



City of Cashmere

101 Woodring Street
Cashmere, WA 98815
Ph (509) 782-3513 Fax (509) 782-2840
Website www.cityofcashmere.org

CASHMERE CITY COUNCIL MEETING
MONDAY, NOVEMBER 23, 2015 6:00 P.M., CITY HALL

AGENDA

CALL TO ORDER

FLAG SALUTE

EXCUSED ABSENCE

ANNOUNCEMENTS & INFORMATION

PUBLIC COMMENT PERIOD (For Items Not on the Agenda)

APPROVAL OF AGENDA

CONSENT AGENDA

1. Minutes of November 9, 2015 Regular Council Meeting
2. Payroll and Claims Packet Dated November 23, 2015

BUSINESS ITEMS

1. Public Hearing on Final Budget
2. Ordinance No. 1246 General Property Tax levy
3. Approval of Cascade Heights Phase 2 Subdivision
4. WSDOT Supplemental Agreement #1 to the Aplets Way Project
5. WSDOT Supplemental Agreement #2 to the Aplets Way Project
6. Blue Star Growers – Agreement to transfer water rights

PROGRESS REPORTS

ADJOURNMENT

TO ADDRESS THE COUNCIL, PLEASE BE RECOGNIZED BY THE MAYOR AND STATE YOUR NAME WHEN YOU BEGIN YOUR COMMENTS
Americans with Disabilities Act (ADA) accommodations provided upon request (48-hour notice required)

MINUTES OF THE CASHMERE CITY COUNCIL MEETING
MONDAY, NOVEMBER 9, 2015 AT CASHMERE CITY HALL

OPENING

Mayor Gomes opened the regular city council meeting at 6:00 p.m. at City Hall. Clerk-Treasurer Kay Jones took minutes.

ATTENDANCE

	<u>Present</u>	<u>Not Present</u>
Mayor:	Jeff Gomes Skip Moore Jim Fletcher Dave Erickson Bob Abramoski David Sherman	
Staff:	Kay Jones, Clerk-Treasurer Mark Botello, Dir. of Planning/Building	Chuck Zimmerman, City Attorney

FLAG SALUTE

PUBLIC COMMENT PERIOD

Dan Kenoyer from Blue Star Growers spoke to council regarding water rights they turned over to the City twenty years ago. The Agreement between the City and Blue Star was a twenty year agreement that froze the water rates for Blue Star in exchange for water rights. The twenty year agreement ended 12/31/14. Dan Kenoyer from Blue Star stated that the spirit of the agreement was that the agreement would continue even after the twenty years. He stated that the only reason it was a twenty year agreement was that legal counsel at the time said that a city council could not bind future city councils more than twenty years.

In 2012 Blue Star was given notice that the agreement was going to end December 2014. At that time Jerry Kenoyer wrote a letter to council requesting the agreement be extended. The City Council unanimously agreed that they could not justify paying for the water rights twice.

Mayor Gomes stated that the City would gather information and the item would be on the next council agenda for discussion.

ANNOUNCEMENTS & INFORMATION

No announcements.

APPROVAL OF AGENDA

MOVED by Councilor Fletcher and seconded by Councilor Sherman to approve the agenda as submitted. Motion carried

CONSENT AGENDA

Minutes of October 26, 2015 Regular City Council Meeting

Payroll and Claims Packet Dated November 9, 2015

Claim Check Nos. #36237 through #36281 totaling \$128,676.64

Payroll Check Nos. #36232 through #36234 totaling \$103,433.28

Manual Check #36235 and voided check #36236

MOVED by Councilor Erickson and seconded by Councilor Moore to approve the consent agenda. Motion carried

PUBLIC HEARING ON PRELIMINARY BUDGET

Mayor Gomes opened the public hearing at 6:27 p.m. Mayor Gomes discussed the list of capital projects. Clerk-Treasurer Kay Jones stated that the budget meets council policy, which is that current year revenues must meet operating expenditures.

Adam Scott residing at 2 Big Rock Place asked that the city put up shade canopies at the city pool. The only shade is in the grass area, which is always full.

With no further public comment Mayor Gomes closed the public hearing at 6:31 p.m.

ANIMAL CONTROL CONTRACT FOR 2016 THROUGH 2018

MOVED by Councilor Sherman and seconded by Councilor Erickson to approve the contract for animal control services and authorize the mayor to sign. Motion carried

PROGRESS REPORTS

Councilor Sherman reported that there have been a lot of 911 calls regarding shots fired, when actually its kids throwing bottle bombs out car windows. In order for the deputies to investigate or have teeth to do anything there needs to be a city ordinance prohibiting the bottle bombs.

Director Mark Botello reported on the progress of the Aplets Way project and that he has issued two new building permits.

ADJOURNMENT

Mayor Gomes adjourned the meeting at 6:59 p.m.

Jeff Gomes, Mayor

Attest:

Kay Jones, Clerk-Treasurer

ORDINANCE NO. 1246

AN ORDINANCE OF THE CITY OF CASHMERE, WASHINGTON, AUTHORIZING THE GENERAL PROPERTY TAX LEVY ALLOWED BY RCW 84.55.010; LEVYING THE GENERAL TAXES FOR THE CITY OF CASHMERE, ESTIMATED TO BE \$597,801.68, FOR THE FISCAL YEAR COMMENCING JANUARY 1, 2016 ON ALL PROPERTY, INCLUDING REAL, PERSONAL, AND UTILITY PROPERTY IN SAID CITY WHICH IS SUBJECT TO TAXATION FOR THE PURPOSE OF CARRYING ON THE GENERAL GOVERNMENT OF SAID CITY FOR THE ENSUING YEAR AS REQUIRED BY LAW; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Cashmere, Washington, having considered the City's anticipated financial requirements for 2016, and the amounts necessary and available to be raised by ad valorem taxes on real, personal and utility property; and

WHEREAS, after proper notice pursuant to RCW 84.55.120, the City Council held a public hearing on the 26th of October, 2015, wherein it considered revenue sources for the City's General Fund budget for 2016; and

WHEREAS, the City Council, after hearing, and after duly considering all relevant evidence and testimony presented, finds that the City of Cashmere will levy the general taxes for the City of Cashmere as allowed by RCW 84.55.010, in addition to the increase resulting from the addition of new construction and improvements to property and any increase in the value of state-assessed property, in order to discharge the expected expenses and obligations of the City of Cashmere and in its best interest; and

WHEREAS, the City of Cashmere, Washington, has a population of less than 10,000;

NOW THEREFORE, the City Council of the City of Cashmere, Washington do ordain as follows:

Section 1. General Levy. The regular property tax levy, plus a 1% increase over the levy from the previous year in the amount of \$5,859.75, plus the maximum dollar amount allowed under the provisions of state law for new construction and improvements to property and any increase in the value of state-assessed property and any annexations that have occurred and refunds made, is hereby authorized for the 2016 property tax levy on all real, personal and utility property authorized for collection in 2016.

Section 2. Estimated Amount. For the purpose of compliance with RCW 84.52.020 the City Council estimates for budget purposes that the amount of property tax to be collected in the year 2016 pursuant to Section 1. of this ordinance is \$597,801.68.

Section 3. Certification and Collection. A certified copy of this ordinance shall be transmitted by the City of Cashmere Clerk/Treasurer to Chelan County and to such other governmental agencies as provided by law. Taxes levied hereunder shall be collected and paid to the Clerk/Treasurer of the City of Cashmere at the time and in the manner provided by the laws of the State of Washington.

Section 4. Department of Revenue Form. Attached hereto and marked as Exhibit A is a true and correct copy of the Department of Revenue form requested to be approved by Chelan County. This form is hereby approved and made a part of this ordinance as if set forth in full herein.

Section 5. Severability. If any section, sentence, clause or phrase of this Ordinance shall be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this Ordinance.

Section 6. Effective Date. This Ordinance shall take effect and be in full force five (5) days after this Ordinance or a summary thereof consisting of the title is published.

Passed by the City Council of the City of Cashmere and approved by the Mayor this 23th day of November, 2015.

CITY OF CASHMERE

By: _____
Jeff Gomes, Mayor

Attest:

Kay Jones, City Clerk/Treasurer

Approved as to form:

Charles D. Zimmerman, City Attorney

Ordinance No: 1246
Passed by the City Council: 11/23/2015
Published in the Cashmere Valley Record: 12/2/2015
Effective date: 12/7/2015



Ordinance / Resolution No. 1246
RCW 84.55.120

WHEREAS, the City Council of The City of Cashmere has met and considered
(Governing body of the taxing district) (Name of the taxing district)
its budget for the calendar year 2016; and,

WHEREAS, the districts actual levy amount from the previous year was \$ 587,284.77; and,
(Previous year's levy amount)

WHEREAS, the population of this district is more than or less than 10,000; and now, therefore,
(Check one)

BE IT RESOLVED by the governing body of the taxing district that an increase in the regular property tax levy
is hereby authorized for the levy to be collected in the 2016 tax year.
(Year of collection)

The dollar amount of the increase over the actual levy amount from the previous year shall be \$ 5872.85
which is a percentage increase of 1 % from the previous year. This increase is exclusive of
(Percentage increase)

additional revenue resulting from new construction, improvements to property, newly constructed wind turbines,
any increase in the value of state assessed property, any annexations that have occurred and refunds made.

Adopted this 23rd day of November, 2015.

If additional signatures are necessary, please attach additional page.

This form or its equivalent must be submitted to your county assessor prior to their calculation of the property tax levies. A certified budget/levy request, separate from this form is to be filed with the County Legislative Authority no later than November 30th. As required by RCW 84.52.020, that filing certifies the total amount to be levied by the regular property tax levy. The Department of Revenue provides the "Levy Certification" form (REV 64 0100) for this purpose. The form can be found at: <http://dor.wa.gov/docs/forms/PropTx/Forms/LevyCertf.doc>.

To ask about the availability of this publication in an alternate format for the visually impaired, please call (360) 705-6715. Teletype (TTY) users, please call (360) 705-6718. For tax assistance, call (360) 534-1400.

Staff Summary

Date: November 23, 2015

To: Cashmere City Council
Mayor Gomes

From: Mark Botello

RE: Approval of Cascade Heights Phase 2 Subdivision P2014-192CA

Please see attached Cascade Heights Phase 2 Subdivision P2014-192CA. The project received preliminary approval pursuant to Cashmere Municipal Code (CMC) 14.09.050 *Quasi-judicial review of applications*. Cashmere's Hearing Examiner held an open public hearing on Wednesday, August 27, 2014 at 8:30am at Cashmere City Hall and granted preliminary approval with conditions. All conditions of approval have been completed.

Staff will go over this in more detail at the Cashmere Council meeting

Recommendation:

Staff recommends approval of the Cascade Heights Phase 2 Subdivision and authorize Mayor Gomes to sign final mylar.

CASCADE HEIGHTS PHASE 2 SUBDIVISION P2014-192CA

CITY OF CASHMERE PLAT No. P2014-192CA
ASSESSOR'S PARCEL No.: 23-19-04-500-140

ORIGINAL TRACT OWNER

Jack R. Clark
5252 Kennedy Road
Cashmere, WA 98815
509-825-5194

EXISTING ZONING: Single Family WATER SOURCE: City of Cashmere
No. PLATTED LOTS: 7 SEWAGE SYSTEM: City of Cashmere

CONSENT AND WAIVER OF CLAIMS

I, the owner of all the property involved in this subdivision, hereby consent to the division of land as proposed in this application, dedication to the use of the public forever, all public property hereon shown on the plat. I hereby grant a waiver by my self or all claimants against any governmental authority which may be occasioned to the adjacent lands by the established construction, drainage and maintenance of public roads.

In witness whereof I have here to set my signature This _____ Day of _____, 2015.

Jack R. Clark _____

ACKNOWLEDGMENT

This is to certify that on this _____ day of _____ A.D., 2015 before me, the undersigned, Notary Public, personally appeared, Jack R. Clark to known to be the owner that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said owner for the uses and purposes therein mentioned, and on oath stated that they authorized to execute said instrument.

In witness whereof, I have hereunto set my hand and affixed my official seal the day and year first above written.

Notary Public in and for the State of Washington _____

GENERAL NOTES

1. The basis of bearing is Washington State Plane North Zone NAD 83(97).
2. The Vertical Datum is Washington State Plane North Zone NAVD 88.
3. All measured distances on this plat are grid distances, multiply by a combined scale factor of 1.00004533 to derive ground distances.
4. All distances are in US Survey feet.
5. The field work was performed with Trimble 4800 GPS equipment and Leica TCR4 1105 total station having a second angular capability. The field work meets or exceeds the standards contained in WAC 532-130-090 and was not balanced.
6. The field work was performed on 01/06/99, 01/07/99, 01/08/99, 01/13/99, 3/24/04, 5/16/01, 5/30/01 and 7/17/03.
7. The object of this lot owner the city may place and maintain a street two within the front yard setback area of the lot. The lot owner shall provide basic maintenance and care (water and remove leaves and debris) for the tree and grant to the city permission to enter the property for purposes of pruning the tree or spraying insects or diseases. A tree assessment grant shall be both recorded on the final plat map and dedicated on a city easement grant form and recorded at the Chelan County auditor's office.
8. If any Native American grave sites or archeological resources are discovered or excavated, the owner/developer/contractor shall stop work immediately and notify City of Cashmere and the Washington State Office of Archeology and Historic Preservation in conformance with RCW 27.53.020.
9. Notoxic weed control is the responsibility of the individual lot owners.
10. Stumps shall be determined pursuant to all applicable local, state and federal regulations and requirements adopted at the time building and/or construction permits are vested unless specifically drafted on this plat.
11. Erosion control measures must be in place prior to any clearing, grading, or construction. These control measures shall be designed to prevent erosion and runoff of sediment and silt. All erosion control measures shall be installed and maintained until permanent vegetation is established and soil will no longer erode.
12. EIP protection may be hindered due to the inability to gain access because of substandard, poor or no maintenance of access roadways/drivers. City of Cashmere shall not be liable for the loss of life or property if proper access cannot be obtained.
13. Private roads, easements, tracts of land not maintained by City of Cashmere.
14. All conditions of approval as stipulated in Subdivision Plat 2014-192CA decision are full force and effect.
15. All irrigation easements hereon this plat benefit all lots within this plat.

LEGAL DESCRIPTION
Phase II of Cascade Heights subdivision, AEN: 2097715, recorded in Book 28 Page 28 of Plats, record of Chelan County, Washington.

CITY OF CASHMERE CITY COUNCIL
Approved by the City Council this _____ day of _____, 2015.

Mayor of Cashmere _____
Attest: _____
Clark/Treasurer City of Cashmere _____

Approved by the City Administrator this _____ day of _____, 2015.

Director of Planning & Building _____

TREASURER'S CERTIFICATE

I hereby certify that all taxes and assessments which have been levied and become chargeable against the above described property for 2015 and preceding years have been duly paid, satisfied and discharged in the amount of _____, and have been deposited with the Chelan County Treasurer this _____ day of _____, 2015.

Filed for record this _____ day of _____, 2015 at _____ M.
In book _____ page _____ of plats at the request of Norman Nelson.

Deputy _____ County Auditor _____
Auditor No. _____

SURVEYOR'S CERTIFICATE

This map correctly represents a survey made by me, or under my direction, in conformance with the requirements of the survey recording act at the request of _____, _____, 2015.

Norman Nelson
Certificate No 22963



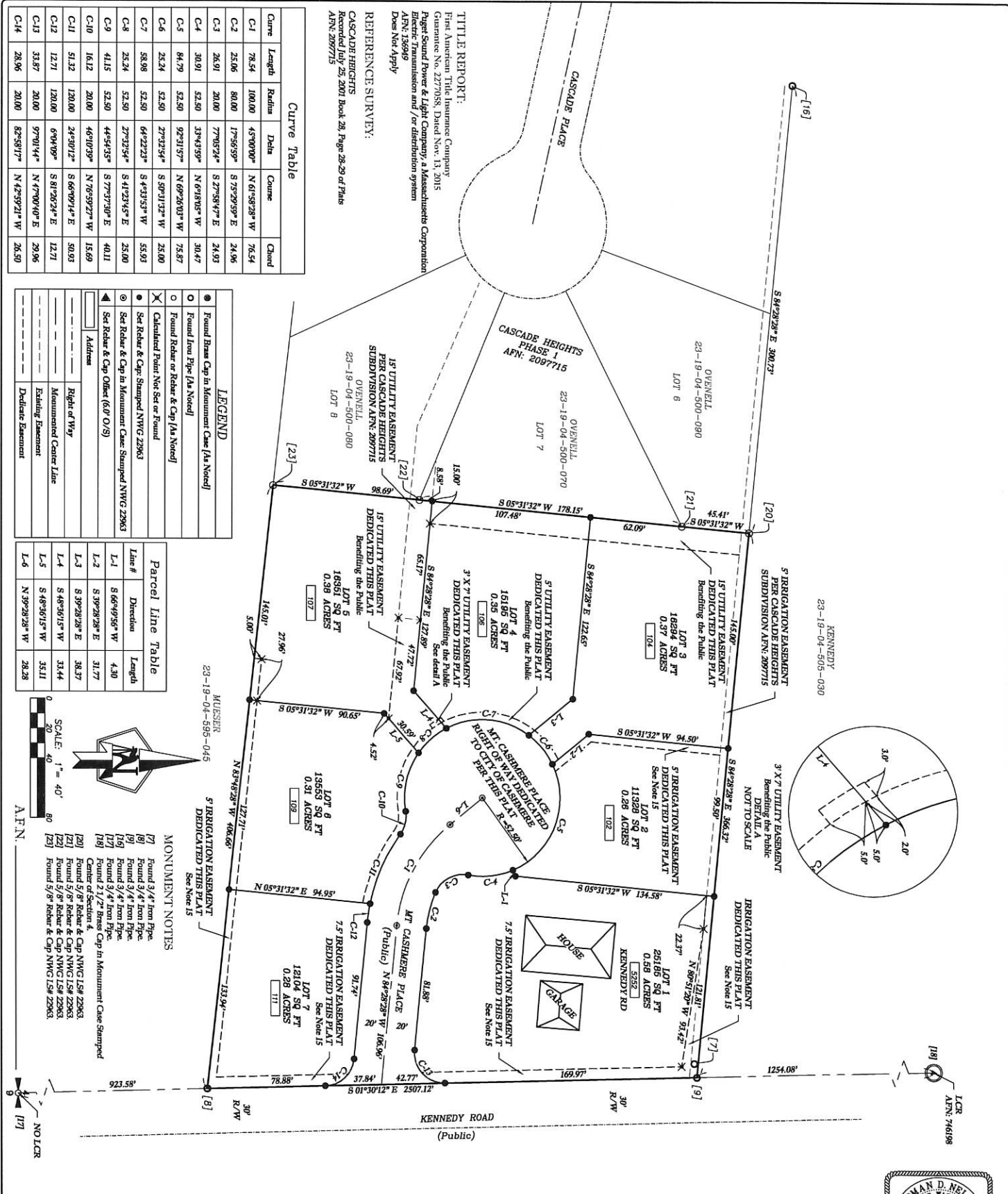
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15 North Chelan Ave. Wenatchee, Wa. 98801 Phone 509-663-8660 Fax 509-663-6278

CASCADE HEIGHTS PHASE 2
SUBDIVISION P2014-192CA
T. 23 N. R. 19 E. W.M.
PORTION OF THE N 1/2 OF THE SW 1/4 SECTION 4
CITY OF CASHMERE WASHINGTON

DATE: 2015-11-13 DSN: DWK/JM FILE: 2015-11-13 CLAW SUBDIVISION PHASE 2-PLAT

13105
PROL. NO.
1 OF 2
SHT.



TITLE REPORT:
 First American Title Insurance Company
 Guarantee No. 2277058, Dated Nov. 13, 2015
 Project Sound Power & Light Company, a Massachusetts Corporation
 Electric Transmission and/or distribution system
 Does Not Apply

REFERENCE SURVEY:
 CASCADE HEIGHTS
 Recorded July 25, 2001 Book 28, Page 28-29 of Plans
 A.F.N. 2097715

Curve Table

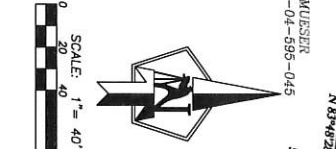
Curve	Length	Radius	Delta	Course	Chord
C-1	76.54	100.00	45°00'00"	N 61°58'28" W	76.54
C-2	25.06	80.00	17°56'59"	S 75°29'59" E	24.96
C-3	26.91	20.00	77°08'24"	S 27°58'47" E	24.93
C-4	30.91	52.50	33°43'59"	N 67°18'05" W	30.47
C-5	84.79	52.50	92°31'57"	N 69°26'01" W	75.67
C-6	25.24	52.50	27°32'54"	S 50°31'12" W	25.00
C-7	58.98	52.50	64°22'23"	S 4°33'57" W	55.93
C-8	25.24	52.50	27°32'54"	S 41°23'45" E	25.00
C-9	41.15	52.50	44°54'35"	S 77°37'30" E	40.11
C-10	16.12	20.00	46°10'39"	N 76°59'27" W	15.69
C-11	51.32	120.00	24°30'12"	S 66°09'14" E	50.83
C-12	12.71	120.00	6°04'09"	S 81°26'24" E	12.71
C-13	33.87	20.00	97°01'44"	N 47°00'40" E	29.96
C-14	28.96	20.00	82°58'17"	N 42°59'21" W	26.50

LEGEND

●	Found Brass Cap in Monument Case [As Noted]
○	Found Iron Pipe [As Noted]
○	Found Rebar or Cap in Monument Case [As Noted]
○	Found Rebar & Cap in Monument Case Stamped NING 22963
○	Calculated Point Not Set or Found
○	Set Rebar & Cap; Stamped NING 22963
○	Set Rebar & Cap in Monument Case Stamped NING 22963
○	Set Rebar & Cap Object (6.0' O/S)
○	Address

Parcel Line Table

Line #	Direction	Length
L-1	S 66°49'56" W	4.30
L-2	S 39°29'28" E	31.77
L-3	S 39°29'28" E	38.37
L-4	S 48°30'15" W	33.44
L-5	S 48°30'15" W	35.11
L-6	N 39°29'28" W	28.28



- MONUMENT NOTES**
- [17] Found 3/4" Iron Pipe.
 - [18] Found 3/4" Iron Pipe.
 - [19] Found 3/4" Iron Pipe.
 - [20] Found 3/4" Iron Pipe.
 - [21] Found 2 1/2" Brass Cap in Monument Case Stamped Center of Section 4.
 - [22] Found 3/8" Rebar & Cap NING 15# 22863.
 - [23] Found 3/8" Rebar & Cap NING 15# 22863.
 - [24] Found 3/8" Rebar & Cap NING 15# 22863.

13105
 PROJ. NO.
 2 OF 2
 SHT.

CASCADE HEIGHTS PHASE 2
 SUBDIVISION P2014-102CA
 T. 23 N. R. 19 E. W.M.
 PORTION OF THE N 1/2 OF THE SW 1/4
 SECTION 4
 CITY OF CASHMERE WASHINGTON

DATE: 2015-11-13 DSON: DWG: JIM FILE: 2015-11-13 CLAW SURVEYOR PHASE 2-FINAL

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 AND PERSONAL SERVICE

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Staff Summary

Date: November 23, 2015

To: Cashmere City Council
Mayor Gomes

From: Mark Botello

RE: WSDOT Supplemental Agreement #1 to the Aplets Way Project

Please see attached WSDOT Supplemental Agreement Number 1 to the Aplets Way pavement preservation project, which was made and entered into on the 23rd day of June 2014. This project is partially funded at 85.5% with Federal Surface Transportation Regional grant dollars. This portion of the Aplets Way pavement preservation project limits are from River Street to Aplets Way Bridge. This Agreement provides an extension of the completion date to June 30, 2017. Staff anticipates going out to bid early January 2016 with construction starting in early spring 2016. The extra time allowance is for project document close-outs.

Recommendation:

Staff recommends approval of WSDOT Supplemental Agreement Number 1 to the Aplets Way pavement preservation project subject to final WSDOT Approval.



Supplemental Agreement Number <u>1</u>		Organization and Address RH2 Engineering, Inc. 300 Simon Street SE, Suite 5 East Wenatchee, WA 98802	
Original Agreement Number		Phone: 509-886-2900	
Project Number <u>STPR-F041(005)</u>	Execution Date	Completion Date <u>6/30/2017</u>	
Project Title <u>Aplets Way Improvements</u>	New Maximum Amount Payable \$ 39,240.10		
Description of Work <u>Extension of completion date.</u>			

The Local Agency of City of Cashmere
 desires to supplement the agreement entered into with RH2 Engineering, Inc.
 and executed on 6/23/2014 and identified as Agreement No. _____

All provisions in the basic agreement remain in effect except as expressly modified by this supplement.

The changes to the agreement are described as follows:

I

Section 1, SCOPE OF WORK, is hereby changed to read:

N/A

II

Section IV, TIME FOR BEGINNING AND COMPLETION, is amended to change the number of calendar days for completion of the work to read: Completion Date - June 30, 2017

III

Section V, PAYMENT, shall be amended as follows:

N/A

as set forth in the attached Exhibit A, and by this reference made a part of this supplement.

If you concur with this supplement and agree to the changes as stated above, please sign in the appropriate spaces below and return to this office for final action.

By: Randy Asplund

By: _____

[Signature]
 Consultant Signature
 Vice President

 Approving Authority Signature

 Date

Staff Summary

Date: November 23, 2015

To: Cashmere City Council
Mayor Gomes

From: Mark Botello

RE: WSDOT Supplemental Agreement #2 to the Aplets Way Project

Please see attached WSDOT Supplemental Agreement Number 2 to the Aplets Way pavement preservation project, which was made and entered into on the 23rd day of June 2014. This project is partially funded at 85.5% with Federal Surface Transportation Regional grant dollars. This portion of the Aplets Way pavement preservation project limits are from River Street to Aplets Way Bridge.

This Agreement provides construction contract administration and construction observation services for the federally-funded roadway preservation and American with Disabilities Act (ADA) improvements. Please see exhibit A-1 for more specifics on the scope of work services.

RH2 Engineering fee for the services during construction is \$32,547.02 and are more specifically identified in Exhibit A-1 and B-1 of the attached Supplemental Agreement Number 2.

Recommendation:

Staff recommends approval of WSDOT Supplemental Agreement Number 2 to the Aplets Way pavement preservation project subject to final WSDOT Approval.



Supplemental Agreement Number <u>2</u>		Organization and Address RH2 Engineering, Inc. 300 Simon Street SE, Suite 5 East Wenatchee, WA 98802	
Original Agreement Number		Phone: 509-886-2900	
Project Number <u>STPR-F041(005)</u>	Execution Date	Completion Date <u>6/30/2017</u>	
Project Title <u>Aplets Way Improvements</u>	New Maximum Amount Payable \$ 71,787.12		
Description of Work <u>Services during construction.</u>			

The Local Agency of City of Cashmere
desires to supplement the agreement entered into with RH2 Engineering, Inc.
and executed on 6/23/2014 and identified as Agreement No. _____
All provisions in the basic agreement remain in effect except as expressly modified by this supplement.

The changes to the agreement are described as follows:

I

Section 1, SCOPE OF WORK, is hereby changed to read:

See Exhibit A.

II

Section IV, TIME FOR BEGINNING AND COMPLETION, is amended to change the number of calendar days for completion of the work to read: Completion Date - June 30, 2017

III

Section V, PAYMENT, shall be amended as follows:

See Exhibits B-1, B-2, B-3, C-1, and C-2

as set forth in the attached Exhibit A, and by this reference made a part of this supplement.

If you concur with this supplement and agree to the changes as stated above, please sign in the appropriate spaces below and return to this office for final action.

By: _____

By: _____

Consultant Signature

Approving Authority Signature

Date

EXHIBIT A

	Basic Agreement	Supplement No. 1	Supplement No. 2	Total
Direct Salary Cost	\$9,903.19	0	\$9,269.52	\$19,172.71
Overhead (Including Payroll Additive's)	\$17,098.85	0	\$16,999.37	\$34,098.22
Direct Non-Salary Costs	\$9,267.10	0	\$3,497.28	\$12,764.38
Fixed Fee	\$2,970.96	0	\$2,780.86	\$5,751.81
Total	\$39,240.10	0	\$32,547.02	\$71,787.12

EXHIBIT A-1
Scope of Work
City of Cashmere
Aplets Way Improvements
Supplement No. 2
Services During Construction

November 2015

The following is a supplement to the Scope of Work for the Aplets Way Improvements project. This supplement is intended to cover work to administer this project through construction and project closeout.

Task 1 – Services During Construction

Objective: This supplement will provide construction contract administration and construction observation services for the federally-funded roadway pavement preservation and Americans with Disabilities Act (ADA) improvements. *The construction activities are assumed to be completed in the spring and summer of 2016.* Additional tasks that may occur beyond what is scoped herein will need to be negotiated through an additional supplement.

Approach:

- 1.1 Prepare paperwork for construction observation, construction documentation, and funding administration. Set up construction files. Track, assemble, file, and maintain construction documentation. Coordinate with staff and contractor, and administer request for sublets, lower tier subcontractor certification, and statements of intent. Maintain project files.
- 1.2 Prepare and provide an agenda for the pre-construction meeting. Attend the pre-construction meeting. Prepare and provide required plan sets to the contractor at the pre-construction meeting.
- 1.3 Coordinate with a materials testing lab to facilitate testing of permanent materials incorporated into the project in accordance with the Washington State Department of Transportation (WSDOT) Standard Specifications and WSDOT Construction Manual. Materials testing will be an on-call service to RH2 Engineering, Inc. (RH2).
- 1.4 Provide one (1) on-site engineer for an average of four (4) hours of observation per day during the construction of the intersection improvements. *It is estimated this work will take thirty (30) working days.*
- 1.5 Review submittals for approximately twenty (20) work items (to include QPLs, RAM, manufacturer certificate of compliance, Certificate of Material Origin, shop drawings, fabrication construction observation, mix designs, and batch plant certification) in accordance with the project plans and specifications. Maintain a record of materials on a weekly basis during construction.
- 1.6 Prepare paperwork associated with federal requirements, including weekly working day statements, certified payrolls, wage rate interviews, Equal Employment Opportunity (EEO) and trainee requirements, and Disadvantaged Business Enterprise (DBE) and Americans with ADA requirements.

- 1.7 Prepare one (1) pay estimate per month and one (1) final pay estimate for submittal to the City of Cashmere (City) for processing.
- 1.8 Assemble project records for project closeout, and transfer to the City. Prepare completion letters, as required. Organize and maintain project records for closeout and review by the WSDOT. Prepare notifications, final reports, materials certifications, review affidavits of wages paid, and provide protection releases. Coordinate with WSDOT during the closeout process, and provide project documentation for WSDOT review.

Assumptions:

City staff will provide construction observation services beyond what is provided by this Scope of Work.

Provided by City:

- Additional construction observation services required.

RH2 Deliverables:

- Pre-construction meeting agenda.
- Copies of reviewed submittals.
- Wage rate interviews, EEO, and DBE reports.
- Weekly statements of working days.
- Pay estimates.
- Project records.

EXHIBIT B-1 PRELIMINARY

City of Cashmere

Aplets Way Improvements - Supplement No. 2

Services During Construction

Estimate of Time and Expense

Description	Principal	Project Manager	Project Engineer	Staff Engineer	Engineering Technician	Total Hours	Total Labor	Subconsultant	Total Expense	Total Cost
	Professional IX	Professional VI	Professional V	Professional II	Technician I					
Task 1 Services During Construction										
1.1 Prepare paperwork and maintain files	-	6	-	6	2	14	\$2,225.14	\$0.00	\$9.00	\$2,234.14
1.2 Prepare for and attend pre-construction meeting	-	2	-	4	-	6	\$882.46	\$0.00	\$25.00	\$907.46
1.3 Coordinate materials testing services	-	4	-	-	-	4	\$938.52	\$2,914.78	\$0.00	\$3,853.30
1.4 Provide on-site observation services	-	16	-	120	-	136	\$16,150.08	\$0.00	\$345.00	\$16,495.08
1.5 Review contractor submittals	-	2	-	8	-	10	\$1,295.66	\$0.00	\$9.00	\$1,304.66
1.6 Prepare paperwork associated with federal regulations	-	8	-	6	4	18	\$2,891.96	\$0.00	\$0.00	\$2,891.96
1.7 Prepare pay estimates	-	8	-	8	-	16	\$2,703.44	\$0.00	\$0.00	\$2,703.44
1.8 Assemble project records and assist with project closeout	-	4	-	8	2	14	\$1,962.48	\$0.00	\$194.50	\$2,156.98
Subtotal	-	50	-	160	8	218	\$29,049.74	\$2,914.78	\$582.50	\$32,547.02
PROJECT TOTAL	0	50	0	160	8	218	\$29,049.74	\$2,914.78	\$582.50	\$32,547.02

Exhibit B-2
 Consultant Fee Determination - Negotiated Hourly Rates

City of Cashmere
 Aplets Way Improvements - Supplement No. 2

<u>Classification / Job Title</u>	<u>Hourly Rate</u>	<u>Overhead @ 183.39%</u>	<u>Profit @ 30.00%</u>	<u>Rate Per Hour</u>	<u>x Labor Hours =</u>	<u>Cost</u>
Professional VI	\$ 74.87	\$ 137.30	\$ 22.46	\$ 234.63	50.0	\$ 11,731.50
Professional II	\$ 32.96	\$ 60.45	\$ 9.89	\$ 103.30	160.0	\$ 16,528.00
Technician I	\$ 31.52	\$ 57.80	\$ 9.46	\$ 98.78	8.0	\$ 790.24
						<u>\$ 29,049.74</u>
<u>Reimbursables</u>	<u>Rate</u>	<u>Qty</u>				
CAD System Per Hour	\$ 27.50	6				\$ 165.00
CAD Plots Half Size	\$ 2.50	20				\$ 50.00
In-house copies (each) 8.5" X 11" B&W	\$ 0.09	250				\$ 22.50
Mileage	\$ 0.58	600				<u>\$ 345.00</u>
						\$582.50
Subconsultant Costs:						\$ 2,914.78
Subconsultant Markup:						\$ -
Total Subconsultant:						<u>\$ 2,914.78</u>
Grand Total:						\$32,547.02

Prepared by:
 E. Howe

Exhibit B-3

Negotiated Hourly Rate

Effective: August 2015

Staff Classification	Direct Salary Cost	Overhead Multiplier 183.39%	Fee Multiplier 30%	All Inclusive Billing Rate
Professional IX	124.40	228.14	37.32	389.86
Professional VIII	92.70	170.00	27.81	290.51
Professional VII	82.02	150.42	24.61	257.05
Professional VI	74.87	137.30	22.46	234.63
Professional V	62.86	115.28	18.86	197.00
Professional IV	51.20	93.90	15.36	160.46
Professional III	43.01	78.88	12.90	134.79
Professional II	32.96	60.45	9.89	103.30
Professional I	28.73	52.69	8.62	90.04
Technician II	20.00	36.68	6.00	62.68
Technician I	31.52	57.80	9.46	98.78
Administrative V	46.30	84.91	13.89	145.10
Administrative IV	40.10	73.54	12.03	125.67
Administrative III	30.20	55.38	9.06	94.64
Administrative II	22.00	40.35	6.60	68.95
Administrative I	18.00	33.01	5.40	56.41

Reimbursable Expenses may include:

In-House copies (B& Each	\$	0.09
In-House copies (B& Each	\$	0.14
In-House copies (B& Each	\$	0.20
In-House copies (Co Each	\$	0.90
In-House copies (Co Each	\$	1.20
In-House copies (Co Each	\$	2.00
In-House CAD Syster Per Hour	\$	27.50
CAD Plots Large	\$	25.00
CAD Plots Full Size	\$	10.00
CAD Plots Half Size	\$	2.50
GIS System Per Hour	\$	27.50
Mileage Per Mile	\$	0.5750



**Washington State
Department of Transportation**

Lynn Peterson
Secretary of Transportation

Transportation Building
310 Maple Park Avenue S.E.
P.O. Box 47300
Olympia, WA 98504-7300
360-705-7000
TTY: 1-800-833-6388
www.wsdot.wa.gov

August 18, 2015

RH2 Engineering, Inc.
22722 29th Drive SE, Suite 210
Bothell, WA 98021

Subject: Acceptance FYE 2014 ICR – Audit Office Review

Dear Ms. Kris Nordlund:

Transmitted herewith is the WSDOT Audit Office's memo of "Acceptance" of your firm's FYE 2014 Indirect Cost Rate (ICR) of 183.39%. Your ICR acceptance is in accordance with 23 CFR 172.7 and must be updated on an annual basis. This rate will be applicable for:

- WSDOT Agreements
- Local Agency Contracts in Washington State only

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.

This was not a cognizant review. 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) 705-7104 or via email consultantrates@wsdot.wa.gov.

Regards;

A handwritten signature in black ink, appearing to read "Erik K. Jonson".

ERIK K. JONSON
Manager, Consultant Services Office

EKJ:rck



Washington State
Department of Transportation

Memorandum

August 17, 2015

TO: Erik Jonson, WSDOT Contracts Administrator

FROM: Schatzie Harvey, Agreement Compliance Audit Manager ~~RAM~~

SUBJECT: RH2 Engineering, Inc. Indirect Cost Rate for
Fiscal Year Ended December 31, 2014

We have completed our desk review of the RH2 Engineering, Inc., Indirect Cost Rate for the above referenced fiscal year. We reviewed the documentation supporting the rate for compliance with criteria contained in the Federal Acquisition Regulations (FAR), Subpart 31. Our review included a site visit to the firm.

Based on our review we are issuing this memo establishing the RH2 Engineering Indirect Cost Rate for fiscal year ending December 31, 2014, at 183.39% of direct labor. RH2 Engineering provided a FHWA Certificate of Final Indirect Costs indicating all costs included in the indirect cost rate schedule comply with Federal Acquisition Regulations (FAR), Subpart 31.

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

This was not a cognizant review. Any other entity contracting with the firm is responsible for determining the acceptability of the Indirect Cost Rate.

If you have any questions, feel free to call me at (360) 705-7006, or via email at harveys@wsdot.wa.gov.

Cc: Steve McKerney
File

Certification of Final Indirect Costs

Firm Name: RH2 Engineering, Inc.

Indirect Cost Rate Proposal: 183.39%

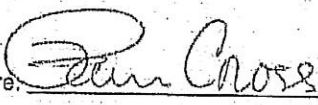
Date of Proposal Preparation (mm/dd/yyyy): 8/10/15

Fiscal Period Covered (mm/dd/yyyy to mm/dd/yyyy): 01/01/2014 to 12/31/2014

I, the undersigned, certify that I have reviewed the proposal to establish final indirect cost rates for the fiscal period as specified above and to the best of my knowledge and belief:

- 1.) All costs included in this proposal to establish final indirect cost rates are allowable in accordance with the cost principles of the Federal Acquisition Regulations (FAR) of title 48, Code of Federal Regulations (CFR), part 31.*
- 2.) This proposal does not include any costs which are expressly unallowable under the cost principles of the FAR of 48 CFR 31.*

All known material transactions or events that have occurred affecting the firm's ownership, organization and indirect cost rates have been disclosed.

Signature: 

Name of Certifying Official* (Print): Paul Cross

Title: Executive Vice-President

Date of Certification (mm/dd/yyyy): 08/14/2015

*The "Certifying Official" must be an individual executive or financial officer of the firm at a level no lower than a Vice President or Chief Financial Officer, or equivalent, who has the authority to represent the financial information utilized to establish the indirect cost rate for use under Agency contracts.

Ref. FHWA Directive 4470.1A available on line at:
<http://www.fhwa.dot.gov/legisregs/directives/orders/44701a.htm>

REVISIONS
REVISED 02/2011

Exhibit B-3

RH2 ENGINEERING, INC. Indirect Cost Rate Schedule For the Year Ended December 31, 2014

Description	Financial Statement Amount	RH2 Adj.	WSDOT Adj.	Ref.	Accepted Amount	%
Direct Labor	<u>\$4,361,871</u>				<u>\$4,361,871</u>	100.00%
Indirect Costs:						
Fringe Benefits						
Vacation Pay	\$443,568				\$443,568	10.17%
Sick Pay	187,952				187,952	4.31%
Holiday Pay	241,188				241,188	5.53%
Payroll Taxes	711,306				711,306	16.31%
Health Insurance	473,567				473,567	10.86%
Retirement Plans	660,456				660,456	15.14%
Accumulate Accrued Vacation	59,803				59,803	1.37%
Fringe Benefit Adjustment		(\$31,049)	(\$60,549)	I, Q	(91,598)	-2.10%
Total Fringe Benefits	<u>\$2,777,839</u>	<u>(\$31,049)</u>	<u>(\$60,549)</u>		<u>\$2,686,241</u>	<u>61.58%</u>
General Overhead						
General Administration Labor	\$1,862,386	(\$67,738)	(\$266,015)	J, R	\$1,528,632	35.05%
Bid & Proposal Labor	1,246,613				1,246,613	28.58%
Advertising Labor	284,424	(284,424)		A	-	0.00%
Direct Selling Labor	160,329				160,329	3.68%
Business Planning & Recruiting Labor	152,039				152,039	3.49%
Bonus	1,504,898	(614,523)		M	890,375	20.41%
Rent & Building Utilities	964,007	(13,481)		N	950,526	21.79%
B&O/Property/Excise Taxes	259,647				259,647	5.95%
Business Insurance	223,026				223,026	5.11%
Professional Services	70,868		(34,886)	S	35,982	0.82%
Interest and Bank Charges	20,294	(20,294)		B	-	0.00%
Travel	177,849	(78,159)		A, K, J	99,690	2.29%
Company Autos	58,393	(12,339)		H	46,054	1.06%
Server/Telecommunications	126,234				126,234	2.89%
Supplies/Printing/Postage/Equip. Maintenance/Mi	278,389	(6,629)	(7,428)	A, F, G, T	264,332	6.06%
Professional Development, Dues & Subscriptions	76,658	(1,411)		P	75,246	1.73%
Business Planning & Recruiting Expenses	19,704				19,704	0.45%
Bad Debt	1,318	(1,318)		C	-	0.00%
Keyman Insurance	4,894	(4,894)		D	-	0.00%
Donations & Community Involvement	7,298	(7,298)		E	-	0.00%
Advertising / Promotional Items	80,109	(80,109)		A	-	0.00%
Gifts & Entertainment	163,554	(163,554)		F	-	0.00%
Depreciation	271,676	(23,139)		H	248,537	5.70%
Gain/Loss from Sales/Disposals of Assets	18,046				18,046	0.41%
Deferred Federal Income Tax	307,437	(307,437)		L	-	0.00%
In-House Costs Reimbursed	(1,048,475)	18,458		O	(1,030,017)	-23.61%
Other Income	(2,143)				(2,143)	-0.05%
Total General Overhead	<u>\$7,289,472</u>	<u>(\$1,668,290)</u>	<u>(\$308,329)</u>		<u>\$5,312,853</u>	<u>121.80%</u>
Total Indirect Costs & Overhead	<u>\$10,067,311</u>	<u>(\$1,699,339)</u>	<u>(\$368,878)</u>		<u>\$7,999,094</u>	<u>183.39%</u>
Indirect Cost Rate	230.80%	191.84%			<u>183.39%</u>	

*RH2 Engineering, Inc. - Reviewed and Accepted by BC 8/3/15
"Indirect Cost Rate still subject to WSDOT Audit"*

Exhibit B-3

RH2 ENGINEERING, INC.
Indirect Cost Rate Schedule
For the Year Ended December 31, 2014

References

RH2 Engineering Adjustments:

- A Advertising and Public relations labor & expenses unallowable per 48 CFR 31.205-1 and 31.205-38
- B Interest & Financial Charges (20,294) unallowable per 48 CFR 31.205-20
- C Bad Debts (1,318) unallowable per 48 CFR 31.205-3
- D Key person life insurance (4,894) unallowable per 48 CFR 31.205-19(e)(2)(v).
- E Contributions (7,298) unallowable per 48 CFR 31.205-8.
- F Entertainment (163,554) unallowable per 48 CFR 31.205-14 and Gifts unallowable per 48 CFR 31.205-13.
- G Alcoholic Beverages unallowable per 48 CFR 31.205-51
- H Personal use of company vehicles (23,139) (12,339) unallowable 48 CFR 31.205-46 (d)
- I Associated Advertising and Public Relation labor fringe (31,049) unallowable per 48 CFR 31.205-1 and 31.201-6.
- J Costs directly associated to a project unallowable per 48 CFR 31.201-6. Trade Show Booth costs and associated costs unallowable per 48 CFR 31.205-1 and 31.201-6. Travel costs in excess of allowable per diem rates unallowable per 48 CFR 31.205-46.
- K Unsupported costs unallowable per 48 CFR 201-2, 31.201-4.
- L Federal Income Taxes and Deferred Income Taxes (307,437) unallowable per 31.205-41(b)
- M Equity portion of bonus payments (614,523) unallowable per 48 CFR 31.201-6(f)
- N Common Control Rent Adjustment for EW Office (13,481)
- O Two direct accounts were included in the In-House Costs Reimbursed Automatic Entries
- P Lobbying costs associated with professional memberships (1,411) unallowable per 48 CFP 31.205-22

WSDOT References:

- Q Portion of payroll taxes (60,549) unallowable excess compensation and profit distribution, directly associated cost per 48 CFR 31.201-6(a)
- R Executive compensation in excess of the NCM (266,015) unallowable per 48 CFR 31.205-6
- S Legal fees found in test transactions (34,886) unallowable per 48 CFR 31.205-47
- T Soda and Costco Memberships found in test transactions (7,428) unallowable per 48 CFR 31.205-13

Exhibit C-1



104 EAST NINTH STREET
WENATCHEE, WA 98801
www.csinw.com

Construction Special Inspection

TEL: 509.664.4843
FAX: 509.663.8534
CELL: 509-881-8049

Nov. 12, 2015

RH2 Engineering Inc,

Aplets Way Overlay Special Inspection and Testing:

Erik,

CSI is pleased to provide you with the following cost estimate for special testing on your project. We understand the scope of work to include concrete testing, soil compaction and asphalt testing. The following tables are a breakdown of the tests and time needed to complete the required inspections and tests. Times and cost may vary depending on contractors construction schedule.

Field Testing

The following table lists the projected number of concrete pours and time on site. The number of tests and time may vary depending on the contractor’s concrete, HMA and soil placement schedule.

Technician III: Soil Compaction	2 hrs	@	\$60	\$120
Technician III: HMA Testing	20 hrs	@	\$60	\$1,200
Technician III: Concrete Testing	2 hrs	@	\$60	\$120

Laboratory Testing

The following table lists the number and types of tests that will be needed. The number of tests may vary depending on requirements.

Extraction, Gradation & Rice Density	3	@	\$175	\$525
Concrete Cylinder Testing	6	@	\$15	\$90
Crushed Surface Gradation	1	@	\$75	\$75
Crushed Surface Sand Equivalent	1	@	\$60	\$60
Crushed Surface Fracture Count	1	@	\$40	\$40

Mileage and Travel Time:

Mileage will be charged at the rate of \$0.565 per mile. We estimate the round trip distance from our Wenatchee office to be 7 miles. CSI is currently involved in projects in the area and will share the travel time and mileage whenever possible.

Mileage – round trips @ 7 miles ea.				
5 Trips:	35 mi	@	\$0.565	\$19.78
Travel time @ .5 hrs per trip.	2.5 hrs.	@	\$60	\$150

Exhibit C-1

Project Administration

These costs are associated with project management and document preparation, report review and technician scheduling. Reports and test results will be faxed or emailed on a daily basis as directed by the client.

Secretarial	2 hrs.	@	\$45	\$90
Testing Manager	5 hrs.	@	\$85	\$425
Total Estimated Cost				\$2,914.78

Thank you for the opportunity to provide you with this estimate. We look forward to working with you on this and future projects. Please call if you have any questions.

Sincerely,
CSI

Jon Hills
President

The total fees may be more or less than the estimate depending on project schedule, changes in the scope of services, and unanticipated work effort. If it appears the fees will exceed the estimate, Client will be notified immediately and services will be suspended until receipt of written authorization to proceed.



**Washington State
Department of Transportation**

Lynn Peterson
Secretary of Transportation

Transportation Building
310 Maple Park Avenue S.E.
P.O. Box 47300
Olympia, WA 98504-7300
360-705-7000
TTY: 1-800-833-6388
www.wsdot.wa.gov

June 30, 2015

Jon Hills, President
CSI: Construction Special Inspection
1250 North Wenatchee Ave, Suite H 135
Wenatchee, WA 98801-1599

Re: CSI: Construction Special Inspection
Safe Harbor Indirect Cost Rate

Dear Mr. Hills:

Washington State is one of ten states who have received approval from Federal Highway Headquarters to participate in the Test and Evaluation Program (TE-045) for use of a "safe harbor" indirect cost rate on engineering and design related service contracts, as well as for Local Public Agency projects.

We have completed our risk assessment for CSI: Construction Special Inspection. Our assessment was conducted based on the documentation provided by the firm. The reviewed data included, but was not limited to, a description of the company, basis of accounting, accounting system and the basis of indirect costs. Based on our review, your firm is eligible to use the Safe Harbor rate. You have opted to use the Safe Harbor rate, rather than provide a FAR-complaint rate at this time.

We are issuing the Safe Harbor Indirect Cost Rate of 110% of direct labor for CSI: Construction Special Inspection. The Safe Harbor rate is effective on June 30, 2015.

CSI: Construction Special Inspection has agreed to improve Internal Controls and timekeeping processes in order to be able to develop an Indirect Cost Rate Schedule in future accordance to Federal cost principles (48 CFR FAR). The WSDOT Internal Audit Office has provided guidance and information related to FARs and the AASHTO Audit Guide. The Safe Harbor rate of 110% will expire on June 30, 2016.

The Safe Harbor Rate will not be subject to audit. Please coordinate with WSDOT Consultant Services (CSO) or your Local Programs contact if you have questions about when to apply the Safe Harbor rate to your agreement.

If you, or any representatives of CSI: Construction Special Inspection have any questions, please contact Brian Stallman, Schatzie Harvey, or Steve McKerney at (360)705-7003.

Sincerely,


Schatzie Harvey
WSDOT Agreement Compliance Audit Manager

SH:bs

cc: Steve McKerney, Director of Internal Audit
Jeri Sivertson, Assistant Director of Internal Audit
Larry Schofield, MS 47323

Exhibit C-2

CERTIFICATION OF FINAL INDIRECT COSTS – FOR A SAFE HARBOR INDIRECT COST RATE

Firm Name: CONSTRUCTION SPECIAL INSPECTION

Project Number/Name: 2015 CCPW ON CALL SERVICES

I, the undersigned, certify that I have reviewed the proposal to establish the Safe Harbor rate.

The firm is electing to use the SAFE HARBOR INDIRECT COST RATE of 110%. To the best of my knowledge and belief:


- a) The firm has not had a FAR compliant indirect cost rate previously accepted by any other state agency.
- b) The firm will provide reports as required by the SAFE HARBOR RATE program on their progress toward compliance with the cost principles of the Federal Acquisition Regulations (FAR) of title 48, Code of Federal Regulations (CFR), part 31.

All known material transactions or events that have occurred affecting the firm's ownership, organization and prior & current indirect cost rates have been disclosed.

The firm agrees to follow the "Path to Compliance". Steps noted below:

The Pathway must include:

- A timekeeping system which includes the Internal Controls described in chapter 6 of AASHTO
- An accounting system which separates indirect costs and direct costs
- An accounting system which separates allowable and unallowable cost
- A compliant job cost system which is general ledger driven
- Training for accounting personnel and key management on Part 31 of the Federal Acquisition Regulations, Contract Cost Principles and Procedures
- A strong written internal control policy with a policy and procedures manual

*Signature: 

*Name of Certifying Official (Print): JON HILLS

*Title: PRESIDENT

Date of Certification (mm/dd/yyyy): 5-10-15

*Note: This form is to be completed by an individual executive or financial officer of the consultant at a level no lower than a Vice President or Chief Financial Officer, or equivalent, who has the authority to represent the financial information utilized to establish the indirect cost rate proposal submitted in conjunction with the agreement.

Timeline for water rights negotiations with Blue Star Growers

1991: City is using more water than water rights allow, negotiations to acquire additional water rights from Blue Star begin.

August 1994: Letter from Blue Star to City Superintendent Dave Simmer. Letter states Blue Star is not interested in payment for the water rights, but would like a guarantee from the city that Blue Star would have adequate water supply to operate their plant in the future. They also requested a freeze in water rate increases.

December 1994: Letter to Blue Star from Attorney Crossland. Letter states revised Agreement is enclosed and the language regarding maximum quantity has been removed.

Section 3 of the Agreement states that Blue Star may apply to the City Council for renewal of this agreement with the intention of obtaining favorable rates. Although the then City Council would not be bound in any way by this agreement to do so. It also states that it would be necessary for the then City Council to receive additional consideration in order to enter into a new agreement for favorable rates over an extended period of time.

This Agreement (dated January 1995) was never fully executed.

February 1996: Letter to DOE from City Superintendent Dave Simmer. Letter states that the Agreement (dated January 1995) with Blue Star is enclosed, but that it has not been fully executed because the City Council was awaiting approval from DOE.

November 1996 Minutes: Mayor Hunter explained to the City Council that negotiations to acquire water rights from Blue Star Growers started back in 1991 and that an agreement had not been completed because the Council was waiting for DOE to approve the transfer.

Mayor Hunter presented an Agreement for council approval where the City would provide water to Blue Star at the 1995 rates for 20 years starting from January 1, 1995, provided the water rights transfer was approved by DOE.

Agreement provides for recovery of the difference in water rates if transfer of water rights is never approved by DOE.

December 1996: Letter to Blue Star (Jerry Kenoyer) with enclosed "Agreement to Transfer Water Rights" (dated December 1996 and approved at the November 1996 council meeting).

February 1998: DOE approval of water rights transfer

June 2012 Minutes: After receiving notice that the Agreement and favorable water rates was expiring December 2014, Blue Star sent a letter requesting that the City Council extend Blue Star's current water rates for an additional 20 years. Consensus of the Council was that it would be hard to justify paying for the water rights twice. The City Council unanimously moved to deny the request to extend the favorable water rates to Blue Star Growers.

BLUE STAR GROWERS, INC.

509/782-2922
LD 509/782-2961
FAX 509/782-3646



BLUE STAR APPLES AND PEARS

August 24, 1994

Mr. Dave Simmer, Superintendent
City of Cashmere
101 Woodring
Cashmere, WA 98815

RE: Certificate of Ground Water Right No. 4294, Transfer

Dear Dave:

Please find enclosed a signed copy of the letter to Mr. Doug Clausung, Section Supervisor, Washington State Department of Ecology. The Board of Directors authorized the signing of the letter at their meeting of August 23, 1994.

Dave, We feel good about being able to add 352 acre-feet of water per year to the capacity of the City of Cashmere water system. The additional 220 gallons per minute should help the City of Cashmere water supply for years to come. We do have a concern that the City will get pressure from certain areas to annex into the City and add to Water shortage problems. If this is allowed to happen the City Water supply will continue to be short in the future.

Blue Star is not interested in receiving payment from the City of Cashmere for the Water rights. We do feel it would be appropriate for the City to Guarantee Blue Star that we will have adequate water supply to operate our plant in the future. If water consumption must be reduced we do not feel it would be justified to reduce the Fruit Packing Facilities needed volume which could affect jobs. We would also like to have the City consider freezing Water Rate increases, to Blue Star in the future, by so doing our Grower Members will have received something for their Water Rights!

Dave, We have worked well together over the year's but as we both get closer to retirement, I feel we should get something in writing so that the City and Blue Star will not have a misunderstanding sometime in the future.

Sincerely,

BLUE STAR GROWERS INC.


Jerry Kenoyer, Manager

BLUE STAR GROWERS, INC.

509/782-2922
LD 509/782-2961
FAX 509/782-3646



BLUE STAR APPLES AND PEARS

August 23, 1994

Mr. Doug Clausing
Section Supervisor
Washington State
Department Of Ecology
3601 W. Washington St.
Yakima, WA 98903-1164

Ref: Certificate of Ground Water Right No. 4294

Dear Mr. Clausing:

Since the 1960's the City of Cashmere has provided all consumable and non-consumable water needs for the Cashmere Fruit Growers Union (now Blue Star Growers) facilities, including that allowed for in the above water right.

Because the City of Cashmere has and will continue to meet Blue Star Growers' water needs, we support the City's effort to add the above water right to its water rights and to change the point of diversion to its water treatment plant intake.

Sincerely,

Jerry Kenoyer
Manager

Copy to: Mr. Dave Simmer
Superintendent
City of Cashmere

LAW OFFICES OF
JOHNSON, GAUKROGER & CROSSLAND, P.S.

PHILLIP R. JOHNSON
ROBIN R. GAUKROGER
STEPHEN R. CROSSLAND
GRANT M. JOHNSON
ROBERT T. DOLLINGER *
STEVE D. SMITH
KURT M. MITCHELL **

104 COTTAGE AVENUE
P.O. BOX 566
CASHMERE, WA 98815-0566
TELEPHONE (509) 782-4418
FACSIMILE (509) 782-4298

OFFICES
CASHMERE
CHELAN
WATERVILLE
WENATCHEE

CHARLES W. CONE
Of Counsel

* Also admitted in Illinois
** Also admitted in Oregon

December 20, 1994

Blue Star Growers, Inc.
Post Office Box I
Cashmere, WA 98815

Attention: Jerry Kenoyer

Dear Jerry:

Re: Blue Star - City of Cashmere Water Right

Please find enclosed a revised Agreement. We have removed the language with regard to the maximum quantity. From our discussion it would appear that this Agreement is otherwise acceptable to all parties. If this is acceptable, please have it signed and returned to our office. I will then obtain the signatures of the Mayor and City Clerk/Treasurer.

Sincerely,

JOHNSON, GAUKROGER & CROSSLAND, P.S.

SK

Stephen R. Crossland

SRC:pf
Enclosure

Returned to Steve's Office 1/5/95 JK

1
2
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4
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AGREEMENT TO TRANSFER WATER RIGHT

WHEREAS, Blue Star Growers, Inc. is holder of water right certificate No. ~~4397~~ a copy of which is attached; and,

WHEREAS, the City of Cashmere has been providing water to Blue Star Growers, Inc. for many years through it's municipal water system; and,

WHEREAS, the City of Cashmere has for all intents and purposes been effectively using the water under the above referenced Blue Star Certificate;

NOW THEREFORE, for and in consideration of the mutual benefits derived herein, the parties hereto hereby agree as follows:

1. Blue Star, Inc. shall transfer all right, title and interest it has in the above referenced certificate of water right to the City of Cashmere.

2. Upon approval of the transfer by the Washington State Department of Ecology, the City of Cashmere agrees to continue to provide water to Blue Star Growers, Inc. at existing water rates for a period of twenty years from the date of this agreement.

3. Blue Star Growers, Inc. may apply to the City of Cashmere for renewal of this agreement with the intention of obtaining favorable rates. However, the then City Council of the City of Cashmere is not bound in any way by this agreement to do so. It would be necessary, among other things, for the then City Council to receive additional consideration in order to enter into a new agreement for favorable rates over an extended period of time.

4. If at any time during the term of this agreement it is determined that the water right is not fully and effectively transferred to the City of Cashmere, then the City may, on its own, terminate this agreement by giving Blue Star Growers, Inc. 90 days prior written notice of its intent to do so.

AGREEMENT TO TRANSFER
WATER RIGHT

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3 5. In the event of a dispute under the terms of this
4 agreement the prevailing party shall be entitled to recover
5 attorney fees from the nonprevailing party. Venue of any law
6 suit shall be Chelan County, Washington.

6 6. This agreement shall be binding upon the successors and
7 assigns of the parties hereto.

7 Dated this 5th day of January, 1994.

8 BLUE STAR GROWERS, INC.

9 By: Ronald S. Hansen
10 Vice - President

11 By: James Lee
Secretary

12 CITY OF CASHMERE

13 By: Keith W. Henning D.C.
14 Keith W. Henning, Mayor

15 By: _____
16 Diane Underwood,
City Clerk/Treasurer

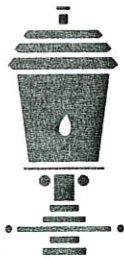
17 STATE OF WASHINGTON)
18)
COUNTY OF CHELAN)

19 I certify that I know or have satisfactory evidence that
20 Donald S. Hansen is the person who appeared before me, and said
21 person acknowledged that he signed this instrument, on oath
22 stated that he was authorized to execute the instrument and
23 acknowledged it as the ^{vice} President of Blue Star Growers, Inc., to
24 be the free and voluntary act of such party for the uses and
25 purposes mentioned in the instrument.

26 Dated this 5th day of January, 1994.

27 Dan Keroy
28 Notary Public in and for the
State of Washington
Residing at Cashmere, WA
My Commission Expires 8/24/96

AGREEMENT TO TRANSFER
WATER RIGHT



City of Cashmere

101 Woodring Street • Cashmere, WA 98815-1034

Business (509) 782-3513 • Fax (509) 782-2840

February 29, 1996

Ms. Darlene M. Frye, Section Manager
Washington State Dept. of Ecology
15 West Yakima Avenue
Suite 200
Yakima, WA 98902-3401

Dear Darlene:

Enclosed is a copy of our agreement with Blue Star Growers Inc. It has not been fully executed because the City Council was awaiting approval from you.

If we can be of further help please let us know and thank you for your efforts.

Sincerely,

A handwritten signature in dark ink that reads "David L. Simmer". The signature is written in a cursive style and is positioned above the typed name.

David L. Simmer
City Superintendent

Enclosure

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6 AGREEMENT TO TRANSFER WATER RIGHT

7 WHEREAS, Blue Star Growers, Inc. is holder of water right
8 certificate No. 286-A a copy of which is attached; and,

9 WHEREAS, the City of Cashmere has been providing water to
10 Blue Star Growers, Inc. for many years through it's municipal
11 water system; and,

12 WHEREAS, the City of Cashmere has for all intents and
13 purposes been effectively using the water under the above
14 referenced Blue Star Certificate;

15 NOW THEREFORE, for and in consideration of the mutual
16 benefits derived herein, the parties hereto hereby agree as
17 follows:

18 1. Blue Star, Inc. shall transfer all right, title and
19 interest it has in the above referenced certificate of water
20 right to the City of Cashmere.

21 2. Upon approval of the transfer by the Washington State
22 Department of Ecology, the City of Cashmere agrees to continue
23 to provide water to Blue Star Growers, Inc. at existing water
24 rates for a period of twenty years from the date of this
25 agreement.

26 3. Blue Star Growers, Inc. may apply to the City of
27 Cashmere for renewal of this agreement with the intention of
28 obtaining favorable rates. However, the then City Council of
the City of Cashmere is not bound in any way by this agreement
to do so. It would be necessary, among other things, for the
then City Council to receive additional consideration in order
to enter into a new agreement for favorable rates over an
extended period of time.

4. If at any time during the term of this agreement it is
determined that the water right is not fully and effectively
transferred to the City of Cashmere, then the City may, on its
own, terminate this agreement by giving Blue Star Growers, Inc.
90 days prior written notice of its intent to do so.

AGREEMENT TO TRANSFER
WATER RIGHT

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3 5. In the event of a dispute under the terms of this
4 agreement the prevailing party shall be entitled to recover
5 attorney fees from the nonprevailing party. Venue of any law
6 suit shall be Chelan County, Washington.

6 6. This agreement shall be binding upon the successors and
7 assigns of the parties hereto.

7 Dated this 5th day of January, 1994⁵.

8 BLUE STAR GROWERS, INC.

9 By: Donald S. Hansen
10 Vice - President

11 By: Jaweed Saetz
12 Secretary

13 CITY OF CASHMERE

14 By: Keith W. Henning D.C.
15 Keith W. Henning, Mayor

16 By: Diane Underwood
17 Diane Underwood,
18 City Clerk/Treasurer

17 STATE OF WASHINGTON)
18)
19 COUNTY OF CHELAN)

19 I certify that I know or have satisfactory evidence that
20 Donald S. Hansen is the person who appeared before me, and said
21 person acknowledged that he signed this instrument, on oath
22 stated that he was authorized to execute the instrument and
23 acknowledged it as the ^{vice} President of Blue Star Growers, Inc., to
24 be the free and voluntary act of such party for the uses and
25 purposes mentioned in the instrument.

23 Dated this 5th day of January, 1994⁵.

24 Don Keroy
25 Notary Public in and for the
26 State of Washington
27 Residing at Cashmere, WA
28 My Commission Expires 8/24/96

AGREEMENT TO TRANSFER
WATER RIGHT

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4 STATE OF WASHINGTON)
5 COUNTY OF CHELAN)

6 I certify that I know or have satisfactory evidence that
7 Jewell Goetz is the person who appeared before me, and said
8 person acknowledged that she signed this instrument, on oath
9 stated that she was authorized to execute the instrument and
acknowledged it as the Secretary of Blue Star Growers, Inc., to
be the free and voluntary act of such party for the uses and
purposes mentioned in the instrument.

10 Dated this 5th day of January, 1995.

11
12 Dan Henning
13 Notary Public in and for the
14 State of Washington
Residing at Cashmere, WA
My Commission Expires 8/20/96

15 STATE OF WASHINGTON)
16 COUNTY OF CHELAN)

17 I certify that I know or have satisfactory evidence that
18 Keith W. Henning is the person who appeared before me, and said
19 person acknowledged that he signed this instrument, on oath
20 stated that he was authorized to execute the instrument and
acknowledged it as the Mayor of the City of Cashmere, to be the
free and voluntary act of such party for the uses and purposes
mentioned in the instrument.

21 Dated this ___ day of _____, 1995.

22
23
24 Notary Public in and for the
25 State of Washington
Residing at _____
26 My Commission Expires _____

27 AGREEMENT TO TRANSFER
28 WATER RIGHT

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STATE OF WASHINGTON)
)
COUNTY OF CHELAN)

I certify that I know or have satisfactory evidence that Diane Underwood is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledged it as the City Clerk/Treasurer of the City of Cashmere, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this ____ day of _____, 1994.

Notary Public in and for the
State of Washington
Residing at _____
My Commission Expires _____

AGREEMENT TO TRANSFER
WATER RIGHT

MINUTES OF THE CASHMERE CITY COUNCIL MEETING
MONDAY, NOVEMBER 25, 1996

OPENING

Mayor John Hunter opened the regular city council meeting at 7:33 p.m. at City Hall.

ATTENDANCE

	<u>Present</u>	<u>Not Present</u>
Mayor:	John Hunter	
Council:	Dean Falteisek Gordon Irle Bruce Moses Randy Webb Barbara Wolff	
Staff:	Terry McCauley, City Attorney David Simmer, City Superintendent Frank McWhirter, Assistant City Superintendent Diane Underwood, Clerk-Treasurer	

APPROVAL OF MINUTES

The minutes of the November 12, 1996 meeting were approved as submitted and the public reading dispensed.

PUBLIC HEARING - FINAL 1997 BUDGET

Mayor Hunter opened the public hearing on the final 1997 budget at 7:34 p.m. Present were Bill Luebke, Chuck Milne and Erika Harrison representing the Cashmere Valley Record. With no public comment received, the public hearing was closed at 7:34 p.m.

PROPERTY AND LIABILITY INSURANCE PROPOSAL

Chuck Milne of Milne Agencies presented a proposal for property and liability insurance for the City, with the electric utility as a separate policy, for a total premium of \$70,527. Underlying liability would be \$2,000,000 with an additional umbrella of \$3,000,000. Milne also discussed insurance pools. Council will review the proposal.

COLUMBIA RIVER AREA AGENCY ON AGING

Bill Luebke, Mayor of Leavenworth and also a member of the executive board of the Columbia River Area Agency on Aging, asked the City to consider budgeting at least \$2,500 to the Agency to upgrade the meals they provide to senior citizens in their homes and at the senior center. He said the standard fare is a frozen meal in an aluminum pan and that with added funds it could be upgraded to a hot meal in a plastic container.

Councilor Webb will contact the Community Fund about funding the project.

ORDINANCE TO INCREASE WATER AND SEWER RATES

City Superintendent Simmer presented his study of water usage and gave options on rate changes. It was determined that multi-family rates were one quarter of single family rates. Councilor Webb suggested rates be increased to make multi-family rates one half of the single family and that high-end water users' rates be increased. Simmer will do a study on the suggestion.

Simmer recommended that in the next several years the cost of improvements in the sewer system be looked at and sewer rates increased accordingly.

ORDINANCE NO. 892 - ASSISTANT CITY SUPERINTENDENT POSITION

MOVED by Councilor Webb and seconded by Councilor Irle to place on first and final

reading and to adopt Ordinance No. 892 establishing the position of Assistant City Superintendent. The MOTION CARRIED.

ORDINANCE NO. 893 - ADOPT 1997 BUDGET

MOVED by Councilor Webb and seconded by Councilor Falteisek to place on first reading Ordinance No. 893 adopting the 1997 budget. The MOTION CARRIED.

ORDINANCE NO. 894 - SEWER DISCHARGE PROHIBITIONS AND GREASE TRAP INSTALLATION AND MAINTENANCE

MOVED by Councilor Falteisek and seconded by Councilor Webb to place on first reading Ordinance No. 894 relating to sewer discharge prohibitions and grease trap installation and maintenance with the penalty for grease trap violation being \$100 per day. The MOTION CARRIED.

CASHMERE-DRYDEN AIRPORT REQUEST FOR FIRE HYDRANT

City Superintendent Simmer explained that Bruce Graham, speaking for the Cashmere-Dryden airport, requested the City provide a fire hydrant so they could meet fire protection requirements in order to get a permit to build eight more hangars.

The agreement between the City and the airport relating to the City placing a well on airport property in exchange for water service will be reviewed and updated to also provide a fire hydrant.

MOVED by Councilor Webb and seconded by Councilor Falteisek to authorize the Mayor to relay the message to the airport board of the City's intent to install a fire hydrant at the airport's expense. The MOTION CARRIED.

ORDINANCE NO. 895 - AMEND 1996 BUDGET

MOVED by Councilor Falteisek and seconded by Councilor Webb to place on first and final reading and to adopt Ordinance No. 895 amending the 1996 budget making additions to the revenues and expenditures in both the Riverfront Park Construction Fund and the Sanitation Department Fund. The MOTION CARRIED.

BOUNDARY LINE AGREEMENT WITH REYES

MOVED by Councilor Irle and seconded by Councilor Falteisek to grant permission to the Mayor to sign a boundary line agreement with Rhonda Reyes (formerly Rhonda Bourgault) and Alexander Reyes relating to property on River Street. The MOTION CARRIED.

AGREEMENT WITH BLUE STAR GROWERS, INC. TO TRANSFER WATER RIGHTS

Mayor Hunter explained that negotiations to acquire water rights from Blue Star Growers, Inc. started back in 1991 and an agreement had not been completed as the Council was waiting for the Department of Ecology to approve the transfer.

He presented an agreement whereby the City would provide water to Blue Star at the 1995 rates for 20 years from January 1, 1995 provided the transfer was approved by D.O.E. The agreement provides for recovery of the difference in water rates if the City terminates the agreement because the water rights do not get transferred.

MOVED by Councilor Webb and seconded by Councilor Falteisek to approve, and authorize the Mayor to sign, the agreement with Blue Star Growers, Inc. to transfer water rights. The MOTION CARRIED.

PROSECUTION SERVICE AGREEMENT

MOVED by Councilor Falteisek and seconded by Councilor Wolff to approve, and authorize the Mayor to sign, the agreement with Chelan County relating to prosecution services at a fixed rate of \$7,200 for 1997. The MOTION CARRIED.

ORDINANCE NO. 891 - INCREASE IN CEMETERY RATES

MOVED by Councilor Webb and seconded by Councilor Irle to place on final reading

and to adopt Ordinance No. 891 increasing the cemetery rates. The MOTION CARRIED.

FENCE ON DIVISION STREET HILL

Council discussed the continuing problem of children taking the trail at the rock wall on Division Street even though the fence was installed. Other options were discussed. Councilor Irle will talk with the school principals about it.

CLAIMS APPROVAL

The following warrants are approved for payment:

CLAIMS WARRANTS NOS. 907600 through 907619 totaling \$71,028.24

ADJOURNMENT

With no further business, the meeting was adjourned at 9:59 p.m.

John A. Hunter
Mayor

Attest:

Diane Underwood
Clerk-Treasurer



CITY OF CASHMERE

101 Woodring Street • Cashmere, WA 98815-1034
Business (509) 782-3513 • Fax (509) 782-2840

December 10, 1996

Jerry Kenoyer
Blue Star Growers
Box 1
Cashmere, WA 98815

Dear Jerry:

Enclosed are two originals of the "Agreement to Transfer Water Rights." Please date, sign, have your signatures notarized and send one of the originals back to me at City Hall.

Thanks.

Sincerely,

A handwritten signature in cursive script that reads "Diane".

Diane Underwood
City Clerk-Treasurer

Enclosures

AGREEMENT TO TRANSFER WATER RIGHTS

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WHEREAS, Blue Star Growers, Inc., a corporation, (hereinafter "Blue Star"), owns a water right evidenced by a Certificate of Surface Water Right being Certificate Record No. 8, Page 3375, a true and correct copy of which is attached hereto and incorporated herein (hereinafter the "Water Right"), and,

WHEREAS, The City of Cashmere, Washington, a municipal corporation (hereinafter "City"), has been providing water to Blue Star for many years through the City Water System and,

WHEREAS, the City has in effect been using the water allocated under the above water right heretofore,

NOW, THEREFORE, for and in consideration of the mutual benefits derived herein, City and Blue Star agree as follows:

1. Blue Star shall transfer the water right to the City.

2. Upon approval of the transfer of the water right by Blue Star to the City by the Washington State Department of Ecology, and any other governmental agency with jurisdiction, the City agrees to continue to provide City water to Blue Star at the following water rates for a period of twenty (20) years from the 1st day of January, 1995.

<u>Gallons of Water Used</u>	<u>Charges</u>
0 to 5,000	\$19.67 (minimum billing)
5001 to 100,000	.79 per 1000 gallons
100,001 to 200,000	.89 per 1000 gallons
over 200,000	1.09 per 1000 gallons

3. Unless City and Blue Star agree otherwise in writing, in the event the water right is not fully and effectively transferred to the City by the 31st day of December 1997, this agreement shall terminate at the option of the City, and in the event the City elects to terminate the agreement Blue Star agrees to reimburse the City for the difference between the water rates set forth in paragraph 2 above and the standard City water rates that would have otherwise been applicable to water usage by Blue Star under applicable City ordinance.

4. City and Blue Star agree to cooperate fully in the process of application and completion of the transfer of the water right with the Department of Ecology and any other agency with

1 jurisdiction.

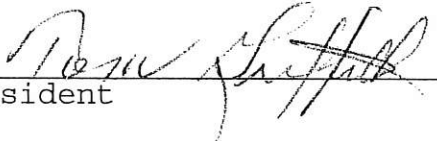
2 5. In the event either party to this agreement commences
3 litigation to enforce any provision hereof, the prevailing party
4 shall be entitled to recover attorney fees and costs of the suit
5 from the nonprevailing party. Venue of any such action shall be in
6 Chelan County, Washington.

7 6. This agreement shall be binding upon the parties and their
8 successors and assigns.

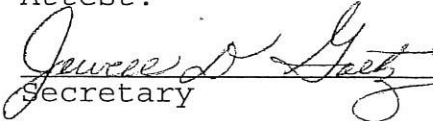
9 DATED this 11 day of December, 1996.

10 BLUE STAR GROWERS, INC.

11 By:


12 
13 _____
14 President

15 Attest:

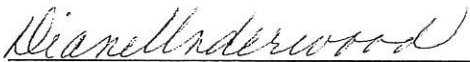
16 
17 _____
18 Secretary

19 CITY OF CASHMERE, WASHINGTON

20 By:

21 
22 _____
23 JOHN A. HUNTER - Mayor

24 Attest:

25 
DIANE UNDERWOOD - City Clerk



STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

15 West Yakima, Suite 200 • Yakima, Washington 98902-3401 • (509) 575-2490

February 19, 1998

Frank McWhirter
City of Cashmere
101 Woodring Street
Cashmere WA 98815-1034

Dear Frank:

I am pleased to inform you that Ecology's decision to transfer the water rights embodied in Surface Water Certificate No. 3775 from Blue Star Growers to the City of Cashmere has not been appealed to the Pollution Control Hearings Board. At this time, we are ready to issue a Superseding Certificate to the City of Cashmere authorizing the diversion of 1.125 cfs and 325 acre-feet per year for continuous municipal supply. With this letter, I am requesting the statutory certificate recording fees.

The certificate recording fees should be remitted as one check payable to the Department of Ecology in the amount of \$5.00 and a second check payable to the Chelan County Auditor in the amount of \$9.00. Please site SWC 3775 on both checks and mail both to this office.

I have enjoyed working with you, Major Hunter, Mr. Simmer, and Mr. Kenoyer on this project and look forward to a continued cooperative working relationship as we address future water needs for the City of Cashmere and the entire Wenatchee River watershed. If you have any questions, please feel free to call me at (509) 457-7123.

Sincerely,

Darlene M. Frye
Section Supervisor
Water Resources Program

DMF:gh
980237

BUDGET AMENDMENT – TRANSFERRING \$500,000 FROM WASTEWATER TO THE CONSTRUCTION ACCOUNT

Clerk-Treasurer Kay Jones explained that a budget amendment is needed to transfer \$500,000 from the Water/Wastewater Fund to the Wastewater Construction Account to pay for the Riverfront Utility Extension Project. The invoices need to be paid and the interim financing will not be in place until USDA approves the bid award. The City is expecting to get reimbursed for the project and any funds remaining after the project is completed will go back to the Wastewater Fund.

MOVED by Councilor Bryant and seconded by Councilor Knutsen to approve the budget amendment to transfer \$500,000 to the Wastewater Construction Account. Motion carried.

TOM DAVIS CONTRACT FOR PUBLIC SAFETY ANALYSIS – REQUEST TO INCREASE THE \$4,000 CONTRACT LIMIT

Tom Davis estimates an additional 5-10 hours to cover the final edits and to present and facilitate the joint meeting with council in July. The estimated addition to the initial contract would be \$900 to \$1,400 to complete the work started.

MOVED by Councilor Bryant and seconded by Councilor Wynne to amend the \$4,000 limit in the Tom Davis contract to \$5,400, of which Cashmere will pay half. Motion carried.

REQUEST FROM BLUE STAR GROWERS FOR AN URBAN GROWTH AMENDMENT

Blue Star Growers recently purchased property located east of the Old Monitor intersection with Hwy 2 in the county. Blue Star has requested that this property be accepted into the Urban Growth Area boundary and are willing to pay the associated costs.

MOVED by Councilor Moore and seconded by Councilor Knutsen to move forward with the urban growth amendment. Motion carried.

REQUEST FROM BLUE STAR GROWERS TO EXTEND CURRENT FAVORABLE WATER RATES FOR AN ADDITIONAL 20 YEARS

In 1995 Blue Star transferred to the City a water right of 352 acre-feet. In exchange the City entered into an agreement with Blue Star Growers that froze their water rates for a period of 20 years. The agreement giving Blue Star favorable water rates expires at the end of 2014. Blue Star Growers sent a letter requesting that the Cashmere City Council extend Blue Star's current water rates for an additional 20 year period.

Staff was able to go back five years and estimated the financial benefit to Blue Star Growers for that period was approximately \$75,000. The benefit to the end of the contract if volumes remain constant will be in excess of \$30,000. The financial benefit for the period prior to the last five years is unknown. Consensus was that Blue Star Growers received an equitable benefit for the water rights transfer and it would be hard to justify paying for the water rights twice.

MOVED by Councilor Moore and seconded by Councilor Wynne to deny the request to extend the favorable water rates to Blue Star Growers. Motion carried.

PROGRESS REPORTS

Director Mark Botello reported he will be going to Olympia in August to make a presentation on the grant application for Riverside Park. Also, he will be applying for federal funds in July for Railroad Avenue.