



City of Cashmere

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

CITY OF CASHMERE STUDY SESSION MONDAY, JULY 9, 2012 6:00 P.M., CITY HALL

AGENDA

BUSINESS ITEMS

- Public Hearing on update of Cashmere's Shoreline Master Program (SMP)

Shoreline Master Program (SMP):

- Appendix B: Critical Areas.
- Appendix C: Restoration Plan.
- Appendix E: Public Access Plan

TO ADDRESS THE COUNCIL, PLEASE BE RECOGNIZED BY THE MAYOR.
PLEASE STATE YOUR NAME WHEN YOU BEGIN YOUR COMMENTS.

Americans with Disabilities Act (ADA) accommodations provided upon request.
(48-hour notice required)



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CASHMERE CITY COUNCIL MEETING
MONDAY, JULY 9, 2012 7:00 P.M., CITY HALL

AGENDA

CALL TO ORDER

FLAG SALUTE

EXCUSE ABSENCE

ANNOUNCEMENTS & INFORMATION

PUBLIC COMMENT PERIOD (For Items Not on the Agenda)

APPROVAL OF AGENDA

CONSENT AGENDA

1. Minutes of June 25, 2012 Regular City Council Meeting
2. Payroll and Claims Packet Dated July 9, 2012
3. Addendum No. 1 of the Agreement between the Cities of Leavenworth, Cashmere and Tom Davis

BUSINESS ITEMS

1. Commitment Letter from Cashmere Valley Bank for a \$13,690,000 Revenue BAN Line of Credit
2. Ordinance No. 1199 Amending the Budget for 2012
3. Ordinance No. 1200 Authorizing a \$13,690,000 Revenue BAN Line of Credit
4. Addendum No. 2 to the Agreement between the City and RH2 Engineering
5. Riverside Center security fencing

PROGRESS REPORTS

- Included in the packet

EXECUTIVE SESSION – To Discuss Potential Litigation

ADJOURNMENT

TO ADDRESS THE COUNCIL, PLEASE BE RECOGNIZED BY THE MAYOR.
PLEASE 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 JUNE 25, 2012 AT CASHMERE CITY HALL

OPENING

Mayor Jeff Gomes opened the regular city council meeting at 7:00 p.m. at City Hall. Clerk-Treasurer Kay Jones took minutes.

ATTENDANCE

	<u>Present</u>	<u>Not Present</u>
Mayor:	Jeff Gomes	
Council:	Skip Moore	Jim Fletcher
	Donna Wynne Derek Knutsen John Bryant	
Staff:	Bob Schmidt, Dir. of Operations Kay Jones, City Clerk-Treasurer Mark Botello, Dir. of Planning/Building	

FLAG SALUTE

EXCUSE ABSENCES

MOVED by Councilor Moore and seconded by Councilor Knutsen to excuse the absence of Councilor Fletcher. Motion Carried.

ANNOUNCEMENTS & INFORMATION

Mayor Gomes reported that the public safety committee met to discuss the draft Public Safety report. There will be a joint meeting with the Cashmere and Leavenworth councils to discuss the final report at the end of July.

Cashmere Chamber President Laurie Shorett met with the Mayor to discuss an Economic Development Committee versus a Downtown Association. They will continue the discussion.

The term for Cashmere's representative on the PFD Board ends at the end of 2012.

PUBLIC COMMENT

Stan Morse resides in the City of Chelan; he introduced himself and informed the Council that he is running for Legislative Position 1 of the 12th District.

APPROVAL OF AGENDA

MOVED by Councilor Bryant and seconded by Councilor Wynne to approve the agenda as presented. Motion carried.

CONSENT AGENDA

Minutes of June 11, 2012 Regular Study Session Meeting
Minutes of June 11, 2012 Regular City Council Meeting

Payroll and Claims Packet Dated June 25, 2012

Claims Check No. 32219 through 32241 and EFT 05/2012 totaling \$81,596.21
Confirm appointment of Keith Webb to the Cashmere Community Foundation Board

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

RESOLUTION NO. 05-2012 DECLARING REAL PROPERTY AT THE END OF FISHER STREET SURPLUS

Donna Wynne recused herself and left the council chambers stating that she may be interested in the property.

Director Mark Botello explained that a letter was sent to all the property owners within 350 feet of the property at the end of Fisher Street; informing them that staff has made a recommendation to the City Council to declare the property surplus. The letter invited them to make comment and or attend the next council meeting at which the draft resolution declaring the property surplus would be discussed.

Mark Graham residing at 319 Fisher Street spoke on behalf of himself and his father Bruce Graham, who thought it a shame that the property that was the public garden for years was going to be sold and have a structure built there. If memory serves, when the well on the property was no longer in use and was removed, Bruce Graham remembers the city making promises to complete the street and curbing on Fisher Street. He would like to see this done if the property is going to be sold.

Director Botello explained that the proceeds from the sale of the property would be used for improving Riverside Park. He will list the proceeds as an additional match in the park grant application for Riverside Park. This will show that the City is matching in excess of the required amount of \$163,000 the City has already committed for the project. Showing the higher amount of matching funds in excess of what is required will add points to the city's application.

MOVED by Councilor Bryant and seconded by Councilor Moore to approve Resolution No. 05-2012 declaring real property at the end of Fisher Street surplus. Motion carried.

MOVED by Councilor Moore and seconded by Councilor Bryant to amend the last sentence of page one to read; City General Fund to be used for improvements to the City-owned Riverside Park. Motion carried.

Motion to approve Resolution No. 05-2012 as amended carried.

BID AWARD RECOMMENDATION FOR THE WASTEWATER TREATMENT PLANT UPGRADES

Bids for the Wastewater Treatment Plant were opened on Tuesday, June 19th. The lowest bidder was non-responsive by failing to submit a subcontractor list within one hour of bid opening. The following day they withdrew their bid, exercising the provision of Article 16.02 in the instruction to bidders.

The bids ranged from \$12,195,175, which was withdrawn, to \$17,959,297. The second lowest bidder, Harbor Pacific Contractors Inc. became the apparent low bidder at \$13,063,885, which is \$898,145 below the engineers estimate.

The recommendation is to award the bid for the City of Cashmere Wastewater Treatment Facility Upgrades project to Harbor Pacific Contractors, Inc.

MOVED by Councilor Moore and seconded by Councilor Wynne to award the Wastewater Treatment Facility bid to Harbor Pacific Contractors Inc. subject to USDA-RD and WSDOE approval and acceptance of the recommended list of suppliers.

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.

Director Bob Schmidt reported that the well drillers at Riverside Park are 25 feet deep. They hope to finish tomorrow. Also, the pipeline is in on the Riverfront Drive utility extension project. They still have to repair the road and clean up.

ADJOURNMENT

Mayor Gomes adjourned the meeting at 7:55p.m.

Jeff Gomes, Mayor

Attest:

Kay Jones, Clerk-Treasurer

ADDENDUM NO. 1
PROFESSIONAL SERVICE AGREEMENT BETWEEN
CITIES OF LEAVENWORTH AND CASHMERE
AND TOM DAVIS
FOR CONSULTANT SERVICES

The City Council of the City of Cashmere and the City Council of the City of Leavenworth have agreed by majority vote of each council to amend the Professional Service Agreement between said cities and Tom Davis as follows:

ARTICLE III. PAYMENT AND APPROVAL BY THE CITY is hereby amended to read:

b. Unless otherwise agreed in writing by the parties, Consultant's invoices submitted for services performed by Consultant while both "CITIES" are participating in this Agreement shall be paid fifty percent by each City. The total payments by the CITIES to Consultant shall not exceed \$5,400 (\$2,700 by each City) without prior City Council approval by each City. In the event either City terminates participation in this Agreement and the other City continues to utilize the services of Consultant following the effective date of the terminating City's termination, the Consultant shall invoice only the City continuing to utilize Consultant's services and that City shall pay one hundred percent of any such invoices and terminating City shall pay nothing. The "CITIES" will pay timely submitted and approved invoices within thirty (30) days of receipt. Past-due invoices will be subject to a 2.5% service charge of the balance of the overdue invoice.

Dated this _____ day of _____, 2012

CITY OF LEAVENWORTH

TOM DAVIS, CONSULTANT

Cheryl K. Farivar, Mayor

Tom Davis

CITY OF CASHMERE

Jeff Gomes, Mayor



July 9, 2012

Honorable Mayor and Members of the City Council
City of Cashmere
101 Woodring Street
Cashmere, WA 98815-1034

Dear Mayor and Members of the City Council,

Thank you for the opportunity to propose an offer to provide a line of credit in support of the City of Cashmere's project to design and construct a new wastewater treatment facility with the United States Department of Agriculture Rural Development ("RD"). Cashmere Valley Bank (the "Bank") has approved the borrowing facility outlined in this commitment letter under the following terms:

1. Borrower: The City of Cashmere, Chelan County, Washington (the "City").
2. Amount: \$13,690,000
3. Form: Fully registered tax-exempt Waterworks Utility Revenue Bond Anticipation Note Line of Credit (Non-Revolver) (the "Note") issued by the City and purchased by the Bank at private sale.
4. Purpose: To pay certain costs associated with the design and construction of a new wastewater treatment facility, as required by the Department of Ecology, and associated improvements including the initial engineering costs and other preliminary costs, as well as to refund certain City utility bonds and notes as required by RD, and to pay certain costs of Note issuance.

5. Note Description and Terms:

a) Interest Rate:

Interest on the outstanding principal balance of the Note will accrue at a rate equal to 60% of the Wall Street Journal Prime Rate, fully floating with any changes in the Prime Rate (computed on a 365/365 basis). Prime rate is currently 3.25% which results in a rate to the city of 1.95%.

b) Term:

The Note will mature on December 1, 2015 (the "Maturity Date"). Interest on the Note shall be payable semiannually on each June 1 and December 1, commencing December 1, 2012. Principal of the Note is payable on the Maturity Date or date of prior redemption.

c) Draws:

Draws on the Note can be made on any business day in an amount greater than or equal to \$25,000. A draw request must be accompanied by an approval of the draw amount from an authorized representative of RD. Draw proceeds will be direct deposited into the account at the Bank designated by the City. For same day funding, draw requests will need to be received by 2 pm.

d) Security:

The Note is expected to be repaid from proceeds of a revenue bond to be sold by the City to RD. The Note may also be repaid from a supplanting note, other short-term obligations, or from other money legally available therefore, including Net Revenue of the Waterworks Utility as provided in Ordinance No. 1200 of the City.

e) Transferability:

The Bank will hold the Note with no intent to sell or transfer. The Note may be assigned or transferred only in whole to a qualified investor. The Bank will not transfer the Note unless the Bank causes such investor to receive such information regarding the City and the Note as is necessary to comply with Rule 10b-5 of the Securities and Exchange Commission.

f) Prepayment:

The City may prepay the Note, in whole or in part, at anytime. The Bank will not charge a prepayment fee on any amounts prepaid by the City.

6. Fees: The Bank will charge a fee of \$20,000 for this credit facility, taken as a discount from the proceeds to the first Draw.

7. Additional

Terms:

The Note documents will be in the standard forms customarily required by the Bank for municipal funding and will include additional terms and conditions not discussed above. At the date of closing the Note, the financial condition and credit of the City and all other features of this transaction will be as represented to the Bank without material adverse change including the terms and status of the RD loans and grants, as supported by the documentation supplied by the City to the Bank as of the closing date. In the event of adverse material changes in the credit worthiness of

the City, including litigation or claims filed against the City, this commitment will terminate upon notice by the Bank. RD must concur with this agreement for interim financing as stipulated in their Letter of Conditions dated July 21, 2010. This commitment is non-assignable by the City. The City will also be required to send the Bank an annual financial report of actual expenditures and receipts for as long as the BAN is outstanding. This commitment is non-assignable by the City. This commitment supersedes any prior commitments, offers, or agreements, written or oral concerning this financing and can only be modified in writing.

8. Acceptance: This commitment is not binding unless the Bank receives a signed copy of this letter by July 16, 2012 at which time the commitment will expire without notice. If, after acceptance, the Note has not closed by August 1, 2012, this commitment will expire without notice.
9. Closing: The Note is anticipated to close on or about July 23, 2012.

Oral agreements or oral commitments to loan money, extend credit, or to forbear from enforcing repayment of a debt are not enforceable under Washington law.

Thank you for the opportunity to work with the City of Cashmere on this project.

Sincerely,



Ron Olsen
Director Municipal Services

Acknowledged and accepted this 9th day of July, 2012

CITY OF CASHMERE, WASHINGTON

Jeff Gomes, Mayor

cc: Hugh Spitzer, Foster Pepper PLLC
Rose Running, USDA RD

ORDINANCE NO. 1199

AN ORDINANCE AMENDING ORDINANCE NO. 1197 OF THE CITY OF CASHMERE AND AMENDING THE BUDGET FOR 2012

WHEREAS, the City Council of the City of Cashmere finds that it is necessary and in the best interest of the City to amend certain fund appropriations authorized by the 2012 budget, to provide for additional revenues and expenditures not identified at the time of the adoption of the original budget;

NOW, THEREFORE, the City Council of the City of Cashmere, Washington, does hereby ordain:

Section 1. Budget Amendment. The 2012 City of Cashmere Budget is amended as shown on Exhibit A:

Section 2. Amendment of Total Fund Appropriations. Ordinance No. 1197 is further amended as follows:

Estimated resources, including fund balances for each separate fund of the City of Cashmere, and aggregate totals for all such funds combined, for the year 2012, are set forth in summary form as shown on Exhibit B, and are hereby appropriated for expenditure at the fund level during the year 2012:

Section 3. Except as amended herein, Ordinance No. 1197 of the City of Cashmere and the 2012 budget of said City shall remain in full force and effect.

Section 4. This ordinance shall be in effect when it shall have been passed by the City Council of the City of Cashmere and signed by the Mayor and five (5) days after publication in accordance with law.

Passed by the City Council of the City of Cashmere this 9th day of July, 2012.

CITY OF CASHMERE

By: _____
Jeff Gomes, Mayor

Attest:

By: _____
Kay Jones, City Clerk-Treasurer

Approved as to form:

By: _____
Charles D. Zimmerman, City Attorney

EXHIBIT A
Ordinance 1199

FUND NAME	ORIGINAL BUDGET	AMENDED BUDGET	DIFFERENCE +/-
<u>001 GENERAL GOVERNMENT FUND</u>			
Revenues			
<i>Beginning Fund Balance</i>	1,139,190	1,323,560	184,370
SMP - DOE Grant	0	4,000	4,000
			<u>188,370</u>
Expenditures			
<i>Ending Fund Balance</i>	1,025,931	1,207,601	181,670
Public Safety Consultant	0	2,700	2,700
Planning Pro. Services - Consultant	1,000	5,000	4,000
			<u>188,370</u>
<u>003 PUBLIC WORKS FUND</u>			
Revenues			
<i>Beginning Fund Balance</i>	598,542	561,626	-36,916
			<u>-36,916</u>
Expenditures			
<i>Ending Fund Balance</i>	573,539	536,623	-36,916
			<u>-36,916</u>
<u>302 CAPITAL IMPROVEMENT FUND</u>			
Revenues			
<i>Beginning Fund Balance</i>	497,298	479,258	-18,040
Federal STP Grant Funds	0	174,730	174,730
State TIB Grant Funds	0	27,270	27,270
			<u>183,960</u>
Expenditures			
<i>Ending Fund Balance</i>	737,641	657,158	-80,483
Canopy Project	40,000	47,000	7,000
Street Machinery & Equipment	0	6,705	6,705
Traffic Control Signs & Banners	0	10,000	10,000
Mission Ave Const. Contractor	22,062	25,850	3,788
Tigner Road Prj. - Engineering	0	38,575	38,575
Tigner Road Prj.- Surveying	0	1,000	1,000
Tigner Road Prj. - Pro. Services-Legal	0	2,000	2,000
Tigner Road Prj.- Miscellaneous	0	2,500	2,500
Tigner Road Prj. - Contractor	0	192,875	192,875
			<u>183,960</u>

EXHIBIT A
Ordinance 1199

FUND NAME	ORIGINAL BUDGET	AMENDED BUDGET	DIFFERENCE +/-
<u>401 WATER/ WASTEWATER FUND</u>			
Revenues			
<i>Beginning Fund Balance</i>	774,224	1,080,933	<u>306,709</u>
			306,709
Expenditures			
<i>Ending Fund Balance</i>	529,634	311,343	-218,291
Water Rights-Coordinated Cost Reimb Agreeme	0	25,000	25,000
Transfer to WW Construction Account	0	500,000	<u>500,000</u>
			306,709
<u>402 WW CONSTRUCTION ACCOUNT</u>			
Revenues			
<i>Beginning Fund Balance</i>	305,250	535,246	<u>229,996</u>
			229,996
Expenditures			
<i>Ending Fund Balance</i>	305,250	535,246	<u>229,996</u>
			229,996
<u>406 SANITATION FUND</u>			
Revenues			
<i>Beginning Fund Balance</i>	285,380	328,658	<u>43,278</u>
			43,278
Expenditures			
<i>Ending Fund Balance</i>	329,974	373,252	<u>43,278</u>
			43,278
<u>411 WATER CAPITAL FUND</u>			
Revenues			
<i>Beginning Fund Balance</i>	0	243,193	<u>243,193</u>
			243,193
Expenditures			
<i>Ending Fund Balance</i>	115,173	358,366	<u>243,193</u>
			243,193
<u>412 WASTEWATER CAPITAL FUND</u>			
Revenues			
<i>Beginning Fund Balance</i>	0	124,632	<u>124,632</u>
			124,632
Expenditures			
<i>Ending Fund Balance</i>	49,986	174,618	<u>124,632</u>
			124,632

EXHIBIT A
Ordinance 1199

FUND NAME	ORIGINAL BUDGET	AMENDED BUDGET	DIFFERENCE +/-
<u>501 EQUIPMENT RENTAL FUND</u>			
Revenues			
<i>Beginning Fund Balance</i>	451,274	512,033	<u>60,759</u>
			60,759
Expenditures			
<i>Ending Fund Balance</i>	463,782	524,541	<u>60,759</u>
			60,759

EXHIBIT B
Ordinance No. 1199

Total Estimated Revenues and Appropriations by Fund

Fund Name	Beginning Balance	Estimated Revenues	Budgeted Appropriations	Ending Balance
001 General Government Fund	1,323,560	1,046,179	1,162,138	1,207,601
003 Public Works Fund	561,626	2,610,731	2,635,734	536,623
108 Lodging Tax Fund	5,500	2,000	7,500	0
302 Capital Improvement Fund	479,258	536,405	348,505	667,158
401 Water/Wastewater Fund	1,080,933	2,498,086	3,267,676	311,343
402 WW Construction Account	535,246	4,226,800	4,226,800	535,246
406 Sanitation Fund	328,658	524,760	480,166	373,252
411 Water Capital Fund	243,193	520,908	405,735	358,366
412 Wastewater Capital Fund	124,632	418,676	368,690	174,618
421 W/S Refunding Bond, 1994	91,769	26,500	118,269	0
422 W/S Revenue Bond, 1999	121,563	94,337	93,913	121,987
423 W/S Revenue Bond, 2001	92,381	132,440	132,434	92,387
426 Jr. Lien Pretrt Bond, 2011	880,544	578,254	534,688	924,110
501 Equipment Rental Fund	512,033	330,028	317,520	524,541
702 Cemetery Endowment Fund	186,990	5,300	0	192,290
TOTAL FOR ALL FUNDS	6,567,886	13,551,404	14,099,768	6,019,522
Grand Total for all Funds	20,119,290		20,119,290	

CITY OF CASHMERE, WASHINGTON

ORDINANCE NO. 1200

AN ORDINANCE of the City of Cashmere, Washington, relating to the waterworks utility of the City; specifying, adopting and ordering the carrying out of a system or plan of additions to and betterments and extensions of that waterworks utility; declaring the estimated cost thereof as nearly as may be; authorizing the issuance of a bond anticipation note (non-revolving line of credit) in the principal amount of not to exceed \$13,690,000 to pay certain costs associated with the design, engineering, bidding, and construction of a new Wastewater Treatment Plant, as well as to refund certain City utility bonds, notes and loans, and to pay certain costs of issuance of the Note, pending the issuance of a water and wastewater improvement and refunding revenue bond previously authorized; creating and adopting certain funds and accounts; specifying the terms and covenants of such note; and providing for delivery thereof to Cashmere Valley Bank of Cashmere, Washington.

PASSED: July 9, 2012

This document prepared by:

*Foster Pepper PLLC
1111 Third Avenue, Suite 3400
Seattle, Washington 98010
(206) 447-4400*

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CITY OF CASHMERE, WASHINGTON

ORDINANCE NO. 1200

AN ORDINANCE of the City of Cashmere, Washington, relating to the waterworks utility of the City; specifying, adopting and ordering the carrying out of a system or plan of additions to and betterments and extensions of that waterworks utility; declaring the estimated cost thereof as nearly as may be; authorizing the issuance of a bond anticipation note (non-revolving line of credit) in the principal amount of not to exceed \$13,690,000 to pay certain costs associated with the design, engineering, bidding, and construction of a new Wastewater Treatment Plant, as well as to refund certain City utility bonds, notes and loans, and to pay certain costs of issuance of the Note, pending the issuance of a water and wastewater improvement and refunding revenue bond previously authorized; creating and adopting certain funds and accounts; specifying the terms and covenants of such note; and providing for delivery thereof to Cashmere Valley Bank of Cashmere, Washington.

THE CITY COUNCIL OF THE CITY OF CASHMERE, WASHINGTON, DO ORDAIN as follows:

Section 1: Definitions. The words and phrases set forth in this ordinance with initial capitalization shall have the respective meanings ascribed to such words and phrases in this section unless the context clearly requires otherwise.

(a) "1999 Bonds" means the City's Water and Sewer Revenue Bonds, 1999, issued on August 9, 1999, in the principal amount of \$1,030,000.

(b) "1999 Refunded Bonds" means the outstanding 1999 Bonds maturing in the years 2012 through 2014, inclusive, and 2019, and bearing various interest rates from 5.50% to 5.70%, the refunding of which has been provided for by this ordinance.

(c) "1999 Refunding Plan" means the deposit of proceeds of a Loan Draw on the Note, together with other money of the City, if necessary, into the Refunding Account in an amount sufficient to pay interest on the 1999 Bonds when due up to and including the date of redemption and on that date, call, pay, and redeem the 1999 Bonds at a price of par.

(d) "2001 Bond" means the City's Water and Sewer Revenue Bond, 2001, in the principal amount of \$1,275,000 issued on November 13, 2001.

(e) "2001 Refunding Plan" means the deposit of proceeds of a Loan Draw on the Note, together with other money of the City, if necessary, into the Refunding Account in an amount sufficient to carry out the prepayment (including any prepayment penalty) of the 2001 Bond.

(f) "2010 Note" means the Water-Wastewater Utility Revenue Bond Anticipation Note, 2010 (Non-Revolving Line of Credit), of the City dated October 25, 2010 in the principal amount of not to exceed \$1,500,000 authorized by Ordinance 1175.

(g) "2010 Note Repayment Plan" means the deposit of proceeds of the Bonds, together with other money of the City, if necessary, into the Refunding Account in an amount sufficient to carry out the repayment in full of the of the Note, on or immediately after the date of issuance of the Note.

(h) "Acquisition" or "Acquire" shall include purchase, securing, lease, receipt by gift or grant, condemnation, transfer, construction, other acquirement, or any combination thereof.

(i) "Bank" means Cashmere Valley Bank in Cashmere, Washington.

(j) "Bond" means the water and wastewater improvement and refunding revenue bond authorized to be issued by Ordinance 1175.

(k) "City" means the City of Cashmere, Washington, a code city of the State of Washington.

(l) "Clerk-Treasurer" means the Clerk-Treasurer of the City, and his or her successors in functions, if any.

(m) "Code" means the Internal Revenue Code of 1986, as amended, and any Treasury Regulations promulgated thereunder.

(n) "Construction Fund" means the Wastewater Treatment Plant Construction Fund, a special fund established in the office of the Clerk-Treasurer previously created by Ordinance 1175 for the purpose of paying the cost of the Project.

(o) "Costs of the Project," or any phrase of similar import, means all or any part designated by the Council as costs of the Project, or interest therein, which costs, at the option of the Council, may include all or any part of the incidental costs pertaining to the Project, including, without limitation: (1) preliminary expenses advanced by the City from funds available for the use therefor, or advanced from any other source, with approval of the Council, or any combination thereof; (2) the costs of making surveys, audits, preliminary plans, engineering plans, other plans, specifications, estimates of costs and other preliminaries; (3) the Acquisition costs of any properties, rights, easements or other interest in properties, or any licenses, privileges, agreements and franchises; (4) the costs of Acquiring, constructing and installing improvements to the Waterworks Utility; (5) the costs of Acquiring and installing equipment necessary for the operation and maintenance of said facilities; (6) the costs of appraising, printing, estimates, advice, services of engineers, architects, financial consultants, attorneys, clerical help or other agents or employees; (7) the costs of contingencies; (8) the costs (including interest costs) of all interim financing for the Project, the costs of issuance, fees, costs of bond counsel, and the costs of registration and authentication of the Note and the Bond and the costs, if any, of rating agencies and of bond insurance; and (9) all other expenses necessary or desirable and appertaining to the Project, as estimated or otherwise ascertained by the Council.

(p) "Council" means the City Council of the City.

(q) "DOE Loan" means Loan No. L9900032 from the United States Department of Ecology to the City to pay part of the costs of carrying out the Wastewater Treatment System Interim Improvements Projects, maturing on July 1, 2021, and entered into pursuant to

Resolution No. 4-99, as amended by Resolution No. 7-99, the repayment of which has been provided for by this ordinance.

(r) “DOE Loan Repayment Plan” means the application of proceeds of a Loan Draw on the Note, together with other money of the City, if necessary, into the Refunding Account in an amount sufficient to carry out the repayment in full of the of the DOE Loan on or immediately after the date of issuance of the Note.

(s) “Gross Revenue of the Waterworks Utility” means all of the earnings and revenue received by the Waterworks Utility from any source whatsoever, except general taxes, ULID Assessments, proceeds from the sale of City property, bond proceeds, gifts and earnings in refunding or defeasance trust accounts (unless such earnings are paid into the Bond Fund or the Water-Wastewater Fund).

(t) “Interest Payment Date” shall have the meaning given such term in Section 5 of this ordinance.

(u) “Loan Draws” shall have the meaning given such term in Section 5 of this Ordinance.

(v) “Maintenance and Operations Expenses” means all reasonable expenses incurred by the City in causing the Waterworks Utility to be operated and maintained in good repair, working order and condition, but shall not include any depreciation or taxes or charges in lieu of taxes levied or imposed by the City.

(w) “Maturity Date” means December 1, 2015.

(x) “Mayor” means the de facto or de jure Mayor of the City (including the Mayor pro tempore in the Mayor’s absence), or any presiding officer or titular head of the City, and his or her successors in functions, if any.

(y) “Net Revenue of the Waterworks Utility” means the Gross Revenue of the Waterworks Utility less Maintenance and Operation Expenses.

(z) “Note” means the Waterworks Utility Revenue Bond Anticipation Note, 2012 (Non-Revolving Line of Credit), of the City in the principal amount of not to exceed \$13,690,000 which is authorized to be issued by this Ordinance.

(aa) “Note Account” means the debt service fund created by Section 9 of this Ordinance within the Construction Fund and established in the office of the Clerk-Treasurer for the purpose of the payment of the principal of and interest on the Note.

(bb) “Note Register” means the books or records maintained by the Note Registrar on which are recorded the names and addresses of the Registered Owner of the Note.

(cc) “Note Registrar” means (i) the Clerk-Treasurer, or (ii) upon a determination by the Clerk-Treasurer that maintenance of the duties of the Note Registrar is no longer convenient, the State fiscal agent or a bank or trust company organized under the laws of the State, or a national banking association, and having a capital and surplus aggregating at least \$20,000,000,

if there be such a bank, trust company or national banking association willing and able to accept the duties of Note Registrar on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Ordinance.

(dd) "Ordinance" means this Ordinance No. 1200 passed and approved by the Mayor and the Council on the 9th day of July, 2012.

(ee) "Outstanding Obligations" mean, collectively the 1999 Bonds, the 2001 Bond, the 2010 Note and the DOE Loan.

(ff) "Prime Rate" means the Wall Street Journal Prime Rate. For purposes of determining any interest rate that is based on the Prime Rate, the interest rate shall change on the effective date of any change in the Prime Rate.

(gg) "Project" shall have the meaning specified in Section 3 hereof.

(hh) "Qualified Tax-Exempt Obligation" shall have the meaning specified in Section 13 hereof.

(ii) "Refunding Plans" means collectively, the 1999 Refunding Plan, the 2001 Refunding Plan, the 2010 Note Repayment Plan and the DOE Repayment Plan.

(jj) "Registered Owner" means the entity or person named as the Registered Owner of the Note on the Note Register, initially the Bank.

(kk) "State" means the State of Washington.

(ll) "ULID" means any utility local improvement district of the City.

(mm) "ULID Assessments" means the assessments levied (including installments thereof and interest and any penalties thereon) in ULIDs of the City heretofore created and hereafter created that are pledged to be paid into the bond fund for the Outstanding Prior Lien Obligations.

(nn) "USDA" means the United States of America, acting through the United States Department of Agriculture, Rural Development.

(oo) "Wastewater Treatment Plant Construction Fund" means the fund created by Ordinance 1175 and established in the office of the Clerk-Treasurer for the purpose of the payment of the design and construction of the improvements to the wastewater treatment facility of the City.

(pp) "Water-Wastewater Fund" means the City's existing Water-Sewer Revenue Fund (also known as the Water-Wastewater Fund), which is an enterprise fund of the City in which Gross Revenue is deposited.

(qq) "Waterworks Utility" means the waterworks utility of the City, including the sewerage system as a part thereof, and all additions thereto and betterments and extensions thereof at any time made.

Section 2: Findings. The Council finds and determines that:

(a) The USDA has offered to make a loan to the City, evidenced by a water and wastewater revenue bond (*i.e.*, the Bond) in the amount of up to \$13,690,000 to pay costs of carrying out the Project and redeeming the Outstanding Obligations. Chapter 39.50 RCW authorizes cities to issue short-term obligations in anticipation of the receipt of bond proceeds.

(b) It is advisable for the City to acquire, construct and develop the improvements to the Waterworks Utility further described in Section 3 of this Ordinance. In determining the costs of the Project pursuant to RCW 35.41.090, the Council estimated that the total costs of the Project will be \$20,000,000, and the costs of the initial engineering phase of the Project was determined to be approximately \$1,500,000. The City issued the 2010 Note to provide the funds to pay the initial engineering phase of the Project.

(c) It is advisable for the City to provide funds for defraying all or a portion of the remaining costs of the Project, to repay the 2010 Note and the DOE Loan, and to refund the 1999 bonds and the 2001 Bond, from the proceeds of the sale of a short-term revenue obligation (*i.e.*, the Note) pending the issuance of the Bond. The various improvements comprising the Project represent additions to or betterment of the City's existing Waterworks Utility. Because the Project will not produce electricity for sale and the Note will not be a general obligation of the City, neither the Project nor the issuance of the Note are required to be approved by the City's voters under RCW 35.41.030 or RCW 35.92.070.

(d) The Council deems it to be in the best interest of the City that the City borrow money and issue the Note pending the issuance of the Bond for the purpose of providing the funds with which to pay part of the costs of carrying out the Project specified, adopted and ordered to be carried out herein, to repay the 2010 Note and the DOE Loan, and to refund the 1999 Bonds and the 2001 Bond, and the Bank has offered to accept the Note under the terms set forth in this Ordinance.

Section 3: The Project. The City hereby specifies, adopts and authorizes a plan for making certain additions to and betterments and extensions of the Waterworks Utility consistent of the design and construction of a new wastewater treatment facility and associated improvements (the "Project"). The total cost of the Project is estimated to be \$20,000,000. The Council may make such changes prior to or during the actual construction of the Project where, in its judgment, it appears advisable; *provided*, such changes do not substantially modify the Project.

Section 4: Authorization of the Bond. For the purpose of paying part of the Costs of the Project, particularly the initial engineering costs and other preliminary costs, and including retiring the 2010 Note, by Ordinance 1175 the City previously authorized the issuance of the Bond in the approximate amount of \$13,690,000. The Bond shall be payable from Net Revenue and other sources, if any, identified and pledged by the City by further ordinance, and shall constitute a charge and lien upon such revenue prior and superior to any other lien and charge whatsoever, except such liens and charges as may be created in favor of future parity bonds issued pursuant to the ordinance authorizing the issuance of the Bond. The Bond shall be issued in one or more series at such times as the City shall deem advisable; shall be in such denomination and form, shall be dated, shall bear such interest rate or rates, shall be payable at such time or times,

shall have such option of payment prior to maturity, shall guarantee such coverage and collection of rates, shall provide for such additional funds and accounts and shall contain and be subject to such provisions and covenants as hereafter shall be provided by ordinance.

Section 5: Purpose, Authorization and Description of Note.

(a) For the purpose of providing the funds with which to pay part of the Costs of the Project, including the repayment of the 2010 Note and refunding the 1999 Bonds, the 2001 Bond and the DOE Loan, the City shall issue and deliver its Waterworks Utility Revenue Bond Anticipation Note, 2012 (Non-Revolving Line of Credit) (the "Note"), in the principal amount of not to exceed \$13,690,000, pursuant to the terms of this Ordinance. The Note shall be dated as of the date of its delivery to the Bank; shall mature on the Maturity Date; shall be issued in fully registered form as to both principal and interest on the Note Register; and shall be numbered R-1, with any additional designation as the Registrar deems necessary for purposes of identification.

(b) The City may make incremental draws upon the Note (the "Loan Draws") in an amount greater than or equal to \$25,000 on any business day during the term of the Note for the purpose of providing the funds with which to pay Costs of the Project. No Loan Draw may exceed the total amount of the costs to be paid from such Loan Draw, and the proceeds of each Loan Draw shall be used immediately to pay those costs. Loan Draws shall be recorded on the Loan Draw Record attached to the Note, or in such other form as the City and the Bank may agree. Loan Draw requests must be accompanied by an approval of the draw amount from an authorized representative of USDA and shall be limited to an aggregate principal amount of \$13,690,000.

(c) Each Loan Draw shall bear interest equal to 60% of the Prime Rate (computed on a 365/365-day basis) and shall accrue from the date of that Loan Draw on the principal amount of the Loan Draw outstanding for the actual number of days the principal amount of the Loan Draw is outstanding. Interest on the Note shall be payable semiannually on each June 1 and December 1, commencing December 1, 2012 (each an "Interest Payment Date"), to and including the Maturity Date or date of prior redemption. Principal of the Note is payable on the Maturity Date or the date of prior redemption. If the Note is not paid when properly presented for payment on the Maturity Date or date of prior redemption, the City shall be obligated to pay interest on the Note at the same rate provided in the Note from and after its maturity or prior redemption date until the Note, both principal and interest, is paid in full or until sufficient money for that payment in full is on deposit in the Note Account. The Council finds that the fixing of the interest rate in the above manner is in the best interest of the City.

Section 6: Designation of Officer to Make Loan Draws. The Council has determined it to be in the best interest of the City that the Mayor and the Clerk-Treasurer, or such other person(s) as the Mayor may designate, be and hereby are severally authorized to make Loan Draws in the amounts and at the times as either of such officials may determine hereafter, those Loan Draws to be made in accordance with the terms and provisions set forth herein.

Section 7: Appointment of Registrar; Registration and Transfer of Note.

(a) The Clerk-Treasurer is hereby appointed and designated to serve as the Registrar. The Registrar shall keep, or cause to be kept, at its office, sufficient books for purposes of registering the name, mailing address and taxpayer identification number of the Registered Owner of the Note, and for registering any transfer of Note ownership. The books and records maintained by the Registrar for such purpose shall be considered the Note Register for purposes of this Ordinance. The Note Register shall at all times be open to inspection by the City. In addition to maintaining the Note Register, the Registrar is authorized and directed to perform the following duties with respect to the Note: (i) to authenticate the Note upon the initial issuance thereof by executing the Certificate of Authentication contained thereon; (ii) to authenticate and deliver any Note that is transferred in accordance with the provisions thereof and this Ordinance; (iii) to serve as the City's paying agent for the Note; (iv) to imprint on each Note transferred or exchanged pursuant to this Ordinance the name of the Registered Owner, the maximum principal amount of the Note, the interest rate borne by the Note, and the maturity date of the Note; (v) to cancel the Note returned to the Registrar upon the payment in full thereof by punching holes through the signatures on the Note and by writing clearly across the face of such Note the word "cancelled"; and (vi) to carry out all of the Registrar's duties otherwise described in this Ordinance and to comply fully with all applicable federal and State laws and regulations respecting the carrying out of those duties. The Registrar shall be responsible for its representations contained in the Certificate of Authentication on the Note.

(b) The Note may be assigned or transferred only in whole to a qualified investor and only if endorsed in the manner provided thereon and surrendered to the Registrar. The Bank will not transfer the Note to a subsequent investor unless the Bank causes such investor to receive such information regarding the City and the Note as is necessary to comply with Rule 10b-5 of the Securities and Exchange Commission.

Section 8: Deposit of Note Loan Draw Proceeds; Execution of Refunding Plans.

(a) Construction Fund. Unless deposited in the Refunding Account to carry out the 1999 Refunding Plan, the 2001 Refunding Plan, the 2010 Note Repayment Plan or the DOE Repayment Plan, the principal proceeds received as a result of Loan Draws on the Note shall be paid into the Construction Fund previously created and established in the Office of the City Treasury, and used to pay part of the Costs of the Project. Interest earnings on Loan Draws, if any, shall be retained in the Construction Fund and used to pay the Costs of the Project or costs of redeeming and retiring the Note.

(b) Refunding Account. The Refunding Account is hereby created and established in the office of the Clerk-Treasurer as a special, segregated account within the Construction Fund to be known as the "Water and Sewer Refunding Account." Proceeds of Loan Draws on the Note allocated to accomplish the Refunding Plans, shall be deposited immediately upon the receipt thereof in the Refunding Account held irrevocably in trust, and used to discharge the obligations of the City relating to the 1999 Bonds, the 2001 Bond, the 2010 Note or the DOE Loan under their authorizing ordinances and resolutions. Amounts from the Refunding Account may be transferred irrevocably to the appropriate bond funds for each of the refunded obligations, as necessary to carry out the Refunding Plans. In the event proceeds of any Loan Draws remain in the Refunding Account after the Refunding Plans have been accomplished, such proceeds shall

be transferred to the Note Account and used to pay interest on the Note on the next interest payment date. Notwithstanding the foregoing, at the City's discretion, all or a portion of money in the Refunding Account may be transferred to, and held by, a trustee.

(c) Execution of Refunding Plans.

(i) 1999 Refunded Bonds. The City reserves the right to call the 1999 Refunded Bonds for redemption after issuance of the Note, at par plus accrued interest to the redemption date. The redemption date and notice date shall be determined by the City Clerk-Treasurer. Such notice shall be as provided for in Ordinance No. 950 authorizing the 1999 Bonds and the call for redemption shall be irrevocable after the issuance of the notice of redemption and defeasance. The proper City officials are authorized and directed to give or cause to be given such notices as required, at the times and in the manner required, pursuant to Ordinance No. 996 in order to effect the refunding of the 1999 Bonds.

(ii) 2001 Bond. The City reserves the right to call the 2001 Bond for redemption on the earliest practical date after closing of the Note, at par plus accrued interest and prepayment penalty, if any, to such redemption date. The proper City officials are authorized and directed to give or cause to be given such notices as required, at the times and in the manner required, pursuant to Ordinance No. 996 in order to effect the prepayment of the 2001 Bond.

(iii) 2010 Note. Upon closing of the Note, the City will make a Loan Drawn in an amount sufficient to repay the 2010 Note and deposit that amount into the Refunding Account to be used to repay the 2010 Note at the earliest practical date. The proper City officials are authorized and directed to give or cause to be given such notices as required, at the times and in the manner required, pursuant to Ordinance No. 1175 in order to effect the repayment of the Note.

(iv) DOE Loan. The City hereby declares its intent to repay the DOE Loan on the earliest practical date after closing of the Note. The proper City officials are authorized and directed to give or cause to be given such notices as required, at the times and in the manner required, pursuant to Resolution 4-99 as amended by Resolution 7-99, in order to effect the repayment prior to the maturity of the DOE Loan.

Section 9: Payment of Note.

(a) There is created within the Construction Fund a Waterworks Utility Revenue Bond Anticipation Note, 2012 Account (the "Note Account") for the purpose of paying principal of and interest on the Note. Both principal of and interest on the Note shall be payable in lawful money of the United States of America solely out of the Note Account from the proceeds of the Bond authorized by this Ordinance to be deposited in such account, or of other short-term obligations or from other money legally available and to be used therefor, and the City irrevocably pledges to redeem the Note on the Maturity Date or date of prior redemption from the proceeds of that Bond, or of other short-term obligations or from other money legally available for that purpose. The Note may also be paid from Net Revenue, subject to the prior claim and lien of the Outstanding Prior Lien Obligations. The Note shall be payable only from the Note Account as provided herein and shall not be a general obligation of the City, the State or any political subdivision thereof.

(b) Prior to each Interest Payment Date the Bank shall present to the City a statement of interest due on the Note on such Interest Payment Date. Interest due on the Note shall be paid by electronic transfer, unless payment by check or draft of the Registrar is permitted by the Bank, and sent to the Bank so that the Bank receives said payments when due at the address appearing on the Note Register. Prior to the Maturity Date the Bank shall present to the City a statement of interest, together with principal, due on the Note on the Maturity Date. Principal of the Note is payable on the Maturity Date or date of prior redemption at the office of the Registrar in Cashmere, Washington, upon presentation and surrender of the Note.

Section 10: Prepayment and Redemption Provisions. The City reserves the right and option to prepay and redeem at any time, without penalty, any or all of the principal amount of the Note outstanding at par plus accrued interest to the date of prepayment and redemption. Interest on the Note or the portion thereof so prepaid shall cease to accrue on the date of such prepayment.

Section 11: Note Form and Execution.

(a) The Note shall be prepared in a form consistent with the provisions of this Ordinance and State law, shall be signed by the Mayor and Clerk-Treasurer, either or both of whose signatures may be manual or in facsimile, and shall have the seal of the City (or facsimile reproduction thereof) impressed or printed thereon.

(b) The Note shall not be valid or obligatory for any purpose, or entitled to the benefits of this Ordinance, unless it bears a certificate of authentication manually signed by the Registrar stating: "This Note is the fully registered City of Cashmere, Washington, Waterworks Utility Revenue Bond Anticipation Note, 2012 (Non-Revolving Line of Credit), described in the Note Ordinance." A minor deviation in the language of such certificate shall not void a certificate of authentication that otherwise is substantially in the form of the foregoing. The authorized signing of a certificate of authentication shall be conclusive evidence that the Note so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this Ordinance.

(c) If any officer whose signature appears on the Note ceases to be an officer of the City authorized to sign notes before the Note bearing his or her signature is authenticated or delivered by the Registrar or issued by the City, that Note nevertheless may be authenticated, delivered and issued and, when authenticated, delivered and issued, shall be as binding upon the City as though that person had continued to be an officer of the City authorized to sign notes. Any Note also may be signed and attested on behalf of the City by any person who, on the actual date of the signing of the Note, is an officer of the City authorized to sign notes, although he or she did not hold the required office on the date of issuance of the Note.

Section 12: Authorization for Creation of Additional Funds and Accounts. The City Clerk-Treasurer is hereby authorized to create such funds and accounts within the City Treasury as she deems necessary for payment of, without limitation, the Costs of the Project and repayment of the Note and Bond authorized herein.

Section 13: Preservation of Tax Exemption for Interest on Note. The City covenants that it will take all actions necessary to prevent interest on the Note 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 the Note or other funds of the City treated as proceeds of the Note at any time during the term of the Note which will cause interest on the Note to be included in gross income for federal income tax purposes. The Clerk-Treasurer is authorized and directed to adopt and implement on behalf of the City procedures to facilitate compliance by the City with the covenants in this Section 13 and the applicable requirements of the Code that must be satisfied after the issue date to maintain the tax exemption for interest on the Note after the issue date.

Section 14: Approval of Bank Offer; Authorization of City Officials. The Bank has presented an offer to extend a non-revolving line of credit in the form of a waterworks utility revenue bond anticipation note (the "Bank Offer") to the City offering to accept the Note under the terms and conditions provided in the Bank Offer, which written Bank Offer is on file with the Clerk and is incorporated herein by this reference. The Council finds that accepting the Bank Offer is in the City's best interest and therefore accepts the same. A fee in the amount of \$20,000 shall be withheld by the Bank from the first Loan Draw. The Note will be printed at City expense and will be delivered to the Bank in accordance with the Bank Offer, together with the approving legal opinion of Foster Pepper PLLC, municipal bond counsel, regarding the Note. The Mayor and the Clerk-Treasurer, or such other person(s) as they may designate, are severally authorized and directed to do everything necessary for the prompt delivery of the Note to the Bank and for the proper application and use of the proceeds of the Loan Draws made pursuant to the Note.

Section 15: Bank Offer Reporting Requirements. The City covenants and agrees for so long as the Note remains outstanding to deliver, or to cause to be delivered to the Bank an annual financial report of actual expenditures and receipts.

Section 16: Ratification Provision. All actions heretofore taken by the City consistent with the provisions of this Ordinance are ratified, confirmed and approved.

Section 17: Effective Date of Ordinance. This Ordinance shall take effect and be in force from and after its passage and five days following its publication as required by law.

PASSED by the City Council at a regular open public meeting thereof and APPROVED by the Mayor this 9th day of July, 2012.

CITY OF CASHMERE, WASHINGTON

Mayor

ATTEST:

Clerk-Treasurer

APPROVED AS TO FORM:

Bond Counsel

CERTIFICATION

I, the undersigned, the Clerk-Treasurer of the City of Cashmere, Washington (the "City"), hereby certify as follows:

1. The foregoing Ordinance No. 1200 (the "Ordinance") is a full, true and correct copy of the Ordinance duly passed at a regular meeting of the City Council of the City held at the regular meeting place thereof on the 9th day of July 2012, as that Ordinance appears on the minute book of the City; and the Ordinance will be in full force and effect five days after the publication of its summary in the City's official newspaper; and

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

IN WITNESS WHEREOF, I have hereunto set my hand this 9th day of July, 2012.

CITY OF CASHMERE, WASHINGTON

Kay Jones, Clerk-Treasurer



Staff Summary

Date: July 9, 2012

To: City Council

From: Bob Schmidt, Director of Operations

RE: Second Addendum to the Agreement between the City of Cashmere and
RH2 Engineering for the Wastewater Treatment Plant Project

The City entered into an engineering agreement with RH2 for our wastewater treatment plant project effective October 12, 2010. By an addendum the City authorized only specific tasks. This addendum, attached, provides for authorization of the remaining tasks.

I Recommend that Council:

Approve this Second Addendum

SECOND ADDENDUM

This Second Addendum to the Agreement between Owner and Engineer for Professional Services effective October 12, 2010 for the City of Cashmere Wastewater Treatment Facility Project between the City of Cashmere ("Owner") and RH2 Engineering, Inc. ("Engineer") (the "Agreement") is entered into effective July 9, 2012.

I. RECITALS

A. Owner and Engineer entered into the Agreement and an Addendum to the Agreement (dated October 27 and 28, 2010) and an Amendment to Owner-Engineer Agreement, Amendment No. 1, effective April 9, 2012 "Amendment No. 1" for the purposes of Engineer providing Owner engineering services related to the Owner's Wastewater Treatment Facility Project described in the Agreement.

B. The purpose of this Second Addendum to the Agreement is to clarify the Addendum and reaffirm the provisions of the Agreement, Amendment No. 1, and the Addendum.

II. AGREEMENT

Owner and Engineer agree as follows:

1. The final paragraph of the Addendum is hereby deleted.
2. Except as otherwise specifically provided in the Addendum, as amended by this Second Addendum, and in Amendment No. 1, the terms of the Agreement shall remain in full force and effect as set forth therein.

APPROVED by the City Council of
the City of Cashmere, Washington at
an Open Public Meeting on July 9, 2012.

APPROVED by RH2 Engineering, Inc.
the _____ day of July, 2012.

By: _____
Jeff Gomes, Mayor

By: _____
Randy Asplund, Vice President

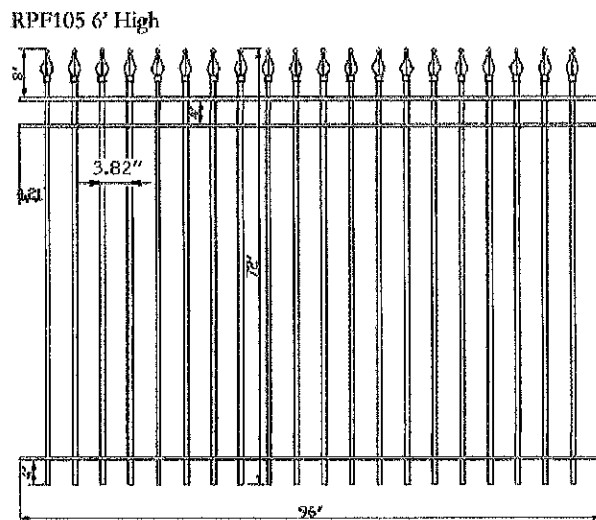
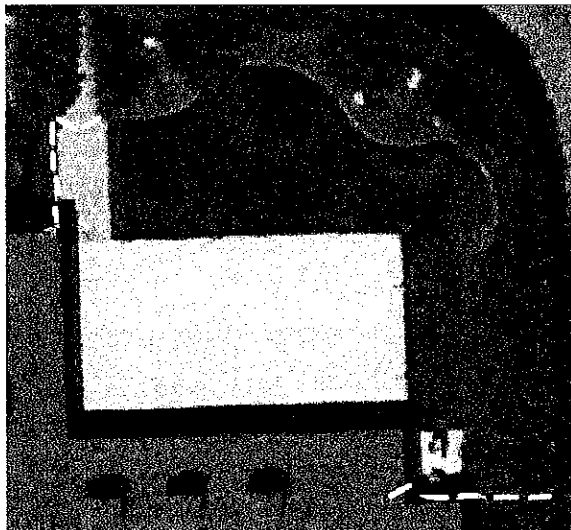


Staff Summary

Date: July 9, 2012
To: City Council
From: Bob Schmidt, Director of Operations
RE: Riverside Center - Security / Privacy Fencing

There has been a long standing issue at our Riverside Center with public entering the back deck area of the Center during private events. People often come through the back area looking for the restrooms and even enter the building while events are going on. While I was there measuring for a fence someone walked past me and went directly to the back doors of the Center and tried all four doors before walking on around the building. This area also provides a secluded area for vandals to find entertainment without interruption.

I have done a bit of research and found that pre-constructed wrought iron panels are available. If we were to purchase the parts, our city crew could build the fence to prevent unwanted traffic in our back yard. On one fencing web site the cost of parts (only) to build a fence in the configuration sketched below came to \$3,309.74. I have asked for a quote that includes the cost of shipping and handling and taxes that I will have for the council meeting.



I Recommend that Council:

Give staff permission to build a 6 foot high wrought iron fence at Riverside Center to improve security and privacy to the back deck area.

Staff Summary

Date: July 9, 2012
To: Mayor Jeff Gomes
Cashmere City Council
From: Mark Botello
RE: Project Status/Updates

Building Permits:

- Continue working with Mount Cashmere Properties (Crunch Pak) on phase "A" building expansion (300 Sunset Ave) ≈38,000 Sq. ft.
- 207 Mission Ave (Commercial remodel).
- 5590 East Cashmere (Fence permit).
- 300 Sunset Highway (Commercial-high pile rack/storage system).
- 300 Sunset Highway (Fire suppression system).
- Riverside Park (Public restrooms)-for Riverside Parl grant application submittal.
- 407 Aplets Way-Mile Post 101 Cashmere Brewery Company" (Type-1 commercial kitchen hood & fire suppression system).
- 112 Propoct Ave (Residential remodel).

Sign Permits:

- 207 Mission Ave (Mission District sandwich board).
- Farmers Market (sandwich board) located on Museum parking lot property.

Business Licenses:

- International Sales (NEW: Door to door sales).
- Massage Therapy Center (RENEW: business license).

Planning Commission:

- Continue updating the Shoreline Master Program (SMP) with Planning Commissioners.
- Review Urban Growth Area Boundry for Blue Star Growers. Property near Old Monitor Road.
- Review zone change request by Museum for Museum parking lot.
- West side of Fisher Street property rezone.

Tree Committee:

- Discussed Washington State Department of Natural Resources (DNR) tree inventory pilot program.
- Discussion on Riverside Park grant and project scope.
- Dicussion on Elberta Parking lot trees beautification.

Grants:

- Working on Railroad Ave federal transportation grant submittal. Deadline for grant submittal is July 13, 2012
- Met with Washington State Recreation Conservation Office Grants Manager onsite at Riverside Park to go over City's grant application.

Landuse:

- Conditional Use Permit application submitted by Dan Reichert, (L.E. Wilson, Inc) for building expansion/renovation. The property is located at 404 Pioneer Ave next to Simpson Park.
-