes of this Undertaking, the term “financial obligation” shall mean a debt obligation; derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or a guarantee of either a debt obligation or a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation. The term “financial obligation” does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

(iii) Timely notice of a failure by the City to provide required annual financial information on or before the date specified in paragraph (b).

(b) Type of Annual Financial Information Undertaken to be Provided. The annual financial information that the City undertakes to provide in paragraph (a):

(i) Shall consist of (1) annual financial statements, which statements may or may not be audited, showing ending fund balances, prepared in accordance with regulations prescribed by the Washington State Auditor pursuant to RCW 43.09.200 (or any successor statutes) and generally of the type included in the Official Statement and described as follows:*[to be inserted based on the Official Statement]*; (2) the principal amount of Parity Bonds then outstanding; and (3) number of Water & Sewer System customers.

(ii) Shall be provided not later than the last day of the ninth month after the end of each fiscal year of the City (currently, a fiscal year ending December 31), as such fiscal year may be changed as required or permitted by State law, commencing with the City’s fiscal year ending December 31, 2024; and

(iii) May be provided in a single or multiple documents, and may be incorporated by specific reference to documents available to the public on the Internet website of the MSRB or filed with the SEC.

(c) Amendment of Undertaking. This Undertaking is subject to amendment after the primary offering of the Bonds without the consent of any holder of any Bond, or of any broker, dealer, municipal securities dealer, participating underwriter, Rating Agency or the MSRB, under the circumstances and in the manner permitted by Rule 15c2-12. The City will give notice to the MSRB of the substance (or provide a copy) of any amendment to the Undertaking and a brief statement of the reasons for the amendment. If the amendment changes the type of annual financial information to be provided, the annual financial information containing the amended financial information will include a narrative explanation of the effect of that change on the type of information to be provided.

(d) Beneficiaries. This Undertaking shall inure to the benefit of the City and the holder of each Bond and shall not inure to the benefit of or create any rights in any other person.

(e) Termination of Undertaking. The City’s obligations under this Undertaking shall terminate upon the legal defeasance of all of the Bonds. In addition, the City’s obligations under this Undertaking shall terminate if the provisions of Rule 15c2-12 that require the City to comply with this Undertaking become legally inapplicable in respect of the Bonds for any reason, as confirmed by an opinion of Bond Counsel delivered to the City, and the City provides timely notice of such termination to the MSRB.

(f) Remedy for Failure to Comply with Undertaking. As soon as practicable after the City learns of any material failure to comply with this Undertaking, the City will proceed with due diligence to cause such noncompliance to be corrected. No failure by the City or other obligated person to comply with this Undertaking shall constitute a default in respect of the Bonds. The sole

remedy of any holder of a Bond shall be to take action to compel the City or other obligated person to comply with this Undertaking, including seeking an order of specific performance from an appropriate court.

(g) Designation of Official Responsible to Administer Undertaking. The Finance Director (or such officer's designee) is the person designated, in accordance with the Bond Ordinance, to carry out the Undertaking in accordance with Rule 15c2-12, including, without limitation, the following actions:

(i) Preparing and filing the annual financial information undertaken to be provided;

(ii) Determining whether any event specified in paragraph (a) has occurred, assessing its materiality, where necessary, with respect to the Bonds, and preparing and disseminating any required notice of its occurrence;

(iii) Determining whether any person other than the City is an "obligated person" within the meaning of Rule 15c2-12 with respect to the Bonds, and obtaining from such person an undertaking to provide any annual financial information and notice of listed events for that person required under Rule 15c2-12;

(iv) Selecting, engaging and compensating designated agents and consultants, including financial advisors and legal counsel, to assist and advise the City in carrying out this Undertaking; and

(v) Effecting any necessary amendment of this Undertaking.

CERTIFICATION

I, the undersigned, City Clerk of the City of Everett, Washington (the “City”), hereby certify as follows:

1. The attached copy of Ordinance No. _____ (the “Ordinance”) is a full, true and correct copy of an ordinance duly passed at a regular meeting of the City Council of the City held at the regular meeting place thereof on March __, 2025, as that ordinance appears on the minute book of the City.

2. A quorum of the members of the City Council was present throughout the meeting and a majority of the members voted in the proper manner for the passage of the Ordinance.

Dated: March __, 2025.

CITY OF EVERETT, WASHINGTON

MARISTA JORVE
City Clerk

Project title: An Ordinance Amending Ordinance No. 4019-24 Entitled a Special Improvement Project Entitled “Thornton A. Sullivan Park Floating Dock Repairs”, Fund 354, Program 100, to Accumulate All Costs for the Project

Council Bill #

CB 2502-19

Agenda dates requested:

Briefing
 1st Reading 3/12/25
 2nd Reading 3/19/25
 Consent
 Action 3/26/25
 Ordinance **X**
 Public hearing
 Yes **X** No

Budget amendment:Yes **X** No**PowerPoint presentation:**Yes **X** No**Attachments:**

Funding Ordinance

Department(s) involved:

Parks & Facilities

Contact person:

Bob Leonard

Phone number:

425-257-8335

Email:

bleonard@everettwa.gov

Initialed by:*RML*

Department head

Administration

Council President

Project: Thornton A. Sullivan Park Floating Dock Repairs**Partner/Supplier:** Reid Middleton Engineers**Location:** 11405 W Silver Lake Rd, Everett**Preceding action:** [Funding Ordinance 4019-24](#)**Fund:** Fund 354, Program 100 (CIP-3)**Fiscal summary statement:**

On April 24, 2024, City Council adopted a funding Ordinance to fund the design and engineering for the proposed repairs to three floating docks in the amount of \$40,000. This proposed Ordinance will provide an additional \$100,000 which will include all costs related for the repairs and construction costs in the amount of \$140,000. The source of funds for this project is Fund 354, Program 100 (CIP 3).

Project summary statement:

Thornton A. Sullivan Park at Silver Lake is one of City of Everett’s most beloved parks and has been a hub of water-based activities for generations of park users. The shoreline and beach serve as major year-round attractions. Three floating docks are an integral feature of beach activity, serving organized programming and the general public. At well-over thirty years old the floating docks are long-overdue for deferred maintenance. Parks and Facilities will undertake the first major renovation of the docks as an interim solution to a longer-term vision for a new state-of-the-art pier/dock system that meets current ecological and design standards.

Based on a preliminary assessment and recommendation engineers report conducted December 2023, needed repairs include: resurfacing to remedy significant spalling and delamination of the concrete surfaces that pose trip hazards and render the docks non-ADA compliant; replacement of rotting bull rails, perimeter walers and edge/rub boards; replacement of missing through-rods connecting and stabilizing float sections; pin pile replacement; mooring system upgrades; shore re-grading where the docks and access gangways meet the beach to minimize grounding and excessive lateral pitch of the docks.

Recommendation (exact action requested of Council):

Adopt an Ordinance amending Ordinance No. 4019-24 Entitled a Special Improvement Project Entitled “Thornton A. Sullivan Park Floating Dock Repairs”, Fund 354, Program 100, to accumulate all costs for the project.



ORDINANCE NO. _____

An Ordinance Amending Ordinance No. 4019-24 Entitled, “Thornton A. Sullivan Park Floating Dock Repairs,” Fund 354, Program 100, to accumulate all design, engineering, permitting and construction costs for the project.

WHEREAS,

- A. The City Council recognizes the need to maintain and improve City Park amenities.
- B. The City Council recognizes the value and need to provide Everett residents and visitors with recreation spaces.
- C. The City recognizes that the floating docks at T.A. Sullivan Park are in need of repairs and maintenance.

NOW, THEREFORE, THE CITY OF EVERETT DOES ORDAIN:

Section 1. Section 4 of Ordinance No. 4019-24 which reads as follows:

The sum of \$40,000 is hereby appropriated to Fund 354, Program 100, “Thornton A. Sullivan Park Floating Dock Repairs,” project.

A. Use of Funds

Design and Permitting	<u>\$40,000</u>
Total	\$40,000

B. Source of Funds

CIP 3	<u>\$40,000</u>
Total	\$40,000

- C. The appropriation shall not lapse but shall be carried forward from year to year until fully expended or the purpose has been accomplished or abandoned without the necessity of reappropriation.

Be and the same is hereby amended to read as follows:

The sum of \$140,000 is hereby appropriated to Fund 354, Program 100, “Thornton A. Sullivan Park Floating Dock Repairs,” project.

A. Use of Funds	
Design	\$ 40,000
Construction	<u>\$ 100,000</u>
Total	\$ 140,000

B. Source of Funds	
CIP-3	<u>\$ 140,000</u>
Total	\$ 140,000

- C. The appropriation shall not lapse but shall be carried forward from year to year until fully expended or the purpose has been accomplished or abandoned without the necessity of re-appropriation.

Section 5. The City Clerk and the codifiers of this Ordinance are authorized to make necessary corrections to this Ordinance including, but not limited to, the correction of scrivener’s/clerical errors, references, ordinance numbering, section/subsection numbers, and any internal references.

Section 6. The City Council hereby declares that should any section, paragraph, sentence, clause or phrase of this ordinance be declared invalid for any reason, it is the intent of the City Council that it would have passed all portions of this ordinance independent of the elimination of any such portion as may be declared invalid.

Section 7. The enactment of this Ordinance shall not affect any case, proceeding, appeal or other matter currently pending in any court or in any way modify any right or liability, civil or criminal, which may be in existence on the effective date of this Ordinance.

Section 8. It is expressly the purpose of this Ordinance to provide for and promote the health, safety and welfare of the general public and not to create or otherwise establish or designate any particular class or group of persons who will or should be especially protected or benefited by the terms of this Ordinance. It is the specific intent of this Ordinance that no provision or any term used in this Ordinance is intended to impose any duty whatsoever upon the City or any of its officers or employees. Nothing contained in this Ordinance is intended nor shall be construed to create or form the basis of any liability on the part of the City, or its officers, employees or agents, for any injury or damage resulting from any action or inaction on the part of the City related in any manner to the enforcement of this Ordinance by its officers, employees or agents.



Cassie Franklin, Mayor

ATTEST:

City Clerk

PASSED: _____

VALID: _____

PUBLISHED: _____

EFFECTIVE DATE: _____



Project title: An Ordinance Creating a Special Improvement Project Entitled “Forest Park Entry Driveway Repave Project”, Fund 354, Program 107, to Accumulate All Construction Costs for the Project in the Amount of \$50,000

Council Bill #

CB 2502-14

Agenda dates requested:

Briefing
 Proposed Action 2/26/2025
 Proposed Action 3/05/2025
 Consent
 Action 3/12/2025
 Ordinance
 Public hearing
 Yes No

Budget amendment:

Yes No

PowerPoint presentation:

Yes No

Attachments:

Funding Ordinance

Department(s) involved:

Parks & Facilities

Contact person:

Bob Leonard

Phone number:

425-257-8335

Email:

bleonard@everettwa.gov

Initialed by:*RML*

Department head

Administration

Council President

Project: Forest Park Entry Driveway Repave Project**Partner/Supplier:** TBD**Location:** 802 E. Mukilteo Blvd, Everett**Preceding action:** None**Fund:** Fund 354, Program 107 (CIP-3)**Fiscal summary statement:**

The proposed Ordinance will provide funding for the construction costs for the Forest Park Driveway Repave Project. The source of funds for this project is Fund 354, Program 107 (CIP 3). All related construction and permit costs are estimated at \$50,000.

Project summary statement:

The park entry driveway at Forest Park has several large potholes that are temporarily filled for the winter in anticipation of the grind and repave in early spring 2025. In addition, the road has several areas that are “alligatoring” and with the heavy parks’ vehicles and frequent travel over the road, it is crumbling and beginning to start new potholes.

The project includes approximately 556 SY of Grind and 65 tons of hot asphalt for a 2” grind and repave of the entry driveway.

Recommendation (exact action requested of Council):

Adopt an Ordinance creating a Special Improvement Project entitled “Forest Park Entry Driveway Repave Project”, Fund 354, Program 107, to accumulate all design and permitting costs for the project in the amount of \$50,000.



ORDINANCE NO. _____

An Ordinance creating a special construction project entitled “Forest Park Entry Driveway Repave Project”, Fund 354, Program 107, to accumulate costs for the project in the amount of \$50,000

WHEREAS,

- A. The City Council recognizes the need to maintain City facilities.
- B. The need to maintain roads and parking lots.
- C. The City Council recognizes the need to repave the entry driveway in Forest Park located at 802 East Mukilteo Blvd, Everett WA 98203.

NOW, THEREFORE, THE CITY OF EVERETT DOES ORDAIN:

Section 1. A special construction fund is hereby established as Fund 354, Program 107, Forest Park Entry Driveway Repave Project and shall be entitled “Forest Park Entry Driveway Repave Project” to accumulate all costs for the project.

Section 2. Authorization is hereby granted to the Parks & Facilities Director under the administration of the Mayor, to assume full responsibility for conducting all tasks and performing all necessary steps to accomplish the actions authorized by this Ordinance.

Section 3. The cost of construction of this project is \$50,000.

Section 4: The sum of \$50,000 is hereby appropriated to Fund 354 Program 107, Forest Park Entry Driveway Repave Project.

A.	Use of Funds	
	Construction	<u>\$50,000</u>
	Total	\$50,000
B.	Source of Funds	
	CIP-3	<u>\$50,000</u>
	Total	\$50,000

- C. The appropriation shall not lapse but shall be carried forward from year to year until fully expended or the purpose has been accomplished or abandoned without the necessity of re-appropriation.

Section 5. The City Clerk and the codifiers of this Ordinance are authorized to make necessary corrections to this Ordinance including, but not limited to, the correction of scrivener’s/clerical errors,

references, ordinance numbering, section/subsection numbers, and any internal references.

Section 6. The City Council hereby declares that should any section, paragraph, sentence, clause or phrase of this ordinance be declared invalid for any reason, it is the intent of the City Council that it would have passed all portions of this ordinance independent of the elimination of any such portion as may be declared invalid.

Section 7. The enactment of this Ordinance shall not affect any case, proceeding, appeal or other matter currently pending in any court or in any way modify any right or liability, civil or criminal, which may be in existence on the effective date of this Ordinance.

Section 8. It is expressly the purpose of this Ordinance to provide for and promote the health, safety and welfare of the general public and not to create or otherwise establish or designate any particular class or group of persons who will or should be especially protected or benefited by the terms of this Ordinance. It is the specific intent of this Ordinance that no provision or any term used in this Ordinance is intended to impose any duty whatsoever upon the City or any of its officers or employees. Nothing contained in this Ordinance is intended nor shall be construed to create or form the basis of any liability on the part of the City, or its officers, employees or agents, for any injury or damage resulting from any action or inaction on the part of the City related in any manner to the enforcement of this Ordinance by its officers, employees or agents.

Cassie Franklin, Mayor

ATTEST:

City Clerk

PASSED: _____

VALID: _____

PUBLISHED: _____

EFFECTIVE DATE: _____



Project title: An Ordinance Creating a Special Improvement Project Entitled "Lowell Park Playground Replacement", Fund 354, Program 104, to Accumulate Project Costs in the Amount of \$575,000

Council Bill #

CB 2502-15

Agenda dates requested:

Briefing
Proposed Action 2/26/2025
Proposed Action 3/05/2025
Consent
Action 3/12/2025
Ordinance
Public hearing
Yes No

Budget amendment:

Yes No

PowerPoint presentation:

Yes No

Attachments:

Funding Ordinance

Department(s) involved:

Parks & Facilities

Contact person:

Bob Leonard

Phone number:

425-257-8335

Email:

bleonard@everettwa.gov

Initialed by:

RML

Department head

Administration

Council President

Project: Lowell Park Playground Replacement

Partner/Supplier: LSI Play Creation (KCDA)

Location: 4605 S. 3rd Avenue, Everett, WA

Preceding action: None

Fund: Fund 354, Program 104 (CIP-3)

Fiscal summary statement:

The proposed Ordinance will provide funding for the Lowell Park Playground Replacement Project. The source of funds for the project is Capital Improvement Program 3 (CIP-3). The project cost is estimated at \$575,000. These costs include all construction activities, contingency, tax, and all other costs associated with the project. Equipment procurement and installation will be through King County Directors Association (KCDA) Cooperative.

Project summary statement:

In 2023, Lowell Park Playground, celebrated its 20-year anniversary. The current playground was added as a vital park amenity in 2003.

Scheduled replacement of Parks playgrounds is necessary to keep them functional and enjoyable for the community, compliant with new standards, and to minimize maintenance costs.

Playground replacement work includes demolition of the existing playground, removal of the engineered wood fiber surfacing system, construction of a new forever lawn surfacing system, installation of the new playground equipment and certification of the design and installation.

Recommendation (exact action requested of Council):

Adopt an Ordinance creating a Special Improvement Project entitled "Lowell Park Playground Replacement", Fund 354, Program 104, to accumulate project costs in the amount of \$575,000.



ORDINANCE NO. _____

An ORDINANCE creating a special improvement project “Lowell Park Playground Replacement”, Fund 354, Program 104, to Accumulate Project Costs in the Amount of \$575,000.

WHEREAS,

- A.** The City Council recognizes the need to maintain and improve City Park amenities.
- B.** The playground at Lowell Park is 20 years old and exceeds the City of Everett Park’s life-cycle standard of 15 years.
- C.** The City Council has recognized the need to replace the playground and playground surfacing at Lowell Park.

NOW, THEREFORE, THE CITY OF EVERETT DOES ORDAIN:

Section 1. A special improvement project fund is hereby entitled “Lowell Park Playground Replacement”, Fund 354, Program 104, to accumulate project costs in the amount of \$575,000.

Section 2. Authorization is hereby granted to the Parks and Facilities Department Director under the administration of the Mayor, to assume full responsibility for conducting all tasks and performing all necessary steps to accomplish the actions authorized by this Ordinance.

Section 3. The estimated cost of the playground replacement is \$575,000.

Section 4. The sum of \$575,000 is hereby appropriated to Fund 354, Program 104 “Lowell Park Playground Replacement” project.

A. Use of Funds	
Construction and Related Costs	<u>\$575,000</u>
Total	\$575,000
B. Source of Funds	
CIP 3	<u>\$575,000</u>
Total	\$575,000

- C. The appropriation shall not lapse but shall be carried forward from year to year until fully expended or the purpose has been accomplished or abandoned without the necessity of reappropriation.

Section 5. The City Clerk and the codifiers of this Ordinance are authorized to make necessary corrections to this Ordinance including, but not limited to, the correction of scrivener’s/clerical errors, references, ordinance numbering, section/subsection numbers, and any internal references.

Section 6. The City Council hereby declares that should any section, paragraph, sentence, clause or phrase of this ordinance be declared invalid for any reason, it is the intent of the City Council that it would have passed all portions of this ordinance independent of the elimination of any such portion as may be declared invalid.

Section 7. The enactment of this Ordinance shall not affect any case, proceeding, appeal or other matter currently pending in any court or in any way modify any right or liability, civil or criminal, which may be in existence on the effective date of this Ordinance.

Section 8. It is expressly the purpose of this Ordinance to provide for and promote the health, safety and welfare of the general public and not to create or otherwise establish or designate any particular class or group of persons who will or should be especially protected or benefited by the terms of this Ordinance. It is the specific intent of this Ordinance that no provision or any term used in this Ordinance is intended to impose any duty whatsoever upon the City or any of its officers or employees. Nothing contained in this Ordinance is intended nor shall be construed to create or form the basis of any liability on the part of the City, or its officers, employees or agents, for any injury or damage resulting from any action or inaction on the part of the City related in any manner to the enforcement of this Ordinance by its officers, employees or agents.

Cassie Franklin, Mayor

ATTEST:

City Clerk

PASSED: _____

VALID: _____

PUBLISHED: _____

EFFECTIVE DATE: _____



City Council Agenda Item Cover Sheet

Project title:

An Ordinance Creating a Special Improvement Project Entitled "Park and Downtown Restrooms Access Control Project", Fund 354, Program 105, and Fund 342, Program 048 to Accumulate All Costs for the Project

Council Bill #

CB 2502-16

Agenda dates requested:

Briefing

Proposed Action 2/26/2025

Proposed Action 3/05/2025

Consent

Action 3/12/2025

Ordinance

Public hearing

Yes No

Budget amendment:

Yes No

PowerPoint presentation:

Yes No

Attachments:

Funding Ordinance

Department(s) involved:

Parks & Facilities

Contact person:

Bob Leonard

Phone number:

425-257-8335

Email:

BLeonard@everettwa.gov

Initialed by:

RML

Department head

Administration

Council President

Project: Park and Downtown Restrooms Access Control Project

Partner/Supplier: Job Order Contracting

Location: Multiple Public Restroom Locations

Preceding action: None

Fund: Fund 354, Program 105 (CIP-3) & Fund 342, Program 048 (CIP-1)

Fiscal summary statement:

The proposed Ordinance will provide funding for the design and implementation of access control systems at multiple public restroom facilities. The sources of the funds for the project are Fund 354 Program 105 (CIP-3) and Fund 342, Program 048 (CIP-1). Total cost for the project is estimated at \$350,000 with approximately \$300,000 coming from CIP-3 and the remaining \$50,000 coming from CIP-1. This project will be procured using the Job Order Contracting procurement method.

Project summary statement:

The City of Everett intends to implement control access management systems for the numerous downtown and park restroom facilities located throughout the City's parks system and downtown areas. These changes will provide automatic access controls for the doors to each restroom allowing staff to remotely program access hours for the facilities. It will also include visual and audio deterrents to prevent vandalism and after-hour access to the facilities.

Recommendation (exact action requested of Council):

Adopt an Ordinance creating a Special Improvement Project entitled "Park and Downtown Restrooms Access Control Project", Fund 354, Program 105, and Fund 342, Program 048 to accumulate all costs for the project.



ORDINANCE NO. _____

An Ordinance creating a special improvement project entitled “Park and Downtown Restrooms Access Control Project”, Fund 354, Program 105, and Fund 342, Program 048 to accumulate all costs for the project.

WHEREAS,

- A. The City Council recognizes the need to implement access control systems throughout the City Park and Downtown public restrooms.
- B. The City Council recognizes the need for anti-vandalism and after-hour access control measures for public restrooms.
- C. The City Council recognizes the need update and maintain public access to restroom facilities.

NOW, THEREFORE, THE CITY OF EVERETT DOES ORDAIN:

Section 1. A special improvement project is hereby established as Fund 354, Program 105, and Fund 342, Program 048 and shall be entitled “Park and Downtown Restrooms Access Control Project” to accumulate all costs for the project.

Section 2. Authorization is hereby given to accumulate costs and distribute payments from Fund 354, Program 105, and Fund 342, Program 048 for the special improvement project.

Section 3. Authorization is hereby granted to the Parks and Facilities Director, under the direction of the Mayor, to assume full and complete responsibility for conducting all tasks and all necessary steps to accomplish the actions authorized in this ordinance.

Section 4. The sum of \$350,000.00 is hereby appropriated to Fund 354, Program 105, and Fund 342, Program 048, “Park and Downtown Restrooms Access Control Project” as follows:

A. Use of Funds	
<u>Improvements</u>	<u>\$350,000</u>
Total	\$350,000
B. Source of Funds	
Fund 354, Program 105 (CIP-3)	\$300,000
<u>Fund 342, Program 048 (CIP-1)</u>	<u>\$ 50,000</u>
Total	\$350,000

Section 5. The City Clerk and the codifiers of this Ordinance are authorized to make necessary corrections to this Ordinance including, but not limited to, the correction of scrivener’s/clerical errors, references, ordinance numbering, section/subsection numbers, and any internal references.

Section 6. The City Council hereby declares that should any section, paragraph, sentence, clause or phrase of this ordinance be declared invalid for any reason, it is the intent of the City Council that it would have passed all portions of this ordinance independent of the elimination of any such portion as may be declared invalid.

Section 7. The enactment of this Ordinance shall not affect any case, proceeding, appeal or other matter currently pending in any court or in any way modify any right or liability, civil or criminal, which may be in existence on the effective date of this Ordinance.

Section 8. It is expressly the purpose of this Ordinance to provide for and promote the health, safety and welfare of the general public and not to create or otherwise establish or designate any particular class or group of persons who will or should be especially protected or benefited by the terms of this Ordinance. It is the specific intent of this Ordinance that no provision or any term used in this Ordinance is intended to impose any duty whatsoever upon the City or any of its officers or employees. Nothing contained in this Ordinance is intended nor shall be construed to create or form the basis of any liability on the part of the City, or its officers, employees or agents, for any injury or damage resulting from any action or inaction on the part of the City related in any manner to the enforcement of this Ordinance by its officers, employees or agents.

Cassie Franklin, Mayor

ATTEST:

City Clerk

PASSED: _____

VALID: _____

PUBLISHED: _____

EFFECTIVE DATE: _____

From: [Andrea Tucker](#)
To: [Scott Bader](#); [Judy Tuohy](#); [Paula Rhyne](#); [Mary Fosse](#); [Donald Schwab](#); [Elizabeth Vogeli](#); [Ben Zarlingo](#); [Cassie Franklin](#); [Angela Ely](#)
Subject: [EXTERNAL] Special Thank you to EPD Deputy Chief Hendrickson and Captain Fairchild
Date: Wednesday, March 12, 2025 12:05:58 AM

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.



Dear Mayor Franklin and City Council Members,

{Please read aloud at CC meeting, I am unable to attend today}

Just a quick note to recognize Captain Fairchild and Deputy Chief Hendrickson for their time and extracurricular work on the **Port Gardner Collaborative Clean-Up** on Saturday March 8th that took place in the Longfellow portion of the Port Gardner neighborhood with emphasis on Compass Behavioral Health/Andy's Place, Broadway, Lombard and Oakes Avenues. The participants included the CFO and Chief Medical Officer of Compass, EPD, Residents of Andy's Place, County Council VP Megan Dunn, Everett Station District Alliance, Port Gardner Neighborhood Association Chair and Vice Chair and several resident neighbors from Lombard and Oakes Avenues. Additional thanks to Kelly in Public Works who manages the Adopt A Street program and provided us with safety supplies and trash bag pick up of approximately 30 bags.

Thank you.

Sincerely,
Andrea Tucker
PGNA, Chair

*Andrea Tucker, Real Estate Broker
Custom Home and Office Staging
John L. Scott Everett
10820 Evergreen Way
Everett, WA 98204
425-870-6699*





Est. WASHINGTON 1893

PROCLAMATION

Whereas, since Clara Barton founded the American Red Cross more than 140 years ago, generation after generation has stepped up to deliver relief and care across our country and around the world, bringing out the best of humanity in times of crisis;

And, advancing this noble mission, disaster response volunteers, blood and platelet donors, veteran support volunteers, and supporters who give back through local disaster planning and training initiatives, remain unwavering in their commitment to prevent and alleviate human suffering in the face of today's emergencies;

And, in March we celebrate American Red Cross Month by recognizing the compassionate acts of people in the city of Everett and by renewing our commitment to lend a helping hand to our neighbors in need;

And, local Red Cross volunteers respond multiple times each week to home fires affecting our friends and neighbors, staff and support blood donation drives, install residential smoke detectors, and instruct community members in CPR and other life-saving techniques;

And, many of these volunteers also answer the call to respond to disasters throughout our country and internationally, whenever and wherever disasters occur, including the recent fires in California and last fall's devastating hurricanes on the East Coast;

And, these voluntary and generous contributions shine a beacon of hope in people's darkest hours — whether by delivering shelter, food and comfort during disasters; providing critical blood donations for hospital patients; supporting service members, veterans and their families; saving lives with first aid, CPR, AED and other skills; or delivering international aid and reconnecting loved ones separated by global crises;

And, we recognize that the work to uplift communities is made possible by those who selflessly answer the call to help. We support the Red Cross's mission to alleviate human suffering and ask all to promote its humanitarian goals.

NOW, THEREFORE, I, Cassie Franklin, Mayor of the City of Everett, and on behalf of its City Council, do hereby proclaim March 2025 as

“AMERICAN RED CROSS MONTH”

Signed this ____ day of March 2025.

Cassie Franklin, Mayor

Don Schwab, Council President

Ben Zarlino, Vice President

Mary Fosse, Councilmember

Paula Rhyne, Councilmember

Liz Vogeli, Councilmember

Scott Bader, Councilmember

Judy Tuohy, Councilmember

Red Cross Proclamation

Final Audit Report

2025-03-12

Created:	2025-03-05
By:	Angela Ely (AEly@everettwa.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAAcXVQ1W790sgMpsuu6JicL8E8-riF8eBb

"Red Cross Proclamation" History

-  Document created by Angela Ely (AEly@everettwa.gov)
2025-03-05 - 0:26:20 AM GMT
-  Document emailed to Cassie Franklin (cfranklin@everettwa.gov) for signature
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-  Email viewed by Cassie Franklin (cfranklin@everettwa.gov)
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-  Document e-signed by Cassie Franklin (cfranklin@everettwa.gov)
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-  Document emailed to Donald Schwab (DSchwab@everettwa.gov) for signature
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-  Email viewed by Donald Schwab (DSchwab@everettwa.gov)
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-  Document e-signed by Donald Schwab (DSchwab@everettwa.gov)
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-  Document emailed to bzarlingo@everettwa.gov for signature
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-  Angela Ely (AEly@everettwa.gov) added alternate signer marypfosse@gmail.com. The original signer mfosse@everettwa.gov can still sign.
2025-03-11 - 10:07:38 PM GMT
-  Email viewed by bzarlingo@everettwa.gov
2025-03-11 - 10:17:38 PM GMT
-  Signer bzarlingo@everettwa.gov entered name at signing as Ben Zarlingo
2025-03-11 - 10:18:51 PM GMT

 Document e-signed by Ben Zarlingo (bzarlingo@everettwa.gov)

Signature Date: 2025-03-11 - 10:18:53 PM GMT - Time Source: server

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2025-03-12 - 3:40:05 PM GMT

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2025-03-12 - 3:40:47 PM GMT

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2025-03-12 - 4:10:03 PM GMT

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2025-03-12 - 4:11:17 PM GMT

 Document e-signed by Liz Vogeli (evogeli@everettwa.gov)

Signature Date: 2025-03-12 - 4:11:19 PM GMT - Time Source: server

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2025-03-12 - 5:11:31 PM GMT

 Signer sbader@everettwa.gov entered name at signing as Scott G. Bader

2025-03-12 - 5:11:57 PM GMT

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2025-03-12 - 5:30:49 PM GMT

 Signer jtuohy@everettwa.gov entered name at signing as Judy Tuohy

2025-03-12 - 5:31:32 PM GMT

 Document e-signed by Judy Tuohy (jtuohy@everettwa.gov)

Signature Date: 2025-03-12 - 5:31:34 PM GMT - Time Source: server

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 Email viewed by marypfosse@gmail.com

2025-03-12 - 9:22:23 PM GMT

 Signer marypfosse@gmail.com entered name at signing as Mary Fosse

2025-03-12 - 9:24:45 PM GMT

 Document e-signed by Mary Fosse (marypfosse@gmail.com)

Signature Date: 2025-03-12 - 9:24:48 PM GMT - Time Source: server

 Agreement completed.

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