
CITY OF KIRKLAND

CITY COUNCIL



Joan McBride, Mayor • Penny Sweet, Deputy Mayor • Dave Asher • Jessica Greenway
Doreen Marchione • Bob Sternoff • Amy Walen • Kurt Triplett, City Manager

Vision Statement

*Kirkland is an attractive, vibrant, and inviting place to live, work and visit.
Our lakefront community is a destination for residents, employees and visitors.
Kirkland is a community with a small-town feel, retaining its sense of history,
while adjusting gracefully to changes in the twenty-first century.*

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AGENDA

KIRKLAND CITY COUNCIL MEETING

City Council Chambers

Tuesday, March 15, 2011

6:00 p.m. – Study Session – Peter Kirk Room

7:30 p.m. – Regular Meeting

COUNCIL AGENDA materials are available on the City of Kirkland website www.ci.kirkland.wa.us, or at the Public Resource Area at City Hall on the Friday afternoon prior to the City Council meeting. Information regarding specific agenda topics may also be obtained from the City Clerk's Office on the Friday preceding the Council meeting. You are encouraged to call the City Clerk's Office (587-3190) or the City Manager's Office (587-3001) if you have any questions concerning City Council meetings, City services, or other municipal matters. The City of Kirkland strives to accommodate people with disabilities. Please contact the City Clerk's Office at 587-3190, or for TTY service call 587-3111 (by noon on Monday) if we can be of assistance. If you should experience difficulty hearing the proceedings, please bring this to the attention of the Council by raising your hand.

EXECUTIVE SESSIONS may be held by the City Council to discuss matters where confidentiality is required for the public interest, including buying and selling property, certain personnel issues, and lawsuits. An executive session is the only type of Council meeting permitted by law to be closed to the public and news media

ITEMS FROM THE AUDIENCE provides an opportunity for members of the public to address the Council on any subject which is not of a quasi-judicial nature or scheduled for a public hearing. (Items which may not be addressed under Items from the Audience are indicated by an asterisk*.) The Council will receive comments on other issues, whether the matter is otherwise on the agenda for the same meeting or not. Speaker's remarks will be limited to three minutes apiece. No more than three speakers may address the Council on any one subject. However, if both proponents and opponents wish to speak, then up to three proponents and up to three opponents of the matter may address the Council.

1. *CALL TO ORDER*
2. *ROLL CALL*
3. *STUDY SESSION, Peter Kirk Room*
 - a. Joint Meeting with the Planning Commission
4. *LODGING TAX ADVISORY COMMITTEE INTERVIEW, Rose Hill Room*
 - a. Belinda Jensen
5. *HONORS AND PROCLAMATIONS*
6. *COMMUNICATIONS*
 - a. *Announcements*
 - b. *Items from the Audience*
 - c. *Petitions*
7. *SPECIAL PRESENTATIONS*

8. *CONSENT CALENDAR*

- a. *Approval of Minutes:* (1) March 1, 2011
(2) March 9, 2011 Special Meeting

- b. *Audit of Accounts:*
 - Payroll* \$
 - Bills* \$

- c. *General Correspondence*

- d. *Claims*

- e. *Award of Bids*

- (1) 6th Street And Central Way Intersection Improvements Project Phase 1, Sanders General Construction, Issaquah, Washington

- f. *Acceptance of Public Improvements and Establishing Lien Period*

- g. *Approval of Agreements*

- (1) Resolution R-4870, Approving Participation by the City in an Interlocal Procurement Agreement with Snohomish County Fire District 1 and Authorizing the City Manager to Execute Said Agreement on Behalf of the City of Kirkland
- (2) Resolution R-4871, Approving an Interlocal Agreement Establishing the Community Connectivity Consortium Between the City of Kirkland and Other Government Agencies for the Construction and Management of Fiber Optic Projects.
- (3) Resolution R-4872, Authorizing the City Manager to Execute an Interlocal Agreement Between the Seattle Department of Parks and Recreation, the University of Washington, the Port of Seattle, the Cities of Bellevue, Edmonds, Kent, Mountlake Terrace, Renton, Tukwila, Woodinville and Kirkland to Manage Waterfowl.

- h. *Other Items of Business*

- (1) Align Renewal of Regulatory Licenses to the Business License Renewal Date:
 - a. Ordinance No. 4293 and its Summary, Relating to the Licensing and Regulation of Cabarets
 - b. Ordinance No. 4294, Relating to the Licensing of Amusement Devices

GENERAL CORRESPONDENCE

Letters of a general nature (complaints, requests for service, etc.) are submitted to the Council with a staff recommendation. Letters relating to quasi-judicial matters (including land use public hearings) are also listed on the agenda. Copies of the letters are placed in the hearing file and then presented to the Council at the time the matter is officially brought to the Council for a decision.

ORDINANCES are legislative acts or local laws. They are the most permanent and binding form of Council action, and may be changed or repealed only by a subsequent ordinance. Ordinances normally become effective five days after the ordinance is published in the City's official newspaper.

RESOLUTIONS are adopted to express the policy of the Council, or to direct certain types of administrative action. A resolution may be changed by adoption of a subsequent resolution.

- (2) Resolution R-4873, Approving the Interlocal Agreement Between the City of Kirkland, King County Fire Protection District #41 and King County Regarding the Annexation of the Wild Glen Area
- (3) ARCH Work Program and Budget
- (4) NE 116th Street Interchange and Street Improvements Project – Utility Agreement Budget Update
- (5) Lodging Tax Advisory Committee Resignation
- (6) Report on Procurement Activities

PUBLIC HEARINGS are held to receive public comment on important matters before the Council. You are welcome to offer your comments after being recognized by the Mayor. After all persons have spoken, the hearing is closed to public comment and the Council proceeds with its deliberation and decision making.

9. *PUBLIC HEARINGS*

10. *UNFINISHED BUSINESS*

- a. 2011 Legislative Update 4

11. *NEW BUSINESS*

- a. Ordinance No. 4295, Amending the Biennial Budget for 2011-2012
- b. Resolution R-4874, Authorizing the City Manager to Execute the Comprehensive Garbage, Recyclables and Compostables Collection Agreement with Waste Management, Inc.
- c. Expenditure of Lodging Tax Reserves and Name Change

NEW BUSINESS consists of items which have not previously been reviewed by the Council, and which may require discussion and policy direction from the Council.

12. *REPORTS*

- a. *City Council*
 - (1) Regional Issues
- b. *City Manager*
 - (1) Calendar Update

ITEMS FROM THE AUDIENCE
Unless it is 10:00 p.m. or later, speakers may continue to address the Council during an additional Items from the Audience period; provided, that the total amount of time allotted for the additional Items from the Audience period shall not exceed 15 minutes. A speaker who addressed the Council during the earlier Items from the Audience period may speak again, and on the same subject, however, speakers who have not yet addressed the Council will be given priority. All other limitations as to time, number of speakers, quasi-judicial matters, and public hearings discussed above shall apply.

13. *ITEMS FROM THE AUDIENCE*

14. *ADJOURNMENT*



CITY OF KIRKLAND
Planning and Community Development Department
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MEMORANDUM

Date: March 1, 2011

To: Kurt Triplett, City Manager

From: Paul Stewart, Deputy Planning Director
Eric Shields, Planning Director

Subject: City Council/Planning Commission Joint Meeting
And 2011-2013 Planning Work Program (File MIS09-00010)

Recommendation

Staff recommends the following:

- Conduct the annual joint meeting with the Planning Commission
- Review the proposed 2011 – 2013 Planning Work Program and direct staff to bring back a final work program for adoption
- Review the Planning Commission's recommendation on the Private Amendment Requests
- Discuss with the Commission other topics as appropriate

Background

The City Council and Planning Commission conduct a joint meeting each year. The joint meeting is intended to review the proposed Planning Work Program and the progress on major long range planning projects. It is also an opportunity to discuss other topics of mutual interest. Following the joint meeting and with direction from the City Council, staff will bring back a resolution adopting the proposed work program at a regular Council meeting.

The Planning Commission held their annual retreat on January 13th, 2011. At the retreat the Planning Commission reviewed the 2010 projects and discussed the proposed work program as well as other items of interest which are noted in their transmittal memo. This year, City Manager Kurt Triplett attended the retreat in order to meet the Commission and present his perspectives and priorities for the City – including the 2011 citywide work program items which were subsequently adopted by the City Council.

Attachment 1 is the transmittal memo from the Planning Commission to the City Council. Attachment 2 is the *Proposed 2011-2013 Planning Work Program* as generally recommended by the Commission. Attachment 3 is a description and summary of the tasks reflected in the proposed work program. (Note: For comparison, Attachment 4 is the previous 2010-2012 work program adopted by the City Council on April 6, 2010.)

In 2010, the Planning Commission worked on a number of major projects. Attachment 5 lists the Planning Commission agenda topics for 2010. These projects included the Touchstone (Park Place) plan amendments and zoning in response to the Growth Management Hearings Board decision, the Comprehensive Plan update (including neighborhood boundaries in the annexation area), miscellaneous Zoning Code amendments, and the Shoreline Master Program for the annexation area. For all these projects the Commission recommended approval and the City Council concurred.

The proposed Planning Work Program shows general staffing levels for the major categories for 2011. With annexation coming up and budget limitations staffing for long range projects have been reduced from previous years. We are anticipating the need for staffing to be available for development review as a result of annexation. For the first six to nine months of 2011, staffing levels will be somewhat comparable to 2010 at around 5-6 FTE's. However as the 2011 major projects are completed (i.e. neighborhood plans, TOD) some staffing will be available for the other long range projects but at a 1.0 FTE position less than previous years

As a result of the economic slowdown, the City continues to experience budget constraints. Between 2007 and 2009, the Planning Department lost the equivalent of approximately 5 FTE (full time equivalent staff) generally consisting of vacant positions, interns and contract planners. In addition there are no one-time service packages to fund the long range projects (e.g. professional services, special notices or mailings, traffic analysis, etc.). This has somewhat limited our ability to do certain outreach efforts.

For example, due to budget reductions we are no longer able to mail out extensive flyers or notices. Staffing levels have been reduced – many of these outreach tasks and data collection were previously handled by interns. Staffing reductions have also resulted in fewer resources for graphics design and layout (e.g. flyers) and information technology (web pages, surveys, and data analysis). The other factor affecting resources is annexation – most departments are working intensively to gear up for the annexation effective date.

Proposed 2011 – 2013 Planning Work Program

The proposed 2011-2013 Planning Work Program is shown in Attachment 2. The Planning Commission recommended approval of the work program at their January 27th meeting. The work program has been slightly modified following the Planning Commission's review to reflect a revised schedule for a couple of the tasks. In addition there are two projects that are being discussed at the March 10 Planning Commission meeting that could affect the work program (Private Amendment Requests and Miscellaneous Code Amendments).

Task 1.5 consists of the Private Amendment Requests (PAR's) to amend the Comprehensive Plan. The City received three requests. The Planning Commission's

Threshold Review of these requests will occur at the March 10th Commission meeting. The Commission's recommendations on which PAR's merit further consideration and when will be presented to the Council at the March 15th study session. For more information about the PAR's in advance of the meeting, the Council can review the Planning Commission packet on the [Private Amendment Requests](#) prior to the joint meeting. This item will be brought back to the Council at a regular meeting for action.

Task 3.1 is the Miscellaneous Code Amendments project. Staff is now suggesting that it be broken into "groupings" with one of the bundles consisting of minor code amendments that would be taken up first as staff time is available. A bundle or grouping of more substantive amendments would occur in late 2011 or 2012. Staff will be discussing this approach with the Commission on March 10th. It is suggested that the Council review the March 10th Planning Commission packet on the [Miscellaneous Code Amendments](#) prior to the joint meeting.

Due to the timing of the Commission meeting, the Commission's recommendation on these two PAR's and code amendments is not included in this packet but will be transmitted to the Council at the joint meeting on March 15th.

The proposed Planning Work Program shows eight major long range planning categories with individual tasks identified within each category. These tasks are described in more detail in the *Summary of Tasks* (Attachment 3). It is important to note that there are several projects that began in 2010 that will carry-over to 2011. Staff resources have been committed to these tasks so it will be difficult to undertake any new major projects until mid-2011.

In looking at those proposed work program tasks that will involve the Planning Commission, we've grouped the tasks into three sets of priorities noted below. The first set is those projects that began in 2010 and will continue until 2011. The second set includes those projects that would start in 2011, and the third set of projects lists those that could be undertaken beginning in mid-year depending on staffing availability and level of priority. Two of the projects are the on the citywide work program list of priorities - the South Kirkland Park and Ride (Task 4.1) and Totem Lake (Task 3.2).

Work in progress to complete in 2011

- Touchstone Planned Action appeals (Task 1.6)
- Lakeview and Central Houghton Neighborhood Plans (Tasks 2.1 and 2.2)
- CBD ground floor use regulations (Task 3.3)
- Zoning regulations and design standards for the South Kirkland Park & Ride TOD (Task 4.1)
- Shoreline Master Program for the annexation area (Task 5.1)

New projects to start in 2011

- Annual Comprehensive Plan Update (Task 1.1)
- Private Amendment Requests Threshold Review (1.5)
- Miscellaneous code amendments (Task 3.1)

- Totem Lake code assessment (Task 3.2)
- LID/Green Codes (Task 5.2)

Projects to consider mid-year (depends on staff availability, the PAR threshold review and the Totem Lake code assessment).

- PAR's selected for consideration (Task 1.5)
- Neighborhood plan assessment (Task 2.3)

The City has committed significant staffing resources to the first category – particularly the neighborhood plans, South Kirkland TOD and the SMP for the annexation area. It is anticipated that the SMP will be completed by June and the other two by the fall of 2011.

Of the tasks noted above, there are four projects where there is some discretion or choices on the timing and priority. The first is Task 1.5 – Private Amendment Requests. The Planning Commission conducted a threshold review on March 10th and a recommendation to the City Council will be provided at the joint meeting. The Commission and Council have the discretion based on criteria to determine if any or all requests will be further considered through a public review process

The second item for consideration is the neighborhood plan assessment (Task 2.3). The intent is to spend some time in 2011 exploring ideas or options on how and when the City updates neighborhood plans. This would occur prior to undertaking a new neighborhood plan update.

A third item relates to code amendments (Task 3.0). The City Council has adopted a Totem Lake Action Plan. The intent of this is to look at a variety of approaches to promoting economic development in the Totem Lake neighborhood. One of the tasks is to scope out our zoning regulations to see if there are impediments to redevelopment (Task 3.2). Staff has begun to work on this as time permits. If there are amendments to be considered as a result of this scoping, they could then be processed in the third or fourth quarter of 2011.

Another code amendment project is the annual bundle of miscellaneous code amendments (Task 3.1). As noted above, staff is recommending sequencing the amendments into various bundles with an initial grouping consisting of non-policy amendments (Process IVA) and the more substantive amendments occurring in late 2011 or 2012.

The work program shows the next round of neighborhood plans (Bridle Trails and South Rose – Task 2.4) beginning in the latter part of 2011 following the completion of the Lakeview and Central Houghton Neighborhood Plans (Task 2.1 and 2.2) and the Neighborhood Plan assessment (Task 2.3). The work program shows staffing levels of 1.0 FTE for the Bridle Trails/South Rose Hill Neighborhood Plan update. Attachment 6 shows the Comprehensive Plan and Neighborhood Plan update schedule.

It is important to note two major efforts that will occur in 2013-2014. One is the GMA required plan update (Task 1.3) and the other is critical area regulations amendments (Task 5.3). These are major efforts requiring considerable staffing resources, extensive public outreach and funding. The state currently requires these to be completed by December 2014.

Summary and Policy Questions

Following the joint meeting, and based on the direction of the City Council, staff will prepare the final Planning Work Program for adoption by the Council at the April 5th regular meeting. At the April 5th meeting, staff will also bring the determination of private amendment requests to the Council for action.

Staff resources are generally available to accomplish the work program tasks as proposed in 2011 and 2012 – however these resources are committed to projects already underway (e.g. neighborhood plans, South Kirkland Park and Ride). The ability to take on significant new projects is limited until the latter part of 2011. Also, the impact of annexation from permitting and development review projects is still unknown. The Council will need to make a determination on the PAR's – staff has recommended to the Planning Commission that only one PAR be considered in 2011 with the other two being evaluated in 2012.

Policy questions for the City Council on the 2011-2012 Planning Work Program are:

- Do these projects reflect the priority for the City and Planning Commission?
- Is the timing and sequencing of the projects appropriate?
- What is the initial direction on the Private Amendment Requests (Task 1.5)?
- Is the approach to assessing neighborhood plans and scheduling appropriate (Task 2.0)?
- Is the Council in agreement on the approach to the Code Amendment tasks (Task 3.0)?

Attachments

1. Planning Commission Transmittal Memo
2. Proposed 2011 – 2013 Planning Work Program
3. Summary of Work Program Tasks
4. Adopted 2010-2012 Planning Work Program
5. 2010 Planning Commission Agenda Topics
6. Neighborhood Plan Schedule



CITY OF KIRKLAND
Planning and Community Development Department
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MEMORANDUM

Date: March 3, 2011

To: Kirkland City Council

From: C. Ray Allshouse, Chair
Kirkland Planning Commission

Subject: Joint Meeting with the City Council and Proposed Planning Work Program

Introduction

On behalf of the Planning Commission we look forward to the annual joint meeting with the City Council on March 15, 2011 to review the proposed 2011-2013 Planning Work Program and discuss other topics of interest. Along with the discussion on the work program we will also convey our recommendation on the threshold review of the Private Amendment Requests that we considered at our March 10th Planning Commission meeting. The joint meeting is also an opportunity to check in with the Council on our progress and Council expectations. We would also like to get Council feedback on some particular discussion items.

On January 13, 2011 the Planning Commission held their annual retreat to review the past year as well as the proposed Planning Work Program as recommended by staff. We began the retreat with remarks from City Manager Kurt Triplett. This was our first opportunity to meet with Mr. Triplett and the first time a city manager had attended a Commission retreat. We appreciate that. Mr. Triplett shared with the Commission his perspectives and priorities for the City and previewed his recommendations on the citywide work program which were subsequently adopted by the City Council. Several of those work program efforts involve the Planning Commission (e.g. the South Kirkland Park and Ride, Totem Lake and the Eastside Rail Corridor).

We would also like to note the change in the Commission makeup. The City Council temporarily added two additional positions with residents from the annexation area (Jon Pascal and George Pressley). Their participation during this interim period has been a benefit to the Commission's discussion.

Following the retreat, the Commission met again on January 27th to review a revised work program and at that meeting make a recommendation of adoption to the City Council. Of note are two items which the Commission will be discussing at its March 10th Commission meeting: Private Amendment Requests and Miscellaneous Zoning Code

Amendments. We understand that the Commission's discussion will occur after the City Council agenda packet has been prepared. At the joint meeting we will be transmitting our recommendation to the City Council on these items.

At the joint meeting we would propose the following discussion items:

- Staff Overview
- Introductory Comments from the Chair
- Planning Work Program
- Private Amendment Requests
- Zoning Code Amendments
- Neighborhood Plans
- Public outreach
- Other topics of interest

Individual Commission members will take the lead on each of these items.

2010 Work Program Projects

The Commission continues to have an active workload. In 2010, the Commission met 19 times compared to 21 times in 2009. Attachment 5 to this packet is a list of the Commission meeting dates and topics. Last year the Commission also held joint meetings with the Houghton Community Council (HCC) on three occasions regarding the Comprehensive Plan Update, neighborhood plans, the Miscellaneous Code Amendments and the South Kirkland Park and Ride. This is something relatively new and in 2011 additional joint meetings are contemplated. This approach is discussed further in the memo. In addition to the HCC meetings, the Commission met with representatives from the Transportation Commission and the Parking Advisory Board.

In 2010 four major projects were completed by the Planning Commission and transmitted to the City Council with a recommendation of approval. These include the Touchstone amendments, the Comprehensive Plan update (including neighborhood boundaries in the annexation area), miscellaneous code amendments and Shoreline Master Program amendments related to the annexation area. For all of these projects the City Council adopted the plan and code amendments as recommended by the Commission with very few changes.

Proposed 2011 – 2013 Planning Work Program

The Commission reviewed the work program at our retreat and again on January 27th. We concurred with the list of projects and general schedule. For 2011, the Commission will be focusing on the following projects:

- Minor updates to the Comprehensive Plan
- Private Amendment Request(s) as determined by the City Council
- Completing the Lakeview and Central Houghton Neighborhood Plans
- Conducting an assessment of the neighborhood plan process
- Miscellaneous code amendments as directed by the Council
- South Kirkland Park and Ride TOD zoning regulations and design guidelines
- Low impact development and green codes

Discussion Topics

Neighborhood Plans

Attention to neighborhood plans continues to be a priority for the Planning Commission. Work on the Lakeview and Central Houghton Neighborhood Plans began in early 2010 with adoption anticipated in late 2011. In the case of these two neighborhood plans, the Houghton Community Council (HCC) has taken the lead on the updates. Representatives from the Planning Commission served on the Lakeview Neighborhood Advisory Group (Jay Arnold) and on the Central Houghton Neighborhood Advisory Group (Byron Katsuyama). The Planning Commission will review the plans as drafted by the HCC beginning in March with joint public hearings to be scheduled in June.

Over the past several years, the City has utilized a variety of approaches to neighborhood plans (citizen advisory committees, working groups, workshops, open houses, etc). Typically neighborhood plans take two to three years to complete. This is consistent with similar time frames for neighborhood plans in the cities of Bellevue and Redmond. It appears that this current effort will take a little less than two years.

The Commission has expressed an interest in looking at different approaches to neighborhood plans. To that end, we are suggesting that prior to undertaking the next round of neighborhood plans (South Rose Hill and Bridle Trails), we take some time to assess the neighborhood planning process (Task 2.3 on the work program). We would like to begin that discussion this spring or summer. This would be a discussion over the course of 2-3 Planning Commission meetings and would also involve meeting with representatives from neighborhood associations.

Public Outreach

We support the City's efforts to provide as much opportunity for interested parties to be involved in long range projects. Staff provided us with a listing of the various materials and formats that have been used when undertaking a long range planning project.

- Web page for each project
- List serv for notices and status of upcoming events for projects
- Notices sent to the Chamber of Commerce and Kirkland Alliance of Neighborhoods
- Signs posted in the appropriate neighborhood or location
- Articles in City Update
- Press releases
- Open houses
- Formation of citizen advisory groups
- Meetings with representatives of civic and professional organization
- Presentations to neighborhood associations
- Public workshops
- Web based surveys
- Information posted on the City's cable station

We know that, while required, a public hearing is not always the most effective way to get public input. We would like to explore other creative strategies such as web postings, electronic polling or social media to engage the public that are perhaps more interactive. We would appreciate the Council's thoughts on these ideas.

Houghton Community Council

We noted in last year's transmittal memo that an area of concern for the Commission is the potential for conflicting or separate standards within Houghton's jurisdiction. This became an issue with the tree regulations, affordable housing regulations and to some extent the shoreline master program. The City Council was faced with significant differing recommendations from the Planning Commission and the HCC.

In 2010, the Planning Commission and Houghton Community Council began to have more joint meetings. The intent was for each group to hear the same information at the same time with ideas that issues could be resolved earlier than later.

This approach will continue into 2011 particularly for the neighborhood plans and the South Kirkland Park and Ride – these items will be the subject of joint public hearings in order for the public to address their comments to both bodies. It also saves staff time by having to put together one packet. Because the South Kirkland Park and Ride TOD and the neighborhood plans are within the HCC jurisdiction, this has resulted in a number of extra meetings for both groups. We have been alternating the joint meetings with one occurring on a Monday evening when the HCC typically meets and the next on a regular Thursday when the PC usually meets.

However, we still have concerns about the cost effectiveness, efficiency and policy implications. While we recognize the current statutory authority, we would sincerely hope that the City will strive to have consistent standards on the major issues that have citywide applicability. We thought it is important to note that while we will take into account the HCC perspective, the Commission will be considering the broader citywide policy interests in making our recommendations on the Comprehensive Plan and Zoning Regulations to the City Council. At times this may result in differing recommendations.



2011-2013 PLANNING WORK PROGRAM

Summary of Tasks

Planning & Community Development

February 2011

POLICIES, PLANS & REGULATIONS

Task 1: Comprehensive Plan Update (.5 FTE)

1.1 Annual Comprehensive Plan Update

In 2010 the Planning Department initiated a number of amendments to the Comprehensive Plan including the following items adopted by the City Council in December 2010:

- minor housekeeping amendments;
- revisions associated with the Kingsgate, North Juanita and Fill Hill annexation;
- an updated Capital Facilities Plan (CFP); and
- policies regarding electrical vehicle infrastructure.

For 2011, only a few city-initiated amendments are necessary (e.g. the Capital Facilities Plan). However – other work program tasks such as the Private Amendment Requests or Totem Lake initiatives may result in more substantive tasks (see discussion below).

1.2 Annexation Neighborhood Boundaries: The 2010 annual plan update also included resolution of the neighborhood boundaries for the annexation area Kingsgate, North Juanita and Finn Hill Neighborhoods. The opportunity was left open for the Finn Hill Neighborhood to divide if the residents could come to a consensus on a preferred boundary. Staff will continue to support those community conversations and any changes could be incorporated into a future annual plan amendment.

1.3 Growth Management Act (GMA) – Comprehensive Plan Update. The Growth Management Act (RCW 36.70A.130) requires cities and counties to review and if needed, revise their comprehensive plans and development regulations every seven years. Last year legislation was approved extending the deadline to December 1, 2014 for King County and all its cities (including Kirkland). The City supported this legislation as it will give the City a chance to incorporate the annexation area into the Comprehensive Plan.

However, the Comprehensive Plan update will be a major planning effort and will be staff and time intensive probably taking a minimum of two years to complete. The work program anticipates this beginning in 2013 with some preliminary work in late 2012. Funding resources will likely be needed for preparation of an Environmental Impact Statement and transportation modeling.

This process would generally include the following:

- New vision statement
- Extensive community outreach and involvement
- Revised land use and capacity analysis
- New transportation network and list of projects
- Revised level of service standards
- Updated Capital Facilities and Transportation Elements

- Framework for revisions to the impact fee program
- Environmental Impact Statement

In 2010, the Growth Management Planning Council allocated new housing and employment targets for 2031 to all the cities and King County through the countywide planning process. As part of the plan update, Kirkland will need to determine how and where to accommodate the targets in the land use plan. As a result, a revised transportation plan would be considered based on a new horizon year of 2031 along with possible amendments to the City's level of service standards for capital facilities (parks, transportation, etc.). This has to occur before the city updates its impact fee rate study.

1.4 Transportation Principles and Policies

The Transportation Commission continues to explore a new direction on transportation that does not focus only on the automobile. This initial effort which has been presented to the Planning Commission, Houghton Community Council and City Council establishes principles to form the basis for decision-making and recommended policy changes.

These principles are:

- Move people
- Be sustainable
- Create partnerships
- Link to land use

As the Commission moves forward, amendments to the City's Comprehensive Plan and concurrency system would occur. This would also guide CIP projects and transportation funding. It is likely that this would be incorporated into the general GMA plan update (Task 1.3).

1.5 Private Amendment Requests

December 1, 2010 was the deadline for private amendment requests applications to be submitted (every two years). Private amendment requests are submitted to request amendments to the Comprehensive Plan and (if necessary, a rezone). Three such requests were submitted by the application deadline. They are:

- Rhoda Altom (611 4th Avenue): Request in the Moss Bay Neighborhood to change from PLA5C to CBD 5 to clarify allowed density.
- Jeffrey S. Howard (12035 & 12203 Juanita Drive NE and 12034 76th Ave. NE): Request in the Finn Hill Neighborhood to change property zoned commercial (BNA) to allow residential (RMA 2.4) and to change property zoned RMA 5.0 to RMA 2.4.
- MRM Kirkland, LLC (434 Kirkland Way): Request to change Comprehensive Plan and zoning for a mixed use (retail/office; retail/office/multi-family; or retail/multifamily and increase the allowed height.

These private amendment requests will be part of a Threshold Review process beginning in February. This process entails the Planning Commission reviewing the individual

requests and making a recommendation to the City Council on whether or not to study the request further for possible amendments to the Comprehensive Plan and zoning. Of the three requests submitted by the December 1, 2010 deadline, the third request (MRM Kirkland) would require significant staffing and time to process. The Planning Commission conducted a Threshold Review of the requests at their March 10, 2011 meeting.

1.6 Touchstone SEIS and Planned Action Ordinance

In 2010, staff devoted considerable time and effort in the various appeals of the Touchstone private amendment request to the Growth Management Hearings Board and the courts. Several of the appeals will continue to be considered in 2011. Below is a summary of the Parkplace litigation and appeals.

Davidson Serles & Assoc., et al. v. City of Kirkland, et al., Superior Court No. 09-2-02204-6 SEA: This was an action for declaratory and injunctive relief. The action challenged the adequacy of the environmental impact statement (EIS) prepared for the Planned Action Ordinance, Master Plan, Comprehensive Plan amendments, and Zoning Code amendments related to the Touchstone and Altom private amendment requests. The action alleged that the EIS failed to identify, consider, and evaluate a full range of alternatives for the proposed action.

Davidson Serles sought to have the Court declare that the EIS was inadequate and to have the City enjoined from taking action to implement the referenced ordinances. Touchstone filed a motion seeking the dismissal of the action in which the City joined. In June 2009, the Superior Court Judge granted summary judgment and dismissed the case. Davidson Serles filed an appeal with the Court of Appeals. See, Appeal No. 64072-I below.

Davidson Serles & Assoc., et al. v. City of Kirkland, et al., Court of Appeals No. 64072-I: This was the appeal from the dismissal of Davidson Serles and Continental Plaza's Superior Court action. Oral argument was conducted on November 1, 2010. On January 24, 2011, the Court of Appeals issued its opinion and concluded that several of Davidson Serles' issues could only be raised before the Growth Management Hearing Board and were properly dismissed by the Superior Court. The Court of Appeals further concluded that the challenge to the Planned Action Ordinance as properly dismissed by the Superior Court. The Court of Appeals concluded that the Superior Court erred in granting summary judgment as to a spot zoning issue raised by Davidson Serles because Touchstone and the City failed to specifically address the issue in the motion for summary judgment. The issue of spot zoning will be back before the Superior Court, but the balance of the Superior Court summary judgment decision was affirmed.

Davidson Serles has requested reconsideration of the part of the opinion in which the Court of Appeals affirmed the Superior Court on grounds that "no EIS was required for the City of Kirkland to enact the planned action ordinance . . . [and

therefore] an inadequate EIS could not form the basis of a claim against a planned action ordinance.” The Court of Appeals recently asked for a response from Touchstone and the City. The response is due mid-March.

Davidson Serles & Assoc., et al. v. City of Kirkland, et al., Central Puget Sound Growth Management Hearings Board No. 09-3-0007c (Davidson Serles I): This was a petition before the Central Puget Sound Growth Management Hearings Board (the “Board.”) Davidson Serles sought review of Ordinance Nos. 4170 and 4171 which amended the Comprehensive Plan and Zoning Code, respectively, in association with the private amendment request for the Parkplace project. Among other grounds, Davidson Serles challenged the ordinances for: lack of compliance with the State Environmental Policy Act; inadequate service by transportation and other public facilities; lack of financing plans for capital improvements; and intensity of development inconsistent with the County-wide Planning Policies for King County.

The Board issued its decision on October 5, 2009. While it upheld the ordinances with respect to a number of the Davidson Serles’ objections, the Board found that the City should have considered off-site alternatives to the Parkplace project and that amendments to the Capital Facilities and Transportation Elements of the City’s Comprehensive Plan were necessary.

On August 16, 2010, the City issued a Final Supplemental Environmental Impact Statement. In September 2010, the City Council passed Ordinance 4257 to reaffirm its previous approval of Ordinances 4170 and 4171 and passed Ordinance 4258 adopting amendments to the Comprehensive Plan to include all necessary transportation improvements. A compliance hearing was conducted before the Board on November 2, 2010. On February 2, 2011, the Board issued a finding of compliance and closed the case.

City of Kirkland v. CPSGMHB/Davidson Serles & Assoc., et al., Superior Court No. 09-2-43855-2 SEA: This is the City and Touchstone’s challenge to the 2009 decision by the Board. Touchstone and the City moved to have the matter stayed while the City complies with the Board’s decision. On March 10, 2010, the Superior Court stayed the matter. The parties are in discussion about stipulating to the dismissal of this matter.

Davidson Serles & Assoc., et al. v. CPSGMHB/City of Kirkland, et al., Superior Court No. 09-2-43060-8: This was Davidson Serles and Continental Plaza’s challenge to the 2009 decision by the Board. After filing for review by the Superior Court, Davidson Serle asked the Board to certify its decision for direct review by the Court of Appeals. The Board certified its decision and the Court of Appeals accepted discretionary review. See, Appeal No. 64751-2-I below.

Davidson Serles & Assoc., et al. v. CPSGHB/City of Kirkland, et al., Court of Appeals No. 64751-2-I: This was Davidson Serles and Continental Plaza’s appeal from the decision of the Board. Oral argument was conducted on November 1,

2010. The Court of Appeals issued its opinion on December 29, 2010, affirming the Board decision to remand, but not invalidate the City ordinances.

Davidson Serles & Assoc., et al. v. City of Kirkland, et al., Superior Court No. 10-2-35867-6 SEA: This is an action for declaratory and injunctive relief. The action challenges the adequacy of the Final Supplemental Environmental Impact Statement prepared in response to the 2009 decision of the Board.

Davidson Serles & Assoc., et al. v. City of Kirkland, et al., Central Puget Sound Growth Management Hearings Board No. 10-3-0012 (Davidson Serles II): This was a second petition filed with the Central Puget Sound Growth Management Hearings Board (the "Board.") Davidson Serles challenged the adequacy of the Supplemental Environmental Impact Statement prepared in response to the 2009 decision of the Board and Ordinance 4258 passed in September 2010. Davidson Serles filed an amended petition alleging that the transportation element of the City's Comprehensive Plan as amended by Ordinance 4257 did not comply with GMA. A hearing on the merits, including the City's motion to dismiss, was held December 21, 2010. On February 2, 2011, the Board dismissed and closed the case.

In December, after 28 meetings, the Design Review Board approved the design for all buildings in the development. This approval was also appealed by Davidson Serles and Associates to the City's Hearing Examiner. The hearing on the appeal is scheduled for March 24, 2011.

Task 2: Neighborhood Plans (2.0 FTE for 2011)

2.1 and 2.2 Lakeview and Central Houghton Neighborhood Plans.

The City initiated work on the Lakeview and Central Houghton Neighborhood Plans in late 2009. Over the past several months the Neighborhood Advisory Groups have been meeting and have completed their initial review and recommendations. While it was anticipated that the groups would meet 4-5 times, due to the interest and discussion topics the Central Houghton group met 9 times over the course of eight months and the Lakeview Neighborhood group met 13 times.

The 2010 – 2012 Planning Work Program anticipating completing the neighborhood plans by the end of 2010. Looking at the remaining work to be done including finalizing the draft plan and zoning regulations, public outreach, public hearings, Planning Commission recommendation and City Council and HCC action the process is now scheduled to be completed by October of 2011.

2.3 Neighborhood Planning Assessment

During the discussion on the annexation area neighborhood boundaries, comments were noted regarding the approach to neighborhood plans. Are there ways to be more efficient or expeditious? Should we study broader areas at one time? How do we effectively engage the public? Task 2.3 is intended to undertake an assessment and discussion on our neighborhood planning process. The work program shows this

occurring in the latter part of 2011 (following completion of the Lakeview and Central Houghton Neighborhood Plans and prior to undertaking any new neighborhood plans).

2.4 Bridle Trails and South Rose Hill Neighborhood Plan

Depending on the outcome of 2.3 above, some staff would be available to undertake another neighborhood plan update. Bridle Trails and South Rose Hill are currently “next-in-line” for an update. However, due to budget considerations, staff resources for neighborhood plans have been reduced which could affect the timing and level of effort devoted to the next neighborhood plan update.

2.5 Everest and Moss Bay Unless additional resources or approaches are identified, updates to other neighborhood plans would occur after completion of the GMA required Comprehensive Plan update which is due December 1, 2014.

Task 3: Code Amendments (.7 FTE)

3.1 Miscellaneous Code Amendments

Staff continues to maintain a list of potential code amendments and, as new issues arise, staff is constantly adding to and updating the list. The work program generally strives to have an on-going code update task each year. The 2010 bundle was adopted by the Council on January 4, 2010. The work program shows this beginning in the second half of 2011 when staffing would be more available. The miscellaneous code update would be undertaken in two phases. The initial phase would be for minor code amendments under an abbreviated process (IVA) that do not involve the Planning Commission. A second phase would begin later in the year and would consist of more substantive code amendment issues.

3.2 Totem Lake

On December 7, 2010 the City Council approved a “Totem Lake Preliminary Action Plan” for the Totem Lake Business District. This is a high priority for the City Council. The action plan is an outcome from the September 16, 2010 Totem Lake Symposium which brought together several interested participants to discuss catalysts needed to stimulate the revitalization of Totem Lake. One of the items is to look at the zoning to see if there are impediments to economic development. An initial scoping will occur in the first half of 2011 to determine if zoning code amendments are needed which could be processed in the second half of the year.

3.3 CBD Retail

The City is considering allowing flexibility for street level storefront uses in some portion of the downtown. The amendments have been scoped to consider four “end of block” areas to potentially allow ground floor office uses. The Planning Commission’s public hearing is scheduled for March 10, 2011 and the amendments will be before the City Council in April, 2011.

Task 4: Housing (.7 FTE)

4.1 TOD at South Kirkland Park and Ride

In December 2008, the City Council adopted amendments to the Comprehensive Plan that support “transit oriented development” including affordable housing at the South Kirkland Park and Ride facility. On January 26th, 2009 the Houghton Community Council approved the amendments but expressed strong interest in ensuring that their issues and questions were addressed with the zoning and design regulations. Part of the park and ride lot is located in Bellevue. At that time, Bellevue indicated they were not interested in pursuing this issue; however staff continued to explore the potential for a Kirkland-only project.

King County revised the plan and came up with a potential project on the Kirkland portion of the park and ride. Zoning regulations are still needed to implement the plan policies. The City of Bellevue and Kirkland have developed “Principles of Agreement” to establish the framework for this project.

With the initiation of the neighborhood plans for Lakeview and Central Houghton, advisory group participants raised questions regarding the proposed TOD project. Efforts are currently underway to draft the zoning regulations and design standards to include public workshops. There have been joint study sessions meetings between the Planning Commission and Houghton Community Council and the public workshops have been held. A joint public hearing is scheduled for March 24 with City Council review and consideration in May. It is anticipated that this task will be completed by June 2011.

4.2 Housing Preservation

As a result of staffing resources being allocated to other tasks in 2011, work on preservation housing could occur in 2012. This would entail an inventory of potential properties, contacting property owners to gauge interest and exploring options for preservation of existing housing.

4.3 Affordable Housing Strategies

There are a number of other on-going staff efforts on housing including working with ARCH (A Regional Coalition for Housing) on the Housing Trust Fund, preservation of affordable housing, funding programs, and education.

Task 5: Natural Resources/Environmental Stewardship (1.2 FTE)

5.1 Shoreline Master Program (SMP)

On December 1, 2009 the City Council approved the Shoreline Master Program generally in accordance with the Planning Commission’s recommendation. The City transmitted the SMP to the Department of Ecology (DOE) along with a required checklist that shows how the SMP meets the adopted State guidelines. DOE approved the SMP on July 26, 2010 and on August 3 the City Council approved the ordinance.

The City then began work on the SMP for the annexation area. On November 3, 2010, after a recommendation by the Planning Commission, the City Council approved the Resolution of Intent to adopt amendments to the SMP to incorporate the annexation area into the SMP. The City submitted the SMP to DOE and they have deemed the submittal to be complete and DOE has completed the public comment period.

DOE received three comments and is currently summarizing the comments to transmit to the City for a response. DOE will then prepare a decision letter with their findings along with any recommended or required changes. The decision letter will then be transmitted to the City for consideration. If changes are necessary, the City Council could take action in response to DOE and either agree to the proposed changes or submit an alternative proposal for DOE's approval. It is likely DOE will approve the SMP with few if any changes. Staff is currently working on implementation procedures, forms and handouts.

5.2 Low Impact Development (LID) and Green Codes

The City's Green Building Team (Planning, Public Works and Building) have developed a list of actions to promote sustainability and encourage low impact development and green building techniques. On January 4, the work program and approach was approved by the City Council. Many, but not all tasks, will involve the Planning Commission. The Green Codes project was presented to the Planning Commission at their January 27th meeting and to the Houghton Community Council at their February 28th meeting.

5.3 Critical Area Regulations

In accordance with state law, the City will need to amend its Critical Area Regulations. However, similar to the deadline for the Comprehensive Plan update, the timeline was extended in the legislative session. As a result this effort would occur in 2013-2014.

Based on experiences in other jurisdictions and comments from the Department of Ecology, our regulations will need to be revised, particularly to address buffer widths and our wetland classification system. This will require funding resources to assist in this update due to the technical, scientific and environmental issues that need to be addressed. This project may also be the appropriate time to review our slope regulations.

5.4 Urban Forestry Program

In 2011, the focus will shift away from regulations to urban forestry management and education. In 2011 staff will undertake a canopy analysis. A consultant has been selected and the professional services contract and scope of work is currently being negotiated. The findings will be presented to the City Council. The city is also pursuing grant funding to undertake a citywide urban forestry management plan.

5.5 Natural Resource Management Plan and Environmental Stewardship

In 2003 the City adopted a Natural Resources Management Plan. The City has in place a "Green Team" consisting of representatives from several City departments that meet on a regular basis to coordinate activities and programs. Over the past year, the team has been focusing its efforts on implementation actions (education, funding, and programs). The Green Team has also broadened its role to address greenhouse emissions in response to the US Mayors Climate Protection Agreement, of which the City is participating. The City Council adopted a [Climate Action Plan](#) in April 2009.

Task 6: Database Management (.1 FTE)

Database management consists of a number of sub-tasks such as our Community Profile, land use inventory, capacity analysis, and housing data that are used for a variety of purposes including neighborhood plans, economic development and the Comprehensive Plan. In addition we are required to provide data on buildable lands and benchmarks to King County. In 2011 data from the decennial census will become more readily available.

6.1 Community Profile

In 2004, the City updated its [Community Profile](#). With new census information available and with the major GMA Comp Plan scheduled for 2013-2014 (Task 1.3), a revised Community Profile would need to be prepared to provide the basic demographic and economic data in order to commence the Plan update. The work program shows this beginning in mid-2012.

6.2 Land Use Capacity

An analysis of our land use capacity is also necessary to determine if there is sufficient land available and zoned to accommodate our housing and employment targets. This is another task that is essential to undertaking our major GMA Plan Update (Task 1.3) and would occur in late 2012 and early 2013.

Task 7: Regional Coordination (.1 FTE)

This task involves participating on a variety of countywide and regional forums including the Puget Sound Regional Council, the King County Growth Management Planning Council, the Suburban Cities Association and Sound Transit.

Task 8: Annexation (.5 FTE)

8.1 Annexation Transition & 8.2 Conduct Census

Staff will continue to work on tasks associated with the annexation which will take effect on June 1, 2011. The State requires a census of the population in the annexation area within 30 days of the effective date. Staff has issued an RFP to retain services to conduct the census and awaiting pending legislation that would considerably reduce the costs by relying on the recent decennial census data.

Meeting Date	Topic	Meeting Type
January 14	Transportation Conversation Proposed Planning Work Program Joint Meeting with City Council	Study Session Study Session Study Session
February 11	Central Business District Zoning – Deferred Zoning Amendment Issues	Study Session
March 11	2010 Comprehensive Plan Amendments Study Revised Rules of Procedure	Study Session Study Session
April 22	Touchstone Supplemental EIS	Study Session
May 13	Review Procedures for working with the Houghton Community Council Annexation Area Neighborhood Boundaries Miscellaneous Zoning Code Amendments Phase I	Study Session Study Session Study Session
May 27	Miscellaneous Zoning Code Amendments Phase I Minor Zoning Code and Subdivision Ordinance Amendments - follow up to the SMP Update	Hearing Study Session
June 10	Parkplace Draft Supplement EIS	Study Session
June 24	Minor Zoning Code and Subdivision Ordinance Amendments - follow up to the SMP Update Parkplace Draft Supplemental EIS	Hearing Hearing
July 22 Regular Meeting	Parkplace Draft Supplemental EIS and Amendments PC Rules on Public Comment	Study Session Study Session
July 22 Joint Meeting with PAB	Downtown Parking Standards	Study Session
August 12 Joint Meeting with HCC	2010 Comprehensive Plan Amendments Miscellaneous Zoning Code Amendments Phase II Code Enforcement Amendments	Study Session Study Session Study Session
August 23 Joint Meeting with HCC	Lakeview Neighborhood Plan Update	Study Session
August 26	Shoreline Master Program Amendments for the Annexation Area Parkplace Supplemental EIS	Study Session Study Session
September 23	Shoreline Master Program Amendments for the Annexation Area Miscellaneous Zoning Code Amendments Phase II Zoning Code Amendments for Code Enforcement	Study Session Study Session Study Session
October 14	Shoreline Master Program Amendments for the Annexation Area 2010 Comprehensive Plan Amendments	Hearing Hearing
November 4	2010 Miscellaneous Zoning Code Amendments East Side Rail Corridor	Hearing Study Session
November 18	CBD 1 Ground Floor Storefront Uses Neighborhood Boundaries	Study Session Study Session
December 13	Planning Commission Retreat Topics	Study Session
December 13 Joint Meeting with HCC	South Kirkland Park and Ride	Study Session

COMPREHENSIVE PLAN & NEIGHBORHOOD PLAN UPDATE SCHEDULE

January, 2011

Note: Schedule Subject to Change

NEIGHBORHOOD	STATUS	WORK PROGRAM SCHEDULE	NOTES
Lakeview	Completed –1985	2009 – 2011	Plan process underway
Central Houghton	Completed –1985	2009 – 2011	Plan process underway
Bridle Trails	Completed –1986	2012 - 2013	Could combine as one plan with South Rose Hill
South Rose Hill	Completed – 1991 Partial update in 2002	2012 - 2013	
Everest	Completed –1988	TBD	
Moss Bay	Completed –1989	TBD	
Annexation Neighborhoods <ul style="list-style-type: none"> • Kingsgate • North Juanita* • Finn Hill 	Boundaries determined in 2010.	Could occur prior to Everest/Moss Bay or after North/South Juanita	.
North & South Juanita	Partial Updated Completed –1990	TBD	*The annexation “North Juanita” was combined with the existing “North Juanita”
GMA Comp Plan Update	Major update completed - 2005	2013 - 2014	State requires GMA update by Dec. 1 2014
Totem Lake	Completed – 2002	TBD	Some Amendments occurred in 2008 & 2009
NE 85 th Street Corridor Plan	Completed - 2001	TBD	
North Rose Hill	Completed - 2003	TBD	
Highlands	Completed - 2005	TBD	Could combine with Market & Norkirk schedule
Market & Norkirk	Completed - 2007	TBD	



KIRKLAND CITY COUNCIL REGULAR MEETING MINUTES
March 01, 2011

1. CALL TO ORDER

2. ROLL CALL

ROLL CALL:

Members Present: Councilmember Dave Asher, Councilmember Jessica Greenway,
Councilmember Doreen Marchione, Mayor Joan McBride, Councilmember
Bob Sternoff, Deputy Mayor Penny Sweet, and Councilmember Amy Walen.

Members Absent: None.

3. STUDY SESSION

a. Annexation Update

Joining Councilmembers for the discussion were City Manager Kurt Triplett,
Assistant City Manager Marilynne Beard, Planning and Community Development
Director Eric Shields, Finance and Administration Director Tracey Dunlap
and Police Captain Bill Hamilton.

4. EXECUTIVE SESSION

None.

5. HONORS AND PROCLAMATIONS

a. Earth Hour Proclamation

Mayor McBride and Councilmember Walen presented the proclamation, which was
accepted by Tania Scutt of Sustainable Kirkland. Ms. Scutt shared an internet
video on the Earth Hour event.

6. COMMUNICATIONS

a. Announcements

b. Items from the Audience

Toby Nixon
G.G. Getz

c. Petitions

7. SPECIAL PRESENTATIONS

- a. King County Councilmember Jane Hague
- b. Government Finance Officers Association (GFOA) Certificate of Achievement for Financial Reporting

Mayor McBride and Councilmember Greenway presented the award, which was accepted on behalf of the City by Accounting Manager Teresa Levine.

8. CONSENT CALENDAR

- a. Approval of Minutes: February 15, 2011
- b. Audit of Accounts:
 - Payroll \$ 1,763,531.19
 - Bills \$ 1,712,711.99
 - run #985 checks # 523640 - 523757
 - run #986 checks # 523758 - 523767
 - run #987 checks # 523797 - 523843
 - run #988 checks # 523844 - 523950
- c. General Correspondence
- d. Claims
 - (1) Melissa Abrams
 - (2) Roma Pelletier
- e. Award of Bids
- f. Acceptance of Public Improvements and Establishing Lien Period
- g. Approval of Agreements
 - (1) Park and Main Parking Agreement
 - (2) Resolution R-4868, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND APPROVING A MEMORANDUM OF AGREEMENT BETWEEN THE CITY OF KIRKLAND AND KING COUNTY FOR TRANSPORTATION MANAGEMENT PLANNING AND AUTHORIZING THE CITY MANAGER TO SIGN."
- h. Other Items of Business
 - (1) Cultural Council Fundraising
 - A budget adjustment to allow expenditure of \$8,000 in 4Culture grant funds

and \$2,300 that remains from sales of charms to be expended on staffing and programs was approved.

(2) Resolution R-4869, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND RELINQUISHING ANY INTEREST THE CITY MAY HAVE IN AN UNOPENED RIGHT-OF-WAY AS DESCRIBED HEREIN AND REQUESTED BY PROPERTY OWNERS SHAWN AND AMY MARTIN."

(3) Report on Procurement Activities

Motion to approve the Consent Calendar.

Moved by Councilmember Amy Walen, seconded by Councilmember Dave Asher

Vote: Motion carried 7-0

Yes: Councilmember Bob Sternoff, Councilmember Doreen Marchione, Deputy Mayor Penny Sweet, Councilmember Dave Asher, Councilmember Jessica Greenway, Councilmember Amy Walen, and Mayor Joan McBride.

9. PUBLIC HEARINGS

None.

10. UNFINISHED BUSINESS

a. Neighborhood Meetings with the City Council

Council reviewed the schedule and provided feedback on the meeting format.

b. 2011 Legislative Update 3

Intergovernmental Relations Manager Lorrie McKay reviewed the current status of the legislative session.

11. NEW BUSINESS

a. North Kirkland Community Center Sign

Council asked staff to return at a future meeting with an interim ordinance for consideration allowing use of the sign at the North Kirkland Community Center for emergency messages only.

12. REPORTS

a. City Council

(1) Regional Issues

Councilmembers shared information regarding a recent Suburban Cities Association Board meeting; Enterprise Seattle meeting; Regional Transit

Committee meeting; Association of Washington Cities legislative conference; Cascade Water Alliance meeting; Fire Department promotion ceremony; Fire and Building department awards dinner; Metropolitan Solid Waste Management Advisory Committee/host city mitigation; Kirkland Transit Center grand opening and the Kamiakin Junior High Band performance; U.S. Fire Team training/orientation; Senate testimony on the Real Estate Excise Tax bill; upcoming Board and Commission interviews; and proposed Economic Development committee review of urban designated centers. Deputy Mayor Sweet also expressed appreciation for the contributions of departing Lodging Tax Advisory Committee members Shirley Day and Les Utley.

b. City Manager

(1) Calendar Update

City Manager Kurt Triplett noted that the emergency medical services transport fee went into effect today.

13. ITEMS FROM THE AUDIENCE

14. ADJOURNMENT

The Kirkland City Council regular meeting of March 1, 2011 was adjourned at 9:20 p.m.

City Clerk

Mayor

KIRKLAND CITY COUNCIL SPECIAL MEETING

Minutes

March 9, 2011

1. CALL TO ORDER

Mayor McBride called the Special Meeting of the Kirkland City Council to order at 6:00 p.m.

2. ROLL CALL

Members Present: Mayor Joan McBride, Deputy Mayor Penny Sweet, Councilmembers Dave Asher, Jessica Greenway, Doreen Marchione and Amy Walen. Councilmember Bob Sternoff was absent and excused due to a previous commitment to present at the Suburban Cities Association Public Issues Committee meeting.

3. PARK BOARD INTERVIEWS

- a. Susan Keller
- b. Mirza Avdic
- c. Amy Johnson (youth)

4. CULTURAL COUNCIL INTERVIEWS

- a. Marianne Francis
- b. Trent Latta
- c. Cara Masciana
- d. Linda Paros
- e. Gaerda Zeiler

5. DESIGN REVIEW BOARD INTERVIEWS

- a. Carolyn Adams
- b. Josef Valenta

6. HUMAN SERVICES ADVISORY COMMITTEE INTERVIEWS

- a. Shannon Morse (youth)

7. LIBRARY BOARD INTERVIEWS

- a. Eric Jay DeJong
- b. Larry Fenn
- c. Joel Ryan
- d. Camille Worsech (youth)

8. LODGING TAX ADVISORY COMMITTEE

- a. Review of Current Membership:
Jac Cooper, Kathryn McNeill, Daniel Mayer, Ryan Noel

9. PARKING ADVISORY BOARD INTERVIEWS

- a. Camille Worsech (youth)

10. PLANNING COMMISSION INTERVIEWS

- a. Glenn Peterson
- b. Mirza Avdic

11. SALARY COMMISSION INTERVIEW

- a. Anna Rising

12. TRANSPORTATION COMMISSION INTERVIEW

- a. Sandeep Singhal
- b. Larry Fenn
- c. Robert Forgrave
- d. Colin Pate (youth)
- e. John Perlic

13. SELECTION AND APPOINTMENT OF CULTURAL COUNCIL, DESIGN REVIEW BOARD, HUMAN SERVICES ADVISORY COMMITTEE, LIBRARY BOARD, LODGING TAX ADVISORY COMMITTEE, PARK BOARD, PLANNING COMMISSION, SALARY COMMISSION AND TRANSPORTATION COMMISSION MEMBERS

Following discussion of the applicants' qualifications,

Councilmember Walen moved to appoint Trent Latta to a four year term ending 3/31/2015 in position 2, Marianne Francis to a four year term ending 3/31/2015 in position 4, Gaerda Zeiler to a four year term ending 3/31/2015 in position 5, and to select Linda Paros as an alternate appointee (should an additional vacancy in positions 1 through 5 arise within the next six months) on the Cultural Council. Councilmember Greenway seconded the motion, which passed unanimously.

Councilmember Asher moved to appoint Carolyn Adams to a four year term ending 3/31/2015 on the Design Review Board. Councilmember Walen seconded the motion, which passed unanimously.

Councilmember Asher moved to appoint Shannon Moore to a two-year term ending 3/31/2013 as a youth appointee on the Human Services Advisory Committee. Councilmember Marchione seconded the motion, which passed unanimously.

Councilmember Marchione moved to appoint Joel Ryan to a four year term ending 3/31/2015, to select Eric DeJong as an alternate appointee (should an additional vacancy arise within the next six months) and to appoint Camille Warsech to a two year term ending 3/31/2013 as a youth appointee on the Library Board. Councilmember Greenway seconded the motion, which passed unanimously.

Councilmember Asher moved to re-appoint Jac Cooper, Kathryn McNeill, Daniel Mayer and Ryan Noel to one year terms ending 3/31/2012 on the Lodging Tax Advisory Committee. Deputy Mayor Sweet seconded the motion, which passed unanimously.

Deputy Mayor Sweet moved to reappoint Susan Keller to a four year term ending 3/31/2015 and Amy Johnson to a two year term ending 3/31/2013 as the youth appointee on the Park Board. Councilmember Greenway seconded the motion, which passed unanimously.

Councilmember Marchione moved to reappoint Glenn Peterson to a four year term ending 3/31/2015 and to select Mirza Avdic as an alternate appointee (should an additional vacancy arise within the next six months) on the Planning Commission. Deputy Mayor Sweet seconded the motion, which passed unanimously.

Councilmember Greenway moved to reappoint Anna Rising to a three year term ending 3/31/2014 on the Salary Commission. Councilmember Walen seconded the motion, which passed unanimously.

Councilmember Greenway moved to reappoint Sandeep Singhal to a four year term ending 3/31/2015, to select John Perlic as an alternate appointee (should an additional vacancy arise within the next six months) and to appoint Colin Pate to a two year term ending 3/31/2013 as a youth appointee on the Transportation Commission. Councilmember Walen seconded the motion, which passed unanimously.

11. ADJOURNMENT

The March 9, 2011 Special Meeting of the Kirkland City Council was adjourned at 9:20 p.m.

City Clerk

Mayor



CITY OF KIRKLAND
 Department of Public Works
 123 Fifth Avenue, Kirkland, WA 98033 425.587.3800
 www.ci.kirkland.wa.us

MEMORANDUM

To: Kurt Triplett, City Manager
From: Dave Snider, P.E., Interim Capital Projects Manager
 Ray Steiger, P.E., Interim Public Works Director
Date: March 3, 2011
Subject: 6th Street & Central Way Intersection Improvements - Award Contract

RECOMMENDATION:

It is recommended that the City Council award the construction contract for Phase I of the 6th Street and Central Way Intersection Improvements to Sanders General Construction of Issaquah, Washington, in the amount of \$1,136,211.13.

BACKGROUND AND DISCUSSION:

The intersection of 6th Street and Central Way is one of Kirkland’s busiest and serves as a gateway entrance to the central downtown area (Attachment A). This phase of the intersection improvements includes a new traffic signal together with the addition of an intelligent transportation system (ITS), traffic lane modifications, new median islands, lighting upgrades, improvements for pedestrians and bicyclists, installation of a 16-inch watermain, and a new concrete road surface (similar to that along Third Street in the new Transit Center) as a means of extending the life of the pavement for this heavily used intersection. This phase of the improvements qualified for \$2M in grant funding from the Washington State Department of Commerce (CTED) due to its potential benefit to economic development and job growth in and around the Downtown; it must be under contract by June of 2011. Phase II of the intersection improvements will provide a second southbound lane on 6th Street south of Central Way, modifications to the intersection of 6th Street and 4th Avenue, and frontage improvements along Park Place; funding for Phase II has yet to be secured.

At their meeting of February 1, 2011, Council received a project status update and authorized staff to advertise for contractor bids. At that same meeting, Council approved a scope change to the Project adding a new water main upgrade which was estimated at \$90,000. It was reported to Council that, based on the engineer’s estimate, there was potentially a \$250,000 budget shortfall.

The Project was first advertised for contractor bids on February 2, and on February 16, 2011, the City received nine bids with Sanders General Construction being the lowest responsive bidder with a bid price of \$1,136,211.13. The low bid represents a continued competitive bidding climate and is approximately 21% less than the Engineer’s estimate of \$1,444,952 as shown below:

BID TABULATION

Contractor	Total Bid
Sanders General Construction	\$1,136,211.13
Mid Mountain Contractors	\$1,261,580.56
R.L. Alia Co	\$1,275,538.63

BID TABULATION (CONT.)

West Coast Construction	\$1,329,950.81
Engineer's Estimate	\$1,444,952.35
Construct Company	\$1,448,141.93
Road Construction NW	\$1,470,798.28
Gary Merlino	\$1,581,812.78
Johansen Excavating	\$1,654,254.64
Westwater Construction	\$1,660,505.45

Due to the competitive results of the bids, and as a result of staff successfully amending the CTED grant agreement to include the water main replacement as a part of the grant, no additional City funding is needed for the Project, as anticipated in early February.

In addition to costs for the contract for construction, staff is using the Washington State Procurement Contract process to pre-purchase the signal poles and the signal control cabinet for the intersection; this procurement process will reduce the construction phase approximately 40-days. The State contract will add \$58,000 for the signal poles and \$35,000 for the signal control cabinet resulting in a total anticipated construction cost of \$1,230,000 (Attachment B).

Public information and communication will continue to play an important role in the success of this Project. The Project team has used multiple media forms to keep residents, business owners, motorists and other interested parties well informed throughout the design and post-bidding phases. To date, the communications element has included:

- Updating the *Neighborhood Hot Sheet* where CIP Projects are listed on the City's web page
- A Project update in fourth quarter *2010 City Update*
- Coordination with the Cultural Council
- Project notices on the City's Website and Kirknet
- An informational sheet delivered to adjacent businesses
- Project updates to *Neighborhood e-bulletin*, *On the Move*, the Chamber, KDA and KAN
- Project Updates to the Post Office, King County Metro, LW School District, and private utility companies
- Press releases with pertinent Project information
- Presentations to the Moss Bay Neighborhood Association (January, 2011)
- Presentations to Highlands Neighborhood Association (January, 2011)
- Post card invitations mailed for a post-bid Open House; coordinated with Kirkland Chamber
- Hand delivered Open House post cards and Conduct Business Survey

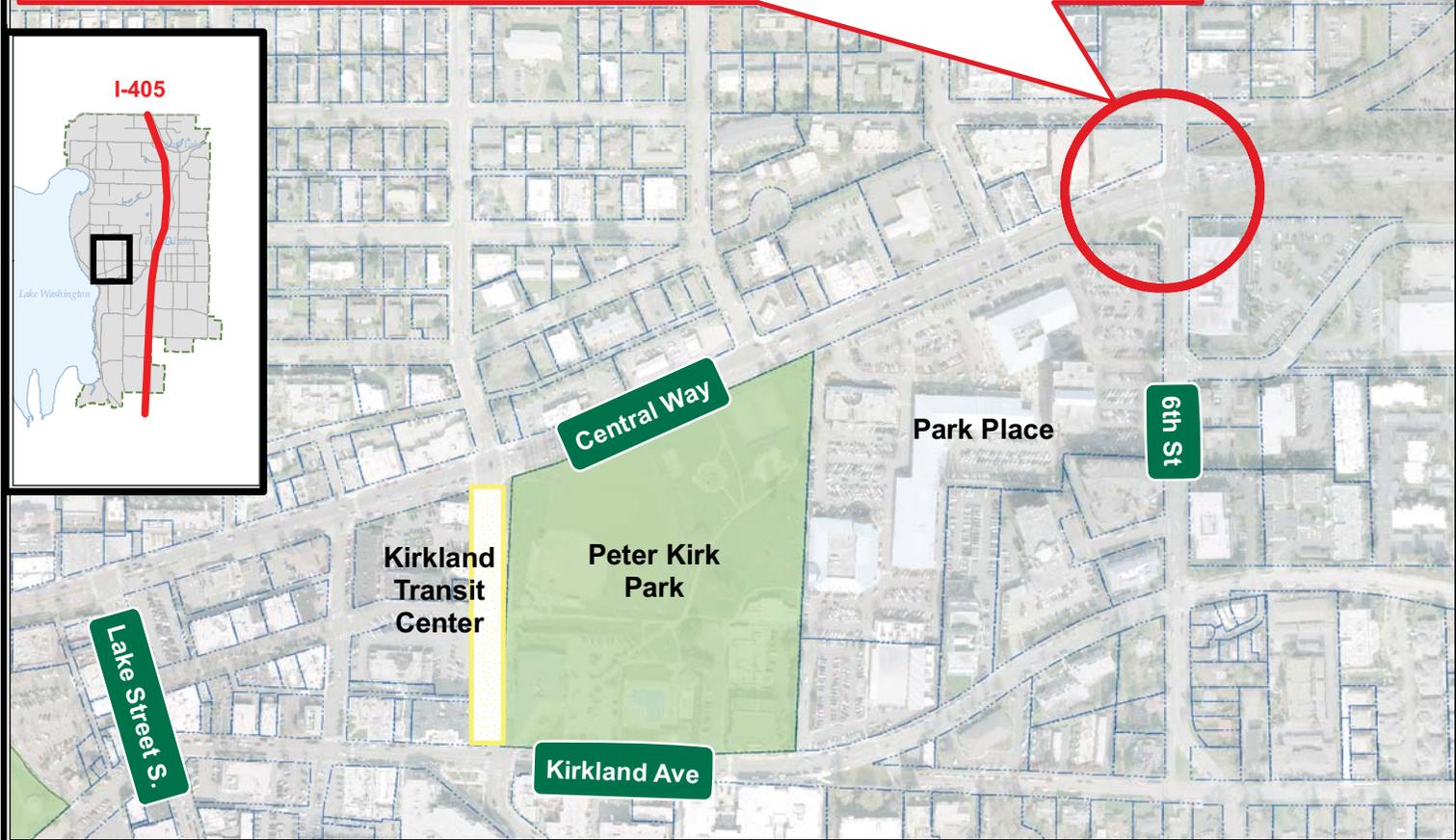
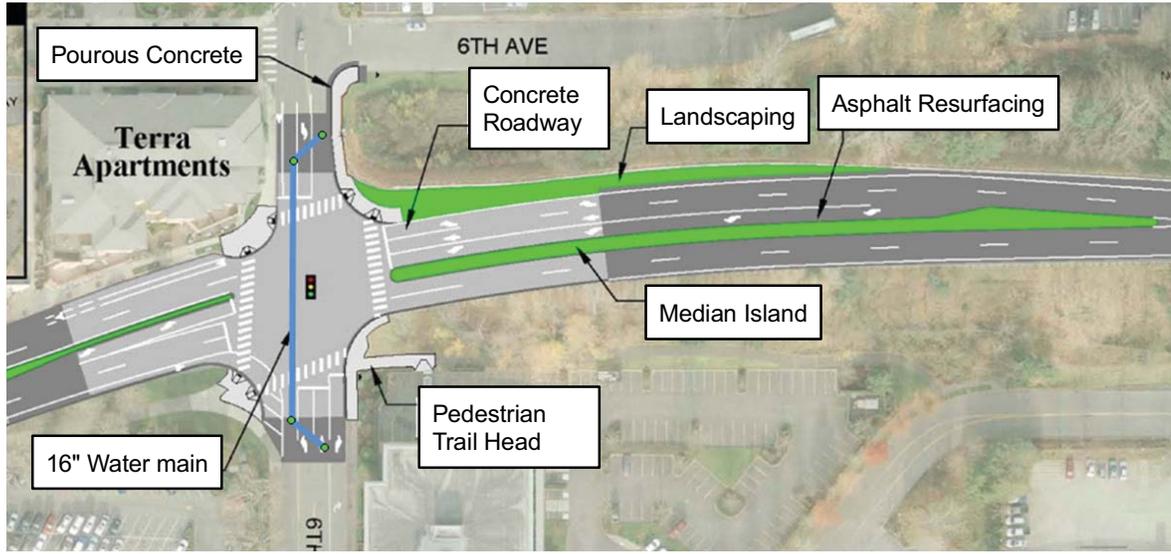
Constructing the concrete roadway is a significant and critical part of the intersection improvement and requires extensive planning to complete. As part of the work, the Contractor is required to develop a traffic control plan to move vehicles and pedestrians safely around the work zone. It is anticipated that installing the concrete roadway will require multiple one-week-long lane closures over a seven week period. These closures will result in turn lane restrictions in order to handle the through traffic volumes. Sanders Construction recognizes that traffic control is essential to the success of the Project and will be working with the Project team to optimize the signalized intersection control and traffic re-routes.

With an award of the construction contract at the March 15th Council meeting, the Contractor will begin work in late March/early April with an anticipated substantial completion by the end of June, 2011.

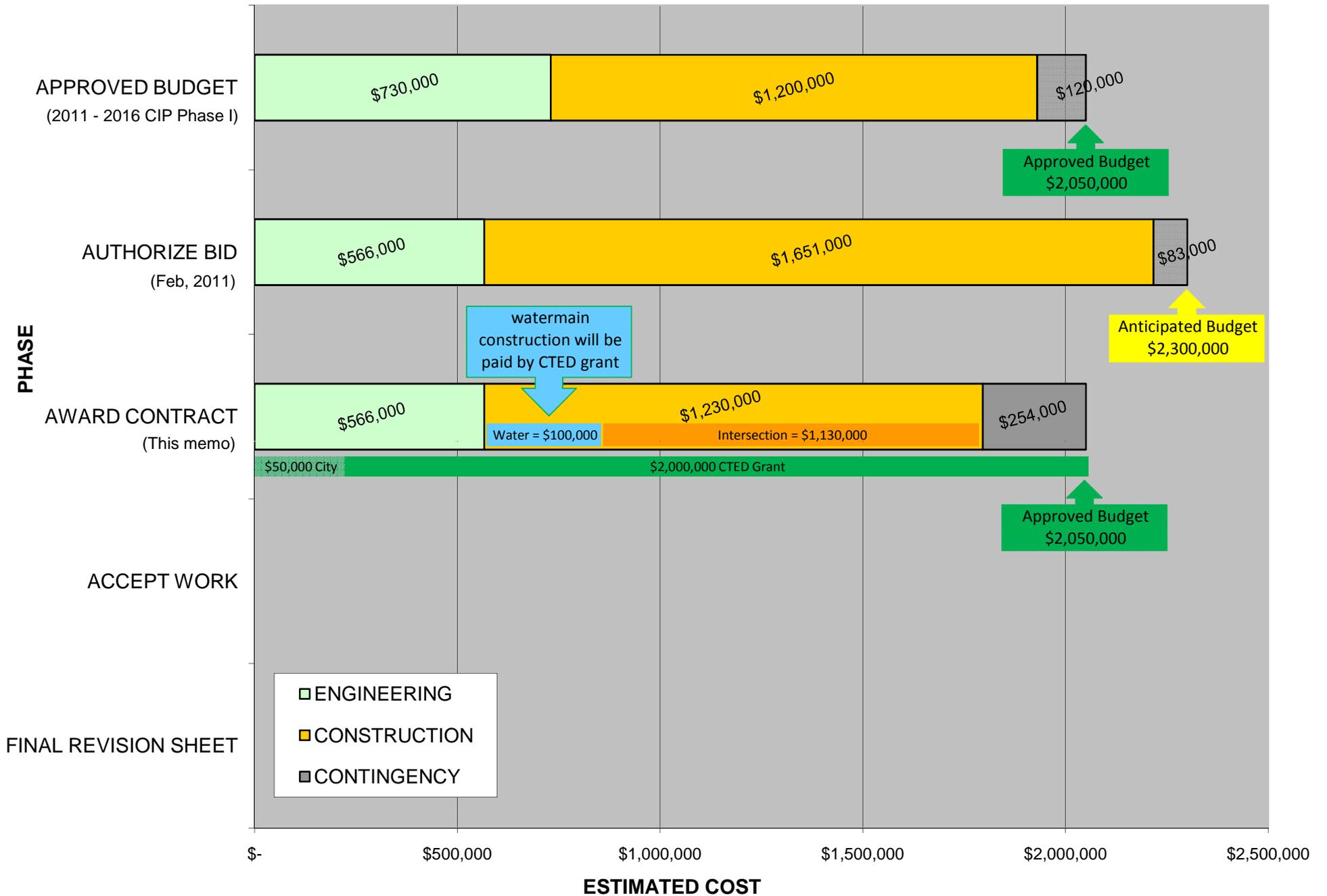
Attachments: (2)

6th St & Central Way Key Elements

- Traffic Lanes Modifications / ITS
 - * provision for dedicated turn lane to Park Place
- Water main replacement
- Bicycle Improvements
- Pedestrian Improvements
- Street Lighting



PROJECT BUDGET REPORT





CITY OF KIRKLAND
Department of Finance and Administration
123 Fifth Avenue, Kirkland, WA 98033 425.587.3000
www.ci.kirkland.wa.us

MEMORANDUM

To: Kurt Triplett, City Manager
From: Barry Scott, Purchasing Agent
Date: March 2, 2011
Subject: INTERLOCAL PROCUREMENT AGREEMENT WITH SNOHOMISH COUNTY FIRE DISTRICT 1

RECOMMENDATION:

It is recommended that the City Council authorize the City Manager to execute an Interlocal Procurement Agreement with Snohomish County Fire District 1.

BACKGROUND AND DISCUSSION:

Snohomish County Fire District 1 has requested that the City of Kirkland execute an Interlocal Procurement Agreement to allow the Fire District the opportunity to use competitively bid contracts awarded by the City. Likewise, the City would have the opportunity to use competitively bid contracts that are awarded by the Fire District when it has been determined to be in the City's best interest to do so.

There are no planned purchases to be made using this interlocal agreement at this time. It is Snohomish Fire District 1's desire to simply have the agreement in place for possible future use.

This Interlocal Procurement Agreement complies with the cooperative purchasing requirements set forth in KMC 3.85.180 and RCW 39.34.

Per an earlier City Council request, additional information about Cooperative Purchasing processes will be provided in an upcoming reading file memorandum.

RESOLUTION R-4870

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND APPROVING PARTICIPATION BY THE CITY IN AN INTERLOCAL PROCUREMENT AGREEMENT WITH SNOHOMISH COUNTY FIRE DISTRICT 1 AND AUTHORIZING THE CITY MANAGER TO EXECUTE SAID AGREEMENT ON BEHALF OF THE CITY OF KIRKLAND

WHEREAS, the City of Kirkland and Snohomish County Fire District 1 seek to enter into an intergovernmental agreement enabling Snohomish County Fire District 1 to purchase goods and services through City of Kirkland purchase contracts and also enabling the City of Kirkland to purchase goods and services through Snohomish County Fire District 1 purchase contracts to the extent permitted by law; and

WHEREAS, the City Council has determined it to be in the best interest of the City of Kirkland to enter into such an agreement interlocal procurement agreement; and

NOW, THEREFORE, be it resolved by the City Council of the City of Kirkland as follows:

Section 1. Participation by the City of Kirkland in the Interlocal Procurement Agreement attached to the original of this resolution as Exhibit A and by this reference incorporated herein is approved. The Kirkland City Manager is hereby authorized to execute said agreement on behalf of the City of Kirkland.

Passed by majority vote of the Kirkland City Council in open meeting this ____ day of March, 2011.

Signed in authentication thereof this ____ day of March, 2011.

MAYOR

ATTEST:

City Clerk

INTERLOCAL PROCUREMENT AGREEMENT

THIS AGREEMENT is between Snohomish County Fire District 1, a Washington State municipal corporation, and the CITY of KIRKLAND, a municipal corporation of the State of Washington.

WITNESSETH:

WHEREAS, the Interlocal Cooperation Act, as amended, and codified in Chapter 39.34 of the Revised Code of Washington provides for interlocal cooperation between governmental agencies; and

WHEREAS, Chapter 39.33 of the Revised Code of Washington provides for the intergovernmental disposition of property; and

WHEREAS, the parties desire to utilize each other's procurement agreements when it is in their mutual interest;

NOW, THEREFORE, the parties agree as follows:

1. PURPOSE: The purpose of this agreement is to acknowledge the parties' mutual interest to jointly bid the acquisition of goods and services and to dispose of property where such mutual effort can be planned in advance and to authorize the acquisition of goods and services and the purchase or acquisition of goods and services under contract where a price is extended by either party's bidder to other governmental agencies.
2. ADMINISTRATION: No new or separate legal or administrative entity is created to administer the provisions of this agreement.
3. SCOPE: This agreement shall allow the following activities:
 - A. Purchase or acquisition of goods and services by each party acting as agent for either or both parties when agreed to in advance, in writing;
 - B. Purchase or acquisition of goods and services by each party where provision has been provided in contracts for other governmental agencies to avail themselves of goods and services offered under the contract.
 - C. Disposal of goods by each party acting as agent for either, or both parties when agreed to in advance, in writing.
4. DURATION AGREEMENT – TERMINATION: This agreement shall remain in force until canceled by either party in writing.
5. RIGHT TO CONTRACT INDEPENDENT ACTION PRESERVED: Each party reserves the right to contract independently for the acquisition of goods or services or disposal of any property without notice to the other party and shall not bind or otherwise obligate the other party to participate in the activity.
6. COMPLIANCE WITH LEGAL REQUIREMENTS: Each party accepts responsibility for compliance with federal, state or local laws and regulations including, in particular, bidding requirements applicable to its acquisition of goods and services or disposal of property..
7. FINANCING: The method of financing of payment shall be through budgeted funds or other available funds of the party for whose use the property is actually acquired or disposed. Each party accepts no responsibility for the payment of the acquisition price of any goods or services intended for use by the other party.
8. FILING: Executed copies of this agreement shall be filed as required by Section 39.34.040 of the Revised Code of Washington prior to this agreement becoming effective.

- 9. INTERLOCAL COOPERATION DISCLOSURE: Each party may insert in its solicitations for goods a provision disclosing that other authorized governmental agencies may also wish to procure the goods being offered to the party and allowing the bidder the option of extending its bid to other agencies at the same bid price, terms and conditions.
- 10. NON-DELEGATION/NON-ASSIGNMENT. Neither party may delegate the performance of any contractual obligation, to a third party, unless mutually agreed in writing. Neither party may assign this agreement without the written consent of the other party.
- 11. HOLD-HARMLESS: Each party shall be liable and responsible for the consequence of any negligent or wrongful act or failure to act on the part of itself and its employees. Neither party assumes responsibility to the other party for the consequences of any act or omission of any person, firm or corporation not a party to this agreement.
- 12. SEVERABILITY: Any provision of this agreement, which is prohibited or unenforceable, shall be ineffective to the extent of such prohibition or enforceability, without involving the remaining provisions or affecting the validity or enforcement of such provisions.

SNOHOMISH COUNTY FIRE DISTRICT #1

CITY OF KIRKLAND

By: *Edward C Widdis*
 Edward Widdis, Fire Chief

By: _____
 Kurt Triplett
 City Manager

Approved as to form:

Approved as to form:

By: _____

Kirkland City Attorney

ATTEST:

ATTEST:

Monika Moore

City Clerk

DATE 1-18-11

DATE _____



CITY OF KIRKLAND
Information Technology Department
123 Fifth Avenue, Kirkland, WA 98033 425.587.3050
www.ci.kirkland.wa.us

MEMORANDUM

To: Kurt Triplett, City Manager
From: Brenda Cooper, CIO
Date: March 1st, 2011
Subject: Updated Interlocal Agreement for Regional Fiber Consortium

RECOMMENDATION

City staff respectfully requests that the City Council authorize the City Manager to sign an updated Interlocal Agreement for the regional fiber consortium, of which the City of Kirkland is a founding member.

BACKGROUND DISCUSSION

In 2003, the City entered into an interlocal agreement with the University of Washington, the Lake Washington School District, and the City of Bellevue to jointly construct and manage fiber optic projects. The current membership (including entities that have already signed the previous ILA and entities that would like to sign the proposed ILA) has grown to include, in alphabetical order, Bellevue School District, City of Algona, City of Auburn, City of Bellevue, City of Kirkland, City of Pacific, City of Puyallup, City of Renton, City of Seattle, City of Tukwila, Evergreen Medical Center, Lake Washington School District, Renton School District, University of Washington, and Valley Communications Center.

The fiber network has been built using the combined resources of all partners. The City of Kirkland's contributions have included waived permit fees, access to conduit, and funds from the Information Technology CIP. Other partners have contributed expertise, fiber, project management, funds, engineering, and other assets.

Today, the City uses the fiber obtained via the consortium to connect a number of city locations together, to provide backbone for our downtown wireless mesh, and to provide the primary backbone that we use to connect with our servers that reside in the City of Bellevue data center. Future planned uses include connectivity to the new Public Safety Building, use for the Intelligent Transportation System, connections of regional EOC's and dispatch centers including reaching south into Pierce County and north into Snohomish County, and possibly regional acquisition of internet services provided by the University of Washington.

In the early and mid 2000's, all of the fiber which we built out used agency resources from among the consortium members. Recently, the consortium received two Urban Areas Security Initiative (UASI) grants (for \$603,000 and \$628,000) and are in the running for a third UASI grant where the consortium requested \$1,300,000 to connect PSAP's and EOC's. We remain a finalist at this time. Bellevue has been the UASI sponsor of the grants and is serving as the fiscal agent. Obtaining the grants means that the consortium holds assets (fiber) in trust for future use, and also requires we formalize the way that the group is governed.

So far the City of Kirkland has invested about \$160,000 across almost ten years. In return, we have about 18 miles of fiber inside the city limits, some fiber into the planned annexation area, and access to all of a partially completed ring around Lake Washington (which will provide us with valuable fiber redundancy).

The new ILA attached achieves the following:

- Establishes a nine-member governance board. Four of those seats are guaranteed to go to the original four members and thus the City of Kirkland, the University of Washington, the Lake Washington School District, and the City of Bellevue are guaranteed spots on the board at this time, although shifts in investment could change the guaranteed spots over time.
- Provides for joint ownership of future fiber resources.
- Provides a framework for managing decision making and funds.
- Names the consortium the "Community Connectivity Consortium."
- Simplifies future changes by defining the board responsibilities to include creation and management of administrative policies.

The revised consortium is expected to pass a budget for the 2012 calendar year that will require all members pay some money into the consortium to fund administrative costs and some minor assets (such as software to allow us to map the fiber network). Since all of the entities expected to be part of the newly formed board are experiencing budget challenges, we anticipate that this amount will be small (less than \$10,000 a biennium), and that there will be no effective increase to our overall costs, and it would continue to be paid for through the existing IT budget.

If the modified ILA is not passed by a majority of the current members, then the current and more cumbersome agreement may remain in place. The consortium would probably be in a weaker position related to competing for future grants since many of our choices about this revision were driven by questions related to the UASI grants. We do not anticipate that we would lose the existing grant money, as expenditures are already in place through Bellevue, who will continue to be the UASI grant administrator under both the old and revised ILAs.

If any of the existing "permanent" members of the consortium choose not to pass the new ILA, it is likely that the revised consortium will not form and we will continue to work toward an agreement. Those four members are the City of Kirkland, the City of Bellevue, Lake Washington School District, and the University of Washington.

Overall, we believe that this approach to improving broadband connectivity for the anchor institutions in our region is the least expensive way to leverage joint assets and expertise, and we appreciate your support over the last eight years.

RESOLUTION R-4871

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND APPROVING AN INTERLOCAL AGREEMENT ESTABLISHING THE COMMUNITY CONNECTIVITY CONSORTIUM BETWEEN THE CITY OF KIRKLAND OTHER GOVERNMENT AGENCIES FOR THE CONSTRUCTION AND MANAGEMENT OF FIBER OPTIC PROJECTS.

WHEREAS, the City of Kirkland ("City") is a participant and founding member of the Regional Fiber Consortium, the purpose of which is to construct and operate regional fiber optic facilities; and

WHEREAS, the current members of the Regional Fiber Consortium, along with new local government agencies, wish to enter into a new interlocal agreement that updates and streamlines the Consortium's policies and procedures; and

WHEREAS, Chapter 39.34 RCW authorizes the parties to enter into an interlocal cooperation agreement to perform any governmental service, activity or undertaking which each contracting party is authorized by law to perform;

NOW, THEREFORE, be it resolved by the City Council of the City of Kirkland as follows:

Section 1. The City Manager is hereby authorized and directed to execute on behalf of the City of Kirkland an interlocal agreement substantially similar to that attached as Exhibit "A", which is entitled "Interlocal Agreement Establishing the Community Connectivity Consortium."

Passed by majority vote of the Kirkland City Council in open meeting this ____ day of _____, 2011.

Signed in authentication thereof this ____ day of _____, 2011.

MAYOR

Attest:

City Clerk

INTERLOCAL AGREEMENT ESTABLISHING THE COMMUNITY CONNECTIVITY CONSORTIUM

THIS AGREEMENT (“Agreement”) is entered into among the public agencies organized under the laws of the State of Washington, hereinafter referred to as the “Members” which are parties signatory to this Agreement.

This AGREEMENT replaces the previous Interlocal Agreement: General Terms and Conditions for Sharing Fiber Optic Installation Projects, which took effect on December 6, 2003 (“Fiber Interlocal”), except for the limited purposes set forth in Section 5E of this Agreement.

This Agreement is being made pursuant to the Interlocal Cooperation Act, Chapter 39.34 RCW, and has been authorized by the legislative body of each jurisdiction.

RECITALS

Whereas the University of Washington, Lake Washington School District, City of Kirkland and City of Bellevue signed Interlocal Agreement: General Terms and Conditions for Sharing Fiber Optic Installation Projects, effective December 6, 2003 (“Fiber Interlocal”) for the purpose of outlining how the parties will work together on fiber optic projects for the benefits of all the participating parties and established the original backbone of the Fiber Consortium network through contributions of budget, fiber assets, conduit, right of way and staff expertise.

Whereas Evergreen Hospital, Bellevue School District, City of Renton, Renton School District, Bellevue College, City of Seattle and City of Federal Way have signed the Fiber Interlocal and the joining amendments were fully executed by the participating parties.

Whereas all projects to be completed under the Fiber Interlocal were required to have a Fiber Optic Project Agreement signed by all participating parties specifying lead agency and participant roles, project schedule, budget, route, fiber allocation and ownership, points of demarcation, maintenance responsibilities, and other details of each project.

Whereas projects completed under a Fiber Optic Project Agreement defines the Fiber Consortium network, which is separate from each participating parties’ networks unless transfers of a party’s fiber assets were executed through a Fiber Optic Project Agreement.

Whereas the growing Fiber Consortium network with additional agencies in the process of joining and executing more projects has become cumbersome to manage under the current structure. The City of Algona, City of Auburn, City of Pacific, City of Puyallup,

City of Tukwila, and Valley Communication Center have approved joining the Consortium and executed a joining Fiber Optic Agreement.

Whereas the loosely organized members of the Fiber Consortium network are seeking grant opportunities to fund expansion to serve members' needs and has been successful in recent grant programs and thus the fiscal, administrative and project oversight responsibilities require more structure.

Whereas the rights established for each participant in each Fiber Optic Project Agreement shall not terminate with the replacement of the Fiber Interlocal.

IT IS HEREBY AGREED AS FOLLOWS:

I. ESTABLISHMENT OF THE CONSORTIUM

There is hereby created a Community Connectivity Consortium ("Consortium"). The Consortium shall be created as a separate legal entity as authorized by RCW 39.34.030.

II. PURPOSE

The mission of the Consortium is to create a vibrant and competitive region by providing connectivity services to meet the needs of our community institutions – hospitals, universities, schools and government agencies. The Consortium shall have the following purposes:

- A. Create a regionally coordinated, open-access network that leverages the assets and resources of the members using strategic opportunities to provide low-cost, stable, robust, efficient connectivity services to members and their communities.
- B. Ensure the network infrastructure remains free of encumbrance and can be used for innovative opportunities by members.
- C. Develop and enhance working relationships among members and explore ways to the use the network collaboratively to make our community a better place to live, work and play by sharing risks and rewards equitably.
- D. Explore public/private partnerships to the benefit of the members and member communities.

- E. Achieve economies of scale through collaboration and coordination of projects and investments.
- F. Balance current needs with future needs in decision making to achieve lower long-term costs.

III. PARTIES TO AGREEMENT

Each party to this Agreement certifies that it intends to and does contract with all other parties who are signatories of this Agreement and, in addition, with such other parties as may later be added to and become signatories of this Agreement.

IV. MEMBERSHIP/MEETINGS

Membership in the Consortium shall be limited to government agencies authorized to become signatories to an Interlocal Agreement as authorized by RCW 39.34.030, who contribute assets, resources, and/or shared services for the benefit of members. The addition of new members shall be subject to the approval of a simple majority of the Consortium Board, as established by the Consortium to manage its operations.

- A. Membership Policy: Members shall develop and maintain a Membership Policy for the purpose of sustaining Consortium activities, projects, equipment, staffing, services and infrastructure. Said Membership Policy shall be contained within the Consortium's Administrative Policies and shall be reviewed as necessary.
- B. Meetings: An annual meeting of the Consortium's general membership shall be conducted for the purposes of adopting an annual budget, presentation of an annual report, approval of policies, and other business as determined by the Consortium Board and Consortium Members.

V. GOVERNANCE:

The Consortium's daily business activities shall be managed by a Consortium Board, elected annually, by the Consortium's Members. The Consortium Board shall establish such operating committees as necessary for the expedient conduct of the Consortium's business activities.

- A. Composition: The Consortium Board is comprised of representatives approved by member agencies. These representatives should possess the special knowledge required to participate in the conduct of Consortium business and should include the Chief Information Officer, Information Technology Director, or other designee.

- B. Powers: The Consortium Board shall govern the Consortium. The powers of the Consortium Board shall be to: (1) develop and recommend the Consortium's Administrative Policies for approval by the Consortium Members; (2) create Consortium work programs; (3) determine services to be provided; (4) develop an annual budget for adoption by Consortium Members; (5) adopt a membership policy; (6) recommend a fee policy for approval by the Consortium Members; (7) make purchases or contract for services to accomplish the purposes of the Consortium; (8) enter into agreements with third parties for goods and services as necessary to carry out the Consortium's purposes; (9) hire staff, consultants or private vendors as necessary; (10) identify and contract for the services of fiscal agent for the purposes of carrying out and recording Consortium financial transactions; and (11) conduct any and all other business allowed by applicable law.
- C. Responsibilities of Consortium Board Members: Consortium Board Members shall participate fully in matters before the board, attend all meetings, advocate on behalf of the Consortium, and contribute expertise to guide decisions.
- D. Administrative Policies: The Consortium Members shall adopt Administrative Policies that govern Consortium operations and decision making.
- E. The previous Fiber Interlocal shall remain in effect for the limited purpose of governing the administration of ongoing fiber optic projects which were undertaken prior to the effective date of this Agreement. Fiber optic project agreements for which work is ongoing at the time this Agreement takes effect shall remain in effect.

VI. FINANCE & BUDGET

- A. Authority: The Consortium Board is authorized to accept grants and such other financial opportunities as may arise in order to accomplish the purposes of the Consortium consistent with Chapter 39.34 RCW. The Consortium is empowered to receive all funds and assets allocated to it by its members. The Consortium Board may establish partnerships with public and private corporations or entities as allowed by law. The Consortium Board shall recommend an annual budget for adoption by the Consortium Members.
- B. Ownership of Property: The Consortium may own real and personal properties. Ownership of assets, such as fiber strands, equipment or software, shall be defined in the allocation noted within any Consortium Project Agreement to which the Member is signatory. Assets deemed surplus by participants in a Project Agreement shall be held by the Consortium in an Asset Bank administered by the Consortium Board for the benefit of the Consortium Members. Future allocation of surplus assets shall be at the

discretion of the Consortium Board. Existing assets owned by the Consortium Members may be transferred to the Consortium for the benefit of Consortium Members at the owner's discretion.

- C. **Retained Responsibility and Authority:** Consortium Members retain the responsibility and authority for managing and maintaining their own internal systems, including security and privacy of all data which may be linked to the Consortium's network.
- D. **Fiscal Agent:** The Fiscal Agent refers to that agency or government that performs all accounting services for the Consortium as it may require, in accordance with the requirements of Chapter 39.34 RCW. The Consortium Board shall appoint a Fiscal Agent for the Consortium. The Fiscal Agent shall have a non-voting, ex officio seat on the Consortium Board if the agency is not serving on a Consortium Board seat.
- E. **Intergovernmental Cooperation:** The Consortium will cooperate with federal, state, county, and other local agencies to maximize use of any grant funds or other resources and enhance the effectiveness of the Consortium systems, programs and projects.

VII. GENERAL PROVISIONS

- A. **Duration:** This Agreement shall commence upon full execution and continue to remain in existence as long as it has Consortium Members.
- B. **Member Withdrawal:** A Consortium Member may notify the Consortium of its intent to withdraw from this Agreement by written notice to the Consortium Board. Any commitment for the current calendar year shall be terminated upon such withdrawal. The Consortium Member withdrawing from the Consortium also forfeits any of the Consortium Member's proportional interest in Consortium assets including but not limited to: (1) ownership rights to hardware, software, fiber and/or services owned/provided by the Consortium, and (2) any present or future revenues associated with Consortium products and/or services. The Consortium Member seeking withdrawal shall continue full participation in any Consortium Project Agreements executed during the membership period. A Member retains full ownership in assets designated as belonging to the member in any Consortium Project Agreement but may elect to transfer assets back to the Consortium with the agreement of the Consortium Board.
- C. The Consortium shall defend, indemnify and hold each Consortium Member, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees and costs, arising out of or resulting from the acts, errors or omissions of the Consortium or its agents or employees acting on behalf of the Consortium in performance

of this Agreement, except to the extent the injuries and damages or loss is caused by the sole negligence of the Consortium Member. The Consortium Member shall defend, indemnify and hold the Consortium, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees and costs, arising out of or resulting from the acts, errors or omissions of the Consortium Member in performance of this Agreement, except to the extent the injuries, damages or loss is caused by the negligence of the Consortium.

To the extent of the foregoing indemnifications, the parties waive any immunity that may be granted to it under the Washington State Industrial Insurance Act, Title 51 RCW and such indemnification shall not be limited in any way by any limitation on the amount of damages, compensation or benefits payable to or by any third party under Worker's Compensation acts, disability benefit acts or any other benefits acts or programs.

The Consortium agrees that Consortium Members will be mutually liable for, and shall protect and defend any Consortium Member for any claims arising out of or related to, intellectual property, patent, trademark, trade secret or copyright infringement and breach of contract.

The provisions of this section shall survive the expiration or termination of this Agreement with respect to any event occurring prior to such expiration or termination.

- D. Insurance: The Consortium will obtain and provide appropriate insurance against loss or liability for the actions of the Consortium Board and/or staff.
- E. Work Product/Confidentiality: All work product including records, data, information, documents, files, designs, sketches, finished or unfinished documents or other documents, material or data produced in performance of this Agreement shall become the property of the Consortium. All such work product shall be kept confidential by all of the Consortium Members and the Member's employees and agents and shall not be made available to any individual or organization by any Consortium Member without the prior written consent of the Consortium Board or unless required pursuant to court order, the Public Disclosure Act RCW 42.56 or other applicable law.
- F. Miscellaneous: This Agreement contains all of the agreements of the parties with respect to any matter covered or mentioned in this Agreement. No provision of the Agreement may be amended or modified except by written agreement signed by the parties. This Agreement shall be binding upon and inure to the benefit of the parties' successors in interest and assigns. Any provision of this Agreement which is declared invalid or illegal shall in no way effect or invalidate any other provision. The venue for any dispute related to this Agreement shall be King County, Washington. Time is of the essence of

this Agreement and each and all of its provisions in which performance is a factor.

This Agreement has been executed by each party on the date set forth below:

Draft

**CITY OF KIRKLAND****Department of Parks & Community Services**

505 Market Street, Suite A, Kirkland, WA 98033 425.587.3300

www.ci.kirkland.wa.us

MEMORANDUM

To: Kurt Triplett, City Manager

From: Jason Filan, Park Operations Manager
Jennifer Schroder, Director

Date: February 28, 2011

Subject: 2011 Interlocal Agreement for Waterfowl Management Program

RECOMMENDATION:

It is recommended that the City Council authorize the City Manager to sign the 2011 Interlocal Agreement for Waterfowl Management Program.

BACKGROUND DISCUSSION:

This is the annual renewal of Kirkland's participation in the Waterfowl Management Program. The purpose of the Waterfowl Management Program is an ongoing resource management activity attempting to maintain a manageable number of birds on a year-to-year basis. Working in collaboration with Wildlife Services of the U.S. Department of Agriculture, the U.S. Fish and Wildlife Service and the participating agencies enhances the region's ability to monitor and work with our local population of Canada geese. Components of the program attempt to alleviate human health and safety concerns including: negative impacts on water quality, safety from sickness and disease for park patrons, and reduced property damage within recreational areas of King County.

The agreement provides joint funding to contract with Wildlife Services to manage the Canada geese population within King County. The program includes egg addling (a technique of applying vegetable oil to the egg to disrupt development and hatching while keeping the nesting geese on nest), lethal control, population monitoring, and census of Canada Geese within King County.

2011 will be the 19th year of the annual program. The City of Kirkland has been an integral partner with Seattle, Bellevue, Edmonds, Kent, Mercer Island, Renton, Sea-Tac, Woodinville, Mountlake Terrace, Tukwila, University of Washington, and the Port of Seattle – Seattle-Tacoma International Airport since the program's inception.

COMPENSATION:

The City's contribution will be limited to \$1,956. Funding for this partnership is identified in the Park Maintenance division budget.

RESOLUTION R-4872

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND AUTHORIZING THE CITY MANAGER TO EXECUTE AN INTERLOCAL AGREEMENT BETWEEN THE SEATTLE DEPARTMENT OF PARKS AND RECREATION, THE UNIVERSITY OF WASHINGTON, THE PORT OF SEATTLE, THE CITIES OF BELLEVUE, EDMONDS, KENT, MOUNTLAKE TERRACE, RENTON, TUKWILA, WOODINVILLE AND KIRKLAND TO MANAGE WATERFOWL.

WHEREAS, the various agencies desire to manage waterfowl, especially Canada Geese; and

WHEREAS, all parties require assistance from the Wildlife Services Program of the U.S. Department of Agriculture, to reduce negative impacts on water quality, minimize resource damage, ensure safety from disease for park visitors, and enhance other property managed; and

WHEREAS, information dating to a 1989 Waterfowl Research Project done by the University of Washington and current data indicates a large surplus of geese and other waterfowl species in the greater Seattle area; and

WHEREAS, this Agreement will authorize a program for ongoing resource management activity to attempt to maintain a manageable number of birds on a year-to-year basis; and

WHEREAS, the cities and other local government units are authorized to enter into this Agreement pursuant to RCW Chapter 39.34, the Interlocal Cooperation Act;

NOW, THEREFORE, be it resolved by the City Council of the City of Kirkland as follows:

Section 1. The City Manager is hereby authorized and directed to execute on behalf of the City an interlocal agreement substantially similar to the Agreement attached hereto as Exhibit A.

Passed by majority vote of the Kirkland City Council in open meeting this ____ day of _____, 2011.

Signed in authentication thereof this ____ day of _____, 2011.

MAYOR

Attest:

City Clerk

For Your Action

**2011 Interlocal Agreement for
Waterfowl
(Canada Goose)
Management Program**

Please Note:

Final Form Ready for Your Submittal for Signature and Funding Authorization

**2011 INTERLOCAL AGREEMENT FOR WATERFOWL (CANADA GOOSE)
MANAGEMENT PROGRAM**

WHEREAS, Chapter 39.34.040 RCW (Interlocal Cooperation Act) permits local government units to make the most efficient use of their powers by enabling them to communicate and cooperate with other localities on a basis of mutual advantage and thereby to provide services in a manner pursuant to forms of government organization that will accord best with recreational, park and natural resources and other factors influencing the needs and development of local communities and

WHEREAS, the various agencies, cities, counties, Washington State and agencies of the Federal Government listed in Exhibit A - Page 6 of this Agreement, desire to manage waterfowl, especially Canada Geese; and

WHEREAS, all parties require assistance from the Wildlife Services Program of the U.S. Department of Agriculture, to reduce negative impacts on water quality, minimize resource damage, ensure safety from disease for park visitors, and enhance other property managed; and

WHEREAS, yearly surveys by Wildlife Services indicates an increasing population trend for Canada geese in Lake Washington from the previous 8 years, expanding smaller groups of geese in surrounding areas and along Puget Sound, earlier pairing and nesting activity and a larger surplus of other waterfowl species in the Seattle area; and

WHEREAS, this program will be an ongoing resource management activity attempting to maintain a manageable number of birds on a year-to-year basis; and

NOW, THEREFORE, in consideration of the covenants herein, it is mutually agreed as follows:

SECTION I - PURPOSE

The purpose of this Agreement is to provide joint funding for an egg addling program, lethal control, population monitoring and census; mainly of Canada Geese, within King and Snohomish Counties.

This program will assist each party in communicating, maintaining, and managing public and selected and approved private site impacts of surplus waterfowl.

SECTION II - SCOPE OF PROGRAM

Wildlife Services (WS) will receive funds from each participating member for the continuation of an egg addling program, lethal control and evaluation during spring and summer 2011.

Using best management practices WS will carry out an egg addling program, seeking as many accessible nesting areas as possible and will make every effort to minimize damage to the surrounding environment.

With the assistance of Wildlife Services, the WMC members will continue a yearly program to increase monitoring activities that will enhance our location and access of nests on public and private land and to facilitate expanded egg addling program, including advertisement of an addling and nesting location hotline number for the general public and others, posters and webpage advertising and other activities to keep the public well informed of the Waterfowl Management Program.

WS will also implement a program of "lethal control" as requested by the Waterfowl Management Committee, subject to the terms and conditions of a permit to be issued by the U.S. Fish and Wildlife Service. This will be done on a case by case basis in situations where an over population of Canada geese may result in an impact on human health and safety, such as potable water contamination, bird aircraft strikes, disease transmission or other situations as determined by WMC members.

To request lethal control, WMC members must contact the WS District Supervisor or Assistant District Supervisor at 360-337-2778. WS will work with the member agency to determine if removal is warranted and if the location is suitable for removal operations.

WS will provide an annual report to the members of the WMC which will include information regarding egg addling, the general location of nests and number of eggs addled, number of geese removed, difficulties encountered and whatever other information would be valuable to the WMC.

2011 will be the eighteenth year of an egg addling program and the tenth year utilizing "lethal control". All methods and tools utilized to accomplish addling and "lethal control" activities in 2010 will again be used in 2011.

WS will conduct a standardized monthly goose population survey of selected area parks and will annually conduct up to six goose surveys of Lake Washington by boat. As in previous years, census counts will be expanded using staff from local agencies and participants at times and places to be specified. Survey results will be presented annually to the WMC.

Where possible, educational programs such as 'don't feed wildlife' and interpretive signage will be initiated to inform the public about urban Canada Geese, the associated problems, and the efforts of this committee at addressing those problems.

SECTION III - RESPONSIBILITIES

Each party, represented on the Waterfowl Management Committee, as shown on Exhibit "A", and incorporated by reference herein, will share in the ongoing review of the programs carried out by WS.

Each party agrees that if necessary, an Oversight Committee will be appointed to monitor and report back to the general committee on a regular basis. Three members of the Committee will make up the Oversight Committee chaired by the Seattle Parks and Recreation representative.

SECTION IV - COMPENSATION

The total cost of the 2011 waterfowl management program shall not exceed twenty one thousand, eight hundred ninety-nine dollars (\$21,899).

Each party shall contribute to the financial costs of the program as shown in Table I.

SECTION V - TERM AND EXTENSION

The Term of this Agreement is from January 1, 2011 to December 31, 2011. This Agreement may be extended in time, scope or funding by mutual written consent from all parties referenced herein.

SECTION VI - TERMINATION

This agreement may be unilaterally terminated by any of the parties referenced herein or Wildlife Services upon presentation of written notice to the Oversight Committee at least 30 days in advance of the severance date shown in Section V.

Should termination of this agreement occur without completion of the egg addling, each party shall pay only its' pro rata share of any expenses incurred under the agreement at the date of the termination, and each party shall receive copies of all products resulting from the addling activities up to the time of the termination.

SECTION VII - DELIVERABLE

Using best management practices Wildlife Services will carry out an egg addling program, seeking as many accessible nesting areas as possible and will make every effort to minimize damage to the surrounding environment. Field conditions or changing conditions may increase or decrease the number of eggs addled from previous years' totals. Eggs will be coated with vegetable oil on dates to be determined by USDA-Wildlife Services.

Lethal control will be implemented as requested and the total numbers are established by the U.S. Fish and Wildlife Service Permit.

Participants will receive a report on the number of eggs addled and geese euthanized in 2011.

SECTION VIII - FILING

As provided by RCW 39.34.040, this agreement shall be filed prior to its entry and force with the City or County Clerks of the participating parties, the County Auditor and the Secretary of State, and, if found to be necessary, with the State Office of Community Affairs as provided by RCW 39.34.120.

SECTION IX - LIABILITY

Each party to this agreement shall be responsible for damage to person or property resulting from the negligence on the part of itself, its employees, its agents or its officers. No party assumes any responsibility to another party for the consequences of any act or omission of any person, firm, or corporation not at party to this agreement.

EXHIBIT A

2011 WATERFOWL MANAGEMENT COMMITTEE PARTICIPANTS

- City of Bellevue.....Pat Harris
- City of Edmonds.....Todd Moles
- City of Kent – Riverbend Golf Course.....Dave Owen
- City of Kirkland.....Jason Filan
- City of Mountlake Terrace.....Don Sarcletti
- Port of Seattle – Seattle-Tacoma International Airport.....Steve Osmek
- City of Renton.....Kelly Beymer
- City of Tukwila – Foster Golf Links.....Curt Chandler
- City of Woodinville.....Brian Meyer
- Seattle of Parks and Recreation.....Barbara DeCaro
- University of Washington.....Charles Easterberg
- U.S.D.A. Wildlife Services..... Roger Woodruff
- U.S. Fish and Wildlife Service.....Brad Bortner

TABLE I

<u>AGENCIES</u>	<u>CONTRIBUTIONS</u>
City of Bellevue	1956
City of Edmonds	1956
City of Kent	1956
City of Kirkland	1956
City of Mountlake Terrace	1956
Port of Seattle – Sea-Tac Airport	1956
City of Renton	1956
City of Tukwila-Foster Golf Links	1956
City of Woodinville	1956
Seattle Department of Parks and Recreation	2340
University of Washington	1956

All checks will be made payable to the USDA-APHIS-WS, earmarked for the Wildlife Services and sent to the following addresses:

Mr. Roger Woodruff
 State Director -Wildlife Services Program
 U.S. Department of Agriculture
 720 O'Leary Street Northwest
 Olympia, Washington 98502
 (360) 753-9884

In case of procedural questions regarding this project, please contact:

Roberta Bushman, Administrative Officer
 Wildlife Services Program
 (360) 753-9884 FAX: 753-9466

For questions regarding implementation of control measures and census, please contact:

District Supervisor 360-337-2778

SECTION X. - SEVERABILITY

...If any section of this agreement is adjudicated to be invalid, such action shall not affect the validity of any section so adjudged.

This agreement shall be executed on behalf of each party by its authorized representative. It shall be deemed adopted upon the date of execution by the last so authorized representative.

This agreement is approved and entered into by the undersigned county and local government units, university and other private parties.

<p>City of Bellevue By: _____ Patrick Foran, Director of Parks and Community Services Date: _____</p>	<p>City of Woodinville By: _____ Richard A. Leahy, City Manager_ Date: _____</p>
<p>City of Edmonds By: _____ Gary Haakenson, Mayor Date: _____</p>	<p>Port of Seattle – Seattle-Tacoma International Airport By: _____ Tay Yoshitani, Chief Executive Officer Date: _____</p>
<p>City of Kent By: _____ John Hodgson, Director Date: _____</p>	<p>Seattle Department of Parks and Recreation By: _____ Christopher Williams, Acting Superintendent Date: _____</p>
<p>City of Kirkland By: _____ Kurt Triplett, City Manager Date: _____</p>	<p>City of Tukwila By: _____ Bruce Fletcher, Parks and Recreation Director Date: _____</p>
<p>City of Mountlake Terrace By: _____ John J. Caulfield, City Manager Date: _____</p>	<p>University of Washington By: _____ Jude Van Buren Director of Environmental. Health & Safety Date: _____</p>
<p>City of Renton By: _____ Denis Law, Mayor Date: _____</p>	



CITY OF KIRKLAND
Department of Finance & Administration
123 Fifth Avenue, Kirkland, WA 98033 425.587.3100
www.ci.kirkland.wa.us

MEMORANDUM

To: Kurt Triplett, City Manager

From: Tracey Dunlap, Director of Finance and Administration
Michael Olson, Deputy Director

Date: March 3, 2011

Subject: Align Renewal of Regulatory Licenses to the Business License Renewal Date

Recommendation

Council adopts the attached ordinances amending the Kirkland Municipal Code so that regulatory licenses for Cabarets and Amusements Games are renewed at the same time that the business license is renewed. The ordinances also modernize the language including streamlining the eligibility provisions and make license approval an administrative function rather than a City Council action.

The Council Finance Committee reviewed the proposed amendments at the February 22, 2011 meeting and recommended forwarding them to the full Council for adoption.

Fiscal Impact

Negligible impact to revenues as changes to renewal dates would be phased in throughout the year by pro-rating payments for the regulatory license resulting in some payments being received earlier and some later depending on the implementation date of the change.

Background

Currently regulatory licenses for Cabaret and Amusement Games such as pool tables, juke boxes and electronic games expire and must be renewed annually on December 31.

There were 24 regulatory licenses issued in 2010 (13 cabaret, 7 Pool Tables, 2 Juke Boxes and 2 Amusement Games) to 15 businesses, 2 of which were outside Kirkland city limits (companies that place pool tables, Juke boxes, and electronic games at locations within the city). 2010 revenue for these licenses was \$3,425.

In preparing the amendment to align the renewal dates, the City Attorney's Office has recommended additional revisions to modernize the language, streamline eligibility provisions, and make approval an administrative rather than Council action, which are noted in the attached code sections in the ordinances following this memo.

In response to inquiries regarding the purpose of the regulatory licenses, the police have noted that from an operational point of view, the value of the regulatory license is that the license

provides a real tool for law enforcement in that certain provisions garner greater establishment oversight of patron behavior and self policing, for fear of non-compliance enforcement. It has proved quite useful in gaining cooperation from problem establishments in the past.

Aligning the regulatory license renewal dates with the business license renewal dates will provide greater efficiencies and simplification with the implementation of EnerGov software (which will be the database for Business Licenses and Regulatory Licenses) as well as processing and administrative efficiencies for staff. It should streamline the process from the customer perspective, as they will be able to renew their licenses at the same time.

The annual cost of regulatory licenses is detailed in the table below and no changes are recommended to the current fee schedule:

Regulatory License	Annual Fee
Cabaret with music and dancing	\$250
Cabaret with music only	\$100
Pool Tables	\$50 each
Juke Boxes	\$50 each
Amusement Games	\$50 each

ORDINANCE 4293

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO THE LICENSING AND REGULATION OF CABARETS.

The City Council of the City of Kirkland do ordain as follows:

Section 1. Kirkland Municipal Code ("KMC") Section 7.20.010 is hereby amended to read as follows:

7.20.010 Definitions.

(a) "Cabaret" means any room, place or space whatsoever in the city in which any music, singing, dancing or other similar entertainment is permitted in connection with any hotel, restaurant, cafe, club, tavern, eating place, ~~directly or indirectly~~ selling, serving, or providing the public, with or without charge, food, or liquor. The words "music" and "entertainment" as used herein in this chapter shall not apply to radios, televisions, juke boxes or similar mechanical devices.

(b) "Liquor" ~~means all beverages defined shall have the definition set forth in RCW 66.04.200010.~~

(c) "Person" ~~means one or more natural persons of either sex, firms, copartnerships and corporations; whether acting by themselves or by servant, agent or employee any individual, partnership, corporation, trust, incorporated or unincorporated association, marital community, joint venture, governmental entity, or other entity or group of persons however organized.~~

Section 2. KMC Section 7.20.020 is hereby amended to read as follows:

7.20.020 License required.

It is unlawful for any person to conduct, manage or operate a cabaret unless such person is the holder of a valid and subsisting current license from the city to do so, ~~obtained in the manner herein provided as provided in this chapter.~~

Section 3. KMC Section 7.20.030 is hereby amended to read as follows:

7.20.030 License—Persons ineligible.

No license shall be issued to:

(1) ~~A person who has not resided in the state of Washington for at least one month prior to making application~~ A natural person who has not attained the age of 21 years, except that licenses may be issued to persons who have attained the age of 18 years with respect to cabarets where no intoxicating liquors are served or provided;

(2) A person who has been convicted of or forfeited bail for any of the following within three years prior to filing the application:

(A) A felony which is reasonably related to a person's fitness or ability to conduct, manage or operate a cabaret;

(B) A violation of any federal or state law or city ordinance concerning the manufacture, possession, or sale of liquor; or

- (C) A violation of any federal or state law or city ordinance concerning the manufacture, possession or sale of narcotics;
~~(A) A crime involving the use of force or violence upon the person of another,~~
~~(B) A crime:~~
~~(i) Involving sexual misconduct, such as rape, prostitution or indecent liberties, or~~
~~(ii) Involving conduct which would violate Sections 11.20.200 through 11.20.300,~~
~~(C) A crime involving dangerous weapons, narcotics, controlled substances or dangerous drugs that amounts to a felony, or~~
~~(D) A crime of fraud or attempted fraud;~~
 (3) A person whose place of business is conducted by a manager or agent, unless such manager or agent possesses the same qualifications required of the licensee;
 (4) A partnership, unless all members of the partnership are thereof shall be qualified to obtain a license under this chapter as provided herein;
 (5) A corporation, unless all of its the officers, directors and stockholders are thereof shall be qualified to obtain a license under this chapter as provided herein. The cabaret Such license shall be issued to the manager or operator of the cabaret other directing head thereof.

Section 4. KMC Section 7.20.040 is hereby amended to read as follows:

7.20.040 License—Application—Procedure.

Any person desiring such a license shall file written application with the city on forms provided by the city for that purpose. Fifteen dollars shall be deposited with the city when application is made. This deposit will be applied to costs, if any, charged to the city for investigation. Upon filing, ~~such application shall be presented to the city council and before acting on same the city council shall refer such application to the city manager who in conjunction with the police department shall conduct a full investigation as to the truth of the statements contained therein, and as to any and all other matters which might tend to aid the city council in determining whether or not such application should be granted. The police department shall forward the results of its investigation to the Director of Finance, who shall issue or deny the license based on whether the application meets the requirements of this chapter. An applicant may appeal the denial of a cabaret license utilizing the appeal procedures set forth in KMC 7.02.250. After the city manager has reported back to the council the result of such investigation, if the council is satisfied that the statements contained in such application are true, the council shall direct the issuance of the license applied for; provided, however, that if the council is not satisfied that the application should be granted, then the council shall, upon at least ten days' notice to the applicant, holding a hearing upon such application, at which time the applicant shall be given an opportunity to prove by competent evidence that the applicant and all persons having an interest in the proposed cabaret satisfy the requirements of Section 7.20.030 and that none of them have within the time specified therein been convicted of or forfeited bail for any of the offenses listed in Section 7.20.030(3) or Section 7.20.030(6). If~~

~~after such hearing the council shall find from a preponderance of the evidence that the foregoing facts have been established, it shall direct the issuance of the license applied for. If after such hearing the council shall find that the foregoing facts have not been established by the evidence, the application shall be denied. The action of the city council upon such a hearing shall be final. Whether or not the license application is approved, the applicant is responsible for costs charged to the city in connection with the investigation of the license application. Any refund due the applicant out of the deposit shall be paid after the city council has made a final decision on the application.~~

Section 5. KMC Section 7.20.070 is hereby repealed. A new KMC 7.20.070 is hereby adopted to read as follows:

7.20.070 License issuance.

Cabaret licenses shall be issued with the applicant's business license and shall renew and expire at the same time as the applicant's business license. In the event an applicant for a cabaret license already has a city business license, the initial term of the cabaret license shall expire at the same time as the business license.

Section 6. KMC Section 7.20.080 is hereby repealed. A new KMC 7.20.080 is hereby adopted to read as follows:

7.20.080 Licenses—Revocation—Causes—Notice—Hearing.

The city may suspend or revoke a cabaret license if it determines the cabaret license was obtained through fraud or misrepresentation or that the license holder has failed to comply with the provisions of this chapter. The city shall utilize the procedures set forth in KMC 7.02.270 for the purpose of suspending or revoking a cabaret license.

Section 7. KMC Section 7.20.100 is hereby repealed.

Section 8. If any provision of this ordinance or its application to any person or circumstance is held invalid, the remainder of the ordinance, or the application of the provision to other persons or circumstances is not affected.

Section 9. This ordinance shall be in force and effect five days from and after its passage by the Kirkland City Council and publication pursuant to Section 1.08.017, Kirkland Municipal Code in the summary form attached to the original of this ordinance and by this reference approved by the City Council.

Passed by majority vote of the Kirkland City Council in open meeting this ____ day of _____, 2011.

Signed in authentication thereof this ____ day of _____, 2011.

MAYOR

Attest:

City Clerk

Approved as to Form:

City Attorney

PUBLICATION SUMMARY
OF ORDINANCE NO. 4293

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO THE LICENSING AND REGULATION OF CABARETS.

SECTION 1. Amends Kirkland Municipal Code ("KMC") Section 7.20.010, relating to definitions in the City's cabaret ordinance.

SECTION 2. Amends KMC Section 7.20.020 relating to cabaret licensing.

SECTION 3. Amends KMC Section 7.20.030 relating to cabaret licensing eligibility.

SECTION 4. Amends KMC Section 7.20.040 relating to cabaret licensing procedures.

SECTION 5. Repeals existing KMC Section 7.20.070 and adopts a new KMC Section 7.20.070 relating to cabaret license issuance.

SECTION 6. Repeals existing KMC Section 7.20.080 and adopts a new KMC Section 7.20.080 relating to cabaret license revocation procedures.

SECTION 7. Repeals KMC Section 7.20.100 relating to the applicability of cabaret licensing requirements.

SECTION 8. Provides a severability clause for the ordinance.

SECTION 9. Authorizes publication of the ordinance by summary, which summary is approved by the City Council pursuant to Section 1.08.017 Kirkland Municipal Code and establishes the effective date as five days after publication of summary.

The full text of this Ordinance will be mailed without charge to any person upon request made to the City Clerk for the City of Kirkland. The Ordinance was passed by the Kirkland City Council at its meeting on the _____ day of _____, 2011.

I certify that the foregoing is a summary of Ordinance _____ approved by the Kirkland City Council for summary publication.

City Clerk

ORDINANCE 4294

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO THE LICENSING OF AMUSEMENT DEVICES.

The City Council of the City of Kirkland do ordain as follows:

Section 1. Kirkland Municipal Code ("KMC") Section 7.12.010 is hereby amended to read as follows:

7.12.010 Definitions.

(a) "Amusement device" means any machine, table, board, or other device designed to be operated or played upon the payment by insertion or otherwise of cash or other valuable consideration and includes but is not limited to iron claw machines, cranes, shuffleboards, miniature bowling machines, pool, bumper pool or billiard tables, and other devices of like kind, including pinball machines, ~~and flipper machines~~ and video games except those that may now or hereafter be deemed "gambling devices" pursuant to RCW Chapter 9.46.

(b) "Cigarette vending machines" means any automatic vending machines used for the sale of cigarettes and matches and controlled by the insertion of ~~a coin or coins~~ money. It does not include machines or devices used solely for the vending of service, food or confections.

(c) "Distributor" means any person, firm or corporation who leases, rents to, or places with others for operation, any amusement device, juke box, record player or vending machine as herein defined.

(d) "Juke box" or "record player" means any machine or instrument designed to be operated or played upon the payment by insertion or otherwise of cash or other valuable consideration and used for the reproduction of music, and shall include all other devices of like kind, nature or purpose and apply wherever the public makes the selection of music to be played.

(e) "Operator" means any person, firm or corporation who possesses or exhibits for use, play or operation any amusement device, vending machine or record player not owned by such person, firm or corporation.

(f) "Owner and operator" means any person, firm or corporation who possesses or exhibits for use, play or operation any amusement device, vending machine or record player owned by such person, firm or corporation.

Section 2. Kirkland Municipal Code ("KMC") Section 7.12.020 is hereby amended to read as follows:

7.12.020 License fees.

(a) Amusement Devices. Any distributor, owner or operator of an amusement device shall pay a license fee of fifty dollars per machine per year, payable annually in advance to the director of finance at the time of issuance or renewal of the distributor's, owner's or operator's business license.

(b) Every distributor, owner or operator of cigarette vending machines doing business as such within the city shall pay an annual license fee in the sum of fifty dollars for a master license payable annually in advance to the director of finance. Also, any distributor, owner, operator or user of such cigarette vending machines shall pay an additional sum of ten dollars per machine per year, payable annually in advance to the director of finance. Payment shall be made at the time of the issuance or renewal of the distributor's, owner's or operator's business license.

It is further required that each cigarette vending machine in the city shall be equipped with an electric lock or device to be operated by the owner and/or employees only.

(c) Juke Box or Record Player.

(1) Every "distributor" (as defined in Section 7.12.010(c)) shall pay to the city an annual master license fee of one hundred dollars per year payable in advance at the time of issuance or renewal of the distributor's business license;

(2) Every "operator" (as defined in Section 7.12.010(e)) shall pay to the city an annual machine license fee of twenty-five dollars per machine per year payable in advance at the time of issuance or renewal of the operator's business license;

(3) Every "owner and operator" (as defined in Section 7.12.010(f)) shall pay to the city an annual machine license fee of twenty-five dollars per year, in advance at the time of issuance or renewal of the owner and operator's business license.

Section 3. Kirkland Municipal Code ("KMC") Section 7.12.050 is hereby repealed. A new KMC Section 7.12.050 is hereby adopted to read as follows:

7.12.050 Terms and rates of licenses.

Licenses issued under this chapter shall be issued by the Finance Director with the applicant's business license and shall renew and expire at the same time as the applicant's business license. In the event an applicant for a license under this chapter already has a city business license, the initial term of the license under this chapter shall expire at the same time as the business license.

Section 4. Kirkland Municipal Code ("KMC") Section 7.12.060 is hereby repealed.

Section 5. If any provision of this ordinance or its application to any person or circumstance is held invalid, the remainder of the ordinance, or the application of the provision to other persons or circumstances is not affected.

Section 6. This ordinance shall be in force and effect five days from and after its passage by the Kirkland City Council and publication, as required by law.

Passed by majority vote of the Kirkland City Council in open meeting this _____ day of _____, 2011.

Signed in authentication thereof this _____ day of _____, 2011.

MAYOR

Attest:

City Clerk

Approved as to Form:

City Attorney

**CITY OF KIRKLAND**

City Attorney's Office

123 Fifth Avenue, Kirkland, WA 98033 425.587.3030

www.ci.kirkland.wa.us**MEMORANDUM**

To: Kurt Triplett, City Manager

From: Robin Jenkinson, City Attorney
Wm. R. Evans, Assistant City Attorney

Date: March 3, 2011

Subject: Interlocal Agreement between the City of Kirkland, King County Fire Protection District #41 and King County Regarding the Annexation of the Wild Glen Area

RECOMMENDATION:

That the City Council approve the attached resolution authorizing the City Manager to sign the Interlocal Agreement providing for the annexation of the Wild Glen Condominiums to the City of Kirkland.

BACKGROUND DISCUSSION:

Because of conflicting information regarding the boundaries of the City's potential annexation area, the Wild Glen condominiums ("Wild Glen") were not included in the annexation of Juanita, Finn Hill and Kingsgate ("JFK"). However, when it was discovered it was within the City's potential annexation area, the Boundary Review Board determined it was too late to add it to the JFK annexation. This meant another annexation would be needed.

Both King County and King County Fire Protection District #41 were invited to enter into negotiations for the annexation of Wild Glen pursuant to RCW 35A.14.480. This statute provides that a city, county and fire district can enter into an interlocal agreement that annexes fire district territory to a city so long as neither the county or the district object. Both King County and Fire District #41 accepted and negotiations began to draft an interlocal agreement to allow the City to annex Wild Glen. Attached is the final draft of the proposed interlocal agreement that the representatives of the City, County and District have negotiated. Please note this Agreement provides that the transition of services from the County to the City will be handled the same as for the JFK annexation.

If approved by all three governing bodies, as allowed by RCW 35A.14.480, an ordinance effecting the annexation will be presented to the City Council on April 5, 2011. A public hearing will be held at that time. Only the City will need to adopt this ordinance. If that is adopted, the Wild Glen annexation will occur on the same day as the JFK annexation, which is set for June 1, 2011.

RESOLUTION R-4873

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND APPROVING THE INTERLOCAL AGREEMENT BETWEEN THE CITY OF KIRKLAND, KING COUNTY FIRE PROTECTION DISTRICT #41 AND KING COUNTY REGARDING THE ANNEXATION OF THE WILD GLEN AREA.

WHEREAS, in 2009 the City of Kirkland ("City") annexed the Juanita/Finn Hill/Kingsgate territory ("JFK Annexation") and provided an effective date for that annexation, which is currently set for June 1, 2011; and

WHEREAS, the Wild Glen condominium complex area ("Wild Glen") would be the only territory remaining to be serviced by King County Fire Protection District #41 ("District") after the City's annexation of the rest of the District's territory and the City, District and King County ("County") therefore believe Wild Glen should be annexed to the City; and

WHEREAS, RCW 35A.14.480 authorizes the City, District and County to enter into an interlocal agreement to effect annexation of unincorporated areas within a fire district to a city on the terms therein contained; and

WHEREAS, to initiate the process of negotiating such an interlocal agreement, the City gave notice to the District and the County of its interest in doing so, which occurred on October 26, 2010; and

WHEREAS, the County and District each agreed negotiations for the annexation of Wild Glen by interlocal agreement should begin by letters dated November 12, 2010, and December 2, 2010, respectively; and

WHEREAS, the City, District and County have concluded those negotiations and are now seeking authorization from their respective governing bodies to sign the attached Interlocal Agreement between the City of Kirkland, King County Fire Protection District #41 and King County Regarding the Annexation of the Wild Glen Area; and

NOW, THEREFORE, be it resolved by the City Council of the City of Kirkland as follows:

Section 1. The City Manager is hereby authorized and directed to execute on behalf of the City of Kirkland an interlocal agreement substantially similar to that attached as Attachment "A", which is entitled "Interlocal Agreement Between The City of Kirkland, King

County Fire Protection District #41 and King County Regarding the Annexation of the Wild Glen Area.”

Passed by majority vote of the Kirkland City Council in open meeting this ____ day of _____, 2011.

Signed in authentication thereof this ____ day of _____, 2011.

MAYOR

Attest:

City Clerk

INTERLOCAL AGREEMENT BETWEEN THE CITY OF KIRKLAND, KING COUNTY FIRE PROTECTION DISTRICT #41 AND KING COUNTY REGARDING THE ANNEXATION OF THE WILD GLEN AREA

This Interlocal Agreement ("Agreement") is made and entered into this ____ day of _____, 2011, by and between the City of Kirkland ("City"), King County Fire Protection District #41 ("District") and King County ("County"), collectively known as the Parties.

WHEREAS, because of conflicting information regarding the boundaries of the City's potential annexation area, the Wild Glen condominium complex territory ("Wild Glen") within the District and County, described in Section 2 below, was not scheduled to be annexed by the City at the time of the City's annexation of the Juanita, Finn Hill and Kingsgate areas ("JFK annexation"); and

WHEREAS, the City, District and County believe Wild Glen, which is adjacent to the JFK annexation area and would be the sole remaining territory to be serviced by the District if this Wild Glen annexation did not occur, should therefore be annexed to the City; and

WHEREAS, RCW 35A.14.480 authorizes a city, fire district and county to enter into an interlocal agreement to effect annexation of unincorporated areas within a fire district to a city on the terms therein contained; and

WHEREAS, to initiate the process of negotiating such an interlocal agreement, the City was required to give notice to the District and the County of its interest in doing so, which occurred on October 26, 2010; and

WHEREAS, the County and District each agreed negotiations for the annexation of Wild Glen by interlocal agreement should begin by letters dated November 12, 2010 and December 2, 2010, respectively; and

WHEREAS, the Parties have concluded these negotiations and are ready to enter into this Agreement; and

WHEREAS, the governing bodies of each of the Parties hereto have determined to enter into this Agreement as authorized and provided for by the Interlocal Cooperation Act, codified at Chapter 39.34 RCW,

NOW, THEREFORE, by their signatures below, the Parties hereby enter into this Agreement regarding the annexation of Wild Glen by the City.

1. Effective date for this annexation. The Parties agree the ordinance effecting this annexation, attached as Exhibit A and herein incorporated by reference,

shall provide an effective date for the Wild Glen annexation on the same day as the effective date for the JFK annexation but immediately thereafter, which is currently set for June 1, 2011 ("Effective Date").

2. Boundaries of the area proposed for annexation. The boundaries of the Wild Glen territory proposed for annexation, consistent with the boundaries as set forth in Exhibit A, are described as follows:

That portion of Section 19, Township 26 North, Range 5 East W.M. in King County, Washington described as follows:

Beginning at the northwest corner of the Northeast Quarter of the Northeast Quarter of said Section 19; Thence east along the north line of said Section 19 and the south limits of the City of Bothell as established by City of Bothell Ordinance Number 225 to the west margin of 100th Avenue NE; Thence south along the west margin of 100th Avenue NE to the northerly margin of Simonds Road Northeast; Thence northwesterly along the northerly margin of Simonds Road Northeast to the west line of said Northeast Quarter of the Northeast Quarter of Section 19 and the limits of the City of Bothell as established by City of Bothell Ordinance Number 960; Thence north along said west line to the Point of Beginning.

3. Public hearing on the Annexation Ordinance. As required by RCW 35A.14.480(1)(c), the public hearing on the ordinance effecting the annexation of Wild Glen is hereby set to occur at the regular meeting of the Kirkland City Council on April 5, 2011
4. Notice of Intention to be filed with the Boundary Review Board. After the Parties have all signed this Agreement, the City will file the Notice of Intent required by RCW 35A.14.480(1)(c) with the Boundary Review Board. However, as further provided therein, the jurisdiction of the Board may not be invoked for this annexation.
5. The goals of this Agreement are as follows:
 - a. For the District to transfer all of its revenues and assets to the City on dates as required by law or on the Effective Date for revenues or assets not addressed by law. The City will not transfer any of its assets or revenues to the District because, after this annexation and the JFK annexation, the District will no longer have any area where it is responsible for providing fire protection or emergency medical services and, therefore, will no longer need any assets or revenues. The City will be responsible for all District debt payments as of the Effective Date and

- intends to leave a proportionate share of the District's levy in place until the debt is retired.
- b. As required by RCW 35A.14.480(2)(a)(ii), there will be no negative impacts to service in Wild Glen at least through the budget cycle in which the annexation occurs. The City already provides fire protection and emergency medical services in Wild Glen pursuant to a contract between the City and District and the City will continue to provide service at the same level as there required.
 - c. The City and District have discussed a division of assets and agree that all of the assets will be transferred to the City in accordance with Subsection 5(a) above. Further, that there will be no impact on fire and emergency medical services to citizens inside or outside Wild Glen because the City currently provides service in both areas and will continue to do so.
 - d. Capitalizing on the existence of the Wild Glen Condominium Homeowner's Association, to which every resident of Wild Glen belongs, the City has been able to communicate with those affected by this annexation through this organization and has held informational public meetings regarding this annexation. The City will schedule an additional informational public meeting after this Agreement is approved.
 - e. The City will fulfill the capital facilities obligations of the District within the District after the Effective Date in the same manner as they are fulfilled in the rest of the City outside Wild Glen. The County's capital facilities obligations within Wild Glen, if any, will remain unchanged.
 - f. All of the City's current development regulations will apply and be enforced in Wild Glen on and after the Effective Date as provided in Ordinance 4196. To the extent the County has development regulations that remain in effect after the Effective Date, these regulations will apply and be enforced by the County. The District will have no development regulations applicable in Wild Glen after the Effective Date.
 - g. On and after the Effective Date, the City will be responsible in Wild Glen for roads and traffic impact mitigation, surface and storm water management, coordination and timing of comprehensive plan and development regulation updates, outstanding bonds and special or improvement district assessments, annexation procedures, distribution of debt and revenue sharing for annexation proposals, code enforcement,

inspection services, financial and administrative services, consultation with other service providers, including water sewer district all as addressed by the laws and policies and procedures of the City. The County will be responsible for all of the foregoing subject areas that fall within the purview of the County's jurisdiction, if any, after that date. The District, having no further territory to serve, will have none of these obligations.

- h. To the extent applicable, the transition to services being provided to Wild Glen by the City instead of the County will be done in accordance with the Interlocal Agreement between the City of Kirkland and King County Relating to the Annexation of the Juanita-Finn Hill-Kingsgate Annexation Area now being negotiated by the City and County. To the extent there is any conflict between this Agreement and the Interlocal Agreement between the City of Kirkland and King County Relating to the Annexation of the Juanita-Finn Hill-Kingsgate Annexation Area, the latter shall control.
6. Term. The term of this Agreement is in perpetuity from the date first written above.
7. Effect of this Agreement. Because the Parties have reached agreement on the enumerated goals addressed herein, pursuant to RCW 35A.14.480(3), this Agreement is not subject to referendum. Consequently, not sooner than forty-five days after passage of the annexation ordinance (Exhibit A), not including the day of passage, Wild Glen will become a part of the City on the date fixed in that ordinance, which is currently June 1, 2011.
8. Indemnification. Each of the Parties shall defend, indemnify and hold the other Parties, their officers, officials, employees and agents harmless from any and all costs, claims, judgment, and/or awards of damages, arising out of, or in any way resulting from that other party's negligent acts or omissions in performing under this Agreement. No party will be required to defend, indemnify or hold the other party harmless if the claim, suit or action for injuries, death or damages is caused by the sole negligence of that party. Where such claims, suits or actions result from the concurrent negligence of the Parties, the indemnity provisions provided herein shall be valid and enforceable only to the extent of each party's own negligence. Each party agrees that its obligations under this subparagraph include, but are not limited to, any claim, demand, and/or cause of action brought by, or on behalf of, any of its employees or agents. For this reason, each of the Parties, by mutual negotiation, hereby waives, with respect to the other Parties only, any immunity that would otherwise be available against such claims under the Industrial Insurance provisions of Title 51 RCW.

9. Compliance with laws. The Parties shall comply with all applicable rules and regulations pertaining to them in connection with the matters covered herein. However, to the extent allowed by law, the Parties agree the provisions of this Agreement shall supersede such provisions.
10. Assignment. The Parties shall not assign this Agreement or any interest, obligation or duty therein without the express written consent of the other Parties. However, the District and County agree their consent is not required if the City assigns the Agreement to any regional fire authority created by the City.
11. Notices. All notices and payments hereunder may be delivered or mailed. If mailed, they shall be sent to the following respective addresses:

To the City:
City of Kirkland

123 Fifth Avenue
Kirkland, WA 98033
Attn: Kurt Triplett

To the District:
Fire District #41
P.O Box 817
520 Kirkland Way, Suite 400
Kirkland, WA 98083-0817
Attn: Ken Davidson

To the County:

King County
Office of Performance, Strategy
and Budget
401 Fifth Avenue, Suite 810
Seattle, WA 98104
Attn: Dwight Dively, Director

or to such other respective addresses as the Parties hereafter from time to time designate in writing. All notices and payments mailed by regular post (including first class) shall be deemed to have been given on the third business day following the date of mailing, if properly mailed and addressed. Notices and payments sent by certified or registered mail shall be deemed to have been given on the day next following the date of mailing, if properly mailed and addressed. For all types of mail, the postmark affixed by the United States Postal Service shall be conclusive evidence of the date of mailing.

12. Miscellaneous.

- a. All of the terms in this Agreement shall extend to and bind the legal successors and assigns of the Parties.

- b. This Agreement is made and shall be construed in accordance with the laws of the State of Washington. Jurisdiction and venue for any action arising out of this Agreement shall be in King County, Washington.
- c. No separate legal entity is hereby created.
- d. Except as expressly provided herein, nothing in this Agreement shall be construed to permit anyone other than the Parties and their successors and assigns to rely upon the terms herein contained nor to give any such third party a cause of action on account of any nonperformance hereunder.
- e. No joint oversight and administration board is created hereby.
- f. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be held to be invalid or unenforceable by a final decision of any court having jurisdiction on the matter, the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and shall continue in full force and effect, unless either party determines that such invalidity or unenforceability materially interferes with or defeats the purposes hereof, at which time the Parties shall substitute a provision that most closely approximates that which was invalidated without being invalid itself.
- g. This Agreement constitutes the final and completely integrated agreement between the Parties on its subject matter.
- h. No modifications or amendments of this Agreement shall be valid or effective unless evidenced by an agreement in writing signed by all Parties.
- i. Copies of this Agreement shall be filed with the King County Auditor's Office by the City.
- j. Each party has had the opportunity to consult with counsel in connection with this Agreement. Each of the provisions of this Agreement represents the combined work product of all Parties. Therefore, no presumption or other rules of construction which would interpret the provisions of this Agreement in favor of or against the party preparing the same will apply in connection with the construction or interpretation of any of the provisions of this Agreement.
- k. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute the same instrument

13. RCW 39.34 Required Clauses.

- a. Purpose. See Sections 1, 5, and 7 above.
- b. Duration. See Section 6 above.
- c. Organization of separate entity and its powers. See Sections 12(c) and 12(e) above.

d. Responsibilities of the Parties. See provisions above.

e. Agreement to be filed. See Section 12(i) above.

f. Financing. Each party shall be responsible for the financing of its contractual obligations under its normal budgetary process.

g. Termination. This Agreement shall become effective following the approval of the Agreement by the official governing bodies of each of the Parties hereto and the signing of the Agreement by the duly authorized representative of each of the Parties hereto, and shall remain in effect unless terminated.

IN WITNESS WHEREOF the Parties hereto have executed this Agreement as of the day and year first above written.

CITY OF KIRKLAND

**KING COUNTY FIRE
PROTECTION DISTRICT #41**

By: _____
Kurt Triplett, City Manager
Board

By: _____
James Lloyd, Chairman of the

Approved as to form:

Approved as to form:

City Attorney

District Counsel

KING COUNTY

By: _____

Approved as to form:

Jennifer Stacy
Senior Deputy Prosecuting Attorney

ORDINANCE _____

AN ORDINANCE OF THE CITY OF KIRKLAND ANNEXING CERTAIN TERRITORY PURSUANT TO RCW 35A.14.480 ON THE TERMS PROVIDED IN THE INTERLOCAL AGREEMENT BETWEEN THE CITY OF KIRKLAND, KING COUNTY FIRE PROTECTION DISTRICT #41 AND KING COUNTY REGARDING THE ANNEXATION OF THE WILD GLEN AREA; AND FIXING THE EFFECTIVE DATE OF THE ANNEXATION.

WHEREAS, in 2009 the City of Kirkland ("City") annexed the Juanita/Finn Hill/Kingsgate territory ("JFK Annexation") and provided an effective date for that annexation, which is currently set for June 1, 2011; and

WHEREAS, the Wild Glen condominium complex area ("Wild Glen") would be the only territory remaining to be serviced by King County Fire Protection District #41 ("District") after the City's annexation of the rest of the District's territory and the City, District and King County ("County") therefore believe Wild Glen should be annexed to the City; and

WHEREAS, RCW 35A.14.480 authorizes the City, District and County to enter into an interlocal agreement to effect annexation of unincorporated areas within a fire district to a city on the terms therein contained; and

WHEREAS, to initiate the process of negotiating such an interlocal agreement, the City gave notice to the District and the County of its interest in doing so, which occurred on October 26, 2010; and

WHEREAS, the County and District each agreed negotiations for the annexation of Wild Glen by interlocal agreement should begin by letters dated November 12, 2010, and December 2, 2010, respectively; and

WHEREAS, the City, District and County concluded those negotiations and presented the Interlocal Agreement between the City of Kirkland, King County Fire Protection District #41 and King County Regarding the Annexation of the Wild Glen Area ("Agreement") to their governing bodies for approval; and

WHEREAS, those governing bodies approved the Agreement and authorized the signing thereof by their respective representatives,

NOW, THEREFORE, be it resolved by the City Council of the City of Kirkland as follows:

Section 1. Annexation of Property. All property within Wild Glen, the boundaries of which are described below, is annexed to and made a part of the City.

That portion of Section 19, Township 26 North, Range 5 East W.M. in King County, Washington described as follows:

Beginning at the northwest corner of the Northeast Quarter of the Northeast Quarter of said Section 19; Thence east along the north line of said Section 19 and the south limits of the City of Bothell as established by City of Bothell Ordinance Number 225 to the west margin of 100th Avenue NE; Thence south along the west margin of 100th Avenue NE to the northerly margin of Simonds Road Northeast; Thence northwesterly along the northerly margin of Simonds Road Northeast to the west line of said Northeast Quarter of the Northeast Quarter of Section 19 and the limits of the City of Bothell as established by City of Bothell Ordinance Number 960; Thence north along said west line to the Point of Beginning.

Section 2. Taxation. All property within Wild Glen annexed by this Ordinance shall be assessed and taxed at the same regular property tax rate and on the same basis as other property within the City. Voter-approved indebtedness of the City outstanding as of the effective date of the annexation shall not be assumed by the property within Wild Glen by this Ordinance, nor shall excess property taxes for payment of any such indebtedness be levied against property within that annexed area. However, consistent with Ordinance 4229, a portion of the District levy associated with outstanding debt of the District will remain in place until that debt is retired.

Section 3. Zoning. The property within Wild Glen shall be subject to the zoning regulations and zoning map established in Ordinance 4196.

Section 4. Transition. To the extent applicable, the transition to services being provided to Wild Glen by the City instead of the County will be done in accordance with the Interlocal Agreement between the City of Kirkland and King County relating to the Annexation of the Juanita-Finn Hill-Kingsgate Annexation Area now being negotiated by the City and County.

Section 5. Effective date of annexation. The effective date of this Wild Glen annexation shall be on the same day as the effective date of the JFK annexation but immediately thereafter, which is currently set for June 1, 2011.

Section 6. The City Clerk shall file a certified copy of this Ordinance and other documentation as required by law with the King County Council, Treasurer and Assessor; the state Office of Financial Management and Department of Revenue, and as otherwise required by law.

Section 7. Severability. If any section, subsection, sentence, clause, phrase, part or portion of this ordinance, including those parts adopted by reference, is for any reason held to be invalid or unconstitutional by any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance.

Section 8. Effective date of ordinance. This ordinance shall be in force and effect five days from and after its passage by the Kirkland City Council and publication.

Passed by majority vote of the Kirkland City Council in open meeting this ____ day of _____, 2011.

Signed in authentication thereof this ____ day of _____, 2011.

MAYOR

Attest:

City Clerk

Approved as to Form:

City Attorney



CITY OF KIRKLAND
Department of Planning and Community Development
123 Fifth Avenue, Kirkland, WA 98033 425-587-3225
www.ci.kirkland.wa.us

MEMORANDUM

To: Kurt Triplett, City Manager

From: Dawn Nelson, Planning Supervisor

Date: March 9, 2011

Subject: ARCH 2011 WORK PROGRAM AND ADMINISTRATIVE BUDGET, FILE MIS11-00001

RECOMMENDATION

Staff recommends that the City Council approve the 2011 ARCH Work Program and Administrative Budget.

BACKGROUND DISCUSSION

The ARCH Executive Board has reviewed and approved the 2011 Work Program and Administrative Budget (see Attachments 1 and 2). Pursuant to the ARCH Interlocal Agreement, these are being forwarded to the member Councils for their review and approval.

This year, ARCH staff will assist the City of Kirkland with follow up work related to the priorities established by the City Council in 2008. This will include preserving existing affordable housing and continuing to explore the feasibility of mixed use transit oriented development at the South Kirkland Park & Ride. They will also provide assistance with the housing portion of the Lakeview and Central Houghton neighborhood plan updates, as well as with the next round of neighborhood plan updates. Finally, they will prepare an updated Housing Needs Assessment in preparation of our next major Comprehensive Plan Amendment. A complete list of activities to be undertaken by ARCH in 2011 is contained in Attachment 1.

The proposed 2011 Administrative Budget for ARCH, which totals \$499,876, is itemized in Attachment 2. A comparison with the 2010 Budget is provided and shows that the cost to each city remains the same as last year. The expenditure of \$59,768 for Kirkland's share was approved as part of the City's budget for 2011.

Cc: Arthur Sullivan, ARCH, 16225 NE 87th Street, Suite A-3, Redmond, Washington 98052

Final 12/9/10

ARCH WORK PROGRAM: 2011

I. PROJECT ASSISTANCE

A. Oversight of Local Monetary Assistance

ARCH Trust Fund. Review applications and make recommendations for requests of local monetary funds through the ARCH Housing Trust Fund process. Includes helping to coordinate the application process and use of funds for various programs.

Objective: Allocation of \$1,000,000 or more through the ARCH Housing Trust Fund Process, and create or preserve a minimum of 50 units.

For the 'Parity Program', provide updated annual information to members, and achieve the base line goal for levels of direct assistance.

Provide a variety of types of affordable housing and that meet other funding priorities as specified in the ARCH Trust Fund Criteria.

Evaluation of ARCH Trust Fund: Dedicated Funding Source. As follow up to the ARCH Workshops in 2007, explore and evaluate the feasibility of a dedicated funding source.

Objective: Develop a sustainable strategy for the HTF to meet local housing goals.

Centralized Trust Fund System. Monitor centralized trust fund process including:

- Produce regular monitoring reports for the ARCH Trust Fund account.
- Work with Administrating Agency (Bellevue) to prepare contracts and distribute funds for awarded projects.
- Monitor funded projects including evaluating performance and tracking loan payments.

King County / State Funding Programs. Review and provide input to other funders for Eastside projects that apply for County (HOF, RAHP, HOME, etc) and State (Tax Credit, DOC) funds. Includes providing input to the King County Home Consortium on behalf of participating Eastside jurisdictions. Assist N/E consortium members with evaluating and making a recommendation to the County regarding CDBG allocations to affordable housing. Advise city staff as needed regarding analysis of Redmond's and Kirkland's participation in the King County consortium governing the Community Development Block Grant.

Objective: In consultation with County, local staff and housing providers, seek to have funds allocated on a countywide basis by the County and State allocated proportionately throughout the County including the ARCH Sphere of Influence.

B. Special Initiatives This includes a range of activities where ARCH staff assist local staff with specific projects. Activities can range from feasibility analysis, assisting with requests for proposals, to preparation of legal documents (e.g. contracts, covenants). Following are either existing initiatives or examples of initiatives likely to emerge:

Eastside Homebuyer Assistance Program. In late 2005 the House Key Plus ARCH down payment assistance program was launched with funding from many East King County cities, King County and the Washington Housing Commission. In 2006 a second round of funding was received from the same initial funders. In 2011, the goal is to finalize contracting of a third round of funding awards received in 2010 and to implement updates to the program resulting from a review of the program.

Objective: Maintain operation of the Homebuyer Assistance Program and implement updates.

Surplus Property/Underdeveloped Property. Assist as needed member cities' evaluation of potentially surplus public property or underutilized private property (e.g. church properties) for suitability of affordable housing. For example, Kirkland and King County (Metro) are currently evaluating using the South Kirkland Park n Ride site for a mix of market rate and affordable housing. One potential use of surplus property is for the HomeChoice Way ownership initiative. This task is consistent with one of the priority strategies identified at the ARCH Workshops in 2007.

Objective: Identify one or more specific sites in East King County to be made available for housing.

HUD Assisted Housing. Continue to monitor and actively pursue efforts to preserve existing HUD assisted affordable housing.

Objective: Preserve existing federally assisted affordable housing in East King County and prevent from converting to market rate housing.

II. HOUSING POLICY PLANNING

Work items in this section group into the following basic areas of activity:

- Work with individual members on local planning efforts.
- Efforts coordinated through ARCH that benefit multiple members of ARCH.
- Track legislation that increases tools available to cities to create affordable housing.
- Participation in regional workgroups that impact local housing efforts.

A. Local Planning Activities

ARCH Housing Strategy Program. ARCH members have identified a number of Priority Housing Strategies as well as an ongoing education program for members, several of which can impact local planning efforts, including:

- Ongoing education of staffs and officials through Housing 101 Workshops for staffs and new local officials; updating information in the Housing 101 Workbook, annual study sessions with member councils to review current issues and activities and materials profiling current programs and housing trends.
- Assist cities that incorporate priority strategies into their local work program (e.g. property tax exemption program in mixed use zones, regulatory incentive programs, regulations to increase housing diversity (mixed use, innovative housing, housing emphasis zones). (Note: See Local Housing Efforts below for specific activities by members.)

Housing Background Information. Historically, ARCH has provided a range of housing and demographic information for its members. On an annual basis, ARCH will continue to provide updated housing data information as available. This updated housing information will be incorporated into the education fliers and Housing 101 report used as part of the ongoing Housing Education Program. In 2011, this will include doing a tour for local officials of local affordable housing.

Housing Needs Assessment In 2011 and 2012 members will need Housing Needs Assessments as part of their updates to their Comprehensive Plans. Working with ARCH members, ARCH will develop a needs assessment on behalf of all members of ARCH that will be completed toward the beginning of the updates to local Comprehensive Plans. Work on this began in 2010 and will continue into 2011. **Work on this is not listed separately for each city, but is assumed will be for all members.**

Objective: Assist with preparation of Housing Needs Assessment for all members, and to do so through a coordinated effort in behalf of all members.

On a regular basis, conduct education sessions for new local officials and staffs on local housing conditions and programs (Housing 101 East King County, East King County Plan to End Homelessness), and hold annual discussion with member councils on recent housing trends and efforts.

Continue to keep member jurisdictions and the broader community aware of local housing conditions to assist in their efforts to evaluate current and future efforts to meet local housing objectives.

Include research on recent housing trends, and responses to these trends, in order to inform members of potential issues and local responses (e.g. foreclosure activity).

Local Housing Efforts: ARCH jurisdictions are updating land use, zoning and other codes in order to implement policies identified in their Comprehensive Plans. ARCH staff will continue to assist local staffs in these efforts. Following are specifically identified areas that ARCH will assist local staff with accomplishing. For the coming year, ARCH staff

expects to spend considerable time assisting members in two broad areas:

- Over the next two years, updating local Housing Elements, with initial efforts focused on developing needs assessments for members.
- Developing administrative procedures and initial implementation of new land use incentive programs adopted by cities.

Objective: Assist local staff with completion of the following updates of local codes and specific plans:

Bellevue

Assist City staff as needed with Bellevue's planning initiatives included in the Two-Phase Housing Work Program identified by the Council. (e.g. updates to ADU regulations, update city-wide housing incentives, more innovative forms of housing, MF tax exemption.)

Assist City staff with developing and implementing administrative procedures for the Bel-Red land use incentive program.

Assist with Council evaluation of a MF Tax exemption program in Bel-Red and potentially other areas of the City. In the event Council provides direction to develop a program, assist City Staff to develop code language for a program.

Assist in identifying opportunities for affordable housing and implementation of affordable housing strategies in identified ST2 corridors where transit oriented housing and mixed income housing development is an important component of the initial planning work.

Assist City staff to evaluate long term options for the Landmark property or other properties identified by the City.

Bothell

Assist City staff with implementation of any housing strategies identified by City Council as part of the 2011 Docket process.

Work with City staff to explore opportunities for housing and affordable housing on city owned properties in the downtown revitalization area.

Clyde Hill

Assist City staff with a general review of housing regulations.

Assist City with rental of City's affordable rental unit.

Issaquah

Central Issaquah Plan: Continue work with City staff to refine housing parts

of the Central Issaquah Plan as well as the related development standards and incentives. Participate in related presentations to the Planning Policy Commission and/or City Council at key milestones for assistance on affordable housing.

Issaquah Highlands: Monitor the implementation of the Issaquah Highlands affordable housing development agreement. This includes monitoring individual projects by private developers, and completion of the YWCA Family Village and Habitat Housing.

Kenmore

TOD Regulations: Assist City staff with developing administrative procedures for the affordable housing provisions within the TOD incentive zoning.

Downtown Plan: Assist, as needed, City staff to implement the requirement to provide affordable units in the downtown area.

Kirkland

Continue to assist staff with exploring the feasibility of mixed-use transit oriented development on a portion of the South Kirkland Park & Ride property, including community outreach, development of RFP and evaluation of responses, and developing documentation to secure affordability requirements.

Assist City staff with Council Housing Committee and resulting initiatives.

Assist City staff with the Housing portion of Neighborhood Plan updates (currently Houghton and Lakeview, potentially followed by Bridle Trails and South Rose Hill).

Assist City staff with an examination of existing non-conforming multifamily densities and how that might relate to the preservation of existing affordable housing.

Mercer Island

Assist City staff with completion of council review of tax exemption program for Town Center, and based on council action, set up administrative procedures and documents.

Assist City Staff and Planning Commission with updating the Housing Strategy Plan, and with initial implementation of high priority strategies.

Newcastle

Assist City staff with Council's review of affordable housing provisions for

Community Business Center and other areas of the city. Assist with updating administrative procedures based on any final revisions by Council. Assist with agreements for any project that would include an affordable housing requirement, including those related to the Community Business Center.

Assist Planning Commission and Council with a review and potential update of current ADU regulations.

Redmond

Assist with further update of housing regulations as needed as follow up to the rewrite of the City's zoning code.

Continue to assist with negotiating and administering the provision of affordable housing in developments required to provide affordable housing units pursuant to city regulations.

Assist with the promotion of affordable housing programs available to Redmond residents and developers, e.g., Accessory Dwelling Units (ADUs).

Assist City staff and Council with evaluating and, if appropriate, implementing a tax incentive program for affordable housing, as allowed under RCW 84.14.

Provide assistance as needed in updating neighborhood plans (e.g. Southeast Redmond) with respect to housing, including periodic attendance at Citizen Academy and CAC meetings to help identify housing issues within the neighborhood and develop policy and regulatory responses.

Assist with the development of administrative guidelines for existing incentive programs to create affordable housing.

Sammamish

Assist City staff with developing administrative procedures for affordable housing incentives related to the Town Center regulations.

Assist with initial implementation of high priority strategies identified in the Housing Strategy Plan, including efforts to encourage Accessory Dwelling Units (ADUs), and processes and standards for homeless encampments.

Evaluate Strategy Plan to assess if work should commence on any median priority strategies (e.g. Senior Housing opportunities).

Woodinville

Review and strengthening of affordable housing and accessory dwelling unit programs and regulations.

Assist City staff and Planning Commission with evaluating and developing incentives for affordable housing as provided for in the Downtown/Little Bear Creek Master Plan area.

Yarrow Point

Assist Planning Commission and Council with a review and potential update of current ADU regulations, and assist with effort to increase public awareness of local provisions.

King County See Regional/Planning Activities below.

Complete standard covenants, and monitor the implementation of the Northridge/Blakely Ridge and Redmond Ridge Phase II affordable housing development agreements. This includes monitoring annual progress toward achieving affordability goals; and providing information to developers on details about how the program is implemented.

General Assistance. In the past, there have been numerous situations where members have had requests for support on issues not explicitly listed in the Work Program. Requests range from technical clarifications, to assisting with negotiating agreements for specific development proposals, to more substantial assistance on unforeseen planning initiatives. ARCH sees this as a valuable service to its members and will continue to accommodate such requests to the extent they do not jeopardize active work program items.

B. Regional/Countywide Planning Activities

PSRC – HUD Sustainability Planning Grant. PSRC in a partnership of public and private agencies from the Central Puget Sound region received a \$5 million HUD Sustainable Communities Planning Grant. Coordinated through PSRC, this grant will support sustainable community planning around new transit systems that serve job and housing growth. ARCH staff will assist with several housing components of the planning effort, including developing the East King County corridor planning implementation strategies, with ARCH focusing on housing components of these strategies; and participating in the regional affordable housing work group that will be researching and where feasible implementing new tools to support local efforts for affordable housing(e.g. property acquisition fund).

Affordable Housing Tracking System. The Growth Management Act/Countywide Affordable Housing Policies call for jurisdictions to track the development/preservation of housing affordable to low and moderate income families. This work is being coordinated through the Benchmarks Task Force. ARCH staff will continue to assist cities and the County with collecting data needed for Benchmarks.

Objective: Collection and analysis of data as specified in Benchmark Task Force report.

Information collected for this will be also be incorporated into the annual updates prepared as part of the ongoing ARCH Housing Education program (see local planning activities).

Legislative Items. ARCH staff will track state and federal legislative items that relate to affordable housing and could impact members' ability to address affordable housing. As needed, staff will report back to the Executive Board and members, and when directed coordinate with other organizations (e.g. AWC, Prosperity Partnership, WLIHA) to contact legislators regarding proposed legislation. Potential pending legislation consistent with the Housing Priorities Strategies include:

- State Housing Trust Fund. This fund source has been a primary funding source for almost all affordable housing created in the last 15 years in East King County.
- Surplus public property. Expand ability of more public agencies to make surplus land available for affordable housing and at a discounted price.
- Waiver of Impact Fees. Provide discretion to cities to waive impact fees without replacing with other public funds.
- The federal government authorizing funds for a new National Housing Trust Fund.

County-Wide Housing Committees. Support local staff by providing staff support as needed to 'regional'/statewide working groups/committees, and disseminating key information back to local staffs. Groups include the Growth Management Planning Council (GMPC) which in 2010 includes updating the countywide planning policies, the McKinney review team, and DOC Housing Trust Fund Policy Advisory Team.

Committee to End Homelessness (CEH)/ Eastside Homeless Advisory Committee (EHAC). Anticipated work of the CEH in the coming year include: continued coordinated allocation of resources; and initiating several specific proposals (e.g. addressing homelessness for veterans and families). Role for ARCH staff is expected to include participating in the CEH Funders group and its efforts to coordinate funding, and inform ARCH members and the general public of CEH/EHAC activities. Also continue to participate in efforts to implement homeless efforts within East King County through EHAC.

Objective: Keep member jurisdictions informed of significant regional issues and pending legislation that could affect providing housing in East King County.

Ensure that perspectives of communities in East King County are addressed in regional housing activities, including the Committee to End Homelessness.

Have one or more specific local programs initiated as part of the 10 Year Plan to End Homelessness.

III. HOUSING PROGRAM IMPLEMENTATION

Monitoring Affordable Rental Housing. Administer ongoing compliance of affordability

requirements. This includes affordable rental housing created through direct assistance (e.g. Trust Fund allocation, land donations) from member jurisdictions, and through land use incentives. Some Trust Fund projects also require monitoring of project cash flow related to loans made by jurisdictions to projects (see I Project Assistance).

Objective: Ensure projects are in compliance with affordability requirements which involves collecting annual reports from projects, screening information for compliance, and preparing summary reports for local staffs. To the extent possible this work shall:

- Minimize efforts by both owners and public jurisdictions.
- Coordinate ARCH's monitoring efforts with efforts by other funding sources such as using shared monitoring reports.
- Utilize similar documents and methods for monitoring developments throughout East King County.
- Ensure accurate records for affordable ownership units, including audit units for owner occupancy and proper recording of necessary documentation.
- Establish working relationship with other public organizations that can help assess how well properties are maintained and operated (e.g. code compliance, police, and schools).

Monitoring Affordable Ownership Housing. As more price restricted homes are created, monitoring of affordable ownership housing created through local land use regulations is becoming of increased importance. In addition, will continue to monitor general trends with ownership units, enforcement of covenant provisions (e.g. leasing homes, foreclosure), and as necessary evaluate and if warranted, complete revisions to the ownership covenants in order to better insure long term affordability of ownership units. Also continue to maintain a list of households potentially interested in affordable ownership housing.

Objective: Oversee resale of affordable ownership homes. Address issues related to ongoing compliance with program requirements (e.g. leasing homes, foreclosures).

Complete revisions to the affordability covenant and administrative procedures to better protect against potential loss of long term affordability.

Information for public on Affordable Housing. Maintain lists of affordable housing in East King County (rental and ownership), and making that available as needed to people looking for affordable housing.

Objective: Maximize awareness of affordable housing opportunities in East King County through the ARCH web site and other means to assist persons looking for affordable housing.

Relocation Plans. Assist as necessary with preparing relocation plans and coordinate

monitoring procedures for developments required to prepare relocation plans pursuant to local or state funding requirements.

Objective: Maximize efforts to ensure that existing households are not unreasonably displaced as a result of the financing or development of new or existing housing.

IV. SUPPORT/EDUCATION/ADMINISTRATIVE ACTIVITIES

Education/Outreach. Education efforts should tie into efforts related to public outreach/input on regional housing issues (see local planning activities). However, much of ARCH's outreach/education work will occur through work with individual members on local housing efforts. In addition to the Housing 101 workbook and related brochures, other outreach methods may include housing tours, a portfolio of successful projects, and short videos to be broadcast on local cable channels on local efforts.

Objective: Consistent with the Education program discussed at the ARCH Workshops, using input from the broader community, develop education tools to inform councils, staffs and the broader community of current housing conditions, and of successful efforts achieved in recent years.

Be a resource for members to assist with outreach and education activities on affordable housing associated with local planning efforts.

Create outreach tools/efforts that inform the broader community of affordable housing resources available to residents.

ARCH Web site. Complete update to ARCH website. Involves organizing content to be better oriented toward different users of the website (e.g. persons looking for affordable housing, private and community based developers, and information for existing residents (e.g. how to create an Accessory Dwelling Unit)). Information to be added to the website include: housing options for seniors and local regulatory incentives for affordable housing.

Objective: Maintain the ARCH web site and update the community outreach portion by incorporating information from Housing 101 East King County, as well as updated annual information, and links to other sites with relevant housing information (e.g. CEH, HDC).

Make presentations, including housing tours, to at least 10 community organizations.

Media coverage on at least six topics related to affordable housing in East King County related to work done by Cities/ARCH and articles in local city newsletters.

Advice to Interested Groups. Provide short-term technical assistance to community groups, faith communities and developers interested in community housing efforts. Meet with groups and provide suggestions on ways they could become more involved.

Objective: Increase awareness of existing funding programs by potential users.

Increase opportunities of private developers and Realtors working in partnership with local communities on innovative/affordable housing.

Assist community based groups who want to provide housing information to the broader community by assisting with preparing background information.

Administrative Procedures. Maintain administrative procedures that efficiently provide services to both members of ARCH and community organizations utilizing programs administered through ARCH. Prepare quarterly budget performance and work program progress reports, including Trust Fund monitoring reports. Prepare the Annual Budget and Work Program. Staff the Executive and Citizen Advisory Boards.

Objective: Maintain a cost effective administrative budget for ARCH, and keep expenses within budget. Administrative costs should be equitably allocated among ARCH's members.

Maintain membership on the ARCH Citizen Advisory Board that includes broad geographic representation and wide range of housing and community perspectives.

2011 ARCH Administrative Budget

Dec-2010

I. ANNUAL OPERATING EXPENSES

Item	2010 Budget	2011 Budget	Change Budget	Percent Change
Staffing				
Sub-total	\$ 455,586	\$ 452,871	\$ (2,715)	-1%
Rent	\$ 12,750	\$ 13,364	\$ 614	5%
Utilities	Incl^	Incl^	Incl^	Incl^
Telephone	\$ 2,704	\$ 2,704	\$ -	0%
Operating				
Travel/Training	\$ 2,000	\$ 2,000	\$ -	0%
Auto Mileage	\$ 3,650	\$ 3,650	\$ -	0%
Copier Costs	\$ 2,750	\$ 2,750	\$ -	0%
Office Supplies	\$ 2,068	\$ 2,068	\$ -	0%
Office Equipment Service	\$ 3,750	\$ 3,750	\$ -	0%
Fax/Postage	\$ 2,060	\$ 2,060	\$ -	0%
Periodical/Membership	\$ 3,588	\$ 3,588	\$ -	0%
Misc. (e.g. events,etc.)	\$ 1,680	\$ 1,680	\$ -	0%
Insurance	\$ 8,650	\$ 8,741	\$ 91	1%
Reorganization Admin	\$ 650	\$ 650	\$ -	
Sub-total	\$ 30,846	\$ 30,937	\$ 91	0%
TOTAL	\$ 501,886	\$ 499,876	\$ (2,010)	-0.40%

II. ARCH ADMINISTRATIVE BUDGET: RESOURCE DISTRIBUTION

A. Cash Contributions	2010	2011	Change	Percent Change
Bellevue	\$ -	\$ -	\$ -	-
Bothell	\$ 39,191	\$ 39,191	\$ -	0.00%
Issaquah	\$ 14,698	\$ 14,698	\$ -	0.00%
King County	\$ 43,466	\$ 43,466	\$ -	0.00%
Kirkland	\$ 59,768	\$ 59,768	\$ -	0.00%
Mercer Island	\$ 29,882	\$ 29,882	\$ -	0.00%
Newcastle	\$ 9,960	\$ 9,960	\$ -	0.00%
Redmond	\$ 59,768	\$ 59,768	\$ -	0.00%
Woodinville	\$ 11,898	\$ 11,898	\$ -	0.00%
Beaux Arts Village	\$ 1,569	\$ 1,569	\$ -	0.00%
Clyde Hill	\$ 2,660	\$ 2,660	\$ -	0.00%
Hunts Point	\$ 1,569	\$ 1,569	\$ -	0.00%
Medina	\$ 2,660	\$ 2,660	\$ -	0.00%
Yarrow Point	\$ 1,569	\$ 1,569	\$ -	0.00%
Sammamish	\$ 46,188	\$ 46,188	\$ -	0.00%
Kenmore	\$ 25,195	\$ 25,195	\$ -	0.00%
Other*	\$ 11,400	\$ 9,500	\$ (1,900.00)	
TOTAL	\$ 361,442	\$ 359,542	\$ (1,900.00)	
B. In-Kind Contributions	2010	2011	Change	Percent Change
Bellevue	\$ 140,446	\$ 140,446	\$ (0)	0.00%
TOTAL	\$ 140,446	\$ 140,446	\$ (0)	
C. Total Contributions				
Bellevue	\$ 140,446	\$ 140,446	\$ (0)	0.00%
Bothell	\$ 39,191	\$ 39,191	\$ -	0.00%
Issaquah	\$ 14,698	\$ 14,698	\$ -	0.00%
King County	\$ 43,466	\$ 43,466	\$ -	0.00%
Kirkland	\$ 59,768	\$ 59,768	\$ -	0.00%
Mercer Island	\$ 29,882	\$ 29,882	\$ -	0.00%
Newcastle	\$ 9,960	\$ 9,960	\$ -	0.00%
Redmond	\$ 59,768	\$ 59,768	\$ -	0.00%
Woodinville	\$ 11,898	\$ 11,898	\$ -	0.00%
Beaux Arts Village	\$ 1,569	\$ 1,569	\$ -	0.00%
Clyde Hill	\$ 2,660	\$ 2,660	\$ -	0.00%
Hunts Point	\$ 1,569	\$ 1,569	\$ -	0.00%
Medina	\$ 2,660	\$ 2,660	\$ -	0.00%
Yarrow Point	\$ 1,569	\$ 1,569	\$ -	0.00%
Sammamish	\$ 46,188	\$ 46,188	\$ -	0.00%
Kenmore	\$ 25,195	\$ 25,195	\$ -	0.00%
Other*	\$ 11,400	\$ 9,500	\$ (1,900.00)	-16.67%
TOTAL	\$ 501,888	\$ 499,988	\$ (1,900.20)	-0.38%
TOTAL COSTS	\$ 501,886	\$ 499,876	\$ (2,010.23)	-0.40%
BALANCE	\$ 2	\$ 112		

* Administrative fee collected from Redmond Ridge East (\$250 / initial sale).



CITY OF KIRKLAND

Department of Public Works

123 Fifth Avenue, Kirkland, WA 98033 425.587.3800

www.ci.kirkland.wa.us

MEMORANDUM

To: Kurt Triplett, City Manager

From: Dave Snider, P.E., Interim Capital Projects Manager
Ray Steiger, P.E., Interim Public Works Director

Date: March 3, 2011

Subject: I-405/NE 116th Street Interchange – Water System Improvements

RECOMMENDATION:

It is recommended that Council approve an increase in the amount of water/sewer reserve funding to pay for upgrades to the City's water system as part of a Washington State Department of Transportation Interchange Project.

BACKGROUND AND DISCUSSION:

At their meeting of November 16, 2010, Council authorized the City Manager to sign a Utility Construction Agreement (the Agreement) with the Washington State Department of Transportation (WSDOT) -- the Agreement is for "up-sizing" an existing City water main (installing a larger pipe) within the WSDOT project for their new interchange at I-405 and NE 116th Street (Attachment A). At that same meeting, Council authorized the use of City water/sewer reserve funds in the amount of \$68,000 to pay for the water system upgrades. These water system upgrades are identified in the City's comprehensive plan, but would not have been scheduled until much later. However construction concurrent with the interchange is in the water consumer and traveling public's interest as it allows us to combine the projects, install the pipe before a 75-100 year bridge is completed, and only impact the interchange once.

The original water system improvement cost of \$68,000 was based on the WSDOT's preliminary design and estimate for replacing 120 lineal feet of 12-inch water main with new 16-inch ductile iron pipe. However, as the final design was developed, 160 lineal feet of improvements were required due to changing grades and the need to tie into the existing system in slightly different locations. As a result of the increased quantity, and based on the overall bid accepted by the WSDOT for the larger Interchange improvement project, the final cost for the water system improvements is \$100,000. A breakdown of the project costs for the water system improvements is shown below and in Attachment B.

<i>Item</i>	<i>November 2010</i>	<i>March 2011</i>	<i>Difference</i>
Construction Costs	\$48,500	\$78,500	\$30,000
10% Contingency	\$4,850	\$7,850	\$3,000
WSDOT Construction Admin	\$14,650	\$13,650	(\$1,000)
TOTAL	\$68,000	\$100,000	\$32,000

Increased costs to the City are the result of the increase in pipe quantity and a slightly higher than estimated unit price for the 16-inch pipe. An analysis of historical costs for water main construction (Attachment C) indicates that the unit price received by the WSDOT (\$520 per foot for 16-inch pipe) is higher than Kirkland's trend line.

However, Kirkland's trend line comparisons are for pipe constructed along a typical roadway. This watermain is partially suspended from the BNSF RR bridge and requires work slightly different than its "benchmark" such as hanging brackets, anchoring, and so forth. The unit

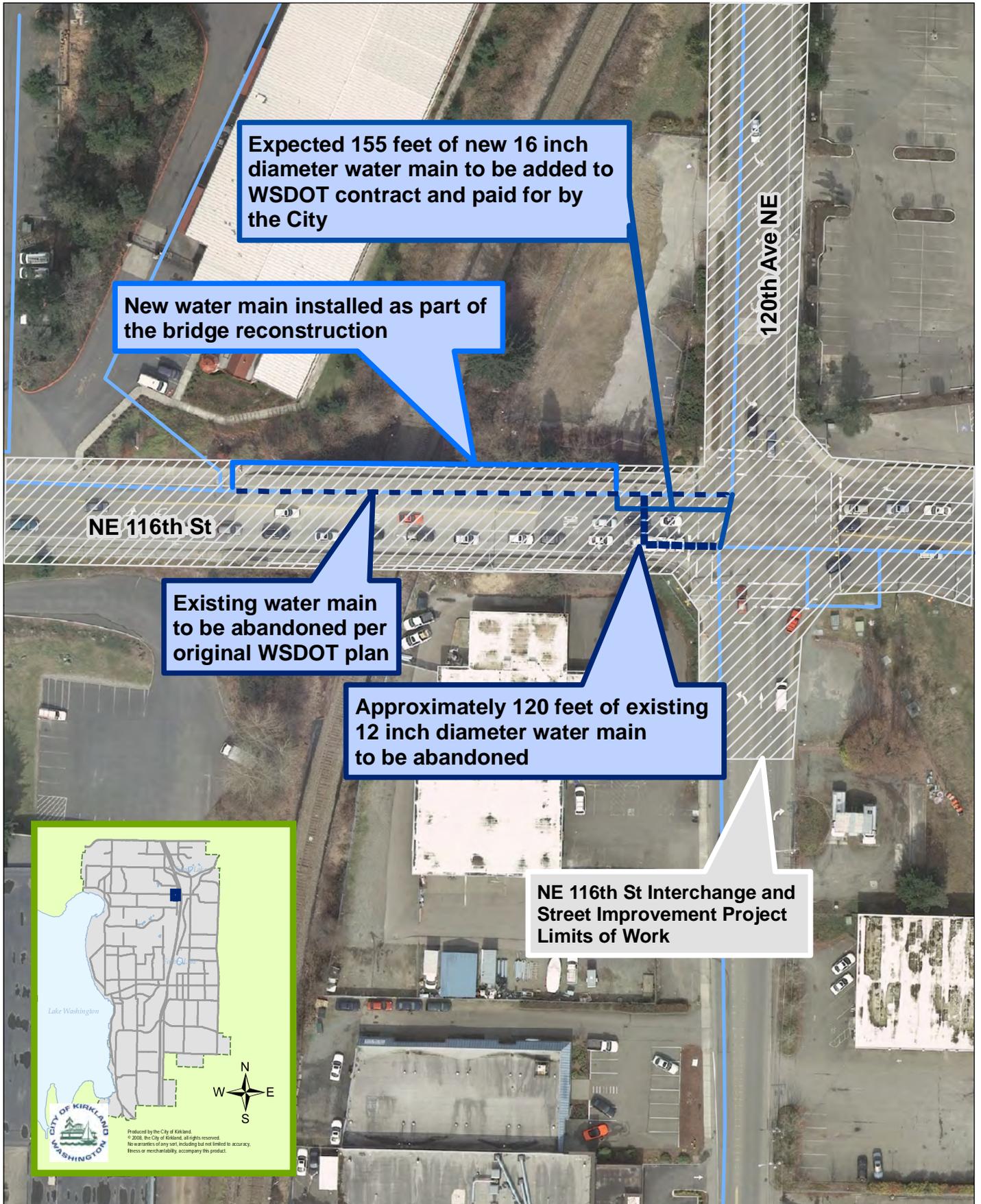
price is not just for the purchase of the pipe, it also includes staging, installation, and testing. With the proximity to this heavily used intersection, traffic control will be higher and having the WSDOT do the work concurrent with the road improvements allows them to manage traffic more effectively than Kirkland.

Therefore, due to the relatively small quantity of pipe, and the required coordination with other elements of the Interchange improvement, the unit prices are within expected values for large-diameter pipe installation work.

The Interchange improvements are expected to begin this spring and be complete within 2-years. As per the terms of the Agreement, Kirkland remains responsible for any unforeseen costs related to the water main construction and staff will keep Council informed of unforeseen costs, if any.

Attachments: (3)

NE 116th Street Interchange and Street Improvement Project Utility Construction Agreement Vicinity Map

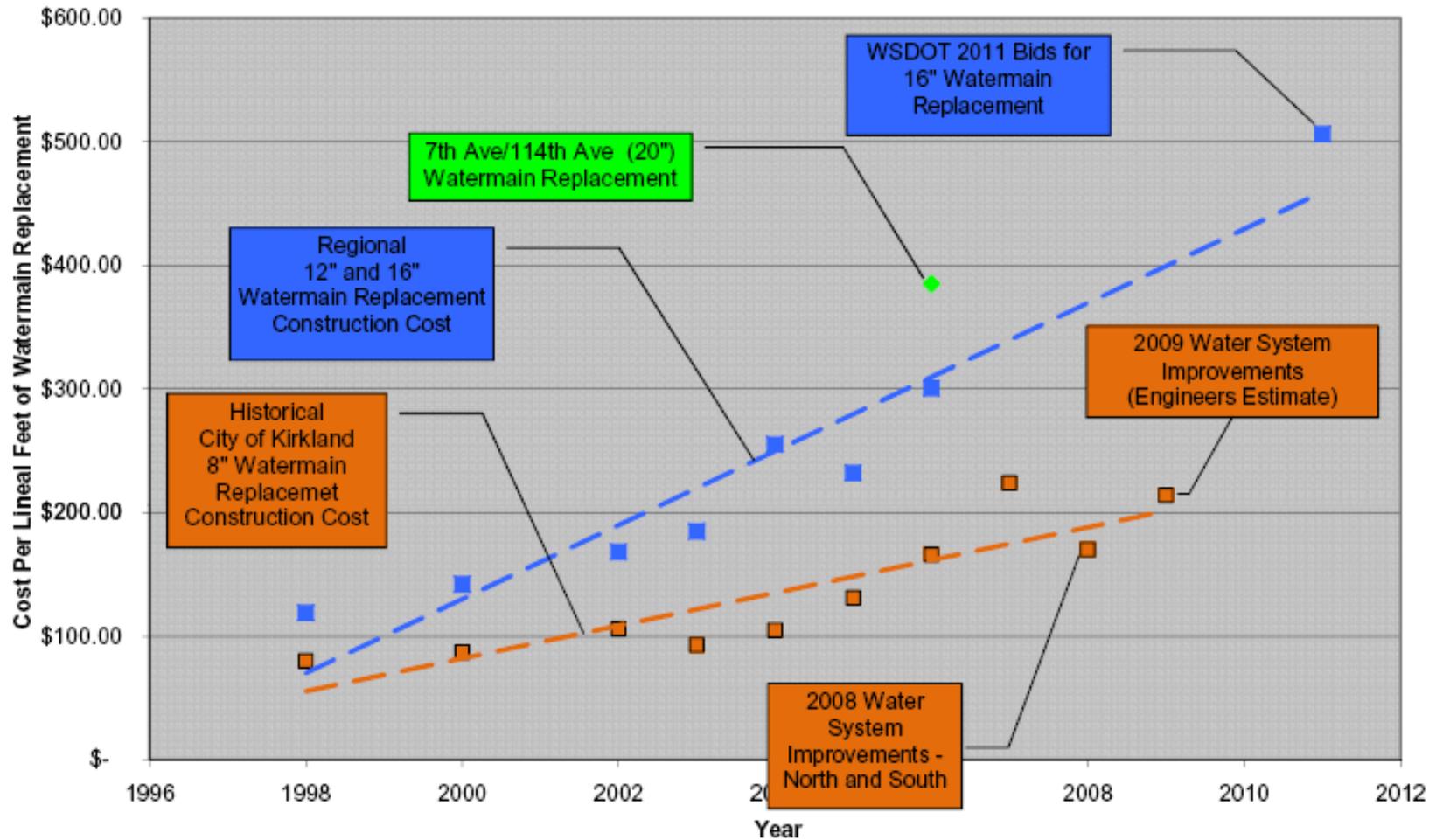


FISCAL NOTE

CITY OF KIRKLAND

Source of Request							
Ray Steiger, Interim Public Work Director							
Description of Request							
Request for additional funding of \$32,000 from the Water/Sewer Capital Reserve to cover expected costs from a utility construction agreement with the Washington State Department of Transportation (WSDOT) to upgrade the City's water system as part of the the WSDOT NE 116th Street Interchange and Street Improvement project. The Council previously approved use of this reserve in the amount of \$68,000 for this project in 2010. As a result, the revised total estimated project cost is \$100,000.							
Legality/City Policy Basis							
Fiscal Impact							
One-time use of \$32,000 of the Water/Sewer Capital Reserve. The reserve is able to fully fund this request.							
Recommended Funding Source(s)							
Reserve	Description	2012 Est End Balance	Prior Auth. 2011-12 Uses	Prior Auth. 2011-12 Additions	Amount This Request	Revised 2012 End Balance	2012 Target
	Water/Sewer Capital Reserve	5,964,079	0	0	32,000	5,932,079	N/A
Revenue/Exp Savings							
Other Source							
Other Information							
The Utility Construction Reserve accounts for capital contributions from utility rates and connections charges and is used to fund capital projects. Capital replacement cycles require that reserves accumulate to pay for future replacement of infrastructure to supplement the use of debt. The liability against this reserve occurs in future years as capital replacement needs peak.							
Prepared By	Neil Kruse, Senior Financial Analyst				Date	March 3, 2011	

Watermain Replacement Construction Cost Comparison





CITY OF KIRKLAND
Department of Finance and Administration
123 Fifth Avenue, Kirkland, WA 98033 425.587.3100
www.ci.kirkland.wa.us

MEMORANDUM

To: Kurt Triplett, City Manager
From: Kathi Anderson, City Clerk
Date: March 3, 2011
Subject: Lodging Tax Advisory Committee Resignation

RECOMMENDATION:

That Council acknowledge the resignation from Lodging Tax Advisory Committee member Les Utley and authorize the attached correspondence thanking him for his service.

BACKGROUND DISCUSSION:

Mr. Utley's resignation notes that he is no longer able to participate on the Board due to time commitment issues. A recruitment to fill this vacancy has begun.

From: Les Utley
Sent: Mon 2/21/2011 12:03 PM
To: Penny Sweet
Cc: Ellen Miller-Wolfe; Julie Huffman
Subject: LTAC

Please accept this notice of my intent to withdrawn from my position on the Lodging Tax Advisory Committee. I have enjoyed participating on this committee since September of 2008 and I appreciate the privilege of doing so however, with business volumes and demands ever-growing and other outside interests evolving and changing; I would like to delegate the little time that I do have available to participate in outside interests in some new directions.

My plans are for my last meeting to be the meeting of March 3rd 2011.

Please know that, I will certainly be keeping a pulse of LTAC related matters from the outside and The Heathman Hotel will continue to be a champion in support of tourism related initiatives in Kirkland as various opportunities arise.

Sincerely,
Les Utley

Les Utley
General Manager



Kirkland, Washington

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lutley@heathmankirkland.com www.heathmankirkland.com

D R A F T

March 16, 2011

Mr. Les Utley
The Heathman Hotel
220 Kirkland Avenue
Kirkland, WA 98033

Dear Mr. Utley,

We have regretfully received your letter of resignation from the Lodging Tax Advisory Committee. The Committee members and staff will miss having you there.

The Committee achieved many goals during your tenure and much can be credited to your wise counsel. During your tenure the Committee helped many organizations produce events that have enhanced the Kirkland tourism offering. It also produced a branding study that now guides the look and feel of print and electronic collateral that the city tourism program provides to media nationwide. And, the Committee oversaw the rebuilding of exploreKirkland.com. Your input was central to these successes.

The City Council appreciates your contributions to the Committee, and we thank you for volunteering your time and talent to serve our community.

Best wishes in your current and future endeavors.

Sincerely
Kirkland City Council

by Joan McBride, Mayor



CITY OF KIRKLAND
Department of Finance & Administration
123 Fifth Avenue, Kirkland, WA 98033 425.587.3100
www.ci.kirkland.wa.us

MEMORANDUM

To: Kurt Triplett, City Manager
From: Barry Scott, Purchasing Agent
Date: March 3, 2011
Subject: REPORT ON PROCUREMENT ACTIVITIES FOR COUNCIL MEETING OF MARCH 15, 2011

This report is provided to apprise the Council of recent and upcoming procurement activities where the cost is estimated or known to be in excess of \$50,000. The "Process" column on the table indicates the process being used to determine the award of the contract.

The City's major procurement activities initiated since the last report, dated February 16, 2011, are as follows:

	Project	Process	Estimate/Price	Status
1.	License Plate Recognition System	Purchased using Federal General Services Administration (GSA) contract	\$82,364	Ordered from GSA contract awarded to Genetec* as allowed by KMC 3.85.190 and RCW 39.32.090.

* Based on our research, Genetec is the only manufacturer of a mobile license plate recognition system for use in parking enforcement. The pricing offered to us using the GSA contract is comparable to the pricing offered to Sacramento, Seattle and Boulder, with the difference in pricing due to desired system configurations. The Genetec system was purchased by the City of Sacramento in 2004 as a sole source purchase. The City of Seattle subsequently used the City of Sacramento's contract to purchase the same system. The City of Boulder, CO conducted a RFP process in September of 2010 and Genetec submitted the only responsive proposal.

Please contact me if you have any questions regarding this report.



CITY OF KIRKLAND
City Manager's Office
123 Fifth Avenue, Kirkland, WA 98033 425.587.3001
www.ci.kirkland.wa.us

MEMORANDUM

To: Kurt Triplett, City Manager
From: Lorrie McKay, Intergovernmental Relations Manager
Date: March 8, 2011
Subject: 2011 LEGISLATIVE UPDATE 4

RECOMMENDATION:

Council should receive a fourth update on the 2011 legislative session.

BACKGROUND DISCUSSION:

As of the March 15 Council meeting, the 2011 State Legislative session will be in its tenth week. There are fifteen weeks in the long session.

March 7 (5pm) was the last day to consider bills in house of origin. The next cutoff is March 25, which is the last day to read in committee reports from opposite house, except House Fiscal and Senate Ways & Means and Transportation committees.

COUNCIL LEGISLATIVE SUBCOMMITTEE:

The Council Legislative Subcommittee meets weekly on Friday's at 4pm (Mayor McBride, Council Member Asher, and Council Member Marchione).

All three members of the Legislative Subcommittee met on Friday, March 4 to review the status of the City's four remaining legislative priorities needing floor votes before the March 7 cutoff. The Legislative Subcommittee also reviewed House Bill 1812, as requested at the March 1 Council meeting.

HB 1812 – "Changing provisions relating to community municipal corporations"

The bill's sponsors are Rep. Kirby (29), Rep. Kagi (32) and Rep Moeller (49)

Bill summary:

1. The statutory authority providing for the initial organization of community municipal corporations (corporations) for cities and towns expires January 1, 2012.
2. Ballot measures ratifying the continued existence of corporations must be approved by a majority of the voters of the city in which the service area of the corporation is located.
3. Community council members for the corporations must be elected by a majority of the voters of the city in which the service area is located.

Bill status:

February 3 – Read into the House Committee on Local Government. February 16 – Heard in Committee and voted out. February 26 – Passed the House floor. (97 yeas; 0 nays; 0 absent; 1

excused). March 1 – Read into the Senate Committee on Government Operations, Tribal Relations and Elections (GOTRE). March 8 – Public hearing in the Senate GOTRE.

Additional Information:

In the election held November 9, 2009 the Houghton Community Corporation was continued in existence for an additional four years, pursuant to RCW 35.14.060. Therefore, it would next come up for election on November 5, 2013.

- If HB 1812 passed, and if the voters approved continuation of the Houghton Community Municipal Corporation on November 5, 2013, then it would continue in existence for an additional four years and be on the November 7, 2017 ballot.
- If HB 1812 passed, and if the voters rejected continuation of the Houghton Community Municipal Corporation on November 5, 2013, then it would cease to exist as of the first Monday in January following that election, which would be January 6, 2014.

Following the Legislative Subcommittee meeting on Friday, March 4, the above information was sent via email to Rick Whitney, Chair of the Houghton Community Council.

2011 LEGISLATIVE PRIORITIES AND SUPPORT OF ALLIES:

As of March 7, a majority (80%) of City’s legislative priority bills remain alive and in play.

A detailed matrix tracking the status of Kirkland’s legislative priorities as of March 7 is attached to this memorandum (Attachment A). Further, Waypoint Consulting Group’s detailed matrix tracking the status of selected legislative items of Kirkland’s ally organizations is also attached to this memorandum (Attachment B). Changes since the March 1 council meeting are highlighted in gray (dead) and yellow (alive). Matrixes updated March 11, for both Kirkland’s legislative priorities and items from our allies, will be emailed to Council in advance of the meeting on March 15.

2011 Legislative Priorities	Bill Number	Hearing Status
Financial assistance for the construction of the Public Safety Building	HB 1497 – Dunshee SB 5467 – Kilmer	- Project request submitted by Rep. Ryu. - Senate process initiated
Flexibility in the use of Real Estate Excise Tax	HB 1953 – Springer SB 5755 – Ranker	- 3/4 Passed House - 3/7 Did not make cutoff
Annexation census requirements	HB 1336 – Springer SB 5505 – Hill	- 2/26 Passed House - 2/25 Passed Senate - 3/4 Heard in Local Gov - 3/8 Scheduled exec
Roadway pricing tools (tolling) on I-405	HB 1382 – Clibborn SB 5490 – Prentice	- 3/5 Passed House - Senate bill dead. HB 1382 will go to Senate committee
New financing tools to support public/private partnerships	HB 1881 – Springer SB 5705 – Kilmer	- House bill dead. - Senate bill NTIB
Streamline SEPA process	HB 1952 – Upthegrove SB 5657 – Pridemore	- 3/5 Passed House - 3/7 Did not make cutoff
“Fiscal relief” bill to postpone various city reporting requirements.	HB 1478 – Springer SB 5360 – Swecker	- 3/4 Passed House - 3/7 Did not make cutoff
Eliminate cities’ obligation to pay impact fees exempting low-income housing	HB 1398 - Fitzgibbon SB 5524 - White	- 2/22 passed House - 3/9 Hearing scheduled in Senate FIHI - 3/7 Did not make cutoff

2011 Legislative Items to Support (Organizations)	Bill Number
<p>Association of Washington Cities – New tools to help cities recover, thrive and be efficient</p> <ul style="list-style-type: none"> - Pro-active public records proposals - Options for creating sustainable personnel related costs - Tools for combating gang activity - Street maintenance utility authority <p>Maintain essential state revenues and authorities for cities</p>	<p>HB 1033 – Eddy (dead) SB 5022 – Kilmer (Passed 3/4)</p> <p>HB 1034 – Takko (dead) SB 5025 – Hargrove (Passed 3/2)</p> <p>SB 5049 – Kline (dead)</p> <p>HB 1139 – Armstrong (dead) SB 5062 – Pridemore (dead)</p> <p>HB 1086 – Hunter (Passed 1/24) HB 1497 – Dunshee (NTIB) SB 5467 – Kilmer (NTIB)</p>
<p>Cascade Water Alliance –</p> <ul style="list-style-type: none"> - Joint Municipal Utility Services 	<p>HB 1332 – Eddy (Passed 2/22. GOTRE 3/8) SB 5198 – Pridemore (dead)</p>
<p>Environmental Priorities Coalition –</p> <ul style="list-style-type: none"> - 2011 Clean Water for Jobs 	<p>HB 1735 – Ormsby (dead) SB 5604 – Nelson (dead)</p>
<p>Washington Fire Chiefs Association –</p> <ul style="list-style-type: none"> - Simple majority for EMS levies 	<p>HB 1476 – Haigh (dead) SB 5381 – Prentice (dead)</p>
<p>Washington Association of Sheriffs and Police Chiefs –</p> <ul style="list-style-type: none"> - Burglar Alarm Program information protection 	<p>HB 1234 – Moscoso (Passed 2/25) SB 5244 – Fraser (Passed 2/28)</p>
<p>Washington Bicycle Alliance–</p> <ul style="list-style-type: none"> - Safe Routes to School 	<p>HB 1071 – Moeller (Passed 2/28. Hearing in Sen Trans 3/9)</p>
<p>Washington Recreation and Parks Association –</p> <ul style="list-style-type: none"> - REET - Washington Wildlife Recreation Program (WWRP) 	<p>HB 1953 – Springer (Passed 3/4)</p> <p>Governor’s Capital Budget for 11-13 created PSSWWR grants</p>
<p>Washington Low-Income Housing Alliance –</p> <ul style="list-style-type: none"> - Maintain the State’s investment in Housing Trust Fund 	<p>Governor’s Capital Budget for 11-13 proposes \$40M</p>
<p>Washington Chapter of the American Planning Association</p>	
<p>WRIA 8 –</p> <ul style="list-style-type: none"> - Funding support for Puget Sound Partnership agenda - Legislation that creates multipurpose Watershed Districts 	<p>HB 1332 – Eddy (Passed 2/22. GOTRE 3/8) SB 5198 – Pridemore (dead)</p> <p>HB 1735 – Ormsby (dead) SB 5604 – Nelson (dead)</p> <p>HB 1497 – Dunshee (NTIB) SB 5467 – Kilmer (NTIB)</p>
<p>Other Legislation to Support –</p> <ul style="list-style-type: none"> - Safe collection and disposal of unwanted drugs from 	<p>HB 1370 – Van de Wege (dead)</p>

residential sources	SB 5234 – Kline (dead)
---------------------	------------------------

HEARINGS AND CORRESPONDENCE:

<u>Bill</u>	<u>Cmte</u>	<u>Date</u>	<u>City Rep. / Action</u>	<u>SME</u>
ESB – 5505 (annexation census rqumt)	LG	3/4	CM Bob Sternoff	Kurt Triplett
EHB – 1398 (exemption / impact fees for LIH)	FIHI	3/9	CM Jessica Greenway	Dawn Nelson

Cmte (Committee) Legend

LG = Committee on Local Government

FIHI = Committee on Ways and Means

BILL TRACKING:

A March 7 bill tracker is attached to this memorandum (Attachment C) showing the status of bills of interest to the City as well as the City's position on those bills. New positions on bills identified since the Council's March 1 meeting are highlighted in red. Bills that have died are highlighted in gray. Bills that remain alive after the March 7 cutoff are highlighted in yellow. An updated bill tracker from March 11 will be emailed to Council in advance of the meeting on March 15.

- Attachments:
- Status of City's 2011 legislative priorities
 - Status of Ally Support 2011 legislative priorities
 - List of bills the City is tracking and positions

Updated 3.7.11

	Legislative Priority	Bill #	Prime Sponsor	Status
1	Oppose new mandates and cost shifting			See bill tracker – monitoring status of all bills.
2	Financial assistance for the construction of the Public Safety Building	HB 1497 SB 5467	Eastside (Kirkland) Legislators	House Cap. Budget local community project request form submitted to Chair. Senate process initiated.
3	Flexibility in the use of Real Estate Excise Tax revenue for infrastructure and parks maintenance.	HB 1953 (AWC) SB 5755	Rep. Springer Sen. Ranker	3/4 Passed - yeas, 79; nays, 18; absent, 0; excused, 1 3/7 Read into GOTRE 3/4 Placed on 2 nd Reading by Rules
4	Financial relief for annexation census requirements through the ability to use alternate enumeration methods such as the federal census.	HB 1336 SB 5505	Rep. Springer Sen. Hill	2/26 Passed - yeas, 97; nays, 0; absent, 0; excused, 1 3/1 Read into GOTRE 2/25 Passed - yeas, 48; nays, 0; absent, 0; excused, 1 3/4 Heard in House LG. Councilmember Sternoff testified 3/8 Scheduled for Exec
5	Support legislation for roadway pricing tools that provides funding for high priority transportation routes, promotes multi-modal transportation modes and mitigates collateral impacts.	HB 1382 SB 5490	Rep. Clibborn Sen. Prentice	3/5 Passed - yeas, 52; nays, 46; absent, 0; excused, 0 SB heard 2/16
6	Preserve all options for future use of the BNSF corridor and state financial assistance to implement multiple uses.	NA		Monitoring bills that would restrict possible uses of the corridor and continue to bring project to legislator's attention for future action.

City of Kirkland Legislative Priorities and Status: 2011 Legislative Session

Updated 3.7.11

7	New financing tools to support public/private partnerships including flexibility in the use of existing tax sources to support new development and to facilitate small business growth through the use of microloans.	HB 1881 (AWC) SB 5705	Rep. Springer Sen. Kilmer	House bill heard 2/22 in Ways and Means Senate bill heard 2/23 in S Ways and Means
8	Streamlining the state environmental policy act process. Streamline SEPA process and eliminate duplicate and overlapping requirements of growth management and SEPA. "Fiscal relief" bill to postpone various city reporting requirements.	HB 1952 SB 5657 HB 1478 SB 5360	Rep. Upthegrove Sen. Pridemore Rep. Springer Sen. Swecker	3/5 Passed - yeas, 95; nays, 2; absent, 0; excused, 1 2/15 Heard in Senate GOTRE 3/4 Passed - yeas, 86; nays, 11; absent, 0; excused, 1 3/7 Read into GOTRE 3/4 Placed on 2nd reading by Rules
9	Support the principles of growth management by assigning funding priority for infrastructure in communities with designated urban centers	HB 1335 SB 5243	Rep. Springer Sen. Tom	Both bills missed cut offs and appear to have died.
10	Amend RCW 82.02.060 to eliminate cities' obligation to pay impact fees from qualifying public funds when exempting low-income housing from impact fee requirements.	HB 1398 SB 5524	Rep. Fitzgibbon Sen. White	2/22 Passed - yeas, 86; nays, 8; absent, 0; excused, 4 3/9 Public hearing scheduled in Senate FIHI 2/18 Passed to Rules for 2 nd reading
11	Fire benefit authority	HB 1230 SB 5155		Both bills missed cut offs and appear to have died.

Legislative Support Issue	Bill #	Prime Sponsor	Status
Association of Washington Cities			
Provide flexibility within current revenue and regulatory frameworks to respond to these challenging times <ul style="list-style-type: none"> • City fiscal flexibility package, such as greater flexibility in the expenditure of locally collected real estate excise tax (REET). • Fund, Flex, Repeal, Amend, Pause (FFRAP), such as delaying adoption of new storm water regulations until the existing ones are successfully implemented and funded. 			See Top Priorities Sheet for Update...
Enact new tools to help cities recover, thrive and be efficient <ul style="list-style-type: none"> • Pro-active public record proposals that address some of the problems that come with the burgeoning public records requests. • Options for creating sustainable personnel related costs. • Additional tools for combating gang activity including funding for gang intervention and prevention activities. • Street maintenance utility authority. 	SB 5022 HB 1033 SB 5025 HB 1034 SB 5049 SB 5062 HB 1139	Sen. Kilmer Rep. Eddy Sen. Hargrove Rep. Takko Sen. Kline Sen. Pridemore Rep. Armstrong	3/4 Passed - yeas, 47; nays, 0; absent, 1; excused, 1 3/7 – SB Read into SGTA HB is dead 3/2 Passed - yeas, 45; nays, 4; absent, 0; excused, 0 3/4 – SB Read into SGTA HB is dead SB is dead SB is dead HB is dead
Maintain essential state revenues and authorities for cities	HB 1086	Rep. Hunter	Passed by House 2/17. Passed by Senate 2/18 Governor partially vetoed.

E-page 115	<p>Ensure continued appropriation of committed state shared funds and preserve existing local revenue authorities.</p> <ul style="list-style-type: none"> • Preserve infrastructure funding such as the Public Works Trust Fund and storm water funding. • Retain current authorities – neither add new requirements or take any away. 	<p>HB 1497 SB 5467</p>	<p>Rep. Dunshee Sen. Kilmer</p>	<p>Governor’s proposed 11-13 capital budget funds all projects on the PWTF list. Capital budgets in the House and Senate won’t come out until much later in the session.</p>
Cascade Water Alliance				
<p>Clarify and improve the tools available to voluntarily provide utility services on a joint basis.</p>	<p>HB 1332 SB 5198</p>	<p>Rep. Eddy Sen. Pridemore</p>	<p>2/22 Passed - yeas, 92; nays, 2; absent, 0; excused, 4 3/8 – Public hearing GOTRE SB is dead</p>	
Eastside Human Services Forum				
<ul style="list-style-type: none"> • Maintain the current investment in home visiting funding and advocate for evidence-based home visiting programs such as Healthy Start by the federal government. • Maintain current funding for Washington Information Network (2-1-1) and improve quality and accessibility of services. 			<p>The Governor’s and House supplemental budget proposal make up an error of \$300K for the Council for Children & Families for home visiting (if these aren’t restored home visiting ends 3 months early). The Governor did not propose funding home visiting in the 11-13 budget. There is some flexible money in the Department of Early Learning in the Governor’s proposed 11-13 budget that could be used for home visiting but it is not exclusive.</p> <p>211 funding was not cut in the Governor’s proposed supplemental nor in the House proposed supplemental (HB 1086) and the Washington Telephone Assistance Program account (where 211 is funded from) was not swept. The Governor, however, did not propose funding 211 in the 11-13 budget.</p>	

Environmental Priorities Coalition			
<ul style="list-style-type: none"> Budget Solutions for our Environment – Develop a proactive approach that will improve the economy while maintaining environmental protections. 2011 Clean Water Act/Working for Clean Water -- Fund job-creating projects across the state by building water infrastructure that will clean up our water ways. 	HB 1735 SB 5604	Rep. Ormsby Sen. Nelson	HB is dead SB is dead
Washington Fire Chiefs Association			
<ul style="list-style-type: none"> Require simple majority elections (50% +1) for Emergency Medical Services levies and Benefit Charge elections. Provide funding for CBRNE/Funded Regional Hazardous Materials Teams. Mandate radio repeaters for use by emergency responders inside buildings larger than 10,000 square feet. Exempt major fire department capital equipment purchases from State sales tax or allow for some form of a rebate. 	HB 1476 SB 5381	Rep. Haigh Sen. Prentice	HB is dead SB is dead
Washington Association of Sheriffs and Police Chiefs			
<ul style="list-style-type: none"> Burglar Alarm Program information protection – Amend RCW 42.56 to protect law enforcement false alarm program information from public disclosure that would compromise the security of properties. Require that red light cameras comport with federal standards and that fines are equalized. Increase penalties for vehicle prowl. 	HB 1234 SB 5244	Rep. Moscoso Sen. Fraser	2/25 Passed - yeas, 97; nays, 0; absent, 0; excused, 1 3/1 Read into GOTRE 2/2/ Passed - yeas, 46; nays, 0; absent, 0; excused, 3 3/1 Read into STGA WASPC ended up not putting these on their agenda.

Washington Bicycle Alliance			
Safe Routes to School – Protect existing funding and find ways to improve the program to better meet the demand created by schools.	HB 1071	Rep. Moeller	2/28 Passed - yeas, 56; nays, 41; absent, 0; excused, 1 3/2 Read, referred to Transportation 3/9 Public Hearing in Senate Transportation
Washington Recreation and Parks Association			
<ul style="list-style-type: none"> Real Estate Excise Tax -- Provide local-option legislation allowing cities and counties to use up to 25 percent of the revenue from the two local 1/4-percent Real Estate Excise Tax (REET) collections to be used for maintenance and operations of parks and recreational facilities. Washington Wildlife Recreation Program (WWRP) – Support the request by the Recreation and Conservation Funding Board, the Washington Wildlife and Recreation Council (WWRC), WRPA, and others to preserve a \$100 million 2011 Capital Budget funding level for the Washington Wildlife and Recreation Program (WWRP) Grant program. 			See Top Priorities Update Sheet. The Governor’s proposed capital budget for 11-13 created the “Puget Sound Washington Wildlife and Recreation Grants” program, which selects certain projects off the WWRP ranked list.
Washington Low-Income Housing Alliance			
<ul style="list-style-type: none"> Maintain the State’s investment in Housing Trust Fund. 			The Governor’s proposed capital budget for the 11-13 biennium gives \$40m to the Housing Trust Fund.
Washington Chapter of the American Planning Association			
<ul style="list-style-type: none"> Create a funding mechanism for Planned Action EIS -- Amend RCW 82.02.020 to allow jurisdictions to impose a fee or charge on development for preparation of a Planned Action EIS. 			

<ul style="list-style-type: none"> Funding – Support legislation to establish a sustainable funding mechanism to implement the Puget Sound Partnership agenda including funding for projects, programs, permitting and monitoring related to storm water pollution in Puget Sound and throughout Washington State. Authorize legislation for creation of multipurpose Watershed Districts. 	<p>HB 1332</p> <p>SB 5198</p> <p>HB 1735 SB 5604</p> <p>HB 1497 SB 5467</p>	<p>Rep. Eddy</p> <p>Sen. Pridemore</p> <p>Rep. Ormsby Sen. Nelson</p> <p>Rep. Dunshee Sen. Kilmer</p>	<p>Watershed Bills: 2/22 Passed - yeas, 92; nays, 2; absent, 0; excused, 4 3/8 – Public hearing GOTRE</p> <p>SB is dead</p> <p>Storm Water: HB is dead SB is dead</p> <p>Puget Sound Partnership in Capital Budgets</p>
<p>Additional Legislation to Support</p>			
<ul style="list-style-type: none"> Support brown grease to energy conversion legislation and programs. Support modification of the Washington State Department of Licensing’s (DOL) implementation of the Commercial Driver’s License process. Support legislation providing for the safe collection and disposal of unwanted drugs from residential sources through a producer provided and funded product stewardship program. Support an amendment to RCW 46.68.090 that would allocate gas tax revenues between counties and cities based on a per capita allocation rather than the current fixed percentages. Support legislation that would allow cities access to the State Department of Labor and Industries data as a means of verifying local business tax payments. 	<p>HB 1370 SB 5234</p>	<p>Rep. De Wege Sen Kline</p>	<p>HB is dead SB is dead</p>

Bill	Title	Position	Status
<i>Support</i>			
HB 1012	Planning commissioners	Support	
HB 1014	Watersh mgmt partnerships	Support	
HB 1018	Bikes and motorists	Support	DEAD
HB 1033	Court actions/42.56.550	Support	DEAD
HB 1034	Inmate public record req.	Support	DEAD
HB 1071	Complete Streets grant prog	Support	
HB 1139	Public records dispute	Support	DEAD
HB 1141	City alternative fuel exemption	Support	DEAD
HB 1173	Small works roster contracting procedures	Support	DEAD
HB 1223	Street vacation hearings	Support	
HB 1234	Security alarms, crime watch	Support	
HB 1320	Establishing the Washington investment trust	Support	DEAD
HB 1332	Utility services joint mgmt	Support	
HB 1335	Growth mgmt/local progress	Support	DEAD
HB 1336	Census data/annexation	Support	
HB 1370	Collection of unwanted medicines	Support	DEAD
HB 1377	Interest arbitration panels	Support	DEAD
HB 1382	Express toll lanes/eastside	Support	
HB 1398	Low income housing/fee ex.	Support	
HB 1406	intrastate building safety mutual aid system	Support	
HB 1452	League fees	Support	DEAD
HB 1457	Business locate in vacant bldgs	Support	DEAD
HB 1469	Landscape conservation	Support	
HB 1476	Voting requirements for EMS levies	Support	DEAD
HB 1478	Fiscal relief/cities & towns	Support	
HB 1497	2011-2013 capital budget	Support	NTIB
HB 1730	Authorization of bonds issued by local gov	Support	
HB 1735	Clean water jobs thru storm water funding	Support	DEAD
HB 1881	Community redevelopment financing	Support	DEAD; possibly NTIB
HB 1899	Changing penalty amounts for public records violations	Support	DEAD
HB 1952	SEPA (formerly HB 1713)	Support	
HB 1953	Real Estate Excise Tax	Support	
HB 1969	Exempting FCDZ from regular property tax levies	Support	
<i>Neutral</i>			
HB 1702	impact fees/convenents	Neutral	
HB 1812	Relating to community municipal corporations	Neutral	
HB 1997	Tourism, workfrce hsg, art & hrtge progrms	Neutral	
<i>Oppose</i>			
HB 1026	Adverse possession actions	Oppose	
HB 1082	Shoreline & GMA acts	Oppose	DEAD
HB 1088	Cty/city moratoria authority	Oppose	DEAD
HB 1111	Fed, state & local govts	Oppose	DEAD
HB 1160	Adverse possession claims	Oppose	DEAD
HB 1300	Public record copying costs	Oppose	DEAD
HB 1634	Regarding underground utilities.	Oppose	
<i>Undecided</i>			
HB 1098	Traffic safety cameras		
HB 1099	Traffic safety cameras		
HB 1126	Criminal street gangs		
HB 1217	Speed limits		
HB 1279	Traffic safety/intersections		
HB 1462	Affordable housing		
HB 1662	appeal/shoreline mgmt act		
HB 1882	Transportatioin connectivity		
HB 1855	State mandates		
HJR 4217	Community redevelopment financing		

Bill	Title	Position	Status
<i>Support</i>			
SB 5022	Court actions/42.56.550	Support	
SB 5025	Inmate public record req.	Support	
SB 5034	Concerning private infrastructure development	Support	
SB 5049	Sunshine Committee	Support	DEAD
SB 5062	Public record disputes	Support	DEAD
SB 5098	minors in parks/recs progs	Support	
SB 5131	Public facilities/impact fees	Support	DEAD
SB 5137	Street vacation hearings	Support	DEAD
SB 5143	Annexation/fire prot. Dists.	Support	
SB 5154	Modifying vehicle prowling prov	Support	
SB 5192	Shoreline Management Act	Support	
SB 5193	Bicyclists & motorists	Support	DEAD
SB 5198	Utility services joint mgmt.	Support	DEAD
SB 5221	intrastate building safety mutual aid	Support	DEAD
SB 5234	Collection of unwanted medicines	Support	DEAD
SB 5243	Growth mgmt/local progress	Support	DEAD
SB 5244	security alarms, crime watch	Support	
SB 5253	landscape conservation	Support	
SB 5301	Traffic safety/intersections	Support	DEAD
SB 5319	mnfct innov & mod extn service	Support	DEAD
SB 5360	Cities & towns fiscal relief	Support	DEAD
SB 5381	Voting requirements for EMS levies	Support	DEAD
SB 5420	Intrastate mutual aid system	Support	DEAD
SB 5467	2011-2013 capital budget	Support	NTIB
SB 5490	Express toll lanes/eastside	Support	DEAD
SB 5505	census data/annexation	Support	
SB 5524	Low income housing/fee ex.	Support	DEAD
SB 5553	Requiring municipalities to post certain info on their web sites	Oppose	
SB 5604	Stormwater pollution funding	Support	DEAD
SB 5638	Levy suppression fix for FCZD	Support	
SB 5685	Public records violations	Support	DEAD
SB 5705	Community redev financing	Support	
SB 5755	REET	Support	DEAD
SB 5834	Extending lodging taxes to programs arts/heritage	Support	
<i>Neutral</i>			
SB 5607	impact fees/covenants	Neutral	DEAD
<i>Oppose</i>			
SB 5012	GMA hearings board	Oppose	Dead
SB 5553	municipalities post/web sites	Oppose	
<i>Undecided</i>			
SB 5013	Land use permit process		
SB 5155	Public safety authorities		
SB 5181	State debts statutory limits		
SB 5188	Traffic control signals		
SB 5214	Affordable housing		
SB 5265	Multijurisdiction flood control zones		
SB 5299	Shoreline & pollution boards		
SB 5530	appeal/shoreline mgmt act		
SB 5683	City utility infrastructure		

SB 5693	"Copy"/public records act		
SB 5695	Local gov't bonds		
SB 5716	Traffic safety cameras		
SJR 8213	Community redevelopment financing		



CITY OF KIRKLAND
Department of Finance & Administration
123 Fifth Avenue, Kirkland, WA 98033 425.587.3100
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MEMORANDUM

To: Kurt Triplett, City Manager

From: Tracey Dunlap, Director of Finance & Administration
Sri Krishnan, Financial Planning Manager

Date: March 4, 2011

Subject: **2011-2012 BUDGET ADJUSTMENT: 2009-2010 OPERATING CARRYOVERS & OTHER ADJUSTMENTS**

RECOMMENDATION:

The City Council adopt the attached ordinance increasing the 2011-2012 budget appropriations for selected funds to reflect carryovers, actual beginning cash balances (resources forward), and other adjustments.

BACKGROUND DISCUSSION:

State law prohibits expenditures from exceeding the budgeted appropriation for any fund and requires the City to adjust appropriations when:

1. Unanticipated revenue exists and will potentially be expended;
2. New funds are established during the budget year which were not included in the original budget; or
3. The City Council authorizes positions, projects, or programs not incorporated into the current year's budget.

This budget adjustment reflects appropriation increases to the adopted 2011-2012 budget.

Three types of adjustments are included in the proposed 2011-2012 budget amendment:

1. Carryovers totaling \$1,086,335,
2. Adjusting resources forward by \$3,626,657, and
3. Other adjustments of \$4,306,255.

The following is a recap of major items requested in this budget adjustment:

1. **Carryovers** relate to uncompleted projects, contracts, or purchases that were authorized but not spent in the prior biennial budget. In order to complete these items, both the funding and the expenditure authority need to be "carried over" from the 2009-2010 Budget to the 2011-2012 Budget. Accordingly, the 2011-2012 Adopted Budget needs to be amended. Funding for carryovers primarily comes from recognizing cash that was obligated but not spent in the prior biennium (i.e. Resources Forward) and from external sources such as grants. In some funds, carryovers are funded by reserves in recognition that appropriated reserves are adequate to fund such items. Carryovers funded from reserves do not require an appropriation change as they are line item adjustments within the funds' appropriation.

Capital projects carryovers are still being analyzed and are not included in this budget adjustment, but will be presented at a future Council meeting. Carryovers included in this adjustment are for operating funds only. Carryover requests in the operating funds primarily consist of uncompleted service packages and other one-

time projects or activities. Recommended carryover requests total \$452,700 in the General Fund and \$633,635 in other operating funds. Carryover items include the following:

- **2010 Invoice Payments** – Carryovers in this category reflect adjustments to the 2011-2012 Budget to acknowledge payment of invoices in the current biennium for services received in the prior biennium. This adjustment is necessary because vendors did not invoice the City in time to be paid by the end of 2010. Carryovers for invoice payments in the General Fund total \$201,368 and \$109,204 in all other operating funds, including:

General Fund

- Human Services Contract Payments, \$133,585
- Police Patrol Uniforms, \$17,400
- December Storm Cleanup and Repairs, \$11,700
- Other invoices \$38,683

All other funds

- Smartnet Support, \$47,000
- Springbrook Software Maintenance, \$22,000
- Tourism Website Redesign, \$14,804
- Other invoices \$25,400

- **Projects not completed in 2009-2010** – These recommended carryovers are for projects previously funded in the 2009-2010 Budget but not yet completed. Recommended carryovers for 2009-10 projects continuing into or being postponed until the 2011-12 biennium total \$194,868 in the General Fund and \$430,573 in other funds, including:

General Fund

- Growth and Transportation Efficiency Center (GTEC) Grant Match, \$100,000
- Neighborhood plan updates, \$24,000
- Bicycle Wayfinding Grant Match, \$14,000
- Active Transportation Plan Implementation, \$12,819
- Tree canopy analysis, a state grant was received for the project, which was delayed to 2011, \$10,000
- Eight other projects totaling \$34,049

All other funds

- Contracts in the Surface Water Fund started in 2010, \$187,164
- Watermain upgrades at 116th and 120th, \$50,000
- Surface Water rehabilitation project, \$29,521
- Comcast audit, \$25,000
- Facilities commander door control software and hardware, \$16,892
- Centennial replacement trees, (funds for the project were donated specifically for trees), \$16,467
- Eight other projects totaling \$105,529

- **Other Carryovers** – Recommended carryovers for other items that do not fall into the categories discussed above total \$56,464 in the General Fund and \$93,858 in other funds. Summary of other carryovers:

General Fund

- City Manager relocation from 2010 salary savings – up to \$28,940
- Park Place and annexation consulting services, \$15,935
- Annexation related expenses – Incorporating the annexation area into the state required Shoreline Master Program, \$5,204
- Replacement of public notice signs, \$4,100
- Cultural Council, \$2,285

All other funds

- Facilities Engineer and Maintenance Inventory Technician – funding approved during the 2009-10 biennium related to resource needs for the Public Safety Building expansion project, \$76,447

- Opportunity fund & utility undergrounding – Funds are used to take advantage of one-time opportunities to install small sidewalks connections in conjunction with development projects, \$17,411

2. **2011 Resources Forward**, or beginning fund balance (cash), was estimated as part of the 2011-12 budget process during fall 2010. Now that 2010 is complete and the books have been closed, an analysis has been completed of operating funds (capital and other non-operating funds will be completed at a later date) to reconcile the estimated resources forward with actual balances. Operating Funds will receive an adjustment (increase or decrease) to the budgeted beginning balance with a corresponding offset to the expenditure side. This offset is usually to a reserve account, but may be to other line items depending on the nature of the change in the beginning balance. Total beginning fund balance for all operating funds is a net increase of \$3,626,657. Of this amount, \$1,250,035 is in the General Fund. After factoring out obligated program reserves, the unobligated cash balance in the General Fund is \$618,374. This additional cash balance was the result of budget under-expenditures of \$579,904 and additional revenues of \$38,467. The table below illustrates the allocation of the net cash balance adjustments to the operating funds.

Total Net Resources Forward Cash Adjustments	\$3,626,657
Net General Fund Cash Adjustment	\$1,250,035
Less Various Program Reserves	\$631,951
General Fund Unobligated Cash Balance	\$618,084
Total Other Funds Net Cash Adjustments	\$2,376,332
General Gov't Operating Funds Reserves	\$386,730
Internal Service Funds Reserves	\$796,462
Utility Funds Reserves	\$1,193,140

There are a number of potential uses for the unobligated General Fund balance of \$618,274, which include:

- Set aside funding for the remaining deficit to restore firefighter overtime brown-outs if needed, \$379,195; see discussion regarding funding for overtime brown-outs in the "Emergency Management Services Transport Fees" bullet in the "other budget adjustments" section.
- Seed money for establishing sinking funds to begin to address unfunded periodic replacement costs (such as public safety equipment and major systems). The analysis of these needs is a follow-up to the 2011-12 budget process and is scheduled to be completed during the second half of 2011.
- If there are funds remaining, additional replenishments to reserves that remain below target (such as the Revenue Stabilization Reserve and Contingency Fund).

The staff recommendation is to set the unobligated cash aside until further analysis is completed and the State legislative session has concluded, and then specific funding proposals will be brought forward later in the year for Council consideration.

3. **Other Budget Adjustments** include housekeeping adjustments, items previously approved by Council (for which fiscal notes were done) and other requests which change the 2011-12 budget. In total, they represent a positive adjustment of \$4,306,255. The majority of the other budget adjustments are due to the recognition of the Build America Bonds (BABs) credit revenue and the recognition of the debt service paid with the credit, and the Emergency Management Services Transport Fee revenue; these two adjustments equate to \$4,014,198 of the total other budget adjustments.

Previously Approved by Council/Other:

- Emergency Management Services Transport Fees – recognizing an increase of \$1,414,858 to revenues and expenses for the management of the program and restoration of part of the Fire Suppression overtime per the memo presented to City Council on 12/07/2010. Biennial program costs are budgeted at \$451,738, which leaves \$963,120 available to restore the rolling firefighter overtime brown-outs. However, available revenue is short \$379,195 to provide full restoration (as previously mentioned in the potential uses of unobligated General Fund cash).
- Recognizing public safety equipment purchases funded by the Community Oriented Policing Services (COPS) grant totaling \$150,000.

- Emergency Preparedness Coordinator continuation through April 2011 and developing sheltering and volunteer management program funded from additional Emergency Management Performance (EMPG) grant in the amount of \$58,313.
- Budget adjustments to reflect the transfer of responsibilities for telecommunications leases, cable customer service calls, and franchises from Information Technology to Finance and Administration (reduction of the interfund transfer to Information Technology of \$43,217).
- Increasing the Transportation Capital Projects Fund to recognize the transfer-in of REET II reserves as match for a grant awarded for the 6th St. South Sidewalk CIP Project CNM 0059 in the amount of \$83,253.
- Recognizing additional Surface Water revenues from the annexation area per the Surface Water Rate Study to pay King County surface water billing fees in the amount of, \$43,563.
- Recognizing a grant of \$39,000 from the National Fish and Wildlife Foundation for Juanita Creek Salmon Habitat Restoration.

Housekeeping Adjustments:

- Recognizing the finalized Public Safety Building Debt Service and the Build America Bonds (BABs) Credit revenue – appropriation increases of \$1,299,670 in the General Fund and in the Limited General Obligation (LTGO) Fund.
 - Due to accounting requirements this adjustment is recognized twice in the budget: once as a transfer of revenues out of the General Fund and again as payment of the debt service in the LTGO Debt Service Fund.
- Adjusting fire hydrant charges per the finalized utility rates study, a reduction of \$55,337.
- Increasing fleet revenues for 2011 to reflect an adjustment to the operating costs of annexation vehicles – an increase of \$14,533.
- Adjusting the Emergency Management Services Levy revenue to match the final information received from King County for an increase of \$1,949.

The budget is adopted at the fund level which sets the total expenditure authority for the biennium for each fund. A summary of the adjustments and 2011-2012 revised budget by fund type is included in the table below:

Fund Type	Current 11-12 Budget	Adjustments	Revised 11-12 Budget
General Government:			
General Fund	158,468,558	4,627,815	163,096,373
Other Operating Funds	17,230,772	461,354	17,692,126
Internal Service Funds	55,810,759	1,025,217	56,835,976
Non-Operating Funds	97,499,275	1,382,923	98,882,198
Utilities:			
Water/Sewer	62,234,551	554,528	62,789,079
Surface Water	27,270,430	530,172	27,800,602
Solid Waste	30,858,591	437,238	31,295,829
Total Budget	449,372,936	9,019,247	458,392,183

City of Kirkland
 2011-2012 Budget
 2011 March Budget Adjustment Summary
 E-page 126

Adjustment Type	Dept.	Description	Adjustments	Appropriation Adjustment	Funding Source				Funding Source Notes
					Internal Transf./Chrg.	Reserves	Resources Forward	External Revenue	
General Fund									
Carryovers	CMO	Cultural Council	2,285	2,285			2,285		Resources Forward
Carryovers	CMO	City Manager Relocation	28,940	28,940			28,940		Resources Forward
Carryovers	HR	Healthcare/Medical Benefit Professional Services	6,983	6,983			6,983		Resources Forward
Carryovers	HR	Personnel Action Form (PAF) Automation	6,360	6,360			6,360		Resources Forward
Carryovers	PK	December Storm Cleanup and Repairs	11,700	11,700			11,700		Resources Forward
Carryovers	PK	Septic System Retirement at Blair House	3,500	3,500			3,500		Resources Forward
Carryovers	PK	Playgrounds Playchip Surfacing	4,394	4,394			4,394		Resources Forward
Carryovers	PK	Water Right Project	6,000	6,000			6,000		Resources Forward
Carryovers	PK	Human Services Contract Payments	133,585	133,585			133,585		Resources Forward
Carryovers	PW	Electronic Plan Review Equipment	6,567	6,567			6,567		Resources Forward
Carryovers	PW	Bicycle Wayfinding Grant Match	14,000	14,000			14,000		Resources Forward
Carryovers	PW	Growth and Transportation Efficiency Center (GTEC) Grant Match	100,000	100,000			100,000		Resources Forward
Carryovers	PW	Active Transportation Plan Implementation	12,819	12,819			12,819		Resources Forward
Carryovers	PW	Transportation Management Plan Support Services from Metro	2,500	2,500			2,500		Resources Forward
Carryovers	PW	Operate and Maintain the BKR Model	6,000	6,000			6,000		Resources Forward
Carryovers	PW	Accident History Data Entry	2,500	2,500			2,500		Resources Forward
Carryovers	PCD	Wetland Buffer Landscaping Deposit	4,728	4,728			4,728		Resources Forward
Carryovers	PCD	Annexation Area Shoreline Master Plan	5,204	5,204			5,204		Resources Forward
Carryovers	PCD	Neighborhood Plans	24,000	24,000			24,000		Resources Forward
Carryovers	PCD	Tree Canopy Analysis	10,000	10,000			10,000		Resources Forward
Carryovers	PCD	Replacement of Public Notice Signs	4,100	4,100			4,100		Resources Forward
Carryovers	FA/CAO	Park Place/Annexation Consulting & Investment Review	15,935	15,935			15,935		Resources Forward
Carryovers	PD	Background Investigations	16,500	16,500			16,500		Resources Forward
Carryovers	PD	Uniforms - Patrol	17,400	17,400			17,400		Resources Forward
Carryovers	PD	Body Armor - Patrol	5,700	5,700			5,700		Resources Forward
Carryovers	PD	Ammunition - Special Response Team	1,000	1,000			1,000		Resources Forward
Resources Forward	N/A	2011 Resources Forward adjustment to Actual Balance	1,250,325	1,250,325			1,250,325		Resources Forward
Housekeeping	Var.	Annexation Vehicle Fleet Charge Adjustments	(26,697)						N/A
Housekeeping	Var.	Reduced Charge for Fire Hydrants	(55,337)						N/A
Housekeeping	FB	Adjustment to EMS Levy	1,949	1,949				1,949	Emergency Management Services Levy
Housekeeping	ND	Finalized Public Safety Building Debt Service - BABs Credit	1,299,670	1,299,670			128,332	1,171,338	BABs Credit & Resources Forward
Council Directed/Other	PD/FB	Public Safety Equipment	150,000	150,000				150,000	Community Oriented Policing Services Grant
Council Directed/Other	FB	Emergency Management Performance Grant (EMPG)	58,313	58,313				58,313	Emergency Management Performance Grant (EMPG)
Council Directed/Other	FB	EMS Transport Fees	1,414,858	1,414,858				1,414,858	Transport Fees

Adjustment Type	Dept.	Description	Adjustments	Appropriation Adjustment	Funding Source				Funding Source Notes
					Internal Transf./Chrg.	Reserves	Resources Forward	External Revenue	
General Fund continued									
Council Directed/Other	PK	Eastside Severe Winter Shelter	5,000						Council Special Project Reserve
General Fund Total			4,550,781	4,627,815	-	-	1,831,357	2,796,458	
OTHER FUNDS									
Lodging Tax Fund									
Carryover	CMO	Tourism Website Redesign - pending invoice	14,804	14,804			14,804		Resources Forward
Resources Forward	N/A	2011 Resources Forward adjustment to Actual Balance	15,031	15,031			15,031		Resources Forward
Lodging Tax Fund Total			29,835	29,835	-	-	29,835	-	
Street Operating Fund									
Carryovers	PW	Traffic Loop Repairs and Maintenance	10,000	10,000			10,000		Resources Forward
Carryovers	PW	Federally Mandated Retro Reflective Sign Replacement	15,942	15,942			15,942		Resources Forward
Carryovers	PW	Opportunity Fund & Utility Undergrounding	17,411	17,411			17,411		Resources Forward
Carryovers	PW	Centennial Replacement Trees	16,467	16,467			16,467		Resources Forward
Resources Forward	N/A	2011 Resources Forward adjustment to Actual Balance	287,413	287,413			287,413		Resources Forward
Housekeeping	PW	Annexation Vehicle Fleet Charge Adjustments	13,811						Reserves
Street Operating Fund Total			361,044	347,233	-	-	347,233	-	
Cemetery Operating Fund									
Resources Forward	N/A	2011 Resources Forward adjustment to Actual Balance	29,211	29,211			29,211		Resources Forward
Housekeeping	PK	Annexation Vehicle Fleet Charge Adjustments	264						Reserves
Cemetery Operating Fund Total			29,475	29,211	-	-	29,211	-	
Parks Maintenance Fund									
Resources Forward	N/A	2011 Resources Forward adjustment to Actual Balance	55,075	55,075			55,075		Resources Forward
Housekeeping	PK	Annexation Vehicle Fleet Charge Adjustments	1,164						Reserves
Parks Maintenance Fund Total			56,239	55,075	-	-	55,075	-	
LTGO Debt Service Fund									
Housekeeping		Finalized Public Safety Building Debt Service	1,299,670	1,299,670	1,299,670				Transfer in from General Fund
LTGO Debt Service Fund Total			1,299,670	1,299,670	1,299,670	-	-	-	
Transportation Capital Projects Fund									
Housekeeping	PW	Fiscal Note: 6th St South Sidewalk CNM 0059	83,253	83,253		83,253			REET II Reserve
Transportation Capital Projects Fund Total			83,253	83,253	-	83,253	-	-	

Adjustment Type	Dept.	Description	Adjustments	Appropriation Adjustment	Funding Source				Funding Source Notes
					Internal Transf./Chrg.	Reserves	Resources Forward	External Revenue	
Water/Sewer Utility Operating Fund									
Carryovers	PW	Pump/Lift Station Repairs Telemetry Phone Bill	14,887	14,887			14,887		Resources Forward
Carryovers	PW	Watermain Upgrades at 116th/120th Intersection	50,000	50,000			50,000		Resources Forward
Resources Forward	N/A	2011 Resources Forward adjustment to Actual Balance	544,978	544,978			544,978		Resources Forward
Housekeeping	PW	Annexation Vehicle Fleet Charge Adjustments	19,946						Reserves
Housekeeping	PW	Final Fire Hydrant Charges	(55,337)	(55,337)	(55,337)				Transfer in from General Fund
Housekeeping	PW	Fiscal Note: NE 85th St Emergency Watermain Repair	37,500						Water-Sewer Operating Reserve
Water/Sewer Utility Operating Fund Total			574,474	554,528	(55,337)	-	609,865	-	
Water/Sewer Capital Fund									
Council Directed/Other	PW	Fiscal Note: WSDOT NE 116th St Interchange Project	68,000						Water-Sewer Capital reserve
Water/Sewer Capital Fund Total			68,000	-	-	-	-	-	
Surface Water Operating Fund									
Carryovers	PW	Misc Sampling, Studies, Surveys and NPDES Implementation	187,164	187,164			187,164		Resources Forward
Carryovers	PW	External Repairs for Video Camera and Eductor Truck	20,000	20,000			20,000		Resources Forward
Carryovers	PW	Surface Water Rehab - Purchase Rock for Rehab Program	29,521	29,521			29,521		Resources Forward
Resources Forward	N/A	2011 Resources Forward adjustment to Actual Balance	210,924	210,924			210,924		Resources Forward
Housekeeping	PW	Annexation Vehicle Fleet Charge Adjustments	5,157						Reserves
Council Directed/Other	PW	King County Surface Wtr Utility Billing Fees for Annexation Area	43,563	43,563				43,563	Surface Water Fees
Surface Water Operating Fund Total			496,329	491,172	-	-	447,609	43,563	
Surface Water Capital Fund									
Other Adjustment	PW	Juanita Creek Salmon Habitat Restoration	39,000	39,000				39,000	National Fish and Wildlife Foundation Grant
Surface Water Capital Fund Total			39,000	39,000	-	-	-	39,000	
Solid Waste Fund									
Resources Forward	N/A	2011 Resources Forward adjustment to Actual Balance	437,238	437,238			437,238		Resources Forward
Solid Waste Fund Total			437,238	437,238	-	-	437,238	-	
Equipment Rental Fund									
Resources Forward	N/A	2011 Resources Forward adjustment to Actual Balance	64,247	64,247			64,247		Resources Forward
Housekeeping	PW	Annexation Vehicle Fleet Charge Adjustments	14,533	14,533	14,533				Internal Rates
Equipment Rental Fund Total			78,780	78,780	14,533	-	64,247	-	

Adjustment Type	Dept.	Description	Adjustments	Appropriation Adjustment	Funding Source				Funding Source Notes
					Internal Transf./Chrg.	Reserves	Resources Forward	External Revenue	
E-page 129									
Information Technology Fund									
Carryovers	IT	Repairs and Maintenance	62,100	62,100			62,100		Resources Forward
Carryovers	IT	Vehicle Related Violations Data Exchange project	15,000	15,000			15,000		Resources Forward
Carryovers	IT	Comcast Audit	25,000	25,000			25,000		Resources Forward
Carryovers	IT	SmartNet Support - Qwest	47,000	47,000			47,000		Resources Forward
Carryovers	IT	ESRI Enterprise GIS Architecture Review and Configuration	5,000	5,000			5,000		Resources Forward
Resources Forward	N/A	2011 Resources Forward adjustment to Actual Balance	7,211	7,211			7,211		Resources Forward
Housekeeping	PW	Annexation Vehicle Fleet Charge Adjustments	48						Reserves
Council Directed/Other	IT	Reallocating Tasks from IT to Finance	(43,217)	(43,217)	(43,217)				Multi Media Charges
Information Technology Fund Total			118,142	118,094	(43,217)	-	161,311	-	
Facilities Maintenance Fund									
Carryovers	PW	Maintenance and Inventory Control Tech. Through May 2011	26,213	26,213			26,213		Resources Forward
Carryovers	PW	Facilities Engineer Through May 2011	50,234	50,234			50,234		Resources Forward
Carryovers	PW	Facilities Commander Door Control Software/Hardware	16,892	16,892			16,892		Resources Forward
Carryovers	PW	Performance Center Replacement of Thermostat Controls	10,000	10,000			10,000		Resources Forward
Resources Forward	N/A	2011 Resources Forward adjustment to Actual Balance	725,004	725,004			725,004		Resources Forward
Housekeeping	PW	Annexation Vehicle Fleet Charge Adjustments	840						Reserves
Facilities Maintenance Fund Total			829,183	828,343	-	-	828,343	-	
TOTAL OTHER FUNDS			4,500,662	4,391,432	1,215,649	83,253	3,009,967	82,563	
TOTAL ALL FUNDS			9,051,443	9,019,247	1,215,649	83,253	4,841,324	2,879,021	

ORDINANCE NO. 4295

AN ORDINANCE OF THE CITY OF KIRKLAND AMENDING THE BIENNIAL BUDGET FOR 2011-2012.

WHEREAS, the City Council finds that the proposed adjustments to the Biennial Budget for 2011-2012 reflect revenues and expenditures that are intended to ensure the provision of vital municipal services at acceptable levels;

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

Section 1. The March 2011 adjustments to the Biennial Budget of the City of Kirkland for 2011-2012 are hereby adopted.

Section 2. In summary form, modifications to the totals of estimated revenues and appropriations for each separate fund and the aggregate totals for all such funds combined are as follows:

<u>Funds</u>	<u>Current Budget</u>	<u>Adjustments</u>	<u>Revised Budget</u>
General	158,468,558	4,627,815	163,096,373
Lodging Tax	495,989	29,835	525,824
Street Operating	13,867,939	347,233	14,215,172
Cemetery Operating	733,281	29,211	762,492
Parks Maintenance	2,133,563	55,075	2,188,638
Contingency	2,246,510		2,246,510
Impact Fees	1,701,073		1,701,073
Excise Tax Capital Improvement	12,917,441		12,917,441
Limited General Obligation Bonds	5,064,399	1,299,670	6,364,069
Unlimited General Obligation Bonds	2,138,406		2,138,406
General Capital Projects	42,721,620		42,721,620
Transportation Capital Projects	28,943,971	83,253	29,027,224
Water/Sewer Operating	45,401,516	554,528	45,956,044
Water/Sewer Debt Service	2,962,187		2,962,187
Utility Capital Projects	13,870,848		13,870,848
Surface Water Management	16,639,340	491,172	17,130,512
Surface Water Capital Projects	10,631,090	39,000	10,670,090
Solid Waste	30,858,591	437,238	31,295,829
Health Benefits	15,735,691		15,735,691
Equipment Rental	18,540,173	78,780	18,618,953
Information Technology	11,647,485	118,094	11,765,579
Facilities Maintenance	9,887,410	828,343	10,715,753
Firefighter's Pension	1,765,855		1,765,855
	<u>449,372,936</u>	<u>9,019,247</u>	<u>458,392,183</u>

Section 3. This ordinance shall be in force and effect five days from and after its passage by the Kirkland City Council and publication, as required by law.

Passed by majority vote of the Kirkland City Council in open meeting this ____ day of _____, 2011.

Signed in authentication thereof this ____ day of _____, 2011.

MAYOR

Attest:

City Clerk

Approved as to Form:

City Attorney

**CITY OF KIRKLAND****Department of Public Works****123 Fifth Avenue, Kirkland, WA 98033 425.587.3800****www.ci.kirkland.wa.us**

MEMORANDUM

To: Kurt Triplett, City Manager

From: John MacGillivray, Solid Waste Coordinator
Ray Steiger, P.E., Interim Public Works Director
Marilynne Beard, Assistant City Manager

Date: March 3, 2011

Subject: Comprehensive Garbage, Recyclables, and Compostables Collection Agreement

RECOMMENDATION:

Staff recommends that the City Council approve the attached resolution authorizing the City Manager to execute the Comprehensive Garbage, Recyclables, and Compostables Collection Agreement with Waste Management, Inc. (WMI).

BACKGROUND:

In July 2010, the City Council authorized staff to begin negotiations with WMI for a new agreement (contract). The impetus for entering into negotiations included the City's desire to have one solid waste hauler for all of post-annexation Kirkland, strong consideration of City's long term, mutually-beneficial relationship with WMI (30+ years), and the likelihood of the City receiving a fair and reasonable contract proposal from WMI due to prevailing economic conditions relative to entering into a competitive bidding process.

In October, 2010, the City began contract negotiations with WMI on a new seven year solid waste collection and disposal contract. City staff representatives consisted of John MacGillivray, Solid Waste Coordinator, Marilynne Beard, Assistant City Manager, Michael Olson, Deputy Finance Director and Ray Steiger, Interim Public Works Director. City staff was assisted by consultants Jeff Brown of Epicenter Services and Dr. Jeffrey Morris of Sound Resource Management. Over the course of the negotiations, the Finance Subcommittee received several briefings. At their most recent meeting on February 22, the subcommittee agreed to recommend to the full Council the contract proposal that is presented in this staff report.

The proposed contract includes two, two-year extension options at the City's sole discretion which could bring the overall term of the contract to eleven years. The effective date of the contract is July 1, 2011, one month later than the effective date of annexation due to the terms of a 1991 agreement (the "4-way agreement") between the City of Kirkland, the City of Bellevue, WMI and Allied Waste Services (AWS) which stipulates the transition date between

AWS and WMI. The 4-way agreement also stipulates that WMI purchase the right to serve the annexation area from AWS in an amount equivalent to six months of residential service (estimated by WMI at \$2.1 million). AWS currently serves most of the annexation area. Preparations for the transition from AWS to WMI are already underway, and WMI and the City are working together on a variety of customer communication initiatives to ensure as seamless a transition as possible between haulers and a positive customer experience.

PROPOSED CONTRACT OVERVIEW

New and Enhanced Services and Provisions

The high level of service that Kirkland residents and businesses expect and enjoy under the current contract will be matched or exceeded in the new agreement. A number of new and enhanced services and provisions have been negotiated and included in the new agreement; the most notable and impactful of which are described in *Attachment A* and include: compact fluorescent bulb recycling, garbage collection at neighborhood parks, and the addition of a number of solar-powered waste containers in the Central Business District.

The impacts on annexation area customers will be more significant. As an example, the current hauler does not embed recycling collection into the basic rate; in Kirkland, mixed recyclables, yard waste and food scrap recycling is embedded within the basic rate and is available to all customers. In the annexation area, customers must subscribe separately to recycling services at an added cost. Most of the customers in the annexation area already subscribe to mixed recycling and about 70% of customers also subscribe to yard waste recycling. In addition, about 10% of annexation customers (approximately 1100) do not subscribe to curbside solid waste services at all but instead opt to self-haul to transfer stations. After annexation, similar to the existing Kirkland residents and businesses, all residential and commercial properties will be required to subscribe to curbside pick-up. City staff and WMI will be working closely with annexation area customers to make them aware of their options and services.

RATE OVERVIEW

Wholesale versus Retail Solid Waste Rates

The City is billed by WMI for services rendered and in turn then bills its customers for solid waste services. Under this billing system, the rates that the contractor is paid ("wholesale" rates) for collection and disposal are set at the beginning of our contract and modified annually through a Consumer Price Index (CPI) adjustment. The City then conducts an annual rate study and adopts its own City rates ("retail" rates) which are billed to and collected from its customers. The rate studies are conducted periodically to ensure that the Solid Waste Utility's revenues (retail rates collected) align with expenditures (wholesale rate payments to WMI plus City staff and recycling programs costs). In addition to the annual CPI adjustment, increases in tipping fees (dump fees) from King County Solid Waste Department (KCSWD) that are paid by WMI on behalf of Kirkland are passed through the retail rates to customers.

Solid Waste Rates History

Table 1 is provided as a reference to show Kirkland’s retail solid waste rate increase/decrease history over the past seven years. According to the Bureau of Labor Statistics, the average annual rate of inflation over the same period has been approximately 2.5%.

Table 1 – Kirkland Retail Solid Waste Rate History - 2005-2011			
Year	Rate Increase		Primary Reason for Rate Increase/Decrease
	Single Family	Multi-Family & Commercial	
2005	0	0	Absorbed contract CPI (1.77%), no new programs
2006	0	0	Absorbed contract CPI (1.62%), no new programs
2007	4%	4%	Applied the contract CPI, added new programs of battery recycling & commercial organics
2008	10.9%	10.9%	KCSWD tipping fee (dumping fee) increased from \$82.50/ton to \$95/ton and was “passed through” to the customers
2009/10	-2.3%	4.7%	Moved to a linear rate structure, eliminated cross subsidy
2011	3.03%	3.03%	Added new funding for street preservation program (\$300K)
7-year Average	2.23%	3.23%	

Linear Rates versus Non-linear Rates

Per City Council rate policy, the retail solid waste rates have been established to be linear – that is, the collection rates are more directly proportional to the container size and are established to encourage customers to downsize, reduce waste, and recycle more. Non-linear rates are not as container size sensitive and increase only marginally across the container sizes. An example is provided in Table 2.

Table 2 – Linear v. Non-Linear					
Example	Cart Size (cost per month)				
	20 gal	35 gal	64 gal	96 gal	
Retail Linear Rate	\$10	\$18	\$34	\$50	Customer pays to City
Wholesale Non-Linear Rate	\$18	\$21	\$26	\$30	City pays to WMI

Non-linear rates don’t provide the same environmental incentives as linear rates or encourage customers to downsize. In 2009, the City Council adopted a more linear rate structure and, as a result, over 1,000 customers (10%) have responded by downsizing in some fashion; revenue

collected by the City through utility rates has responded accordingly. All things the same, reserve revenues to the City increase when there are more 64/96 gallon garbage cart customers and revenues to the City decrease when there are more 20/35 gallon garbage cart customers.

Anticipated Rate Impact with Proposed Contract

There are three factors that will be the primary drivers of solid waste retail rates in the coming year: the WMI wholesale contract increase, the annual CPI adjustment provided for in the WMI contract, and pass-through tipping fees increases from KCSWD.

In the proposed contract, WMI and the City have negotiated a one-time *wholesale* rate increase of 9.7% to be made effective on July 1, 2011. The initial, corresponding *retail* rate impact is estimated to be as low as *negative* 0.2%. This result appears to be counter intuitive, however is experienced because there is, initially, a larger percentage of the new 10,000 customers in the annexation area with 96/64 gallon garbage carts (>49% versus 42% in existing Kirkland). As such, the revenues to the Utility will initially outpace expenditures and require no immediate retail rate modifications under the new contract. No retail rate increase is recommended by staff on the July 1, 2011, effective date of the contract.

Over the course of the latter half of 2011, annexation area customers will likely begin to take advantage of the City's linear rates and will begin to downsize ("migrate") between cart sizes to lower their bills. As they do, retail rate revenues will decrease leaving less funding to offset the 9.7% rate increase. If annexation area customers migrate quickly, as an example by December of 2011, to the same service levels as existing Kirkland customers, the retail rate impact of the new contract would be as much as 3% beginning January 1, 2012. However, if the migration rate is slower, then the retail rate increase attributed to the new contract will be less than 3%. Existing Kirkland customer migration took two years to reach current levels following the change to linear for their rates.

The wholesale rate increase of 9.7% will be the only contract rate increase for WMI over the life of the contract (up to eleven years) other than annual CPI adjustments. WMI will receive its first annual CPI rate adjustment on January 1, 2012, conservatively estimated to be 1.72%. In addition to the WMI contract increase, on January 1, 2012, staff anticipates that solid waste rates may also need to be adjusted to reflect an expected KCSWD tipping fee increase from \$95/ton to and estimated \$108/ton.

The City Council establishes rates for its utility customers every two years including how and when wholesale rate increases will be passed along. Water, wastewater, and surface water utility rates were adopted in the fall of 2010 for both 2011 and 2012; solid waste rates were adopted for 2011 only. Because of the ongoing contract discussions with WMI and the uncertainty surrounding the KCSWD tipping fees, solid waste rate modifications for 2012 were not adopted by the City Council. Staff will return later this fall with final recommendations; however *Table 3* shows the possible range of retail rate increases that will likely be recommended to Council later this year.

Table 3 - 2012 Solid Waste Rate Forecast		
Increase component	Driver	Description
0 - 3.0%*	New Contract; Migration	Increase in Contractor labor/benefits costs and operations; range of increase is dictated by total customer migration from various container sizes
4.4%	Tipping Fee Increase	King County Solid Waste Division to increase 2012 tipping fee from \$95/ton to \$108/ton
	Contractor CPI Increase	Annual Consumer Price Index (CPI) increase to Contractor (projected 1.72%)
4.4% - 7.4%	Estimated Jan 1, 2012 Solid Waste Rate Increase	
\$1.18 to \$1.97	2012 increase to average Kirkland residential customer's monthly bill (2011 Average = \$26.59)	
-\$2.70 to -\$1.91	2012 increase to average annexation area residential customer's monthly bill (currently served by Allied Waste; 2011 Average = \$30.47)*	

* The impact to individual annexation customers will vary depending on the level of service they currently subscribe to and choices they make about container sizes between July and December 2012.

In late summer 2011, staff will begin a rates analysis for 2012 taking into account the customer migration that had occurred since the effective date of the new contract and project the anticipated migration for 2012. Using those projections, staff will return to Council in the late summer/early fall with options and analysis.

Comparable Rates Evaluation

In order to evaluate the fairness of WMI's rate proposals, staff contracted with Dr. Jeffrey Morris of Sound Resource Management (SRM) to conduct a third party rates analysis and comparison. The cities and area selected for the comparison include the cities of Federal Way, Renton, Bellevue, Redmond, Bothell, Auburn, Kent, and the rates set by the Washington Utilities and Trade Commission (WUTC) for the annexation area as well as for the nearby unincorporated area served by WMI.

The actual services and rates between cities are substantially different; however the rate analysis provided by SRM equates each of the various city's services to the Kirkland baseline in order to provide a closer "apples for apples" comparison between cities. A secondary rates comparison was also conducted in order to compare WMI's wholesale rates proposal to Renton, Auburn, and Kent's current wholesale rates. Along with Kirkland, Renton and Auburn are the only other cities in King County that set their own retail rates and bill their own customers for solid waste services.

During the rates negotiation process, WMI granted the City of Kirkland an unprecedented level of confidential disclosure of its costs to substantiate its rates proposals. Based on a review of that supporting information, staff is comfortable that the substantial majority of WMI's rate increase is in fact due to labor costs outstripping the contract CPI escalator and the costs of fulfilling its obligations under the 1991 4-way agreement. The rates comparisons found Kirkland's retail and wholesale rates to be predominantly in line with the average rates in communities with newly bid or renegotiated solid waste contracts.

KING COUNTY SOLID WASTE DIVISION TIPPING FEES

Background

In our current solid waste contract and initially in our proposed new contract, WMI is responsible for paying disposal fees ("tipping fees") directly to the King County Solid Waste Division (KCSWD). The tipping fee portion of the solid waste rate is apportioned equally across the customer base by cart and detachable container size and is based upon an estimated, negotiated baseline container weight at the beginning of the contract. Under this standard system, the contractor bears the financial risk if actual average container weights are higher than estimated but gains a financial benefit if actual average container weights are lower than estimated.

The Direct Payment of Tipping Fees Alternative

The proposed new contract includes the option for the City to pay disposal fees directly to the KCSWD. It is important to note that this option is currently not unavailable to cities due to the KCSWD's opposition. However, the direct payment option is supported by a number of cities and will be a key element of our upcoming Solid Waste Interlocal Agreement (SWILA) renegotiation process with the KCSWD.

The direct payment of tipping fees by the City provides several advantages and benefits to the rate payer:

- It effectively eliminates the potential for the contractor to gain a profit when the container weights come in lower than projected;
- It eliminates any potential for the contractor to profit from a hidden mark-up on the disposal component of the solid waste rate;
- It eliminates the cascading tax assessment effect in which three parties (the City, the KCSWD, and the hauler) pay B & O tax on the same disposal receipts; and
- It provides the City with a direct, real-time benefit from its waste diversion and recycling programs.

However, direct payment of tipping fees would also entail some costs and complexity to the City of Kirkland. To be successful such a direct payment plan requires a robust auditing function to ensure that tonnage charged to Kirkland is actually collected from residents in Kirkland. While it is likely that direct payment would be a net benefit, should this option become available, Kirkland would conduct a cost/benefit analysis before proposing such a switch.

The new contract clause, *Direct Payment of Disposal Fees by City*, is provided below:

Direct Payment of Disposal Fees by City

Upon 180 days written notice, the City may elect to pay disposal directly fees directly to King County, subject to approval by the County and the City's compliance with any County requirements regarding billing and payment. If the City elects to pay disposal fees directly, the Contractor shall:

- (1) Ensure that Garbage routes serving City Customers handle only City Garbage and not Garbage from Customers in other jurisdictions;*
- (2) Properly train and supervise its collection crews to properly use City disposal cards at County facilities, and to reconcile loads delivered by Contractor's crews with the disposal invoice provided by King County*
- (3) Track and report disposal quantities by route and average Container weights by Container size each month;*
- (4) Formalize a separate billing agent addendum to this Contract which details the financial and legal relationship between the Contractor (billing agent) and the City (client), including how receivables are handled and how the City handles disbursement to the Contractor and the County;*
- (5) Reduce its overall compensation for each service level by 110% of the amount of the disposal fee component plus the then-current business and occupation tax, based on the unit weights listed in the then-current Attachment B of this Contract; and*
- (6) Participate in a City funded and managed Container weight study to be conducted no more than once every three years of the Contract, the results of which will be used to update the disposal components listed in Attachment B of this Contract.*

If the City elects to pay disposal directly, the City shall release and indemnify the Contractor from financial and legal responsibility for disposal payments for City Garbage (and any taxes or other fees related thereto), provided that the Garbage has been collected only from applicable City Customers in accordance with this Contract.

Staff and the consultants Mr. Jeff Brown of Epicenter Services and Dr. Jeffrey Morris of Sound Resource Management will be on hand at the March 15, 2011 City Council meeting to provide a brief presentation on the services and rates included in the new proposed contract and to answer questions.

Attachment A: Negotiated Solid Waste Contract Service Enhancements

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	Proposed Enhancement	Current Contract Provision	Description
	Compact Fluorescent Bulb (CFL) Collection	None	Bulbs placed in contractor-provided sealable bag on recycling cart and collected on service day.
	Plastic Grocery Bag Collection	None	Curbside collection of bundled plastic grocery bags.
	Christmas Tree Collection	Trees must be cut in small pieces and placed in yard waste cart.	Curbside collection of whole, unflocked trees picked up in first two weeks of January.
	Neighborhood Parks Garbage Service Restoration	None	Limited restoration of weekly garbage service at 21 neighborhood parks.
	CBD Street Can Replacements/ Solar-powered Compactors	Contractor-provided 3x/5x per week service to 56 street garbage cans. Limited public recycling availability.	<ul style="list-style-type: none"> • 46 solar-powered garbage compactors provided at no cost. • Significant reduction in contractor collection costs. • Increases base garbage capacity from 9 to 36 yards/week. • Public recycling capacity increased to 7 yards/week.
	Consecutive Service Day Cancellation Relief	Double or triple loads picked up on next regular pickup day at. No relief for customers with consecutive service cancellations.	If service is missed two consecutive weeks or more due to inclement weather, contractor will deploy attended garbage and recycling trucks in affected service day area(s).
	7 AM Residential Collection Start Time	6 AM residential collection start time	Later start time in single family and multifamily areas to address noise complaints.
	Blue Detachable Recycling Containers (dumpsters)	Both garbage and recycling detachable containers are green.	Effort to distinguish recycling dumpsters from garbage dumpsters to reduce recycling contamination rates.
	All diesel collection vehicles to be replaced with new CNG collection vehicles by July 31, 2012	Diesel engine fleet with no collection vehicles older than ten years.	Effort to reduce emissions, noise, and comply with Evergreen Fleets standards.

RESOLUTION R-4874

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND AUTHORIZING THE CITY MANAGER TO EXECUTE THE COMPREHENSIVE GARBAGE, RECYCLABLES AND COMPOSTABLES COLLECTION AGREEMENT WITH WASTE MANAGEMENT, INC.

WHEREAS, Waste Management, Inc. currently provides solid waste service under contract with the City of Kirkland which will expire on September 30, 2014; and

WHEREAS, the City of Kirkland and Waste Management, Inc. have negotiated this new agreement with enhanced services to replace and supersede the previous contract prior to the previous contract's termination; and

WHEREAS, Waste Management, Inc. represents that it has the experience, resources, and expertise necessary to perform the contract services; and

WHEREAS, Waste Management, Inc. has substantially and satisfactorily performed all work in past agreements as contractually required and has been supportive of the City of Kirkland's waste reduction and recycling goals and programs; and

WHEREAS, the terms and conditions of the contract are advantageous, beneficial to, and supportive of the City of Kirkland's waste reduction and recycling goals and programs; and

WHEREAS, the City of Kirkland desires to enter into this contract with Waste Management, Inc. for the Garbage, Recyclables, and Compostables collection services;

NOW, THEREFORE, be it resolved by the City Council of Kirkland as follows:

Section 1. The City Manager is hereby authorized and directed to execute on behalf of the City of Kirkland the Comprehensive Garbage, Recyclables and Compostables Collection Agreement substantially similar to that attached as Exhibit "A".

Passed by majority vote of the Kirkland City Council in open meeting the ____ day of _____, 2011.

Signed in authentication thereof this ____ day of _____, 2011.

MAYOR

Attest:

City Clerk

**COMPREHENSIVE GARBAGE, RECYCLABLES AND
COMPOSTABLES COLLECTION AGREEMENT**

**City of Kirkland
and
Waste Management of Washington, Inc.**

July 1, 2011 – June 30, 2018

COMPREHENSIVE GARBAGE, RECYCLABLES AND COMPOSTABLES COLLECTION CONTRACT

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This solid waste collection contract is entered into by and between the City of Kirkland, a municipal corporation of the State of Washington (“City”), and Waste Management of Washington, Inc., a Washington corporation (“Contractor”) to provide for collection of Garbage, Compostables, and Recyclables from Single-Family Residences, Multi-Family Complexes and Commercial Customers located within the City Service Area. (Each capitalized term is hereinafter defined.)

The parties, in consideration of the promises, representations and warranties contained herein, agree as follows:

RECITALS

WHEREAS, the Contractor represents that it has the experience, resources and expertise necessary to perform the contract services; and

WHEREAS, the Contractor currently provides solid waste service under contract with the City which will expire September 30, 2012; and

WHEREAS, the City and Contractor have negotiated this new agreement with enhanced services to replace and supersede the previous contract prior to the previous contract’s termination; and

WHEREAS, the City desires to enter into this contract with the Contractor for the Garbage, Recyclables and Compostables collection services;

NOW, THEREFORE, in consideration of the mutual covenants, agreements and promises herein contained, the City and Contractor do hereby agree as follows:

DEFINITIONS

Call Center Definitions:

Average Speed to Answer (ASA%): The average amount of time a Customer is on “hold” BEFORE for a customer service representative (CSR) has answered the call.

Call Abandon Rate (ABA%): The percentage of Customers who abandon the queue (hang up) while waiting for a CSR to answer.

In Queue: Where the phone call waits on “hold” BEFORE for a customer service representative (CSR) has answered the call, resulting in the Average Speed to Answer score.

On Hold: The amount of time a customer is on hold AFTER the customer service representative has answered the call. For example, a Customer may be put on hold while a CSR researches information or asks a supervisor to assist with the call.

Change in Control: Change in Control means any sale, merger, policy of assets, the issuance of new shares, any change in the voting rights of existing shareholders, or other change in ownership which transfers the 25% or more of the beneficial interest therein from one entity to

another. Provided, however, that intracompany transfers, such as transfers between different subsidiaries or branches of the parent corporation of the Contractor, or transfers to corporations, limited partnerships, or any other entity owned or controlled by the Contractor upon the effective date of this contract shall not constitute a change in control.

City: The word “City” means the City of Kirkland, King County, Washington. As used in the Contract, it includes the official of the City holding the office of the City Manager or her/his designated representative, such as the City’s Director of Public Works.

City Service Area: The initial City Service Area shall be the corporate limits of the City as of June 1, 2011, including the Juanita, Finn Hill, and Kingsgate annexation area effective that date.

Commercial Customer: The term “Commercial Customer” means non-residential Customers including businesses, institutions, governmental agencies and all other users of commercial-type Garbage collection services.

Commercial Recyclables: The term “Commercial Recyclables” means aluminum cans and foil; corrugated cardboard; glass containers; recyclable plastic containers that have contained non-hazardous products, Mixed Paper; newspaper; polycoated and aseptic cartons; tin cans; and such other materials that the City and Contractor determine to be recyclable.

Compostables: The word “Compostables” means Yard Debris and Food Scraps separately or combined.

Compostables Cart: The term “Compostables Cart” means a Contractor-provided 35-, 64- or 96-gallon wheeled cart provided to Compostables collection Customers for the purpose of containing and collecting Compostables.

Container: The word “Container” means any Micro-Can, Mini-Can, Cart, Detachable Container or Drop-Box Container owned and provided by the Contractor.

Contractor: The word “Contractor” means Waste Management of Washington, Inc., which has contracted with the City to collect and dispose of Garbage and to collect, process, market and transport Recyclables and Compostables.

Curb or Curbside: The words “Curb” or “Curbside” mean on the homeowners' property, within five (5) feet of the Public Street or Private Road without blocking sidewalks, driveways or on-street parking. If extraordinary circumstances preclude such a location, Curbside shall be considered a placement suitable to the resident, convenient to the Contractor’s equipment, and mutually agreed to by the City and Contractor.

Customer means all users of solid waste services, including property owners, property managers and tenants.

Detachable Container: The term “Detachable Container” means a watertight metal or plastic Container equipped with a tight-fitting cover, capable of being mechanically unloaded into a collection vehicle, and that is not less than one (1) cubic yard or greater than eight (8) cubic yards in capacity.

Drop-Box Container: The term “Drop-Box Container” means an all-metal Container with ten (10) cubic yards or more capacity that is loaded onto a specialized collection vehicle, transported to a disposal or recycling site, emptied and transported back to the Customer’s site.

Extra Unit: The term “Extra Unit” means excess material which does not fit in the Customer’s primary Container. In the case of Garbage Containers under one cubic yard in capacity, an Extra Unit is 32-gallons, and may be contained in either a plastic bag or Garbage Can. In the case of Containers one cubic yard or more in capacity, and Extra Unit is one cubic yard. In the case of Residential Compostables collection, an Extra Unit shall be 32-gallons.

Food Scraps: The term “Food Scraps” mean all Compostable pre- and post-consumer Food Scraps placed in a Compostables Cart, such as whole or partial pieces of produce, meats, bones, cheese, bread, cereals, coffee grounds or egg shells, and food-soiled paper such as paper napkins, paper towels, paper plates, coffee filters, paper take-out boxes, pizza boxes, or other paper or biodegradable products specifically accepted by the Contractor’s selected composting site. Food Scraps shall not include large dead animals, plastics, diapers, cat litter, liquid wastes, pet wastes or other materials prohibited by the selected composting facility. The range of materials handled by the Compostables collection program may be changed from time to time upon the approval of the City to reflect those materials allowed by the Seattle-King County Health Department for the frequency of collection provided by the Contractor.

Garbage: The word “Garbage” means all putrescible and nonputrescible solid and semi-solid wastes, including, but not limited to, rubbish, ashes, industrial wastes, swill, demolition and construction wastes, and discarded commodities that are placed by Customers of the Contractor in appropriate bins, bags, cans or other receptacles for collection and disposal by the Contractor. The term Garbage shall not include Hazardous Wastes, Special Wastes, Source-Separated Recyclables or Compostables.

Garbage Can: The term “Garbage Can” means a City-approved Container that is a water-tight galvanized sheet-metal or sturdy plastic Container not exceeding four (4) cubic feet or thirty-two (32) gallons in capacity; fitted with two (2) sturdy looped handles, one on each side; and fitted with a tight cover equipped with a handle. All Containers shall be rodent and insect proof.

Garbage Cart: The term “Garbage Cart” means a Contractor-provided 20-, 35-, 64- or 96-gallon wheeled cart suitable for household deposit, storage and Curbside placement and collection of Garbage. Garbage Carts shall be rodent and insect proof and kept in sanitary condition at all times.

Hazardous Waste: The term “Hazardous Waste” means any substance that is:

- A. Defined as hazardous by 40 C.F.R. Part 261 and regulated as Hazardous Waste by the United States Environmental Protection Agency under Subtitle C of the Resource Conservation and Recovery Act (“RCRA”) of 1976, 42 U.S.C. § 6901 et seq., as amended by the Hazardous and Solid Waste Amendments (“HSWA”) of 1984; the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; or any other federal statute or regulation governing the treatment, storage, handling or disposal of waste imposing

special handling or disposal requirements similar to those required by Subtitle C of RCRA.

- B. Defined as dangerous or extremely hazardous by Chapter 173-303 WAC and regulated as dangerous waste or extremely Hazardous Waste by the Washington State Department of Ecology under the State Hazardous Waste Management Act, Chapter 70.105 RCW, or any other Washington State statute or regulation governing the treatment, storage, handling or disposal of wastes and imposing special handling requirements similar to those required by Chapter 70.105 RCW.

King County Disposal System: The term “King County Disposal System” means the real property owned, leased or controlled by the King County Solid Waste Division, King County, Washington for the disposal of Garbage, or such other site as may be authorized by the then current King County Comprehensive Solid Waste Management Plan.

Micro-Can: The term “Micro-Can” means a water-tight plastic Container not exceeding ten gallons in capacity; fitted with two sturdy handles, one on each side; and fitted with a tight cover.

Mini-Can: The term “Mini-Can” means a water-tight plastic Container not exceeding twenty gallons in capacity; fitted with two sturdy handles, one on each side; and fitted with a tight cover. A 20-gallon Garbage Cart shall be considered a “Mini-Can” level of service.

Mixed Paper: The term “Mixed Paper” means magazines, junk mail, phone books, bond or ledger grade paper, cardboard, paperboard packaging, paper cups and other fiber-based materials meeting industry standards. Tissue paper, paper towels, food-contaminated paper or paper packaging combined with plastic, wax or foil are excluded from the definition of Mixed Paper.

Mixed-Use Building: The term “Mixed-Use Building” means a structure inhabited by both Residential and Commercial Customers.

Multi-Family Complex: The term “Multi-Family Complex” means a multiple-unit Residence with three or more attached units and billed collectively for collection service.

Private Road: The term “Private Road” means a privately owned and maintained way that allows for access by a service truck and that serves multiple Residences.

Public Street: The term “Public Street” means a public right-of-way used for public travel, including public alleys.

Recycling Cart: The term “Recycling Cart” means a Contractor-provided 35-, 64- or 96-gallon wheeled cart suitable for household collection, storage and Curbside placement of Source-Separated Recyclables.

Recycling Container: The term “Recycling Container” means a Contractor-provided Container suitable for on-site collection, storage and placement of Source-Separated Recyclables at Multi-Family Complexes and Commercial Customer locations.

Residence/Residential: The words “Residence” or “Residential” mean a living space, with a kitchen, individually rented, leased or owned.

Residential Recyclables: The term “Residential Recyclables” means aluminum cans and foil; corrugated cardboard; glass containers; Mixed Paper; motor oil, newspaper; recyclable plastic containers that have contained non-hazardous products; polycoated or aseptic cartons; scrap electronics, compact fluorescent bulbs and tubes, Scrap Metals and tin cans. Scrap electronics, and compact fluorescent bulbs are accepted with advance arrangement and if prepared in accordance with Section 2.2.2.1

Scrap Metals: The term “Scrap Metals” means ferrous and non-ferrous metals, not to exceed two (2) feet in any direction and thirty-five (35) pounds in weight per piece.

Single-Family Residence: The term “Single-Family Residence” means all one-unit houses, duplexes, and mobile homes that are billed for collection service individually and located on a Public Street or Private Road.

Source-Separated: The term “Source-Separated” means certain reclaimable materials that are separated from Garbage by the generator for recycling or reuse, including, but not limited to Recyclables, Compostables and other materials.

Special Waste: The term “Special Waste” means polychlorinated biphenyl (“PCB”) wastes, industrial process wastes, asbestos containing materials, petroleum contaminated soils, treated/de-characterized wastes, incinerator ash, medical wastes, demolition debris and other materials requiring special handling in accordance with applicable federal, state, county or local laws or regulations.

Yard Debris: The term “Yard Debris” means leaves, grass and clippings of woody, as well as fleshy, plants. Unflocked, undecorated holiday trees are acceptable. Materials larger than four (4) inches in diameter or four (4) feet in length are excluded. Bundles of Yard Debris up to two feet by two feet by four feet (2’ x 2’ x 4’) in dimension shall be allowed and shall be secured by degradable string or twine, not nylon or other synthetic materials. Kraft paper bags, untied reusable plastic-mesh bags, or Garbage Cans labeled “Yard Debris” may also be used to contain extra Yard Debris. Shredded Compostable Mixed Paper may be included in Compostables Carts.

COMPREHENSIVE GARBAGE, RECYCLABLES AND COMPOSTABLES COLLECTION AGREEMENT

This agreement (hereafter, "Contract") is made and entered into this _____ day of _____ 2011, by and between the City of Kirkland, a municipal corporation (hereafter, "City"), and Waste Management of Washington, Inc, a Washington corporation (hereafter, "Contractor").

1. TERMINATION OF PREVIOUS CONTRACT/TERM OF NEW CONTRACT

The previous contract between the City and Contractor for Contractor to provide collection services to the City beginning October 1, 2003, and as thereafter amended is terminated as of 11:59 p.m the day before the Start Date of this Contract.

The term of this Contract is seven years, starting July 1, 2011 (the "Start Date"), and expiring June 30, 2018. The City may, at its sole option, extend the agreement for up to two (2) extensions, each of which shall not exceed two (2) years in duration. Any such extension shall be under the terms and conditions of this Contract, as amended by the City and Contractor from time to time. To exercise its option to extend this Contract, notice shall be given by the City to the Contractor no less than ninety (90) days prior to the expiration of the Contract term or the expiration of a previous extension.

Notwithstanding the foregoing, the Start Date of this Contract in the Juanita, Finn Hill and Kingsgate annexation areas currently scheduled to be annexed to the City as of June 1, 2011, which were previously serviced by Allied Waste, will be extended for up to 60 days, if necessary, to allow for the transition from collection service being provided by Allied Waste to Contractor pursuant to the terms of the Agreement between the City of Kirkland, the City of Bellevue, the Rabanco Companies and Waste Management of Seattle dated January, 1991 and expiring December 31, 2015 ("the 4 Way Agreement"), herein incorporated by reference. The Start Date in those annexation areas, as applicable, will then be that date determined by the City and the Contractor, which should be concurrent with completion of the transition pursuant to the 4 Way Agreement. Any delay in the Start Date with respect to these annexation areas will not alter the term, ability to extend and notice requirements of this Contract as set forth in the preceding paragraph. Notice of a delay in the start date will be determined no later than April 1, 2011, to allow for accurate customer notification.

2. SCOPE OF WORK

2.1 General Collection System Requirements

The Contractor shall collect, take title to and dispose of Garbage, Recyclables and Compostables according to the terms and conditions of this agreement; provided, that the Contractor shall not knowingly or as a result of gross negligence collect or dispose of Hazardous Waste or Special Waste as those terms are defined herein. The Contractor shall indemnify the City for any City damages cause by violation of this Section. To the extent identifiable, Customers shall remain responsible for any

Hazardous Waste or Special Waste inadvertently collected and identified by Contractor.

2.1.1 City Service Area

The Contractor shall provide all services pursuant to this Contract throughout the entire City Service Area.

2.1.2 Annexation

The Contractor further agrees that the transition of such annexed areas previously serviced by Allied Waste into the City Service Area shall be managed in accordance with the 4 Way Agreement and all necessary actions under that Agreement to begin providing service within the entire City Service Area will be completed before the Start Date or such other Start Date as agreed to pursuant to Section 1 herein.

The Contractor shall develop and implement a detailed contract transition plan for the City Service Area, subject to review and approval by the City. The Contractor and the City agree to meet regularly to monitor progress of the transition plan.

If additional territory is added to the City through annexation or other means within which the Contractor has an existing WUTC certificate or other franchise for solid waste collection at the time of annexation, the Contractor shall make collection in such annexed area in accordance with the provisions of this Contract at the unit prices set forth in this Contract. This Contract is in lieu of a franchise as provided in RCW 35A.14.900 for such future areas. The Contractor agrees that their certificate applicable to those future annexation areas shall be cancelled effective the date of annexation by the City. The Contractor expressly waives and releases its right to claim any damages or compensation from the City, its officers, agents, or assigns arising out of the cancellation of any pre-existing permit or franchise held by the Contractor prior to annexation, and further specifically waives the right to receive any additional compensation or any rights of collection in the newly annexed territory beyond what is provided herein. The term during which the Contractor will service any future annexation areas under this paragraph shall be seven (7) years, notwithstanding the term set forth in Section 1 of this Agreement.

If, during the life of the Contract, additional territory is added to the City through annexation within which the Contractor does not have an existing WUTC certificate or other franchise for Garbage or other collections, then, upon written notice from the City should the City so choose Contractor agrees to make collections in such future annexed areas in accordance with the provisions of this Contract at the unit prices set forth in this Contract. If a party other than the Contractor holds the WUTC certificate for any

such future annexed territory, the City will indemnify, hold harmless and defend the Contractor from any and all claims, actions, suits, liability, loss, costs, expenses and damages, including costs and attorney fees, arising out of Contractor's service in such annexed territory under this Contract.

The City acknowledges that equipment, such as trucks, carts and Containers, may take time to procure for distribution, and therefore, shall not penalize the Contractor for reasonable delays in the provision of services to annexed areas covered by this Contract due to procurement delays that are not within the control of the Contractor.

Annexed areas Customers shall receive the same Containers as used elsewhere in the City, in accordance with the provisions of this Contract. In the event where an annexed area is being serviced with Containers different from the City's program, the Contractor shall be responsible for timely Customer notification, removal and recycling of existing Containers and delivery of appropriate Containers to those Customers.

2.1.3 Unimproved Public Streets and Private Roads

The Contractor shall offer drive-in service to residences that allow safe access, turn-around space, and clearance for service vehicles. Residences located in an area that does not allow safe access, turn-around or clearance for service vehicles will be provided service if materials are set out adjacent to the nearest Public Street or Private Road that provides safe access.

In the event that the Contractor believes that a Private Road or Drive cannot be safely negotiated or that providing drive-in service for Residential Customers is impractical due to distance or unsafe conditions, the Contractor and the City will evaluate on-site conditions and make a determination of the best approach for providing safe and appropriate service to the customer. The Contractor and the City shall present feasible service options to the Customer and negotiate the nearest safe and mutually convenient pick up location. The City's decision shall be final, provided that the Contractor shall not be required to endanger workers, equipment or property.

If the Contractor believes that there is a probability of Private Road damage, the Contractor shall inform the respective Customers. Contractor may require a damage waiver agreement or decline to provide service on those Private Roads. The City shall review and approve the damage waiver form prior to its use with the Contractor's Customers.

2.1.4 Hours/Days of Operation

All collections in Single-Family Residence, Multi-Family Complex and Mixed-Use Building areas shall be made on Monday through Friday, between the hours of 7:00 a.m. and 6:00 p.m. The City may authorize a temporary extension of hours or days. Saturday collection is allowed to the extent consistent with make-up collections, and holiday and inclement weather schedules.

All collection from Commercial Customers shall be made Monday through Saturday, between the hours of 5:00 a.m. and 5:00 p.m. with the exception of Customers near areas zoned Residential, which shall be made only between the hours of 7:00 a.m. and 6:00 p.m. Exemptions may be granted in writing by the City to accommodate the special needs of Customers. City code noise restrictions, as amended from time to time, shall be applicable to collection services provided under this contract.

2.1.5 Employee Conduct

The Contractor's employees collecting Garbage, Recyclables and Compostables shall at all times be courteous, refrain from loud, inappropriate or obscene language, exercise due care, perform their work without delay, minimize noise, and avoid damage to public or private property. If on private property, employees shall follow the regular pedestrian walkways and paths, returning to the street after replacing empty Containers. Employees shall not trespass or loiter, cross flower beds, hedges or property of adjoining premises, or meddle with property that does not concern them or their task at hand. While performing work under the Contract, employees shall wear a professional and presentable uniform with an identifying badge with photo and company emblem visible to the average observer.

If any person employed by the Contractor to perform collection services is, in the opinion of the City, incompetent, disorderly or otherwise unsatisfactory, the City shall promptly document the incompetent, disorderly or unsatisfactory conduct in writing and transmit the documentation to the Contractor with a demand that such conduct be corrected. The Contractor shall investigate any written complaint from the City regarding any unsatisfactory performance by any of its workers. If the offending conduct is repeated, the City may require that the person be removed from all performance of additional work under this Contract. Removal shall be addressed by the Contractor immediately, and related documentation shall be provided to the City.

2.1.6 Disabled Persons Service

The Contractor shall offer carry-out service for Garbage, Recyclables and Compostables to households lacking the ability to place Containers at the Curb, at no additional charge. The Contractor shall use qualification

criteria that are fair and meet the needs of the City's disabled residents. These criteria shall comply with all local, state and federal regulations, and shall be subject to City review and approval prior to program implementation.

2.1.7 Holiday Schedules

The Contractor shall observe the same holiday schedule as do King County Transfer Stations (New Years Day, Thanksgiving Day, and Christmas Day).

When the day of regular collection is a King County Transfer Station holiday, the Contractor shall reschedule the remainder of the week of regular collection to the next succeeding workday, which shall include Saturdays. The Contractor shall not collect Residential Garbage, Recyclables or Compostables earlier than the regular collection day due to a holiday. Commercial collections shall be made one day early only with the consent of the Commercial Customer.

2.1.8 Inclement Weather and Other Service Disruptions

When weather or other route conditions are such that continued operation would result in danger to the Contractor's staff, area residents or property, the Contractor shall collect only in areas that do not pose a danger to residents, Contractor staff and equipment. The Contractor shall notify the City of its collection plans and outcomes for each day that severe inclement weather is experienced as soon as practical that same business day.

The Contractor shall collect Garbage, Recyclables and Compostables from Multifamily and Commercial Customers as soon as safely possible.

In the event that collection services are interrupted for one week for one or more Single-family Customers, the Contractor shall collect Garbage, Recyclables and Compostables from those Customers with interrupted service on their next regular collection day on the following week.

In the event that collection services are interrupted for two or more weeks for one or more Single-family Customers, the Contractor shall provide temporary Residential Garbage and Recycling collection sites on the day of the second missed day using driver-staffed Drop Box Containers or other suitable equipment, with no extra charge assessed for such temporary service.

For all Customers, the Contractor shall collect reasonable accumulated volumes of materials equal to what would have been collected on the missed collection day(s) from Customers at no extra charge.

All holiday and weather policies shall be included in program information provided to customers. On each inclement weather day, the Contractor shall release notices to the local newspapers and radio stations (including the Kirkland Reporter and the Seattle Times newspapers and KING AM, KIRO, and KOMO radio stations) notifying residents of the modification to the collection schedule. Upon City request, the Contractor shall use automated dialing services to inform Customers at the route level about service changes, provided that Customers shall be provided the option of opting out of automated calls.

When closure of roadways providing access or other non-weather related events beyond the Contractor's control prevent timely collection on the scheduled day, the Contractor shall make collections on the first day that regular service to a Customer resumes, collect reasonable accumulated volumes of materials equal to what would have been collected on the missed collection day(s) from Customers at no extra charge.

Following notification to the City, the Contractor will be provided temporary authorization to perform collection services after 6:00 pm and/or on Saturdays following disruptions in order to finish collection routes. Delayed or interrupted collections as described in this Section are not considered service failures for purposes of Section 4.1.

2.1.9 Suspending Collection from Problem Customers

The City and Contractor acknowledge that, from time to time, some Customers may cause disruptions or conflicts that make continued service to that Customer unreasonable. Those disruptions or conflicts may include, but not be limited to, repeated damage to Contractor-owned Containers, repeated refusal to position Garbage, Recycling and Compostables Carts properly, repeated suspect claims of timely set-out followed by demands for return collection at no charge, repeated claims of Contractor damage to a Customer's property, or other such problems.

The Contractor shall make every reasonable effort to provide service to those problem Customers. However, the Contractor may deny or discontinue service to a problem Customer if reasonable efforts to accommodate the Customer and to provide services fail. If the Customer submits a written letter to the City appealing the Contractor decision, the City may, at its discretion, intervene in the dispute. In this event, the decision of the City shall be final. The City may also require the denial or discontinuance of service to any Customer who is abusing the service or is determined to be ineligible.

2.1.10 Missed Collections

If Garbage, Recyclables or Compostables Containers are set out inappropriately, improperly prepared or contaminated with unacceptable materials, the Contractor shall place in a prominent location a notification tag that identifies the specific problem(s) and reason(s) for rejecting the materials for collection. Failure to provide proper notification to Customers of the reason for rejecting materials for collection shall be considered a missed collection and/or subject to performance fees due to lack of proper Customer notification.

The failure of the Contractor to collect Garbage, Recyclables or Compostables that has been set out by a Customer in the proper manner shall be considered a missed pick-up, and the Contractor shall collect the materials from the Customer within twenty-four (24) hours of the Contractor's receipt of notification of the missed pick-up. If the Contractor is notified of a missed pick-up by 9:00 a.m. the following business day, the missed pick-up shall be collected that same day, provided that the Contractor may ask Customers contacted on a Saturday whether Monday collection would be acceptable, at the Customer's option. The Contractor shall maintain an electronic database of all missed pick-ups (whether reported by telephone call or e-mail) and Contractor shall routinely note and provide corrective action to those Customers who experience repeated missed pick-ups. Such records shall be made available for inspection upon request by the City and shall be included with monthly reports unless otherwise directed by the City.

In the event that the Contractor fails to collect the missed pick-up within twenty-four (24) hours of receipt of notice (or on Monday in the event of notification after 4:00 p.m. on Friday), the Contractor shall collect the materials that day and shall be subject to performance fees. If the Contractor is requested by the Customer to make a return trip due to no fault of the Contractor, the Contractor shall be permitted to charge the Customer an additional fee for this service (a "return trip fee" at the rate specified in Attachment B), provided the Contractor notifies the Customer of this charge in advance.

2.1.11 Same Day Collection

Garbage, Recyclables and Compostables collection shall occur on the same regularly scheduled day of the week for Single-Family Residence Customers. The collection of Garbage, Recyclables and Compostables from Multi-Family Complexes and Commercial Customers need not be scheduled on the same day.

2.1.12 Requirement to Recycle and Compost

The Contractor shall recycle or compost all loads of Source-Separated Recyclables and Compostables collected, unless express prior written

permission is provided by the City. The disposal of contaminants separated during processing is acceptable to the extent that it is unavoidable and consistent with industry standards. The Contractor's residuals from the overall processing operations at the facility (including both City and non-City material) shall not exceed five (5) percent. Recyclables in residual stream shall not exceed five (5) percent of the inbound Recyclables. If more than five (5) percent of inbound materials are found to be contaminants, the Contractor will develop a plan to determine which Customers are adding contaminants in their Recyclables and then provide a public education program to remedy the situation.

The Contractor shall process Recyclables in such a manner as to minimize out-throws and prohibitives in baled material. Out-throws shall be less than eight (8) percent, prohibitives less than one (1) to two (2) percent by weight of outgoing materials or meet market requirements. The Contractor shall remove 90 percent or more of the inbound contaminants for disposal.

City staff shall be provided unannounced access to the Contractor's processing facilities at any time for the purposes of periodically monitoring the facilities' performance under this Section, and provided that the City shall comply with all applicable safety protocols and procedures in place at Contractor's facilities. Monitoring may include, but not limited to, taking samples of unprocessed Recyclables, breaking selected bales and measuring the out-throws and prohibitives by weight, taking samples of processed glass and metals, reviewing actual markets and use of processed materials, and other activities to ensure the Contractor's performance under this Section and to ensure that misdirected Recyclables and contamination are minimized.

Obvious contaminants included with either Source-Separated Recyclables or Compostables shall not be collected, and shall be left in the Customer's Container with a prominently displayed notification tag (per Section 2.1.10) explaining the reason for rejection.

If Contractor fails to meet the targets set forth in this Section due to the composition of materials being provided by Customers, then before the City imposes any performance fees under Section 4.1, the Parties shall meet and confer in good faith on potential solutions to reduce contamination from Customers.

2.1.13 Routing, Notification and Approval

The Contractor shall indicate, on a detailed map acceptable to the City, the day of the week Garbage, Recyclables and Compostables shall be collected from each Single-Family Residence.

The Contractor may change the day of collection by giving notice at least forty-five (45) days prior to the effective date of the proposed change and must obtain advance written approval from the City. On the City's approval, the Contractor shall provide affected Customers with at least fourteen (14) days written notice of pending changes of collection day. The Contractor shall obtain the prior written approval from the City of the notice to be given to the Customer, and such approval shall not be unreasonably withheld.

2.1.14 Equipment Age/Condition

The Contractor shall replace the existing fleet with new vehicles by July 31, 2012 and all vehicles shall meet model year 2012 or later model year emissions standards by such date. During the interim period between July 1, 2011 and July 31, 2012, the Contractor shall continue to use collection vehicles meeting the standards contained in the previous contract for those service areas and shall use collection vehicles no older than model year 1999 for the new annexation areas of Juanita, Finn Hill, and Kingsgate first serviced by Contractor on July 1, 2011. Should any such vehicles used during the interim period fail to meet these requirements and yet, in the Contractor's opinion, still be in safe working order, the Contractor must receive written approval from the City to continue to operate the subject vehicle,

Back-up vehicles used fewer than thirty (30) operating days per calendar year shall not be subject to the age and emission standards that apply to regularly-used vehicles, but shall be presentable, in safe working order and shall be subject to all other conditions of this Section. The accumulated annual use of individual back-up vehicles shall be reported in the Contractor's monthly report.

All vehicles used in the performance of this Contract shall be maintained in a clean and sanitary manner, and shall be thoroughly washed at least once each week. Vehicles shall be repainted as needed and/or at the request of the City.

All collection equipment shall have appropriate safety markings, including all highway lighting, flashing and warning lights, clearance lights, and warning flags, all in accordance with current statutes, rules and regulations. Equipment shall be maintained in good condition at all times. All parts and systems of the collection vehicles shall operate properly and be maintained in a condition satisfactory to the City. The Contractor shall maintain collection vehicles to ensure that no liquid wastes (such as Garbage or Compostables leachate) or oils (lubricating, hydraulic or fuel) are discharged to Customer premises or City streets. Any equipment not meeting these standards shall not be used within the City until repairs are made. All liquid spills will be immediately cleaned to the City's and

Customer's satisfaction and reported to the City per Section 2.1.16. Unremediated spills and failure to repair vehicle leaks shall be subject to performance fees as provided in Section 4.1.

All collection vehicles shall be labeled with signs on both the front and driver's side door and the rear of the vehicle which clearly indicate the vehicle inventory number. The Customer service telephone number shall be labeled on the side of the vehicle. Signs shall use lettering not less than four (4) inches high and shall be clearly visible from a minimum distance of twenty (20) feet. Signs, sign locations and the telephone number shall be subject to approval by the City. No advertising shall be allowed on Contractor vehicles other than the Contractor's name, logo and Customer service telephone number and website address. Special promotional messages may be permitted, upon the City's prior written approval. In addition, any vehicle regularly used in the City shall include a placard clearly visible at the rear of the vehicle. This placard will show, in lettering at least 6" high, an abbreviated truck designation number specific to Kirkland, for example SK-1, SK-2, etc., limited to a two digit numeral to aid in rapid identification of vehicles to allow more precise reporting and correction of any unsatisfactory condition related to specific vehicles. All Contractor route, service and supervisory vehicles shall be equipped with properly licensed two-way communication equipment. The Contractor shall maintain a base station or have communication equipment capable of reaching all collection areas.

2.1.15 Container Requirements and Ownership

The Contractor shall procure and maintain a sufficient quantity of Containers to service the City's Customer base, including seasonal and economic variations in Container demand. Failure to have a Container available when required by a Customer shall subject the Contractor to performance fees, as provided in Section 4.1.

Customers may elect to own or secure Compostables Carts from other sources, and shall not be subject to discrimination by the Contractor in collection services on that account. However, Carts owned or secured by Customers must be capable of being serviced safely by the Contractor's collection vehicles to be eligible for collection. The Contractor shall provide labels and collection service for compatible Customer-owned Carts. The Contractor is not required to service Customer Carts that are not compatible with the Contractor's equipment. In the event of a dispute as to whether a particular Container is compatible, the City shall make a final determination. Contractor Containers must be used by Customers for a Customer's initial Garbage or Recycling Container.

2.1.15.1 Micro-Cans, Mini-Cans and Garbage Cans

Customers shall use a Contractor-owned Micro-Can, Mini-Can or Cart for small Container Garbage collection service. Plastic bags and Garbage Cans may be used for overflow volumes of Garbage, but not as a Customer's primary Container.

If a Customer uses their own Container for excess Garbage, Contractor crews shall be expected to handle the Container in such a way as to minimize undue damage. The Contractor shall be responsible for unnecessary or unreasonable damage to Customer-owned Containers, wear and tear excepted.

2.1.15.2 Garbage, Recyclables and Compostables Carts

The Contractor shall provide Micro-Cans, Mini-Cans, and 35-, 64- and 96-gallon Garbage Carts for the respective level of Garbage collection; 35-, 64- or 96-gallon Recyclables Carts; and 35, 64- and 96-gallon Compostables Carts. All Carts shall be manufactured from a minimum of 10 percent (10%) post-consumer recycled plastic, with a lid that will accommodate a Contractor affixed instructional label. Carts shall be provided to requesting Customers within seven (7) days of the Customer's initial request. Failure to do so will result in performance fees as provided in Section 4.1. All wheeled cart manufacturers, styles and colors shall be approved in writing by the City prior to the Contractor ordering a cart inventory. All Carts must have materials preparation instructions and telephone and website contact information that visually depicts allowed and prohibited materials suitable for the designated Cart either screened or printed on a sticker affixed to the lid.

All Contractor-owned wheeled carts shall: be maintained by the Contractor in good condition to allow material storage, handling, and collection; contain no jagged edges or holes; be equipped with functional wheels or rollers for movement; and be equipped with an anti-skid device or sufficient surface area on the bottom of the Container to prevent unwanted movement. The carts shall be labeled with instructions for proper use, including any Customer actions that would void manufacture warranties (such as placement of hot ashes in the Container causing the Container to melt or burn).

Contractor personnel shall note any damaged hinges, holes, poorly functioning wheels and other similar repair needs on Contractor-owned carts (including those for Garbage, Recycling and Compostables) and forward repair notices to the Contractor's service personnel. Cart repairs shall then be made within seven (7) days at the Contractor's expense. Any Cart

that is damaged or missing on account of accident, act of nature or the elements, fire, or theft or vandalism by other members of the public shall be replaced no later than three (3) business days after notice from the Customer or City. Replacement Carts may be new or used and reconditioned, and all Carts shall be clean and appear presentable when delivered. Unusable carts shall be retrieved by Contractor, cleaned (if necessary) and recycled to the extent possible.

In the event that a particular Customer repeatedly damages a Cart or requests more than one replacement Cart during the term of the Contract due solely to that Customer's negligence or intentional misuse, the Contractor shall forward in writing the Customer's name and address to the City. The City shall then attempt to resolve the problem. In the event that the problem continues and upon City-approval, the Contractor may charge the Customer a City-approved Cart destruction fee no greater than half of the current new Cart replacement cost.

2.1.15.3 Detachable and Drop-Box Containers

The Contractor shall furnish, deliver, and properly locate 1-, 1.5-, 2-, 3-, 4-, 6- and 8-cubic yard Detachable Containers, and 10-, 20-, 30- or 40-cubic yard uncompacted Drop-Box Containers to any Customer who requires their use for storage and collection of Garbage, Recyclables or Compostables within three (3) days of the request.

Containers shall be located on the premises in a manner satisfactory to the Customer and for safe and efficient collection by the Contractor. Containers shall not be placed by Contractor, or kept for use by Customer, in any City Public Street. Any Container located in any City Public Street at any time is at the Contractor's risk and not the City's. Any Container located in City Public Right of Way is in violation of this section, and shall immediately be removed upon request by the City.

Detachable Containers shall be: watertight and equipped with tight-fitting metal or plastic covers, which covers shall be closed by Contractor after every service; have four (4) wheels for Containers 2-cubic yards and under; be in good condition for Garbage, Recyclables or Compostables storage and handling; and, have no leaks, jagged edges or holes. Drop-Box Containers shall be all-metal, and if requested by a Customer, equipped with a tight-fitting screened or solid cover operated by a functional winch system that is maintained in good repair.

Each type of Detachable Container (i.e. Recyclables, Compostables or Garbage) shall be painted a color consistent with the program it is used for, subject to the requirements of Section 2.1.15.6, with color changes subject to the City's prior written approval. Detachable containers shall be repainted as needed, or upon notification from the City.

Detachable Containers shall be cleaned, reconditioned and repainted (if necessary) before being initially supplied, or returned after repair or reconditioning, to any Customer. The Contractor shall provide an on-call Container cleaning service to Customers. The costs of on-call cleaning shall be billed directly to the Customer in accordance with Attachment B.

Containers on Customers' premises are at the Contractor's risk and not the City's. The Contractor shall repair or replace within twenty-four (24) hours any Container that was supplied by the Contractor if the City or a Health Department inspector determines that the Container fails to comply with reasonable standards or in any way constitutes or contributes to a health or safety hazard.

Customers may elect to own, or self-provide, Containers from other sources, and shall not be subject to discrimination by the Contractor in collection services on that account. However, any Containers owned or self-provided by Customers must be compatible with Contractor's standard front load or Drop-Box Container collection vehicles. The Contractor is not required to empty or service Customer Containers that present a safety hazard or that are not compatible with the Contractor's equipment.

In the event that a particular Customer repeatedly damages a Container due to that Customer's negligence or intentional misuse, the Contractor shall forward in writing the Customer's name and address to the City. The City shall then attempt to resolve the problem. In the event that the problem continues, the Contractor may discontinue service to that Customer, on the City's prior approval.

2.1.15.4 Recycling Carts

The Contractor shall provide Recycling Carts to new Customers within the City Service Area, including new Residences and annexation areas, as well as replacement Carts to existing Customers who request them because of loss, theft

or damage. Carts shall be provided within seven (7) days of a Customer request.

All distributed Recycling Carts shall include information materials describing material preparation and collection requirements. Any materials published by the Contractor must be reviewed and approved by the City prior to printing and distribution by the Contractor. All Recycling Carts shall be labeled with materials preparation instructions that visually depict allowed and prohibited materials suitable for the designated Cart either screened or printed on a sticker affixed to the lid, along with telephone and website contact information. All Recycling Carts shall be provided at the Contractor's sole expense.

The Contractor shall provide 35- or 96-gallon Recycling Carts on request to those residents requiring less capacity than provided by the default 64-gallon Recycling Cart.

In the event that a Customer intentionally damages or misuses their Recycling Cart, the Contractor may discontinue recycling service to that Customer. On the City's prior approval and/or may charge the Customer a City-approved Cart destruction fee no greater than half of the current new Cart replacement cost.

2.1.15.5 Ownership

On the termination of this Contract for any reason, all Contractor-supplied Garbage Carts, Recycling Carts, Compostables Carts and Garbage/Recyclables kiosks purchased or obtained by the Contractor in performance of this contract, shall, at the option of the City, revert to City ownership without further compensation to the Contractor. Upon written notice, the City may elect to assign this ownership option to a third party.

Detachable Containers and Drop-Box Containers shall be purchased, delivered and maintained by the Contractor during the term of this Contract. On the termination of this Contract for any reason, the City may, at its option, purchase or assign the right to purchase the Contractor's in-place inventory of Detachable Containers or Drop-Box Containers for use by the successive contractor. In the event that Contractor's Containers are purchased or assigned, the sale price shall equal fifty percent (50%) of the average new price for each Container, based on the average price from three (3) manufacturers at the time of the termination. For the purposes

of this transaction, the average prices shall include transportation from the manufacturer to the Contractor's closest service yard, but shall exclude sales or use taxes.

2.1.15.6 Container Colors and Labeling

New and replacement Contractor-provided Recycling Carts shall be blue, Compostables Carts shall be grey, and Garbage Carts shall be green. Detachable Containers used for Garbage shall be green and all Detachable Containers used for Recyclables shall be blue starting August 1, 2011 for Multi-Family and Commercial Customers. The color requirements apply to both Cart bodies and lids.

The City may direct changes to cart colors at any time prior to the Contractor ordering initial or replacement carts provided the new direction from the City does not require replacement of existing inventories and the cost per unit does not increase to the Contractor. Specific Container colors shall be approved by the City prior to the Contractor's order of new Containers.

All Containers shall be labeled with up-to-date instructional information and contact information prior to delivery, including both a customer service phone number and a website address. All label designs shall be approved by the City prior to ordering by the Contractor. The location of the label on the Containers shall be subject to the City's prior approval. Labels shall be replaced by the Contractor at no additional charge when faded, damaged, out-of-date, or upon City or Customer request.

2.1.15.7 Container Weights

Micro-Cans shall not exceed twenty 20 pounds, Mini-Cans and 20-gallon Garbage Carts shall not exceed forty (40) pounds and Garbage Cans shall not exceed sixty (60) pounds in weight. Cart weights shall not exceed sixty (60) pounds for the 35-gallon size, one hundred-twenty (120) pounds for the 64-gallon size and one hundred-eighty (180) pounds for the 96-gallon size. No specific weight restrictions are provided for Detachable Containers, however, the Contractor shall not be required to lift or remove materials from a Detachable Container exceeding the safe working capacity of the collection vehicle. The combined weight of Drop-Box and contents must not cause the collection vehicle to exceed legal road weights.

2.1.16 Spillage

All loads collected by the Contractor shall be completely contained in collection vehicles at all times, except when material is actually being loaded. Hoppers and tippers on all collection vehicles shall be operated so as to prevent any blowing or spillage of materials. Any blowing or spillage of materials either caused by Contractor or that occurs during collection shall be immediately cleaned up by the Contractor at Contractor's expense. Prior to any collection vehicle leaving a collection route and/or operating on any roads with a speed limit higher than 25 miles per hour, Contractor shall completely close any collection vehicle openings where materials may blow out, and thoroughly inspect for and contain any collected materials inadvertently spilled on top of the collection vehicle to prevent release or littering this material. Spillage not immediately cleaned up shall be cause for performance fees, as described in Section 4.1.

All vehicles used in the performance of this Contract shall be required to carry regularly-maintained and fully-functional spill kits. At a minimum, spill kits shall include absorbent pads or granules, containment booms, storm drain covers, sweepers and other similar materials sufficient to contain, control and, for minor events, appropriately clean-up any spillage or release of wind-blown materials, litter, or leaks of Contractor vehicle fluids or leachate. The Contractor shall notify the City via e-mail within two hours of any major spill or any spill that leaves a noticeable stain on City Roads or private property. Spill kits shall also include employee spill containment instructions and procedures as well as a regularly updated list of emergency contacts. The Contractor shall develop spill response procedures for review and approval by the City before initiating any work under this Contract. Prior to operating any vehicle in the City, all Contractor vehicle drivers shall be provided with hands-on training on the location, maintenance, and use of spill kits and associated containment and notification procedures. Such training shall be provided to all vehicle drivers at least annually.

All Drop-Box loads (both open and compactor) shall be properly and thoroughly covered or tarped to prevent any spillage of material prior to Contractor vehicle entering any Private Road or Public Street.

2.1.17 Pilot Programs

The City may wish to test and/or implement one or more changes to waste stream segregation, materials processing or collection technology, promotion of services, or collection frequency at some point during the term of the Contract. The City shall notify the Contractor in writing at least ninety (90) days in advance of its intention to implement a pilot program or of its intentions to utilize a new technology system on a City-wide basis. The costs (or savings) accrued by any City-initiated pilot programs shall be negotiated prior to City-wide implementation. The

Contractor shall coordinate with the City and participate fully in the design, roll-out, operation and troubleshooting of such pilot programs.

Contractor-initiated pilot programs shall require prior written notification and approval by the City. Contractor-initiated pilot programs shall be performed at no additional cost to the City or the Contractor's Customers; however, savings accrued may be subject to negotiations prior to City-wide implementation at the City's request.

Contractor-initiated surveys are allowed of businesses and/or Residences to gather information about generic service preferences or to access pilot program options or outcomes, provided that all related data and analysis is shared with the City.

2.1.18 Disruption Due to Construction

The City reserves the right to construct any improvement or to permit any such construction in any street or alley in such manner as the City may direct, which may have the effect for a time of preventing the Contractor from traveling the accustomed route or routes for collection. However, the Contractor shall, by the most expedient manner, continue to collect Garbage, Recyclables and Compostables to the same extent as though no interference existed upon the streets or alleys normally traversed. This collection shall be done at no extra expense to the City or the Contractor's Customers.

2.1.19 Contractor Planning Assistance

The Contractor shall, upon request and without additional cost, make available site planning assistance to either the City and/or property owners or their representatives. The site planning assistance shall be available for all new construction or remodeling of buildings and structures within the City Service Area, and shall address the design and planning of Garbage, Recyclables and Compostables removal areas and their location upon the site of the proposed construction or remodeling project. Contractor planning assistance for optimizing loading docks, enclosures, compactor equipment, and other similar structures or areas shall also be available for existing Customers when adjusting Garbage, Recyclables and Compostables services. Contractor planning assistance shall be provided within two working days.

2.1.20 Safeguarding Public and Private Facilities

The Contractor shall be obligated to protect all public and private improvements, facilities and utilities whether located on public or private property, including street Curbs. If such improvements, facilities, utilities or Curbs are damaged and such damage is primarily attributable to the Contractor's operations, the Contractor shall notify the City immediately in

writing of all damage, and the Contractor shall repair or replace the same. If the Contractor fails to do so promptly, as determined by the City, the City shall cause repairs or replacement to be made, and the cost of doing so shall be billed to and become the responsibility of the Contractor.

2.1.21 Company Name

The Contractor shall not use a firm name containing any words implying municipal ownership without prior written permission from the City.

2.1.22 Transition and Implementation of Contract

The Contractor shall work with the City to design and distribute promotional materials to Customers throughout the City. This information is designed to provide information about the City's programs (and any service changes) and to inspire interest from the community in actively participating in the programs. The Contractor shall, at its expense, provide the following:

(1) Single Family Residential Customers.

- a. By May 1, 2011 the Contractor shall mail a letter and a brochure describing the City's services, rates, and the mandatory garbage collection requirement set forth in the Kirkland Municipal Code to all Residential Customers in the City, including customers in the Juanita, Finn Hill, and Kingsgate annexation area. Specific emphasis will be placed on the City's Compostables collection program. This brochure shall also include waste reduction information and alternatives for hard-to-recycle materials.

(2) Multi-Family Customers.

- a. Site Visits. By December 31, 2011, the Contractor will have contacted, by direct mail, telephone or site visit, each Multi-Family Complex and/or property manager in the City. The Contractor will work with the City to ensure communication with each complex or property manager by December 31 of each year of the contract. This might be through a mailing or on-site visit, with up to ten (10) percent of complexes provided with on-site visits or trainings each year. The Contractor will provide information about the City's recycling programs and will work to obtain/distribute contact information for ongoing/follow-up visits. During these site visits or trainings, the Contractor will:
 - i. Audit service levels and provide information on potential cost savings associated with increased recycling.

- ii. Assess the potential for establishing food scrap recycling service in compliance with the City's Multifamily Food Scrap Recycling Program standards.
 - iii. Ensure that all recycling and Garbage Carts and Detachable Containers are labeled correctly.
 - iv. Arrange for the replacement of any green or gray Recycling Carts or Detachable Containers with blue Recycling Carts or Detachable Containers.
 - v. Provide recycling related posters and brochures for Multi-Family Complexes.
 - vi. Update or establish contact information for ongoing communication.
 - vii. Provide the City with a report of the outcomes from these site visits.
- b. Public Education. By July 1, 2011, WM will develop specific public education materials for Multi-Family Complexes. This information will be delivered during site audits and mailed to managers, as appropriate.
- (3) Other.
- a. Additional staffing shall be provided for Contractor Customer service lines to accommodate Customer questions, Residential service level shifting requests, and Commercial Customer Container orders during the transition period.
 - b. The Contractor will implement and provide the City with average market rates for Commercial Recycling fees (for Customers subscribing to service volumes exceeding 150 percent of the Customer's garbage collection volume).
 - c. By July 31, 2012, the Contractor will provide a detailed analysis of current level of compliance with "Evergreen Fleets" and current fleet equipment age, condition, fuel type, and emissions control compliance to allow the City to assess and track Contractor progress toward achieving equipment requirements as specified in Section 2.1.14 and 2.1.26.
 - d. Provide for City review the initial draft Annual Service Updates in accordance with Section 2.3.5 before September 1, 2011

The above dates may be shifted earlier upon permission of the City, provided that Customers receive new Containers in a way to minimize confusion.

All Container decals, cart imprints and materials provided by the Contractor to Customers shall be reviewed and approved by the City in advance of production or distribution.

2.1.23 Ongoing Coordination with City and Performance Review

The Contractor's supervisory staff shall be available to meet with the City at the City's offices on request as well as on a quarterly schedule to discuss and resolve operational and Contract issues. The City may, at its option, conduct periodic performance reviews of the Contractor's performance under this Contract. The City may perform the review to confirm various aspects of the Contractor's operations and compliance with this Contract. City staff or contracted consultants may provide the review at the City's direction. The Contractor shall fully cooperate and assist with all aspects of the performance review, including access to Contractor's route and Customer service data, billing information, safety records, equipment, facilities and other applicable items. The City's scope of review under this provision is intended to focus on analysis of the Contractor's performance and Contract compliance.

The results of the performance review shall be presented to the Contractor and a plan for addressing any deficiencies shall be provided to the City within two (2) weeks of the Contractor's receipt of the review. The Contractor shall analyze and correct in good faith any deficiencies found in its performance under this Contract, including broader implementation of corrections that extend beyond the limited data or scope of a performance review to bring Contractor into more complete Contract compliance.

The Contractor's corrective plan shall address all identified deficiencies and include a timeline for corrective actions. The Contractor's corrective plan shall be subject to review and approval by the City. Upon approval of the plan, the Contractor shall implement and sustain actions that correct deficiencies. Failure to complete correction of deficiencies as outlined in the plan and/or failure to initiate good faith corrective actions within thirty (30) days shall constitute a failure to perform subject to performance fees as defined in 4.1.

The Contractor shall continually monitor and evaluate all operations to ensure compliance with this Contract. At the request of the City, the Contractor shall report its own findings from internal monthly performance measures for collection, customer service and maintenance functions. The City shall determine which of the Contractor internal performance management measures are relevant to addressing any particular

deficiencies and the Contractor shall continue to report those measures until notified in writing by the City.

In addition, Contractor personnel involved in the collection of Compostables and/or Recyclables will be required to attend a minimum of one (1) training per year to allow City and Contractor representatives to present highlights of promotional and service initiatives, while providing personnel an opportunity to offer feedback or suggest improvements based on their own observations.

2.1.24 Disposal Restrictions and Requirements

All Garbage collected under this Contract, as well as residues from processing Recyclables and Compostables, shall be delivered to the King County Disposal System, unless otherwise directed in writing by the City.

Garbage containing obvious amounts of Yard Debris shall not knowingly be collected and instead prominently tagged with a notice informing the Customer that King County does not accept Yard Debris mixed with Garbage for collection. Contractor's knowing collection of Garbage mixed with visible Yard Debris shall be grounds for performance fees as provided in Section 4.1.

The Contractor shall not be required to collect hazardous materials that are either restricted from disposal or would pose a danger to collection crews. If materials are rejected for this reason, the Contractor shall leave a written notice with the rejected materials listing why they were not collected and providing the Customer with a contact for further information about proper disposal options. The Customer shall remain responsible for all costs associated with handling and disposal of hazardous materials inadvertently collected by Contractor.

Garbage collected by the Contractor may be processed to recover Recyclables, provided that the residual is disposed in accordance with the City's Interlocal Agreement with King County. In the event the Contractor elects to haul Garbage to a private processing facility, the Contractor shall charge the Customer no more than the equivalent Garbage disposal fee at a King County Disposal System transfer station and shall charge hauling fees no higher than provided for in Attachment B.

In the event that the City wishes to conduct a waste composition analysis, the Contractor shall deliver collected Garbage from one or more routes to the designated sorting site and shall coordinate with the City's consultant to ensure successful sampling. In the event that the sorted Garbage requires delivery to a County authorized disposal site, the City shall pay the Contractor for that delivery based on the Contractor's standard Container rental and hauling rates.

2.1.25 Direct Payment of Disposal Fees by City

Upon 180 days written notice, the City may elect to pay disposal directly fees directly to King County, subject to approval by the County and the City's compliance with any County requirements regarding billing and payment. If the City elects to pay disposal fees directly, the Contractor shall:

- (1) Ensure that Garbage routes serving City Customers handle only City Garbage and not Garbage from Customers in other jurisdictions;
- (2) Properly train and supervise its collection crews to properly use City disposal cards at County facilities, and to reconcile loads delivered by Contractor's crews with the disposal invoice provided by King County
- (3) Track and report disposal quantities by route and average Container weights by Container size each month;
- (4) Formalize a separate billing agent addendum to this Contract which details the financial and legal relationship between the Contractor (billing agent) and the City (client), including how receivables are handled and how the City handles disbursement to the Contractor and the County;
- (5) Reduce its overall compensation for each service level by 110% of the amount of the disposal fee component plus the then-current business and occupation tax, based on the unit weights listed in the then-current Attachment B of this Contract; and
- (6) Participate in a City funded and managed Container weight study to be conducted no more than once every three years of the Contract, the results of which will be used to update the disposal components listed in Attachment B of this Contract.

If the City elects to pay disposal directly, the City shall release and indemnify the Contractor from financial and legal responsibility for disposal payments for City Garbage (and any taxes or other fees related thereto), provided that the Garbage has been collected only from applicable City Customers in accordance with this Contract.

2.1.26 Alternative Fuels: Biodiesel and Compressed Natural Gas (CNG)

The Contractor shall use 20 percent sustainable-rated biodiesel fuel in its diesel vehicles used in the performance of this Contract. The percentage requirement may be met either by using a 20 percent blend fuel in all diesel vehicles during March-October and five (5) percent during November-

February, or using a higher percentage in specific vehicles to achieve the same result.

The Contractor may request permission from the City to temporarily or permanently discontinue biodiesel use if the Contractor is unable to reasonably obtain biodiesel or has continued unresolvable operating problems directly related to the use of biodiesel. The City shall consider the request, provide its own investigations and provide a response to the Contractor within thirty (30) days of receiving the Contractor's request.

The Contractor shall maintain all vehicles used in Kirkland in a manner intended to achieve reduced emissions and particulates, noise levels, operating costs, and fuel use. By July 31, 2012, the Contractor's entire fleet used in Kirkland shall meet certification criteria established via the Puget Sound Clean Air Agency Evergreen Fleets Program.

Upon request, the Contractor shall provide documentation and/or provide access for verification that its fleet meets the requirements of this section.

2.1.27 Violation of Ordinance

The Contractor shall report in writing immediately to the City any observed violation of the City's ordinances providing for and regulating the Containerization, collection, removal and disposal of Garbage, Recyclables and Compostables.

2.2 Collection Services

2.2.1 Single-Family Residence Garbage Collection

2.2.1.1 Subject Materials

The Contractor shall collect all Garbage placed Curbside for disposal by Single-Family Residence Customers in and adjacent to Micro-Cans, Mini-Cans, Garbage Cans (for Extra Units) or plastic bags (for Extra Units) and/or Contractor-owned Garbage Carts. The Contractor shall offer carry-out service to disabled Customers at no charge (per Section 2.1.6) and to all other Customers for the appropriate service level rate, plus the carry-out surcharge, in accordance with Attachment B. If a Customer is either eligible for, or subscribes to, carry-out service, carry-out service shall be provided for all three collection streams (Garbage, Recyclables, and/or Compostables) without duplicate surcharges.

2.2.1.2 Collection Containers

The Customer's primary Container must be a Micro-Can, Mini-Can or Garbage Cart. Garbage Cans and Plastic bags may only be used for Extra Units, not as the Customer's primary Container. Micro-Can, Mini-Can and Cart rental fees shall be embedded in the respective rate charged for the level of service and not separately charged or itemized.

Micro-Cans, Mini-Cans and Garbage Carts shall be delivered by the Contractor to Single-Family Residence Customers within seven (7) days of the Customer's initial request.

2.2.1.3 Specific Collection Requirements

The Contractor shall offer regular weekly collection of the following service levels:

- (1) One 10-gallon Micro-Can
- (2) One 20-gallon Mini-Can or Garbage Cart;
- (3) One 35-gallon Garbage Cart;
- (4) One 64-gallon Garbage Cart; and
- (5) One 96-gallon Garbage Cart;

The Contract shall also offer a "super recycler" service of once per month collection of non-putrescible waste in a 35-gallon Cart.

Carry-out charges shall be assessed only to those Customers who choose to have the Contractor move Containers to reach the collection vehicle at its nearest point of access. An Extra Unit charge may be assessed for materials loaded so as to lift a Cart lid in excess of six (6) inches from the normally closed position. The Contractor may charge for an overweight Container at the Extra Unit rate, provided that the Customer agrees in advance to pay for the Extra Unit rate, otherwise, the Container shall be left at the Curb with Customer notification as to why it was not collected. The Contractor shall maintain route lists in sufficient detail to allow accurate recording and charging of all Extra Unit fees. All Extra Units from Customers with a history of disputed charges shall be documented with a date and time stamped photograph. Customers shall be allowed to specify that no Extra Units be collected without prior Customer notification, which shall be provided by the Customer no less than twenty-four (24) hours prior to that Customer's regular collection.

Collections shall be made from Single-Family Residences on a regular schedule on the same day and as close to a consistent time as possible. The collection days provided to Juanita, Finn Hill, and Kingsgate annexation area customers shall remain the same, to the extent feasible. Customers shall place Containers on or abutting Public Streets or Private Roads. The Contractor may tag inappropriately placed Containers not placed out in accordance with Kirkland Municipal Code. The Contractor’s crews shall make collections in an orderly and quiet manner, and shall return Containers, in an upright position, with lids closed and attached, to their set out location and will not place Containers on streets, sidewalks, public pathways, or in places that block vehicle access to any driveways, mailboxes, or similar structures.

The Contractor shall change from weekly to every-other-week collection of Single-Family Garbage upon at least 180 days prior written notice from the City. In the event that the City elects to reduce collection frequency, the Contractor’s rates for Single-Family Garbage collection shall be reduced by \$2.11 per household per month for all Single-Family Garbage service levels, as annually adjusted by the provisions of Section 3.3.1, starting the first month of the changed service. In the event that every-other-week collection does not work as intended, the City may change service back to weekly, and the parties shall negotiate in good faith to develop mutually acceptable terms regarding the timing and cost of a return to weekly service.

2.2.2 Single-Family Residence Recyclables Collection

2.2.2.1 Subject Materials

The defined list of Residential Recyclables shall be collected from all participating Single-Family Residences as part of basic Garbage collection services, without extra charge. The Contractor shall collect all Residential Recyclables from Single-Family Residences that are placed in Contractor owned Carts or are boxed or placed in a paper bag next to the Customers’ Recycling Cart. Recyclables must be prepared as follows and uncontaminated with food or other residues:

- Aluminum Cans: All aluminum cans and foil that are placed in the Recycling Cart.
- Corrugated Cardboard: All corrugated cardboard boxes smaller than three (3) feet square, and placed in or next to the Customer’s Recycling Cart.

	Corrugated cardboard boxes larger than three (3) feet square must be flattened by Customer prior to collection.
Fluorescent Lights	All compact fluorescent bulbs packaged in a contractor-provided storage container.
Glass Containers:	All colored or clear jars and bottles that are rinsed and have lids removed. Ceramics and window glass are excluded.
Mixed Paper:	All Mixed Paper.
Motor Oil:	Up to three gallons of motor oil that is free from contaminants and placed in screw-top plastic jugs, labeled with the Customer's address and placed next to the Customer's Recycling Cart.
Newspaper:	All newspaper and advertising supplements that are delivered with newspapers.
Plastic Bags:	All clean dry plastic bags bagged together, securely tied, and placed in the Recycling Cart.
Plastic Containers:	All plastic bottles, cups, jugs and tubs. Other plastics, automotive or other hazardous product containers, and lids are excluded.
Polycoated Cartons and Boxes:	All plastic coated and aseptic cartons and boxes that are flattened.
Scrap Electronics:	Scrap electronics that are no bigger than 2 feet by 2 feet per unit in size and less than 60 pounds per unit, including computer equipment, VCRs, audio equipment, televisions, cell phones and other equipment containing circuit boards that are placed next to the Recycling Cart. Scrap electronics do not include speakers, kitchen appliances, or other household products as defined in the Contractor's promotional materials.

Scrap Metal: All ferrous and non-ferrous Scrap Metal that is free of wood, plastic, rubber and other contaminants; and meets the size requirements defined for Scrap Metals. Scrap Metal shall include small appliances such as microwave ovens and toasters provided they meet the size requirements.

Tin Cans: All food and beverage tin cans with labels removed.

2.2.2.2 Containers

The Contractor shall be responsible for ordering, assembling, affixing instructional information onto, maintaining adequate inventories of, and distributing and maintaining Recycling Carts. The default Recycling Cart size shall be 64-gallons for new Customers, provided that the Contractor shall offer and provide 35- or 96-gallon Recycling Carts on request to those Customers requiring either less or additional capacity than provided by the standard 64-gallon Recycling Cart. Recycling Carts shall include a recycling/program brochure when distributed.

Recycling Carts shall be delivered by the Contractor to new Customers or those Customers requesting replacements, within seven (7) days of the Customer’s initial request.

2.2.2.3 Specific Collection Requirements

Single-Family Residence Recyclables collection shall occur weekly on the same day as each household’s Garbage and Compostables collection. Single-Family Residence Recyclables collection shall occur during the hours and days specified in Section 2.1.4. Collections shall be made from Residences on a regular schedule on the same day and as close to a consistent time as possible. The Contractor shall collect on Public Streets and Private Roads in the same location as Garbage collection service is provided. The Contractor’s crews shall make collections in an orderly and quiet manner, and shall return Containers with their lids closed and attached to their set out location in an orderly manner.

The Contractor shall collect all properly prepared Single-Family Residence Recyclables from Garbage Customers. No limits shall be placed on set-out volumes, except in the case

when extremely large quantities of commercially-generated materials are consistently set out at a Single-Family Residence. In this case, the Contractor shall request the resident to use a larger Recycling Cart or use commercial recycling services for the excess volumes. If the resident continues to set out commercial quantities of Recyclables, the Contractor shall notify the City for further action. In the event that large quantities of Residentially-generated cardboard (e.g. moving boxes) are set out for collection, the Contractor may collect the excess materials the following day in a separate truck, provided that clear written notification of the collection delay is provided to the Customer.

The Contractor shall collect properly packaged used motor oil from Single-Family Residential Customers. The Contractor may refuse to collect used motor oil from any Customer for any one of the following reasons: 1) the oil was not packaged in a leak proof, plastic jug or bottle, securely sealed with a screw-cap; 2) the packaged oil contained substances other than used motor oil; 3) the packaged oil leaks in any way 4) the Container is not properly labeled with the Customer's name and address; or 5) there is spillage at the Customer location which is not caused by the Contractor's employees. Should the Contractor reject used motor oil for any of these reasons, a tag outlining the reason for rejection shall be left with the oil.

Upon City direction, the Contractor shall provide a requesting Single-family Residential Customer with a special bag to safely contain compact fluorescent bulbs (CFLs) for collection. The bags shall be mailed to the requesting Customer within three (3) days of City notification to the Contractor. The Contractor shall collect and properly recycle CFLs contained in the specialized bag and placed on top of the participating Customer's Recycling Cart. The City shall pay the Contractor the flat rate specified in Attachment B for each bag mailed to a Customer upon City direction. The City may discontinue the bag distribution program upon sixty (60) day's notice, however, the Contractor shall continue to collect set-out bags as long as Customers set them out.

The City and Contractor shall cooperate on monitoring the quality of Recyclables set out for collection. Either party may inspect or sample set-out or collected Recyclables. Any deficiencies in Recyclables quality observed by City or Contractor's staff shall require educational follow-up by the Contractor to encourage maximum quality and marketability. Educational follow-up shall range from a minimum of a notice

ticket or “oops tag” to involvement of management staff from either the City or Contractor as appropriate.

The Contractor shall change from weekly to every-other-week collection of Single-Family Residence Recyclables upon at least 180 days prior written notice from the City. In the event that the City elects to reduce collection frequency, the Contractor’s rates for Single-Family Garbage collection shall be reduced by \$1.71 per household per month for all Single-Family Garbage service levels, as annually adjusted by the provisions of Section 3.3.1, starting the first month of the changed service. In the event that every-other-week collection does not work as intended, the City may change service back to weekly and the parties shall negotiate in good faith to develop mutually acceptable terms regarding the timing and cost of a return to weekly service.

2.2.3 Compostables Collection

2.2.3.1 Subject Materials

Compostables shall be collected each collection cycle from all Single-Family Residences as a part of basic Garbage collection services, without extra charge.

Contaminated or oversized Compostables materials rejected by the Contractor at the Curb shall be tagged in a prominent location with an appropriate problem notice explaining why the material was rejected.

2.2.3.2 Containers

A 96-gallon Compostables Cart shall be provided to all Single-Family Residences. The Contractor shall be responsible for ordering, assembling, affixing instructional information onto, maintaining inventories of, and distributing and maintaining Compostables Carts. Compostables Carts shall be labeled with instructional information, in accordance with Section 2.1.15.6. The default Compostables Cart size shall be 96-gallons, with 35- and 64-gallon sizes available upon request.

Extra Yard Debris material that does not fit in the initial Compostables Cart shall be bundled or placed in Kraft bags or Customer-owned Garbage Cans labeled for Yard Debris. Customers choosing to use their own Containers for excess Yard Debris shall be provided durable stickers by the

Contractor that clearly identify the Container's contents as Yard Debris.

Compostables Carts shall be delivered by the Contractor to Customers within seven (7) days of the Customer's initial request. The Contractor may charge a ten dollar (\$10.00) Compostables Cart cleaning and deodorizing fee, per occurrence, for each Compostables Cart cleaned and redelivered to Customers upon their request.

2.2.3.3 Specific Collection Requirements

Compostable materials shall be collected weekly on the same scheduled service day as Garbage collection. Compostables in excess of 96 gallons may be charged as Compostables Extra Units in 96 gallon increments in accordance with Attachment B.

Unflocked, undecorated, natural Christmas trees will be collected at no additional cost on the first and second full weeks of scheduled Compostable materials collection each year from all Single-Family and Multifamily Residences in the City. Customers shall be required to cut the trees into sections no longer than four feet and place trees in Compostable Carts wherever possible. Trees collected under this program shall not be considered Yard Debris "extras" subject to additional fees.

The Contractor shall collect on Public Streets and Private Roads, in the same location as Garbage collection is provided. The Contractor's crews shall make collections in an orderly and quiet manner, and shall return Containers in an upright position, with lids attached, to their set out location and will not place Containers on streets, sidewalks, public pathways, or in places that block vehicle access to any driveways, mailboxes, or similar structures.

Information detailing collection and service schedules as specified in Section 2.2.2.3 and Section 2.2.3.3 shall be included in the Annual Service Update as specified in Section 2.3.5.

2.2.3.4 Food Scraps Collection

The Contractor shall accept uncontaminated Food Scraps included and/or mixed with Yard Debris ("Compostables") in Yard Debris Carts. The Contractor shall provide and deliver kitchen Food Scrap Containers to Single-Family Customers

upon request. The range of materials handled by the Food Scraps collection program may be changed from time to time upon the approval of the City to reflect those materials allowed by the Seattle-King County Health Department for the frequency of collection provided by the Contractor.

2.2.4 Single Family Bulky Waste Collection

2.2.4.1 Subject Materials

On-call Bulky Waste collection shall be offered, and shall be provided at the rates listed in Attachment B. Collected oversized items shall be recycled by the Contractor to the extent possible. The Contractor shall maintain a separate log listing service date, materials collected, Customer charges, and whether the item was recycled or disposed. This log shall be provided to the City on a monthly basis.

2.2.4.2 Specific Collection Requirements

On-call collection services of bulky waste such as couches, mattresses, white goods and other oversized materials must occur during the hours and days specified in Section 2.1.4, with the exception that Saturday collection is permissible if it is more convenient for Customers. The Contractor's crews shall make collections in an orderly and quiet manner.

2.2.5 Multi-Family Complex and Commercial Customer Garbage Collection

2.2.5.1 Subject Materials

The Contractor shall collect all Garbage set out for disposal by Multi-Family Complex and Commercial Customers in acceptable Containers as designated in Section 2.2.5.2.

2.2.5.2 Containers

The Contractor shall provide Containers meeting the standards described in Section 2.1.15. Multi-Family Complex and Commercial Customers shall be offered a full range of Containers and service options, including Garbage Carts, one (1) through six (6) cubic yard compacted and one (1) through eight (8) cubic-yard non-compacted Detachable Containers, and compacted or non-compacted Drop-Box Containers. The Contractor may also lease or sell compacted Drop-Box Containers and Drop-Box and Detachable Container Compactors to Customers outside of this Contract at rates negotiated between the Customer and the Contractor.

Materials in excess of Container capacity or the subscribed service level shall be collected and properly charged as Extra Units at the rates listed in Attachment B. The Contractor shall develop and maintain route lists in sufficient detail to allow accurate recording and charging of all Extra Units and documentation of service irregularities such as damaged or blocked Containers. All Extra Units and service irregularities shall be documented with a date and time stamped photograph.

The Contractor may use either or both front-load or rear-load Detachable Containers to service Multi-Family Complex and Commercial Customers. However, not all collection sites within the City Service Area may be appropriate for front-load collection due to limited maneuverability or overhead obstructions. The Contractor shall provide Containers and collection services capable of servicing all Customer sites, whether or not front-load collection is feasible at that Customer's site.

Contractor-owned Containers shall be delivered by the Contractor to requesting Multi-Family Complex and Commercial Customers within three (3) days of the Customer's initial request. Customers shall properly care for Containers on the Customer's property, shall use reasonable efforts to protect such Containers from graffiti or negligent misuse, and shall not use such Containers for other than their intended purpose.

2.2.5.3 Specific Collection Requirements

Commercial Garbage collection shall be made available to Multi-Family Complex and Commercial Customers daily, Monday through Saturday, during the times specified in Section 2.1.4. Collection at Multi-Family sites shall be limited to the same hours as Single-Family Residence collection. Collections shall be made on a regular schedule on the same day and as close to a consistent time as possible to minimize Customer confusion. The Contractor shall collect from areas mutually agreed upon by the Contractor and Customer with the least slope and best truck access possible. Containers shall be replaced after emptying in the same location as found.

The Contractor shall not charge delivery fees for Detachable Containers or Carts, except in the case of temporary Detachable Container service and Detachable Containers redelivered to customers restarting service after having service suspended and containers removed for non-payment. The redelivery fee, as listed in Attachment B, shall not apply to

Recycling or Yard Debris containers at any time. The Contractor shall unlock containers without extra charge. Roll-out charges shall be assessed in ten (10) foot increments only to those customers for whom the Contractor must move a container over twenty-five (25) feet to reach the collection vehicle at its nearest point of access.

Extra charges may be assessed for opening gates and for excess materials loaded so as to lift the Garbage Can, Garbage Cart or Detachable Container lid more than six (6) inches from the normally closed position.

Customers may request extra collections and shall pay a proportional amount (e.g. one pick-up per week rate divided by 4.33 weeks per month) of their regular monthly rate for that service.

2.2.6 Multi-Family Complex Recyclables Collection

2.2.6.1 Subject Materials

The Contractor shall provide adequate Container capacity and collect all Recyclables from Multi-Family Complexes that are prepared in a manner similar to that described for Single-Family Residence Recyclables in Section 2.2.2.1., with the exception of used motor oil and compact fluorescent bulbs and tubes. This embedded recycling collection shall occur at no extra charge from base Garbage collection. The Contractor will tag contaminated Containers, but will not collect the contaminated load as Garbage and not charge the resident or property manager a fee for contamination unless notification and correction procedures as specified by the City are completed.

2.2.6.2 Containers

The Contractor shall use Detachable Containers for recycling collection at Multi-Family sites wherever practicable and shall use Recycling Carts only at tri-plexes, four-plexes and other sites where site constraints limit the use of Detachable Containers.

The Contractor shall be responsible for ordering, assembling, affixing instructional information onto, maintaining inventories of, and distributing and maintaining Detachable Containers and Recycling Carts. The default Recycling Cart size shall be 96-gallons, provided that the Contractor shall offer and provide

32- or 64-gallon Recycling Carts on request to those complexes requiring either less or additional capacity than provided by the standard 96-gallon Recycling Cart. Recycling Carts shall be labeled with recycling collection requirements in accordance with Section 2.1.15.6 when distributed. The City may require that combination or common-keyed locks and multiple keys be provided by Contractor at no extra charge to limit contamination of Recycling Carts or Recycling Detachable Containers.

Recycling Carts and Containers shall be delivered by the Contractor to requesting Customers within three (3) days of the Customer's initial request. Multi-Family Complex Recycling Carts shall be relabeled periodically in accordance with Section 2.1.15.6.

2.2.6.3 Specific Collection Requirements

Multi-Family Complex recycling collection shall occur weekly or more frequently, as needed, during the hours and days specified in Section 2.1.4 for Multi-Family Complex collection. Collections shall be made on a regular schedule on the same day(s) of the week to minimize Customer confusion. The Contractor shall collect from areas mutually agreed upon by the Contractor and Customer with the least slope and best truck access possible. After emptying Containers shall be replaced in the same location as found. Multi-Family Complex Recycling Customers shall not be charged lock, gate or roll-out fees.

When space constraints limit the provision of Containers appropriately-sized for weekly collection, the Contractor shall provide more frequent collection, as necessary, of smaller Containers to provide adequate total recycling capacity for the Multi-Family Complex site.

2.2.6.4 Multi-Family Recycling Outreach and Incentives

The Contractor shall provide ample copies of current recycling guidelines upon request of the City or Customer. The Contractor shall assist the City in the development and implementation of an annual recycling outreach and incentive plan. The plan shall include, at a minimum, a description of planned programs, tasks assignments between the City and Contractor and support costs where appropriate.

Public Education will play an important role in this process. The Contractor and the City shall work together to conduct workshops, visit with Customers, and develop and implement a high quality public education campaign. The outcomes and results of these efforts will be tracked and reported to the City by the Contractor.

2.2.7 Commercial Recycling Collection

The defined list of Commercial Recyclables shall be collected from all participating Commercial Customers as part of basic Garbage collection services, without extra charge, subject to the limitations set forth in Section 2.2.7.3.

The Contractor shall collect all Commercial Recyclables from Commercial Customers that are prepared in a manner similar to that described for Single Family Residential Recyclables in Section 2.2.2.1.

2.2.7.1 Subject Materials

The defined list of Commercial Recyclables shall be collected from all participating Commercial Customers as part of basic Garbage collection services, without extra charge subject to the limitations in Sections 2.2.7 and 2.2.7.3.

The Contractor shall collect all Commercial Recyclables from Commercial Customers that are prepared in a manner similar to that described for Single Family Residential Recyclables in Section 2.2.2.1. In the event of contaminated materials, the driver shall notify their dispatcher, and the dispatcher shall contact the Customer with specific instructions for Customer to prepare the rejected materials for collection service or authorization to collect the material as Garbage for the regular Garbage collection fee. Contractor shall notify the City immediately, through use of dispatch or route management staff, if repeated contamination occurs in Recyclables set out by any Commercial or Multi-Family Customer.

Contractor shall notify the City immediately when any Commercial or Multi-Family Customer requests reduction or elimination of any Recyclables collection service, to afford the City the opportunity to act as a customer retention agent on behalf of the Contractor. Contractor is required to remind such Customers that recycling service is included in the Customer's garbage service at no additional cost and City resources are available to help resolve recycling service issues. Contractor

shall not discontinue these services or remove Containers from Customer premises until the City has reviewed conditions and provided suggestions for retaining the Customer.

2.2.7.2 Containers

Contractor-supplied Recycling Containers shall be used for collecting Commercial Recyclables. Recycling Carts and Recycling Detachable Containers shall be distinguished from Compostables or Garbage Container colors per Section 2.1.15.6 and shall include prominent identifying labels that provide directions for the preparation of the materials to be placed in the Cart or Container.

At larger businesses, the Contractor may use Detachable Containers or Drop-Box Containers for Recyclables collection provided that they are distinguished from Containers used for Garbage collection and are equipped with prominent identifying labels.

Contractor-owned Containers shall be delivered by the Contractor to requesting Customers within three (3) days of the Customer's initial request.

2.2.7.3 Specific Collection Requirements

Commercial Recyclables collection shall be offered weekly during the hours and days specified in Section 2.1.3. Collections shall be made on a regular schedule on a consistent day and as close to a consistent time as possible to minimize Customer confusion. The Contractor shall collect in alleys where practical, and on streets where no alleys are present. Containers shall be replaced in the same location after emptying.

When providing recycling service to a particular Commercial Customer using Detachable Containers, the Contractor shall not be required to provide weekly recycling container capacity greater than 150 percent of that Customer's weekly Garbage collection volume. For example, a Customer with a weekly four (4) cubic yard Garbage container would be provided up to six (6) cubic yards of weekly recycling container capacity. Commercial Customers using Drop Boxes for Garbage collection, are eligible to receive up to 8 yards of Commercial recycling service as part of their basic Garbage collection service. Any additional recycling for either Detachable Container or Drop-box Garbage Customers beyond the levels

stated above shall be fee-based as referenced and provided in accordance with Section 2.1.22 (3)(b).

Commercial Recyclables collection Containers and service may be ordered by the Commercial Customer, the City, or the City’s contracted technical assistance consultant, provided that the Contractor shall not be required to provide Commercial Recyclables collection to an unwilling party.

2.2.8 Multi-Family Complex and Commercial Customer Compostables Collection

2.2.8.1 Subject Materials

The Contractor shall provide Cart-based Compostables collection services to requesting Multifamily Complexes and Commercial Customers upon specific approval of each Customer by the City. The Contractor shall offer regular weekly or semi-weekly collection of the following service levels, at the rates set forth in Attachment B:

- (1) One 64-gallon cart
- (2) Two 64-gallon carts
- (3) One 96-gallon cart

For Multi-Family Customers, each service level shall be provided at each Garbage enclosure/collection site as determined and requested by the City.

If additional capacity is required, the Customer may arrange for that service privately, either through the Contractor or another party. The provision of fee-based Commercial Compostables collection in Detachable Containers by the Contractor shall comply with the service and billing standards of this Contract, even through rates are not regulated by this Contract.

Contaminated or oversized Compostables materials rejected by the Contractor shall be tagged in a prominent location with an appropriate problem notice explaining why the material was rejected. The Contractor’s dispatcher will contact Customers with specific instructions for Customer to make the rejected materials suitable for collection service.

2.2.8.2 Containers

The Contractor shall be responsible for ordering, assembling, affixing instructional information onto, maintaining inventories of, and distributing and maintaining Compostables Carts and Detachable Containers.

Compostables Carts and Detachable Containers shall be delivered by the Contractor to new Multi-Family Complexes or Commercial Customers within three (3) days of the City’s request, following the City’s provision of technical assistance to the Customer to set up the program.

2.2.8.3 Specific Collection Requirements

Compostables shall be collected weekly or semi-weekly from Multi-Family Complex and Commercial Customers based upon a Customer’s subscribed service level. Collections shall be made on a regular schedule on the same day(s) and as close to a consistent time as possible. Carts shall be lined by the Contractor upon initial delivery as well as after each collection cycle. The liners shall be approved by the Contractor’s composting facility and shall be provided at no additional cost to the Customer. The Contractor shall also provide free cleaning of containers for each customer at least once per year.

The Contractor shall collect Containers at defined Multi-Family Complex or Commercial Customer Container spaces. The Contractor’s crews shall make collections in an orderly and quiet manner, and shall return Containers with their lids closed and attached to their set out location.

Commercial and Multi-Family Customers using Compostables Collection service for Food Scraps collection shall be consistent with Seattle-King County regulations for Commercial Food Scraps collection and the materials being Source-Separated must be identical to those accepted in the Residential Food Scraps collection program. Those regulations may include, but not be limited to, providing biodegradable kitchen Container bags, providing Cart liners or other methods to maintain Container cleanliness.

2.2.9 Drop-Box Container Garbage Collection

2.2.9.1 Subject Materials

The Contractor shall provide Drop-Box Container Garbage collection services to Multi-Family Complex and Commercial Customers, in accordance with the service level selected by the Customer.

2.2.9.2 Containers

The Contractor shall provide Containers meeting the standards described in Section 2.1.15. Both Customer-owned and Contractor-owned Drop-Box Containers shall be serviced, including Customer-owned compactors.

Contractor-owned Containers shall be delivered by the Contractor to requesting Customers within three (3) days of the Customer's initial request.

2.2.9.3 Specific Collection Requirements

Single-Family Residence, Multi-Family Complex and Commercial Customer Drop-Box Container collection must occur during the hours and days specified in Section 2.1.5. Collection of Drop-Box Containers in Single-Family Residence and Multi-Family Complex areas and multi-use buildings containing Multi-Family Complexes shall be limited to the same hours as Single-Family Residence collection.

The Contractor shall provide dispatch service and equipment capability to collect full Drop-Box Containers no later than the next business day after the Customer's initial call. The Contractor shall maintain a sufficient Drop-Box Container inventory to provide empty Containers to new and temporary Customers within three (3) business days after the Customer's initial call.

Mileage fees shall be assessed only when Customer-directed disposal/recycling sites are more than ten (10) road miles by the shortest route from a particular Customer's location, and then only on the additional mileage above twenty (20) miles round-trip. The Contractor shall obtain prior permission from the Customer to use disposal/recycling sites which would result in additional mileage charges.

2.2.10 Temporary Container Customers

The Contractor shall provide temporary 2-, 4-, and 6-cubic yard Detachable Containers and 10-, 20-, 30-, and 40-cubic yard Drop-Boxes to Single-Family Residence, Multi-Family Complex and Commercial Customers on an on-call basis. Temporary service shall include all Customers requesting Container service of less than ninety (90) days duration, including existing Customers on permanent service who temporary request an extra Container for less than ninety (90) days. The charges for temporary Detachable Container service listed in Attachment B shall include deliver, collection and disposal. Disposal charges for temporary Drop-Box Containers shall

be billed in addition to the delivery, rental and hauling charges listed in Attachment B. Rental charges shall be itemized and charged separately, at the rates listed in Attachment B. The Contractor may charge a deposit to be paid in advance of service equal to the average disposal fee for the size of temporary Container ordered if the creditworthiness of the individual Customer is in doubt.

2.2.11 Municipal Services

2.2.11.1 Street Litter and Recycling

The Contractor shall provide weekly Garbage and Recyclables collection for street litter or recyclables receptacles (including the provision of plastic bags to line the receptacles) within the City, at no additional cost.

2.2.11.1.1 Garbage and Recycling Kiosks

The Contractor shall purchase, deliver and install twenty-three (23) solar-powered Garbage/Recycling kiosks (“Big Bellies”) and twenty-three (23) stand-alone solar-powered Garbage compactor units within the first year of the Contract. Each compactor shall be equipped with wireless notification hardware. The compactors and kiosks shall be maintained and serviced by the Contractor in accordance with the manufacturer’s recommendations. The City may purchase appropriately-colored wraps prominently displaying the City of Kirkland and Contractor corporate logos for each Garbage compactor and Recycling receptacle. Ad panels for the compactors and kiosks shall be purchased by the City with the number purchased to be at the sole discretion of the City.

2.2.11.1.2 Collection Frequency

Garbage and recycling collections shall be made at least once during the work week (Monday-Friday). If requested by the City, the Contractor shall make more or less frequent weekday collections based upon seasonal needs. If requested by the City, the Contractor shall make weekend collections to temporarily address garbage and/or recycling capacity issues, at no additional cost. Any temporary weekend collections shall cease once the Contractor makes adjustments to the regular weekday collection schedule to ensure adequate garbage and recycling capacity.

2.2.11.2 City Facilities

The Contractor shall provide weekly Garbage, Recyclables and Compostables collection to all City-owned municipal facilities without charge. Those facilities include, but are not limited to the following:

FACILITY	ADDRESS
City Facilities:	
Kirkland City Hall	123 Fifth Avenue
Kirkland Maintenance Center	915 8 th Street
Forbes Creek Fire Station #21	9816 Forbes Creek Drive
Houghton Fire Station #22	6602 108 th Avenue NE
North Rose Hill Fires Station #26	9930 124 th Avenue NE
Peter Kirk Community Center	352 Kirkland Avenue
Kirkland Teen Union Building	354 Kirkland Avenue
North Kirkland Community Cntr	12421 103 rd Avenue NE
Juanita Beach Park	9703 Juanita Drive NE
Marina Park	Downtown Kirkland
Kirkland Performance Center	350 Kirkland Avenue
505 Market Building	505 Market Street
Kirkland Municipal Court	11515 NE 118 th Street
Parks Maintenance Annex	1129 8 th Street
City Hall Annex	310 1 st Street
Fire Station #24	8411 NE 141 st Street
Fire Station #25	12033 76 th Place NE
Fire Station #27	11210 NE 132 nd Street
Public Safety Building	11831 120 th Ave NE

2.2.11.3 City Parks Services

The Contractor shall provide once-per-week neighborhood parks garbage can service for up to two cans per park (including the provision of plastic bags to line the receptacles). To facilitate collection, each receptacle shall be installed, at the City’s expense, at a mutually agreed upon location no more than 20 feet from the City right-of-way.

The parks include, but are not limited to, the following:

PARK	ADDRESS
N. Kirkland Community Center	12421 103 rd Ave NE
Houghton Neighborhood	10811 NE 47 th St
Tot Lot	111 9 th Ave

N. Rose Hill Woodlands	9930 124 th Ave NE
Rose Hill Meadows	8212 124 th Ave NE
Edith Moulton	108 th Ave NE & NE 137 th St
McAuliffe	10824 NE 116 th St
Reservoir	1501 3 rd St
Spinney Homestead	11710 NE 100 th St
Terrace	10333 NE 67 th St
Highlands	11210 NE 102 nd St
Kiwanis	1405 10 th St W
Forbes Creek	11615 NE 106 th Lane
South Rose Hill	12730 NE 72 nd St
Carillon Woods	5429 106 th Ave NE
Brookhaven	9911 NE 128 th St
Watershed	4500 110 th Ave NE
Mark Twain	10625 132 nd Ave NE
Van Aalst	335 13 th Ave
Kingsgate	116 th Ave NE & NE 140 th St
Windsor Vista	NE 141 st St & 111 th Ave NE
Odhe Pea Patch	11425 Ohde Ave

At any time during the term of this Contract, the City may add facilities and parks in addition to those listed above. Additional municipal facilities and parks added during the term of the Contract shall also be provided collection, including new facilities developed within the City Service Area, as well as municipal facilities in future annexation areas covered by this Contract. In the event that the number of facilities or parks increases by more than ten (10) percent above those listed above, the Contractor's rates shall be adjusted to reflect the increased cost to Contractor in providing such services.

On occasion, the City will pay the Contractor in accordance with charges listed in Attachment B for services that involve a third party, when such third party accumulates Garbage as part of performing services for the City. For example, disposal of roof replacement debris removed from a City facility. Regular Garbage generated on an ongoing basis at all City facilities will otherwise be collected by the Contractor without charge to the City.

2.2.12 Other Solid Waste Collection Services

The Contractor may occasionally provide other regularly scheduled services related to solid waste collection in the City not specifically delineated under this Contract. In that event, the Contractor shall use current rates approved by the WUTC under the Contractor's current Waste Management – Sno-King Tariff for the service provided. If the intended

services are not covered by either this Contract or the Contract's WUTC tariff, the Contractor shall notify the City and propose a Customer rate for the service. Upon approval of the City, the Contractor may proceed to offer that service. Upon City direction and in accordance with the terms of this Section, the Contractor shall directly bill Customers for non-standard services.

2.3 Management

2.3.1 Responsibility of Participants

2.3.1.1 Contractor's Responsibilities

Consistent with the responsibilities set forth otherwise in this Contract, the Contractor shall be responsible for:

- Collecting Garbage in the City Service Area and delivering the Garbage to the King County Disposal System, unless otherwise directed by the City, and shall ensure that the Contractor handles Garbage in accordance with the City's interlocal agreements governing solid waste management.
- Collecting construction/demolition waste in the City Service Area and delivering the waste to fully permitted recycling, disposal or transfer sites in compliance with King County's Comprehensive Solid Waste Management Plan.
- Collecting, processing and marketing Recyclables and Compostables collected by the Contractor in the City Service Area.
- Providing cart and Container assembly, maintenance, painting, stickering/labeling and re-stickering/labeling and delivery services listed or required in this Contract.
- Performing customer service support, including answering telephone calls and e-mails, providing information on services, and providing appropriate Customer support as directed by the City.
- Procuring all equipment and bearing all start-up, operating maintenance, and transition costs for collection and processing or disposal of Garbage, Recyclables and Compostables, including proper safety equipment and insurance for vehicles and workers.

- Providing and supervising all labor to accomplish the scope of services required under this Contract, including labor to collect materials, maintain and distribute equipment and related customer service functions.
- Operating a maintenance facility to house and service collection equipment and acquiring all necessary land use, building, operating, and business permits and licenses.
- Submitting all informational materials for public release to the City for review and approval prior to release.
- Complying with all applicable laws.
- Meeting all non-discrimination and OSHA (Federal Occupational Safety and Health Act of 1970)/WISHA (Washington Industrial Safety and Health Act of 1973) standards, and all environmental standards and regulations.
- Providing a safe working environment and comprehensive liability insurance coverage as set forth in Section 6.4, and providing proof of this insurance to the City annually.
- Providing a valid Contractor's performance and payment bond in accordance with Section 6.5, and providing proof of this bond to the City annually.
- Securing the prior written approval of the City and surety before assigning or pledging money, or assigning, subcontracting or delegating duties.
- Providing route maps to the City indicating the day of week for each service.
- Submitting collection day changes to the City for review and approval prior to notice being provided to Customers and the change taking place.
- Submitting prompt notices to the media and the City regarding modifications to the collection schedule due to inclement weather.
- Maintaining Containers, vehicles and facilities in a clean, properly labeled and sanitary condition.
- Meeting all City reporting, inspection and review requirements.

- Providing outreach materials and programs, and assistance with distribution and outreach as required in this Contract.
- Providing operating and safety training for all personnel, including spill response training for all drivers.
- Notifying the City of intended changes in management not less than sixty (60) days prior to the date of change. New management shall also attend an introductory meeting scheduled by the City during the sixty (60) day notification period. Exception shall be made for termination for cause or voluntary termination, in which case the Contractor shall notify the City within twenty-four (24) hours of the termination.

2.3.1.2 City's Responsibilities

Consistent with the responsibilities set forth otherwise in this Contract, the City shall be responsible for:

- Overall project administration and final approval of Contractor services and activities.
- Establishing Customer accounts, billing and receiving Customer payments.
- Reviewing and approving Contractor compensation adjustments due to changes in County disposal fees or price indices.
- Directing and overseeing public education and outreach with the cooperation and assistance of the Contractor.
- Monitoring and evaluating collection operations with the cooperation and assistance of the Contractor.
- Reviewing and approving all assignment, pledging, subcontracting or delegation of money or duties.
- Reviewing and approving collection days and rate changes.
- Reviewing and approving holiday schedule changes.
- Reviewing and approving all written or other informational materials used in the City by the Contractor.

- Conducting performance reviews of the Contractor with the Contractor's cooperation and assistance.
- Holding periodic operations meetings with the Contractor, as necessary.

2.3.2 Customer Service

The Contractor shall be responsible for providing customer service functions relating to service delivery including informing customers of potential service levels and charges, receiving and resolving customer complaints, dispatching Drop-box Containers and special collections, and referring billing questions to the City. These functions shall be provided at the Contractor's sole cost with such costs included in the Attachment C customer charges.

2.3.2.1 Office Location

The Contractor shall maintain a principal office in King County within twenty (20) miles of the City limits. The Contractor's office and customer service assistance shall be accessible by a toll free phone number, specifically (800)592-9995 for use during this contract as the Contractor's primary customer service line. On the termination of this Contract for any reason, the Contractor shall relinquish its rights for use of this phone number to the City or its assignee, effective the day of termination, unless this toll-free number is also used by Waste Management customers from other municipalities. The Contractor's office hours shall be open at a minimum from 8 a.m. to 5 p.m. daily, except Saturdays, Sundays and recognized holidays. Representatives shall be available at the Contractor's local office during office hours for communication with the public and City representatives. Customer calls shall be taken during office hours by a person, not by voice mail.

The Contractor shall maintain an emergency telephone number for use by City staff outside normal office hours. The Contractor shall have a representative, or an answering service to contact such representative, available at said emergency telephone number during all hours other than normal office hours.

2.3.2.2 Customer Service Requirements

2.3.2.2.1 Customer Service Representative Staffing

During office hours, the Contractor shall maintain sufficient staff to answer and handle complaints and service requests from multiple incoming telephone calls simultaneously. If incoming telephone calls necessitate, the Contractor shall increase staffing levels as necessary to meet Customer service demands. The Contractor shall also maintain sufficient staff to answer and handle complaints and service requests made by letter or e-mail. If staffing is deemed to be insufficient by the City to handle Customer complaints and service requests, the Contractor shall increase staffing levels to meet contract performance criteria.

The Contractor shall provide additional staffing during the transition and implementation period, and especially from six (6) weeks prior to the commencement of new services, through the end of the fourth month after the commencement of new services, to ensure that sufficient staffing is available to minimize Customer waits and inconvenience. The Contractor shall receive no additional compensation for increased staffing levels during the transition and implementation period. Staffing levels during the mobilization, transition and implementation period shall be subject to prior City review and approval.

2.3.2.2.2 Service Recipient Complaints and Requests

The Contractor shall record action taken on all complaints and service requests, regardless of how received, including date, time, Customer's name and address (if the Customer is willing to give this information), method of transmittal, and nature, date and manner of resolution of the complaint or service request in a computerized daily log. Correspondences received without action taken will be logged specifically on the customer account and will subsequently only be available by specific request by the City. Any telephone calls received requiring action taken via the Contractor's non-office hours answering service shall be recorded in the log the following business day. The Contractor shall make a conscientious effort to resolve all complaints

within twenty-four (24) hours of the original call or e-mail, and service requests within the times established throughout this Contract for various service requests. If a longer response time is necessary for complaints or requests, the reason for the delay shall be noted in the log, along with a description of the Contractor's efforts to resolve the complaint or request.

The customer service log shall be available for inspection by the City, or its designated representatives, during the Contractor's office hours, and shall be in a format approved by the City. The Contractor shall provide a copy of this log in an electronic format to the City with the monthly report. The monthly report will include a rolling code description.

The Contractor shall provide sufficient field service/sales staff and route manager personnel to accurately set-up accounts and visit Customers at their service location as needed – for example during roll-out of service changes that impact multiple accounts, or during establishment of new Recycling or Compostables collection service changes. The Contractor's field service/sales staff shall be able to describe to Customers any related service procedures and Container or equipment needs, and be able to calculate any related rate impacts that would arise from implementing service change options. The Contractor's field service/sales staff shall also be responsible for completion of outreach and tracking specified in Section 2.3.5, including related required annual reporting.

2.3.2.2.3 Handling of Customer Calls

All incoming telephone calls shall be answered promptly. Held calls shall be answered by a customer service representative with a (monthly) average speed of answer of forty (40) seconds or less. For calls placed in queue, no greater than (5) percent average shall abandon (ABA%) on a monthly basis. A summary of these discrete performance measures will be provided as part of required monthly reporting. A Customer shall be

able to talk directly with a customer service representative when calling the Contractor's Customer service telephone number during office hours. The Contractor shall provide multilingual support to non-English speaking Customers. An automated voice mail service or phone answering system may be used when the office is closed.

2.3.2.2.4 Corrective Measures

Upon the receipt of Customer complaints in regards to busy signals or excessive delays in answering the telephone, the City may request and the Contractor shall submit a plan to the City for correcting the problem. Once the City has approved the plan, the Contractor shall have thirty (30) days to implement the corrective measures, except during the transition and implementation period, during which time the Contractor shall have one (1) week to implement corrective measures. Corrective measures shall be implemented without additional compensation to the Contractor. Failure to provide corrective measures shall be subject to performance fees.

2.3.2.2.5 Internet Website

The Contractor shall provide a Customer-friendly Internet website accessible twenty-four (24) hours a day, seven (7) days a week, containing information specific to the City's collection programs, including at a minimum, contact information, collection schedules, material preparation requirements, available services and options, rates, inclement weather service changes and other relevant service information for its Customers. The website shall include an email function for Customer communication with the Contractor, and the ability for Customers to submit service requests on-line. E-mailed Customer service requests shall be answered the next business day after receipt. The website shall offer Customers the option to pay their service bills on-line through a secured bill payment system. Website content and design shall be submitted for City approval a minimum of three (3) days prior to planned roll-out of website

changes, and website content and design shall continue to be subject to the City's approval throughout the term of this Contract. The Contractor shall update the website monthly, and more often if necessary, and provide links to the City's website. The website shall include contact information translated into Spanish. The Contractor's website shall minimize "pop-up" windows, and not include adware or spyware.

2.3.2.2.6 Full Knowledge of Programs Required

The Contractor's customer service representatives shall be fully knowledgeable of all collection services available to City Customers, including the various services available to Single-Family Residence, Multi-Family Complex and Commercial Customers. For new Customers, customer service representatives shall explain all Garbage, recycling, Compostables and Food Scrap collection options available depending on the sector the Customer is calling from. For existing Customers, the representatives shall explain new services and options, and resolve recycling issues, collection concerns, missed pickups, Container deliveries, and other Customer concerns. Customer service representatives shall be trained to inform Customers of all recycling, Compostables and Food Scrap preparation specifications. Policy questions resolvable by the City shall be immediately forwarded to the City for response. The Contractor's customer service representatives shall have instantaneous electronic access to customer service data and history to provide efficient and high-quality customer services.

2.3.3 Contractor's Customer Billing Data Responsibilities

The Contractor shall be responsible for providing electronic customer billing data to the City in a format and on a schedule that is compatible with the City's billing system and procedures. The City bills its utility customers every two months. In order to manage the billing processes and cash flow, the City currently bills in six cycles (2, 3, 4, 5, 6, 8), subject to change by the City. Cycles 3, 6, 8 are billed every even month; Cycles 2, 4, 5 are billed every odd month. The Contractor shall supply information to the City sorted by the City's individual billing cycle. This format and

procedure may change during the term of the Contract and any such changes by the City shall be accommodated by the Contractor at its sole cost.

The Contractor shall be required to have procedures in place to minimize the potential for the loss or damage of the account servicing (customer service, service levels, and billing history) database. The Contractor shall ensure that a daily backup of the account servicing database is made and stored off-site. The Contractor shall also provide the City with a copy of the full customer service database via e-mail on a monthly basis. The City shall have unlimited rights to use the customer service database to develop targeted educational programs, analyze service level shifts or rate impacts, or to provide information to successor contractors.

Upon five (5) working days written notice, the Contractor shall provide the City with a paper and/or electronic copy of the requested customer information and history, including, but not limited to, customer addresses, service levels and current account status.

2.3.3.1 Single Family Residential Billing

The City will prepare and send out bills to its residential customers. The Contractor shall provide the City with billing information that will be downloaded as specified in subsections (A), (B), and (C) as follows:

A. Residential Variable Rates

Each month, the City shall generate from its billing system a summary report of the number of Residential accounts at each Single Family Residential service level, as listed Attachment C. By the 20th of each month, the City will submit this report to the Contractor. The Contractor shall use this report to generate a monthly bill to the City and to verify the number of accounts at each service level. The Contractor shall compare the Contractor's and City's residential service level counts each month. If there are discrepancies between the City's and Contractor's records, the Contractor shall resolve these discrepancies with City Utility Billing staff within the billing period.

The Contractor shall work with the customer and the City regarding service disputes which affect billing and determine whether credits or adjustments are due to the City and forwarded to the customer. A report of all adjustments to customer accounts shall be submitted to the City on a monthly basis.

The Contractor shall submit on a monthly basis, a billing worksheet (electronic copy) to the City that shall include a listing of all City Single Family customers containing:

- Customer Name
- Service Address
- Contractor Reference Number
- City Reference Number
- Level of Service
- Contractor Cost
- City Cost
- Total Cost
- Number of “extra” Bags Collected in that Month.
- Number of CFL Bags Collected in that Month

B. Billing for “Extra” Garbage

The Contractor shall submit by the end of the day each Monday and at the end of each month, a text file of “extra” charges, both for extra bags of Garbage and extra bags of Compostable materials, recorded during the previous week and month. These weekly and monthly submittals must be sorted by the City’s billing cycles (currently six (6)), in individual files by cycle. The files shall include:

- Customer Name
- Service Address
- Level of Service
- Quantity of Extra Units of Garbage
- Quantity of Extra Units of Compostables
- Contractor Cost
- City Cost
- Total Cost
- Contractor Reference Number
- City Reference Number

C. Tracking and Communicating Customer Service Levels

The Contractor shall receive all customer service change information directly from existing customers, including receiving the customer’s request and logging the change. The Contractor shall submit by the end of the day each Monday, a text file of customer service changes recorded during the previous week and at the end of each month for changes recorded for the previous month. The City shall handle all *new* account set ups and will

communicate these to the Contractor similarly on a daily basis by service requests faxed to the Contractor.

The weekly service level change report must contain this information:

- City Reference Number
- Date Account Changed
- Account Number
- Customer Name
- Service Address
- Service Changed To
- Service Code
- Reason
- Description
- Billing Cycle

2.3.3.2 Multifamily and Commercial Billing

The Contractor shall handle all multifamily and commercial billing requests including change of ownership (closing accounts, opening new accounts) and change of service levels. The Contractor shall accurately manage and communicate the multifamily and commercial customer service levels and billing information database for review by the City at any time. The Contractor shall submit a complete list of customers, their service address, and level of service in a monthly report to the City. Any changes from the previous month's report shall be highlighted on this report for easy retrieval.

Each account shall be assigned a city reference number. The Contractor shall ensure that all new accounts are assigned an appropriate City reference number and billing cycle by City billing staff and that this number is included in all relevant transactions.

Six (6) separate electronic text documents and one (1) hard copy document, all sorted by billing cycle (City reference number), shall be submitted to the City on a monthly basis. The number of files is subject to change based upon the number of billing cycles established. Information shall include:

- Business Customer Name
- Service Address
- City Reference Number
- Contractor reference number
- Level of Service

- Dates of Service
- Quantity
- Contractor Cost
- City Cost
- Total Cost

In addition to the above requirement, the contractor shall provide two (2) “exception” files to the City each month which list unidentified accounts (usually those with no City reference number) for (1) Multifamily and (2) Commercial Customers.

2.3.4 Reporting

The Contractor shall provide monthly and annual reports to the City. In addition, the Contractor shall allow City staff access to pertinent operations information such as disposal facility certified weight slips and vehicle maintenance logs.

2.3.4.1 Monthly Reports

On a monthly basis, by the 15th of each month, the Contractor shall provide a report containing information for the previous month. Reports shall be submitted in electronic format approved by the City and shall be certified to be accurate by the Contractor. At a minimum, reports shall include:

- (1) A log of complaints and resolutions for all collection services and sectors. At a minimum, the complaint log shall include Customer name and/or business name, Customer’s service address, contact telephone number, date of complaint, a description of the complaint, a description of how the complaint was resolved, the date of recovery/resolution and any additional driver’s notes or comments.
- (2) A tabulation of the number of single family, commercial and multi-family accounts by service level/Container size and service frequency.
- (3) A compilation of program participation statistics including: a summary of multi-family and commercial participation in recycling programs, set-out statistics for Residential Garbage, Compostables and Recyclables collection services, and log of bulky items.

- (4) A compilation of total monthly and year-to-date summaries of Garbage, Recyclables and Compostables quantities by collection sector.
- (5) A summary of Recyclables quantities by collection sector and by commodity, including processing residues disposed and market prices.
- (6) A summary of disposal or tipping facility locations and associated quantities for Garbage, Recyclables and Compostables as well as any changes in processing procedures, locations or tipping fees.
- (7) A description of any vehicle accidents infractions, or insurance claims against Contractor.
- (8) A description of any changes to collection routes, Containers, vehicles (including the identification of back-up vehicles not meeting contract standards with the truck number and date of use), customer service or other related activities affecting the provision of services; and
- (9) Call Center performance as outlined in Section 2.3.2.2.

If collection vehicles are used to service more than one Customer sector or jurisdiction, the Contractor shall develop an apportioning methodology that allows the accurate calculation and reporting of collection quantities. The apportioning methodology shall be subject to prior review and approval by the City and shall be periodically verified through field testing by the Contractor.

2.3.4.2 Annual Reports

On an annual basis, by the last working day of January, the Contractor shall provide an electronic report containing the following information:

- (1) A consolidated summary and tabulation of the monthly reports, described above.
- (2) A discussion of highlights and other noteworthy experiences, along with measures taken to resolve problems, increase efficiency, and increase participation in Compostables and Recyclables collection programs.

- (3) A discussion of promotion and education efforts and accomplishments.
- (4) An inventory of current collection, delivery, spare and other major equipment, including make, model, year, and accumulated miles.
- (5) A list of multi-family and commercial recycling sites pursuant to Section 2.3.5.

2.3.4.3 Ad Hoc Reports

The City may request from the Contractor up to six (6) ad-hoc reports each year, at no additional cost to the City. These reports may include customer service database tabulations to identify specific service level or participation patterns or other similar information. Reports shall be provided in the City-defined format and software compatibility. These reports shall not require the Contractor to expend more than one hundred (100) staff hours per year to complete.

If requested by the City, the Contractor shall provide daily route information for all service sectors and collection streams for the purpose of evaluating potential collection system changes during the term of the Contract. Information received by the City and in the Contractor's possession shall be subject to existing laws and regulations regarding disclosure, including the *Public Records Act*, Chapter 42.56 RCW, and shall also be subject to the provisions of Section 6.8 below.

2.3.5 Promotion and Education

The City shall have primary responsibility for developing, designing and executing general waste reduction/recycling public education and outreach programs, with the assistance and cooperation of the Contractor. The Contractor shall have primary responsibility for providing service-oriented information and outreach to Customers and implementing on-going recycling promotion, at the direction of the City.

The Contractor shall maintain a complete list of all Multi-Family Complex sites within the City Service Area, and the status of each site's participation in Contractor-provided services. Upon City direction, the Contractor shall annually contact, by telephone or site visit, the manager or owner of each site to encourage participation and inform the manager or owner of all available services and ways to decrease Garbage generation. The City and the Contractor shall meet periodically to evaluate the effectiveness of the Multi-Family Complex education and outreach program. The City and the Contractor shall collaborate, as needed, to develop education and outreach

materials, strategies, and initiatives. Printed informational materials discussing waste prevention and recycling service options shall be prepared and distributed to support contact with Multi-Family Complex and Commercial Customer sites. This contact shall be coordinated with City and King County promotional efforts. The Contractor shall include with its annual report the list of Multi-Family Complex and Commercial Customer sites; Garbage, recycling and Compostables status; Container sizes, service frequency, and types; Customer contact dates and outcome of such contacts; and suggestions for increasing participation or other program improvements.

The Contractor shall keep the public informed of programs and encourage participation through an Annual Service Update. Each fall, the Contractor shall provide an Annual Service Update for each service sector, the format, content and timeframe of which shall be subject to prior review and approval by the City. The Annual Service Update shall be mailed to all Customers and, at a minimum, shall include an informational brochure indicating rates, all services available, preparation and other service requirements, contact information, inclement weather and other policies, a collection schedule calendar applicable to each recipient's routes and other useful Customer information.

The Contractor shall develop, print, periodically update and maintain sufficient quantities of new Customer information materials, the format and content of which shall be subject to prior review and approval by the City. Upon approval, materials shall be mailed or otherwise provided to every new Customer prior to the Customer's first billing and shall, at a minimum, include a statement of applicable rules and service policies, rates, services and preparation requirements, collection days in calendar format, Contractor customer service information and City contact information. Contractor's materials shall be TTY accessible and Contractor shall provide alternative language formats upon request.

The Contractor shall permit the City to insert, at no charge, single-sheet information bulletins into Customer bills. When the insert is beyond one page and increases Contractor cost, the City shall pay the incremental difference. The City and Contractor shall work cooperatively for timely inclusion of such materials.

2.3.6 Field Monitoring

The City may periodically monitor collection system parameters such as participation, Container condition, Container weights, waste composition and Customer satisfaction. The Contractor shall assist the City by coordinating the Contractor's operations with the City's field monitoring to minimize inconvenience to Customers, the City and the Contractor.

2.3.7 Transition to Next Contractor

The Contractor shall be expected to work with the City and any successive contractor(s) in good faith to ensure a minimum of Customer disruption during the transition period. Container removal and replacement shall be coordinated between the Contractor and a successive contractor to occur simultaneously in order to minimize Customer inconvenience.

3. COMPENSATION

3.2 Compensation to the Contractor

The Contractor shall be paid monthly, by the fifteenth (15th) of the following month based on the verifiable Contractor collection records provided that month for Multi-Family and Commercial Customers and any extra charges and for Single-Family Residence Customers as outlined in Section 2.3.3.1(A) . These payments will comprise the entire compensation due to the Contractor for permanent collection services. The Contractor shall separately invoice and collect payment from customers for temporary Detachable Container and Drop-box Container services.

These charges provided in Attachment B, as such may be adjusted in accordance with this Contract, include the following components:

- a) The Contractor's Garbage collection fee for the particular service level
- b) A disposal fee component for the particular service level based on the container weights specified in the Contractor's proposal and listed in Attachment B. Actual certified load weight in tons multiplied by the King County tipping fee applicable to the Container contents multiplied by a factor of 1.15 shall be used for Drop-box Garbage Container services.
- c) Recycling collection charges for each sector (e.g. Single Family Residential, Multifamily Residential, and Commercial Customers)
- d) For Single Family rates only, Compostables collection costs
- e) The costs of Recycling Carts, Compostables Carts, Garbage Carts and Multifamily/Commercial Recycling Carts, and Detachable Containers used for Garbage or Commercial Recyclables, but not including Drop-boxes for which separate rental charges shall be assessed

Other ancillary services shall be charged at the rates shown in Attachment B, as such may be adjusted in accordance with this Contract.

City, County and State solid waste taxes shall be itemized separately and added to the charges listed in Attachment B, if applicable. The Contractor shall not charge

separately for Recyclables or Single Family Residential Yard Debris collection services, other than those beyond the limits set forth in this Contract.

Should the City initiate any program that bans materials (other than Yard Debris) or penalizes the customer for the composition of his waste stream, the rates shall be adjusted to make the effect on revenue neutral to the Contractor.

The Contractor shall be responsible for monitoring service level usage for all customers and subsequently billing the City based on that usage, in accordance with the fees provided in Attachment B, Contractor Charges. The City reserves the right to institute incentive rate structures for its customers independently of the fees paid to the Contractor for each service level.

The City is responsible for billing the Customer and assumes all collection risk and other bad debt. The City shall compensate the Contractor for the services actually performed by Contractor under this Contract, regardless whether the City obtains payment from the Customer.

3.3 Compensation Adjustments

3.3.1 Annual Rate Adjustment

The Contractor's collection service charges, excluding waste disposal fees, for each level of service shall increase or decrease once every year by the percentage change in the Consumer Price Index CWURA423SAO for the Seattle-Tacoma-Bremerton Metropolitan Area for Urban Wage Earners and Clerical Workers, all items (Revised Series) (CPI-W 1982-1984) prepared by the United States Department of Labor, Bureau of Labor Statistics, or a replacement index (the "CPI Index").

Adjustments to the Contractor's collection service charge shall be made in units of one cent (\$0.01). Fractions less than one cent (\$0.01) shall not be considered when making adjustments.

Rates shall be adjusted annually, beginning January 1, 2012 (the "Adjustment Date"). The Contractor shall submit to the City for review and approval a Rate Adjustment Statement, calculating the new rates for the next year, by calculating the percentage change in the CPI Index for the most recent twelve (12) month period ending June prior to the Adjustment Date. The Contractor's calculations shall be provided to the City no later than 75 days prior to the Adjustment Date and the City shall have thirty (30) days to confirm the Contractor's rate modification calculations. On City approval, which shall not be unreasonably withheld or delayed, the new rates shall take effect on January 1st of that year.

3.3.2 Disposal Fee Adjustments

Disposal Fee adjustments shall be made to Contractor collection rates to reflect increases or decreases in King County disposal fees for solid waste. In the event of a change in disposal fees, the disposal fee component of rates charged to Customers shall be adjusted, based on Container content weights specified in Attachment B of this Contract.

Specific examples of rate modifications due to Consumer Price Index and disposal fee changes are provided in Attachment C.

3.3.3 Changes in Recyclables or Compostables Processing Sites and Tipping Fees and Changes in Disposal Location

The Contractor assumes all risk for the processing and marketing of Recyclables and Compostables. If the Contractor is required by the City to use processing sites or markets other than those being used at the initiation of this Contract, the Contractor may submit a detailed proposal for a rate adjustment to reflect any additional costs or savings to the Contractor. The City and Contractor agree to negotiate in good faith any changes to the rates to offset these costs or savings.

If the County's Houghton Transfer Station becomes unavailable for more than one week and the Contractor is required to haul Garbage to an alternative County disposal location in excess of ten (10) miles from the intersection of NE 112th St and 108th Avenue NE, the Contractor shall be allowed additional compensation at the WUTC rate per mile per truck trip above the ten (10) mile limit. The amount of per mile compensation and the formula for how the compensation is applied (other than the ten (10) mile threshold) shall be applied in accordance with the then-current WUTC tariff for the Contractor's WM Sno-King WUTC tariff.

3.3.4 Other Modifications

The Contractor shall not adjust or modify rates due to employee wage increases, the value of Recyclables, Garbage collection service level shifts, or other changes affecting the collection system. At the time of the City's decision to extend this Contract through invoking contract extension options, the Contractor can present a request for relief for any adverse market changes that have occurred during the previous period of the Contract. The City is under no obligation to give consideration for those adverse changes as a condition for invoking the contract extension option.

If new City, King County, Washington State or Federal taxes are imposed or the rates of existing taxes are changed after the execution date of this Contract, and the impact of these changes results in increased or decreased Contractor costs in excess of five thousand dollars (\$5,000) annually, the Contractor and City shall enter into good faith negotiations to determine whether compensation adjustments are appropriate and if so, to determine

the amount and the method of adjustment. Any adjustment in Contractor charges will coincide with the annual rate adjustment process described in this Section 3.3.

3.4 Change in Law

Changes in federal, state or local laws or regulations or a continuing Force Majeure event that results in a detrimental change in circumstances or a material hardship for the Contractor in performing this Contract may be the subject of a request by the Contractor for a rate adjustment, subject to review and approval by the City, at the City’s reasonable discretion. If the City requires review of the Contractor’s financial or other proprietary information in conducting its rate review, at the request of the Contractor, the City shall retain a third-party to review such information at the Contractor’s expense, and may take any other steps it deems appropriate to protect the confidential nature of the Contractor’s documents and preserve the Contractor’s ongoing ability to remain competitive.

4. FAILURE TO PERFORM, REMEDIES, TERMINATION

The City expects high levels of Customer service and collection service provision. Performance failures shall be discouraged, to the extent possible, through automatic and performance fees for certain infractions and through Contract default for more serious lapses in service provision. Section 4.1 details infractions subject to automatic or performance fees, and Section 4.2 details default provisions and procedures.

4.2 Performance Fees

The Contractor may be subject to performance fees for the following acts or omissions if documented in an incident report presented by the City to the Contractor. The City reserves the right to make periodic, unscheduled inspection visits or use other means to determine the Contractor’s compliance with the Contract. Deductions for misses will not be applied for collections prevented by weather or holiday rescheduling or collections missed due to labor disruptions during the first week of the disruption. Performance fees are as follows:

ACTION OR OMISSION	AMOUNT
Collection before or after the times specified in Section 2.1.4, except as expressly permitted by the City.	Two Hundred Fifty Dollars (\$250) per truck route (each truck on each route is a separate incident).
Repetition of complaints on a route after notification, including, but not limited to, failure to replace Containers in designated locations, spilling, not closing gates, not replacing lids, use of profanity, creation of	Twenty-Five dollars (\$25) per incident, not to exceed thirty (30) complaints per truck per day.

ACTION OR OMISSION	AMOUNT
excessive noise, collection of Commercial Containers outside hours specified herein for Residential areas, crossing or driving over planted areas, observed reckless driving, or similar violations.	
Failure to collect spilled materials.	Twice the cost of cleanup to the City or King County, plus Five Hundred Dollars (\$500) per incident.
Failure to maintain placards on service vehicles as required by Section 2.1.14	Two Hundred Fifty Dollars (\$250) per vehicle, per day.
Curable Leakage from Contractor vehicles or vehicle contents, observed by the City, its agents or photographed by Customers.	Two Hundred Fifty Dollars (\$250) per vehicle, per day, plus clean up costs.
Failure to collect missed materials within one (1) business day after notification.	One Hundred Dollars (\$100) per incident to a maximum of Five Hundred Dollars (\$500) per truck per day on Single-Family Residence routes and no maximum for Multi-Family Complex and Commercial Customer routes.
Missed collection of entire block segment of Single-Family Residences (excluding collections prevented by inclement weather).	One Hundred Fifty Dollars (\$150) per block segment if collection is performed the following day; Five Hundred Dollars (\$500) if not collected by the following day.
Collection as Garbage or disposal as Garbage of Source-Separated Recyclables or Compostables in clearly identified Containers, bags or boxes.	One Hundred Dollars (\$100) per incident, up to a maximum of One Thousand Dollars (\$1,000) per truck, per day.
Collection of Garbage containing visible quantities of Yard Debris.	Twenty-Five Dollars (\$25) per incident.
Rejection of Garbage, Recyclables or Yard Debris without providing documentation to the Customer of the reason for rejection.	Twenty-Five Dollars (\$25) per incident.
Failure to deliver Detachable Containers to	Fifty Dollars (\$50) per Container per day.

ACTION OR OMISSION	AMOUNT
new Commercial Customers within three (3) business days.	
Failure to deliver carts, Detachable Containers, or Drop-Box Containers within three (3) business days of request to Multi-Family Complex or Commercial Customers.	Fifty Dollars (\$50) per Container per day.
Failure to deliver Garbage, Recycling or Compostables Carts within seven (7) days of request to Single-Family Residence Customers.	Fifteen Dollars (\$15) per Container per day.
Delivery or use of incorrectly labeled or colored Container	Twenty-five Dollars (\$25) per Container per day.
Substantial misrepresentation by Contractor in records or reporting.	Five Thousand Dollars (\$5,000) per incident.
Failure to provide required reports on time.	Two Hundred Fifty Dollars (\$250) per incident.
Failure to maintain clean and sanitary Containers, vehicles, and facilities.	Fifty Dollars (\$50) per incident, up to maximum of One Thousand Dollars (\$1,000) per inspection.
Landfilling or incineration of Recyclables or Compostables in violation of Section 2.1.11 without the express written permission of the City.	One Thousand Dollars (\$1,000) per vehicle, per incident.
Failure to meet recycling processing performance requirements of Section 2.1.11.	One Thousand Dollars (\$1,000) per month, for any occurrence during that month.
Failure to meet Average Speed of Answer and Abandon % performance customer service requirements. These are based on monthly averages and monthly occurrences.	Two Hundred Fifty Dollars (\$250) per incident.
Failure to include instructional/promotional materials when Garbage, Recycling and/or Compostables Carts are delivered.	Fifty Dollars (\$50) per incident.

The parties acknowledge the difficulty in anticipating actual damages to remedy the damage. The parties further agree that the performance fees listed in this Section represent a reasonable estimate of the loss likely to result from the remedy for the damage.

Nothing in this Section shall be construed as providing an exclusive list of the acts or omissions of the Contractor that shall be considered violations or breaches of the Contract and, except for those listed breaches set forth above, the City reserves the right to exercise any and all remedies it may have with respect to these and other violations and breaches. The performance fees schedule set forth here shall not affect the City's ability to terminate this Contract as described in Section 4.2.

Performance fees, if assessed during a given month, shall be deducted from City payments to the Contractor. Performance fees may be levied only if documented in an incident report presented by the City to the Contractor. Performance fees shall only be assessed after the Contractor has been given the opportunity, but has failed to rectify the deficiencies of which it has been notified.

Any performance fees imposed under this Section may be appealed by the Contractor to the City. The Contractor shall be allowed to present evidence as to why the amount of performance fees should be lessened or eliminated. The decision of the City shall be final.

4.3 Contract Default

The Contractor shall be in default of this Contract if it violates any provision of this Contract. In addition, the City reserves the right to declare the Contractor to be in default in the event of any violation, which shall include, but not be limited to, the following:

- (1) The Contractor fails to commence the collection of Garbage, Recyclables or Compostables, or fails to provide any portion of service under the Contract on July 1, 2011 or for a period of more than five (5) consecutive days at any time during the term of this Contract.
- (2) The Contractor fails to obtain and maintain any permit required by the City, King County, or any federal, state or other regulatory body in order to collect materials under this Contract.
- (3) The Contractor's noncompliance creates a hazard to public health or safety.
- (4) The Contractor repeatedly or persistently acts or fails to act in a manner that is subject to performance fees in excess of twenty-five thousand dollars (\$25,000.00) during any consecutive twelve (12) month period.
- (5) The Contractor fails to maintain, in good standing, surety and insurance required by this Contract.

The City reserves the right to pursue any remedy available at law for any default by the Contractor. In the event of default, the City shall give the Contractor ten (10) days prior written notice of its intent to exercise its rights, stating the reasons for such action. However, if an emergency shall arise that does not allow ten (10) days prior written notice, the City shall immediately notify the Contractor of its intent to exercise its rights immediately. If the Contractor cures the stated reason within the stated period, or initiates efforts satisfactory to the City to remedy the stated reason and the efforts continue in good faith, the City may opt to not exercise its rights for the particular incident. If the Contractor fails to cure the stated reason within the stated period, or does not undertake efforts satisfactory to the City to remedy the stated reason, then the City may at its option terminate this Contract.

If the Contractor abandons or violates any portion of this Contract, fails to fully and promptly comply with all its obligations, or fails to give any reason satisfactory to the City for noncompliance, and fails to correct the same, the City, after the initial ten (10) days notice, may declare the Contractor to be in default of this Contract and notify the Contractor of the termination of this Contract. A copy of said notice shall be sent to the Contractor and surety on its performance bond.

Upon receipt of such notice, the Contractor agrees that it shall promptly discontinue the services provided under this Contract. The surety may, at its option, within ten (10) days from such written notice, assume the services provided under this Contract that the City has ordered discontinued and proceed to perform same, at its sole cost and expense, in compliance with the terms and conditions of the Contract, and all documents incorporated herein. Pending consideration by the surety of said option to assume the services provided under this Contract, the City may employ such work force and equipment as it may deem advisable to continue the services provided under this Contract. The cost of all labor, equipment and materials necessary for such services provided under this Contract shall be paid by the Contractor in full.

In the event that the surety fails to exercise its option within the ten (10) day period, the City may complete the services provided under this Contract or any part thereof, either through its own work force or by contract, and to procure other vehicles, equipment and facilities necessary for the completion of the same, and to charge the same to the Contractor and/or surety, together with all reasonable costs incidental thereto.

The City shall be entitled to recover from the Contractor and its surety as damages all expenses incurred, including reasonable attorney's fees, together with all such additional sums as may be necessary to complete the services provided under this Contract, together with any further damages sustained or to be sustained by the City.

If City employees provide Garbage, Compostables and/or Recyclables collection, the actual incremental costs of City labor, overhead and administration shall serve as the basis for a charge to the Contractor.

4.4 Availability of Collection Vehicles

All vehicles, Facilities, equipment and property used by the Contractor shall be listed in an inventory supplied to the City and updated annually (“Contractor’s Inventory”). Unless an approved replacement or substitute is provided, all vehicles, Facilities, equipment and property identified in the Contractor’s Inventory for use in the performance of this Contract shall be available for the City’s use in the case of default in collecting Solid Waste, Recyclables and Compostables in the City for the duration of this Contract; when provided, this Section applies to any replacement or substitute. Rent for the City’s use of Contractor’s Inventory shall be negotiated between the parties based upon the historical cost of the inventory less any accumulated depreciation. Disputes shall be resolved in accordance with this Contract.

5. NOTICES

All notices required or contemplated by this Contract shall be personally served or mailed (postage prepaid and return receipt requested), addressed to the parties as follows:

To City: Public Works Director
 City of Kirkland
 123 Fifth Avenue
 Kirkland, WA 98033

To Contractor: Municipal Contracts Manager
 Waste Management of Washington Inc.
 801 2nd Avenue, Suite 614
 Seattle, WA 98104

6. GENERAL TERMS

6.2 Collection Right

The Contractor shall be the exclusive provider with which the City shall contract to collect Garbage, Compostables and Recyclables and construction/demolition materials placed in Contractor-owned Containers and set out in the regular collection locations within the City Service Area. When asked by the Contractor, the City shall make a good faith effort to protect this right of the Contractor; however, the City shall not be obligated to join or instigate litigation to protect the right of the Contractor. The Contractor may independently enforce its rights under this Contract against third party violators, including but not limited to seeking injunctive relief, and the City shall use good faith efforts to cooperate in such enforcement actions brought by Contractor (without obligating the City to join any such litigation). Such efforts may include but not be limited to cease and desist letters, assistance with documenting violations and other activities as City staff time allows.

This contract provision will not apply to: Garbage, Recyclables or Compostables self-hauled by the generator in accordance with Kirkland Municipal Code 16.08.30; Source-Separated Recyclables hauled by common or private carriers (including drop-off recycling sites) from Commercial premises that contain at least ninety percent

(90%) recyclable materials; construction/demolition waste hauled by self-haulers or construction contractors in the normal course of their business; Garbage, Recyclables or Compostables handled by retailers or maintenance services who provide ancillary services unrelated to Curb collection services (e.g. carpet installers, furniture delivery/pick-up, site clean-up services which include loading/sweeping, etc.); Compostables generated and hauled by private landscaping services; or Compostables hauled by common or private carriers from Commercial premises that contain at least ninety percent (90%) Compostable materials.

The Contractor shall retain responsibility for Garbage, Recyclables, construction/demolition materials and Compostables once these materials are placed in Contractor-owned Containers and the Contractor shall have no responsibility for these materials prior to the time they are placed in Contractor-owned Containers. The Contractor shall retain revenues it gains from the sale of Recyclables, construction/demolition materials or Compostables. Likewise, a tipping or acceptance fee charged for Recyclables, construction/demolition materials or Compostables shall be the financial responsibility of the Contractor.

The City shall work with the Contractor, other haulers and processors, and other regional governments to develop a reasonable definition of what constitutes legitimate construction/ demolition recycling for the purposes of interpreting collection authorities. Once a reasonable recycling threshold or “test” is developed with King County, the City and Contractor shall negotiate and amend this Agreement accordingly.

6.3 Access to Records

The Contractor shall maintain in its local office full and complete operations, Customer, financial and service records that at any reasonable time shall be open for inspection and copying for any reasonable purpose by the City. In addition, the Contractor shall, during the Contract term, and at least five (5) years thereafter, maintain in an office in Washington State reporting records and billing records pertaining to the Contract that are prepared in accordance with Generally Accepted Accounting Principles, reflecting the Contractor’s services provided under this Contract. Those Contractor’s accounts shall include but shall not be limited to all records, invoices and payments under the Contract, as adjusted for additional and deleted services provided under this Contract. The City shall be allowed access to these records for audit and review purposes.

The Contractor shall make available copies of certified weight slips for Garbage, Recyclables and Compostables on request within two (2) business days of the request. The weight slips may be requested for any period during the term of this Contract.

The Contractor shall allow the City to interview any person and to review any evidence in the Contractor’s possession or control that may assist the City in determining whether and by what amount: (1) the Contractor is entitled to reimbursement or increased rates under the contract; (2) the City is entitled to a

reduction in rates under the contract; or (3) the Contractor is in compliance with the contract.

6.4 Contractor to Make Examinations

The Contractor has made its own examination, investigation and research regarding proper methods of providing the services required under this Contract, and all conditions affecting the services to be provided under this Contract, and the labor, equipment and materials needed thereon, and the quantity of the work to be performed as set forth by the Contract. The Contractor agrees that it has satisfied itself based on its own investigation and research regarding all of such conditions, that its conclusion to enter into this Contract is based upon such investigation and research, and that it shall make no claim against the City because of any of the estimates, statements or interpretations made by any officer or agent of the City that may be erroneous.

With the exception of Force Majeure events or as otherwise provided in this Contract, the Contractor assumes the risk of all conditions foreseen and unforeseen, and agrees to continue to provide services under this Contract without additional compensation under whatever circumstances may develop other than as provided herein.

6.5 Insurance

The Contractor shall procure and maintain, for the duration of the Contract, insurance against claims for injuries to persons or damage to property that may arise from or in connection with the performance of the services provided under this Contract hereunder by the Contractor, their agents, representatives, employees or subcontractors. The cost of such insurance shall be paid by the Contractor. Failure to make insurance payments and to keep policies current shall be cause for contract default in accordance with Section 4.2.

No Limitation. Contractor's maintenance of insurance as required by the agreement shall not be construed to limit the liability of the Contractor to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy available at law or in equity.

6.5.1 Minimum Scope of Insurance

Contractor shall obtain insurance that meets or exceeds the following of the types described below:

- (1) Automobile Liability insurance covering all owned, non-owned, hired and leased vehicles. Coverage shall be written on Insurance Services Office (ISO) form CA 00 01 or a substitute form providing equivalent liability coverage. The policy shall be endorsed to provide contractual liability coverage. The City shall be named as an additional insured under the Contractor's Automobile Liability insurance policy with respect to the work performed for the City, using ISO additional

insured endorsement CG 20 48 02 99 or a substitute endorsement providing equivalent coverage.

- (2) Commercial General Liability insurance shall be written on ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury, and liability assumed under an insured contract. The Commercial General Liability insurance shall be endorsed to provide the Aggregate per Project Endorsement ISO form CG 25 03 11 85. There shall be no endorsement or modification of the Commercial General Liability insurance for liability arising from explosion, collapse or underground property damage. The City shall be named as an additional insured under the Contractor's Commercial General Liability insurance policy with respect to the work performed for the City, using ISO additional insured endorsement CG 20 10 11 85 or a substitute endorsement providing equivalent coverage.
- (3) Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.
- (4) Contractor's Pollution Liability Pollution Legal Liability insurance covering losses caused by pollution conditions that arise from the operations of the Contractor.
- (5) Hazardous Waste Hauling. To the Automobile Liability Minimum Scope of Insurance, add Pollution Liability coverage at least as broad as that provided under ISO Pollution Liability-Broadened Coverage for Covered Autos Endorsement CA 99 48 and the Motor Carrier Act Endorsement (MCS 90) shall be attached.

6.5.2 Minimum Amounts of Insurance

Contractor shall maintain the following insurance limits:

- (1) Automobile Liability insurance with a minimum combined single limit for bodily injury and property damage of \$5,000,000 per accident.
- (2) Commercial General Liability insurance shall be written with limits no less than \$5,000,000 each occurrence, \$5,000,000 general aggregate and a \$2,000,000 products-completed operations aggregate limit.
- (3) Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.

- (4) Contractor's Pollution Liability The Pollution Legal Liability insurance shall be written in an amount of at least \$3,000,000 per loss, with an annual aggregate of at least \$3,000,000. Coverage may be written on a claims-made basis.

6.5.3 Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the City. In the event the deductibles or self-insured retentions are not acceptable to the City, the City reserves the right to negotiate with the Contractor for changes in coverage deductibles or self-insured retentions; or alternatively, require the Contractor to provide evidence of other security guaranteeing payment of losses and related investigations, claim administration and defense expenses.

6.5.4 Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions for Automobile Liability, Commercial General Liability, and Contractor's Pollution Liability coverage:

- (1) The Contractor's insurance coverage shall be the primary insurance with respect to the City, its officials, employees and volunteers. Any Insurance, self-insurance, or insurance pool coverage maintained by the City shall be in excess of the Contractor's insurance and shall not contribute with it.
- (2) Coverage shall state that the Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- (3) The Contractor's insurance shall be endorsed to state that coverage shall not be cancelled by either party, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City.

6.5.5 Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best rating of not less than A: VIII.

6.5.6 Verification of Coverage

The Contractor shall furnish the City with original certificates including, but not necessarily limited to, the additional insured endorsement, evidencing the insurance requirements of the Contractor before commencement of the work.

6.5.7 Subcontractors

The Contractor shall include all subcontractors as insured under its policies or shall furnish separate certificates and endorsements for each subcontractor before commencement of the work. All coverages for subcontractors shall be subject to all of the same insurance requirements as stated herein for the Contractor.

6.5.8 ACORD Form

The policy shall be endorsed to provide the following revised language at the bottom of the ACORD Form:

Replace: “Should any of the above described policies be canceled before the expiration date thereof, the issuing company shall endeavor to mail thirty (30) days written notice to the below named Certificate holder, but failure to mail such notice shall impose no obligation or liability of any kind upon the company.”

With the following: “Should any of the above described policies be canceled, lapse, or be reduced as to coverage before the expiration date thereof, the issuing company shall mail thirty (30) calendar days prior written notice to the below named Certificate holder and Additional Insured, the City of Kirkland, by certified mail.”

6.6 Performance Bond

The Contractor shall provide and maintain at all times a valid Contractor’s Performance and Payment Bond or bonds, letter of credit or other similar instrument acceptable to and approved in writing by the City in the amount of five hundred thousand dollars (\$500,000.00). The bond, letter of credit or other similar instrument shall be issued for a period of not less than one year, and the Contractor shall provide a new bond, letter of credit or similar instrument, and evidence satisfactory to the City of its renewability, no less than sixty (60) calendar days prior to the expiration of the bond, letter of credit or other similar instrument then in effect. The City shall have the right to call the bond, letter of credit or other similar instrument in full in the event its renewal is not confirmed prior to five (5) calendar days before its expiration. Failure to make bond payments and to keep the bond current shall be cause for contract default in accordance with Section 4.2.

6.7 Indemnification

6.7.1 Indemnify and Hold Harmless

The Contractor shall indemnify, hold harmless and defend the City, its elected officials, officers, employees, volunteers, agents and representatives, from and against any and all claims, actions, suits, liability,

loss, costs, expenses, and damages of any nature whatsoever, including costs and attorney's fees in defense thereof, or injuries, sickness or death to persons, or damage to property, which is caused by or arises out of the Contractor's exercise of duties, rights and privileges granted by the Contract, provided, however, that the Contractor's obligation to indemnify, defend and hold harmless for injuries, sickness, death or damage caused by or resulting from concurrent willful or negligent acts or actions of the Contractor and the City shall apply only to the extent of the Contractor's negligence.

6.7.2 Notice to Contractor; Defense

In the event an action is brought against the City for which indemnity may be sought against the Contractor, the City shall promptly notify the Contractor in writing. The Contractor shall have the right to assume the investigation and defense, including the employment of counsel and the payment of all expenses. On demand of the City, the Contractor shall at its own cost and expense defend, and provide qualified attorneys acceptable to the City under service contracts acceptable to the City to defend, the City, its officers, employees, agents and servants against any claim in any way connected with the events described in Section 6.6.1. The City shall fully cooperate with the Contractor in its defense of the City, including consenting to all reasonable affirmative defenses and counterclaims asserted on behalf of the City. The City may employ separate counsel and participate in the investigation and defense, but the City shall pay the fees and costs of that counsel unless the Contractor has agreed otherwise. The Contractor shall control the defense of claims (including the assertion of counterclaims) against which it is providing indemnity under this Section, and if the City employs separate counsel the City shall assert all defenses and counterclaims reasonably available to it.

6.7.3 Industrial Insurance Immunity Waiver

With respect to the obligations to hold harmless, indemnify and defend provided for herein, as they relate to claims against the City, its elected officials, officers, employees, volunteers, agents and representatives, the Contractor agrees to waive the Contractor's immunity under industrial insurance, Title 51 RCW, for any injury, sickness or death suffered by the Contractor's employees that is caused by or arises out of the Contractor's negligent exercise of rights or privileges granted by the Contract. This waiver is mutually agreed to by the parties.

6.8 Payment of Claims

The Contractor agrees and covenants to pay promptly as they become due all just claims for labor, supplies and materials purchased for or furnished to the Contractor in the execution of this contract. The Contractor shall also provide for the prompt and

efficient handling of all complaints and claims arising out of the operations of the Contractor under this contract.

6.9 Confidentiality of Information

Under Washington State law, the documents (including but not limited to written, printed, graphic, electronic, photographic or voice mail materials and/or transcriptions, recordings or reproductions thereof) prepared in performance of this Contract (the “documents”) are public record subject to mandatory disclosure upon request by any person, unless the documents are exempted from public disclosure by a specific provision of law.

If the City receives a request for inspection or copying of any such documents, it shall promptly notify the Contractor at the notice address set forth in Section 5 herein and upon the written request of the Contractor, received by the City within five (5) days of the mailing of such notice, shall postpone disclosure of the documents for a reasonable period of time as permitted by law to enable the Contractor to seek a court order prohibiting or conditioning the release of the documents. The City assumes no contractual obligation to enforce any exemption.

6.10 Assignment of Contract

6.10.1 Assignment or Pledge of Moneys by the Contractor

The Contractor shall not assign or pledge any of the moneys due under this Contract without securing the written approval of the surety on the performance bond and providing at least thirty (30) calendar days prior notice to the City of such assignment or pledge together with a copy of the surety's approval thereof. Such assignment or pledge, however, shall not release the Contractor or its sureties from any obligations or liabilities arising under or because of this Contract.

6.10.2 Assignment, Subcontracting, Delegation of Duties and Change in Control

The Contractor shall not assign or subcontract any of the work or delegate any of its duties under this Contract without the prior written approval of the City and submittal of proof of insurance coverage.

When requested, approval by the City of a subcontract or assignment shall not be unreasonably withheld. In the event of an assignment, subcontracting or delegation of duties, the Contractor shall remain responsible for the full and faithful performance of this Contract and the assignee, subcontractor, or other obligor shall also become responsible to the City for the satisfactory performance of the work assumed. The City may condition approval upon the delivery by the assignee, subcontractor or other obligor of its covenant to the City to fully and faithfully complete the work or responsibility undertaken.

In addition, the assignee, subcontractor or obligor shall sign a separate statement agreeing to abide by all terms and conditions of this Contract. The City may terminate this Contract if the assignee, subcontractor or obligor does not comply with this clause. Furthermore, the assignee, subcontractor or obligor shall be subject to a one (1) year evaluation period during which the City may terminate this Contract on the basis of any material breaches of the terms binding the Contractor.

For the purposes of this contract, any Change in Control of the Contractor shall be considered an assignment subject to the requirements of this section. Nothing herein shall preclude the City from executing a novation, allowing the new ownership to assume the rights and duties of the contract and releasing the previous ownership of all obligations and liability.

6.11 Laws to Govern/Venue

This Contract shall be governed by the laws of the State of Washington both as to interpretation and performance. Venue shall be in Superior Court in the State of Washington for King County.

6.12 Compliance With Law

The Contractor, its officers, employees, agents and subcontractors shall comply with applicable federal, state, county, regional or local laws, statutes, rules, regulations or ordinances, including those of agencies having jurisdiction over the subject matter of this Contract, in performing its obligations under the Contract. Such compliance shall include abiding by all applicable federal, state and local policies to ensure equal employment opportunity and non-discrimination. The Contractor shall comply with all applicable laws pertaining to employment practices, employee treatment and public contracts.

Conditions of the Federal Occupational Safety and Health Act of 1970 (OSHA), the Washington Industrial Safety and Health Act of 1973 (WISHA), and standards and regulations issued under these Acts from time-to-time must be complied with, including ergonomic and repetitive motion requirements. The Contractor must indemnify and hold harmless the City from all damages assessed for the Contractor's failure to comply with the Acts and Standards issued therein. The Contractor is also responsible for meeting all pertinent local, state and federal health and environmental regulations and standards applying to the operation of the collection and processing systems used in the performance of this Contract.

The Contractor is specifically directed to observe all weight-related laws and regulations in the performance of these services, including axle bridging and loading requirements.

6.13 Non-Discrimination

The Contractor will not discriminate against any employee or applicant for

employment because of age, race, religion, creed, color, sex, marital status, sexual orientation, political ideology, ancestry, national origin, or the presence of any sensory, mental or physical handicap, unless based upon a bona fide occupational qualification. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their creed, religion, race, color, sex, national origin, or the presence of any sensory, mental or physical handicap. Such action shall include, but not be limited to the following: employment upgrading; demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and, selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, any required notices setting forth the provisions of this non-discrimination clause.

The Contractor understands and agrees that if it violates this non-discrimination provision, this Contract may be terminated by the City and further that the Contractor shall be barred from performing any services for the City now or in the future, unless a showing is made satisfactorily to the City that discriminatory practices have terminated and that recurrence of such action is unlikely.

6.14 Permits and Licenses

The Contractor and subcontractors shall secure a City business license if required and pay fees and taxes levied by the City. The Contractor shall have or obtain all permits and licenses necessary to provide the services herein at its sole expense.

The Contractor shall be solely responsible for all taxes, fees and charges incurred, including, but not limited to, license fees and all federal, state, regional, county and local taxes and fees, including income taxes, property taxes, permit fees, operating fees, surcharges of any kind that apply to any and all persons, facilities, property, income, equipment, materials, supplies or activities related to the Contractor's activities under the Contract, business and occupation taxes, workers' compensation and unemployment benefits.

6.15 Relationship of Parties

The City and the Contractor expressly agree that the full extent of the relationship between the Contractor and the City is that the Contractor is at all times an independent contractor of the City with respect to this Contract. The implementation of services shall lie solely with the Contractor. No agent, employee, servant or representative of the Contractor shall be deemed to be an employee, agent, servant or representative of the City.

6.16 Contractor's Relationship with Customers

The Contractor shall not separately contract with Customers for any services covered under this contract. The Contractor is specifically allowed to negotiate separate agreements with Customers for compactor leasing, Commercial Compostables collection using Detachable Containers, Commercial Recycling in excess of the

thresholds set forth in this Contract, or other related services not included in this contract, provided that Customers are provided separate invoices for those services and that the Contractor makes it clear to Customers that those services are not provided under this City contract. These separate agreements must be in writing and shall in no way supersede this contract. These separate agreements cannot have durations any longer than the final date of this contract's term, if the City has the authority to regulate similar or identical services in the successor to this contract.

6.17 Bankruptcy

It is agreed that if the Contractor is adjudged bankrupt, either voluntarily or involuntarily, then this Contract, at the option of the City, may be terminated effective on the day and at the time the bankruptcy petition is filed.

6.18 Right to Renegotiate/Amendment

The City shall retain the right to renegotiate this Contract or negotiate contract amendments based on City policy changes, state statutory changes or rule changes in King County, Washington State or federal regulations regarding issues that materially modify the terms and conditions of the Contract. The City may also renegotiate this Contract should any Washington State, King County or City rate or fee associated with the Contract be held illegal or any increase thereof be rejected by voters. In addition, the Contractor agrees to renegotiate in good faith with the City in the event the City wishes to change disposal locations or add additional services to the Contract and to provide full disclosure of existing and proposed costs and operational impacts of any proposed changes.

This Contract may be amended, altered or modified only by a written amendment, alteration or modification, executed by authorized representatives of the City and the Contractor.

6.19 Force Majeure

Provided that the requirements of this Section are met, Contractor shall not be deemed to be in default and shall not be liable for failure to perform under this Contract if Contractor's performance is prevented or delayed by acts of terrorism, acts of God including landslides, lightning, forest fires, storms, floods, freezing and earthquakes, civil disturbances, wars, blockades, public riots, explosions, unavailability of required materials or disposal restrictions, governmental restraint or other causes, whether of the kind enumerated or otherwise, that are not reasonably within the control of the Contractor ("Force Majeure"). If as a result of a Force Majeure event, Contractor is unable wholly or partially to meet its obligations under this Contract, it shall promptly give the City written notice of the Force Majeure event, describing it in reasonable detail. The Contractor's obligations under this Contract shall be suspended, but only with respect to the particular component of obligations affected by the Force Majeure event and only for the period during which the Force Majeure event exists.

6.20 Illegal Provisions/Severability

At the discretion of the City, if any provision of this Contract shall be declared illegal, void, or unenforceable, the other provisions shall not be affected, but shall remain in full force and effect.

6.21 Waiver

No waiver of any right or obligation of either party hereto shall be effective unless in writing, specifying such waiver, and executed by the party against whom such waiver is sought to be enforced. A waiver by either party of any of its rights under this Contract on any occasion shall not be a bar to the exercise of the same right on any subsequent occasion or of any other right at any time.

6.22 Entirety

This Contract and the attachments attached hereto and incorporated herein by this reference, specifically Attachments A-C, represent the entire agreement of the City and the Contractor with respect to the services to be provided under this Contract. No prior written or oral statement or proposal shall alter any term or provision of this Contract except as provided herein.

WITNESS THE EXECUTION HEREOF on the day and year first herein above written.

WASTE MANAGEMENT OF
WASHINGTON, INC.

CITY OF KIRKLAND

By: _____
Dean Kattler, Vice President
13225 NE 126th Place
Kirkland, WA 98034

By: _____
Kurt Triplett, City Manager
123 5th Avenue
Kirkland, WA 98033

ATTEST:

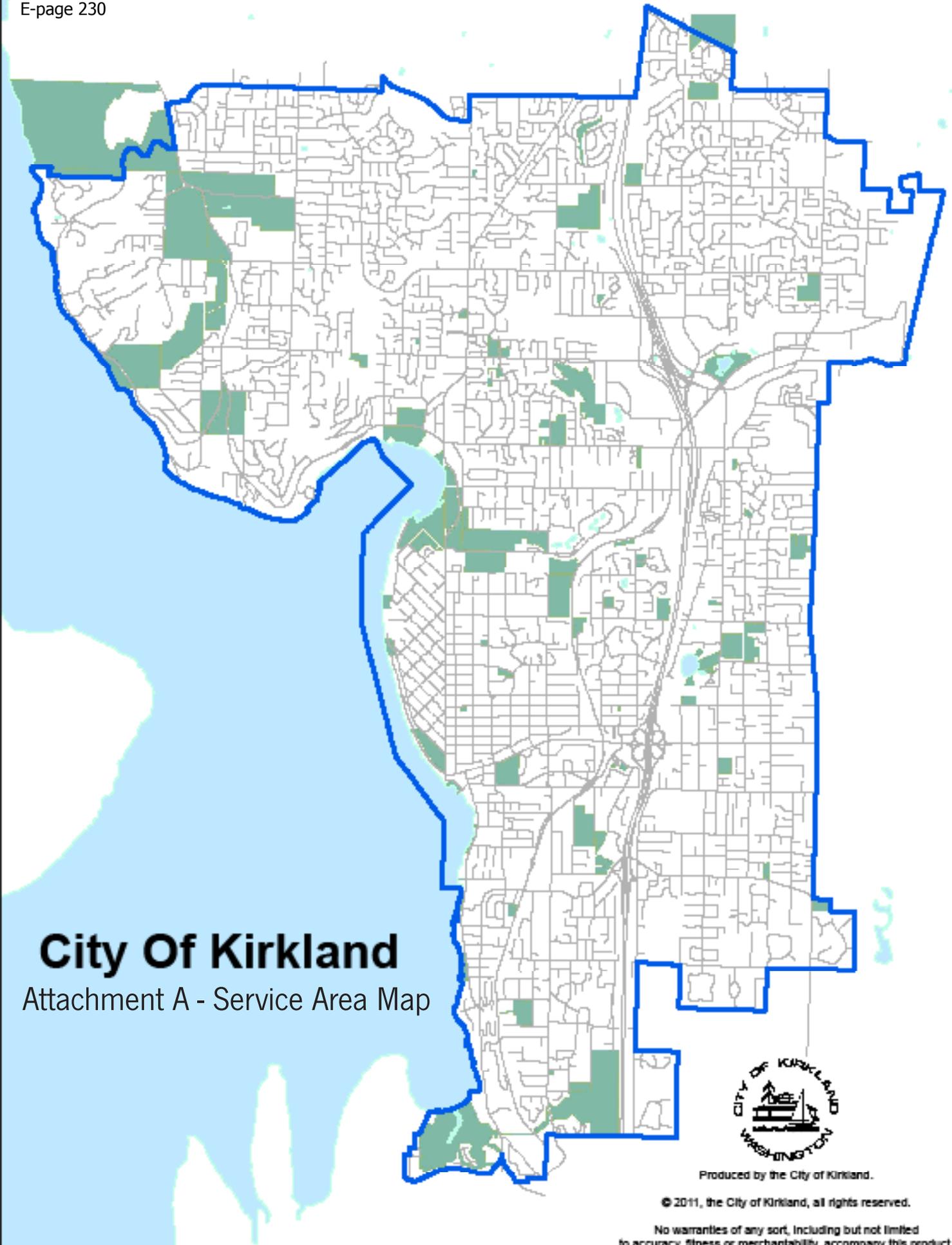
City Clerk, Kathi Anderson

APPROVED AS TO FORM:

City Attorney, Robin Jenkinson

Attachments:

- A. Service Area Map
- B. Contractor Rates
- C. Rate Modification Examples



City Of Kirkland

Attachment A - Service Area Map



Produced by the City of Kirkland.

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No warranties of any sort, including but not limited to accuracy, fitness or merchantability, accompany this product.

Attachment B - Contract Initial Rates

SERVICE CLASS	Estimated # of Customers	Pounds Per Unit	(Monthly) Collection Fee	(Monthly) Disposal Fee	Total Service Fee
Residential Services (including recycling and yard waste collection)					
Monthly Service					
Monthly Service 35 Gal. Cart	396	21.25	\$ 5.66	\$ 1.01	\$ 6.67
Weekly Service:					
1 10 Gal. Mini-can	-	5.10	\$ 15.22	\$ 1.05	\$ 16.27
1 20 Gal. Mini-cart	1,314	10.20	\$ 16.36	\$ 2.10	\$ 18.46
1 35 Gal. Cart	8,834	17.00	\$ 17.59	\$ 3.50	\$ 21.09
1 64 Gal. Cart	7,438	20.15	\$ 21.76	\$ 4.15	\$ 25.91
1 96 Gal. Cart	2,579	30.23	\$ 23.77	\$ 6.22	\$ 29.99
1 32 gallon equivalent "extra"	446	12.75	\$ 4.39	\$ 0.61	\$ 5.00
Extra Yard Debris Service:					
Extra Yard Debris 32 gal. Can	300		\$ 3.30		\$ 4.55
Extra 96 Gal. YW Cart: rent+coll	123		\$ 7.53		\$ 12.11
Miscellaneous Fees:					
Return Trip					\$ 15.75
Drive-in Charge					\$ 7.14
Redelivery Fee (Carts)					\$ 21.48
Carry-out Surcharge (all service levels)					\$ 4.28
On-Call Bulky Waste Collection:					
Appliances (non-refrigerant)		150.00	\$ 51.17	\$ 7.13	\$ 58.30
Refrigerator/Freezer		250.00	\$ 49.48	\$ 11.88	\$ 61.36
Sofa		200.00	\$ 50.32	\$ 9.50	\$ 59.82
Chair		100.00	\$ 52.04	\$ 4.75	\$ 56.79
Mattress or Box Springs		100.00	\$ 52.04	\$ 4.75	\$ 56.79
Tires: Auto/Light Truck		20.00	\$ 27.73	\$ 0.95	\$ 28.68
Bus/Heavy Truck		70.00	\$ 32.53	\$ 3.33	\$ 35.86
Add'l for Rims or Wheels		15.00	\$ 20.80	\$ 0.71	\$ 21.51
Miscellaneous, per cubic yard		100.00	\$ 74.14	\$ 4.75	\$ 78.89
Temporary Container Service:					
Temp. 2 Yard Container		218.00	\$ 51.78	\$ 10.36	\$ 62.14
Daily Rent					\$ 1.41
Delivery Fee					\$ 54.42
Temp. 4 Yard Container		436.00	\$ 58.28	\$ 20.71	\$ 78.99
Daily Rent					\$ 1.76
Delivery Fee					\$ 54.42
Temp. 6 Yard Container		654.00	\$ 64.15	\$ 31.07	\$ 95.22
Daily Rent					\$ 2.13
Delivery Fee					\$ 54.42
Temp 100 yard Container		34,000.00	\$ 1,504.33	\$ 1,615.00	\$ 3,119.33
Daily Rent					

Attachment B - Contract Initial Rates

SERVICE CLASS	# of Customers/ Containers	Pounds Per Unit	(Monthly) Collection Fee	(Monthly) Disposal Fee	Total Service Fee
Commercial/Multifamily Cans & Carts					
Weekly Service					
1 20 Gal. Cart	9	10.20	\$ 11.97	\$ 2.10	\$ 14.07
1 35 Gal. Cart	581	17.00	\$ 14.20	\$ 3.50	\$ 17.70
1 64 Gal. Cart	258	20.15	\$ 17.35	\$ 4.15	\$ 21.50
1 96 Gal. Cart	385	30.23	\$ 19.44	\$ 6.22	\$ 25.66
"Extra" 32 Gal. Can/Bag ea.		12.75	\$ 3.30	\$ 0.61	\$ 3.91
Miscellaneous Services (per event)					
Return Trip					\$ 28.07
Carry-Out Service (per can)					\$ 3.13
Redelivery					\$ 39.51
Roll-Out Container					\$ 5.19
Unlock Container					\$ 1.77
Gate Opening					\$ 3.13
Steam Cleaning (per yd.)					\$ 18.71
Comm./MF Uncompacted Containers					
1 Cu. Yd. Uncompacted					
1 Pickup/Week/Container	87	86.53	\$ 59.16	\$ 17.81	\$ 76.97
2 Pickups/Week/Container	2	173.06	\$ 109.26	\$ 35.62	\$ 144.88
3 Pickups/Week/Container		259.59	\$ 159.38	\$ 53.43	\$ 212.81
4 Pickups/Week/Container		346.12	\$ 209.51	\$ 71.24	\$ 280.75
5 Pickups/Week/Container		432.65	\$ 259.62	\$ 89.05	\$ 348.67
6 Pickups/Week/Container		519.18	\$ 309.76	\$ 106.86	\$ 416.62
1.5 Cu. Yd. Uncompacted					
1 Pickup/Week/Container	47	129.80	\$ 64.65	\$ 26.72	\$ 91.37
2 Pickups/Week/Container	5	259.59	\$ 118.66	\$ 53.43	\$ 172.09
3 Pickups/Week/Container	1	389.39	\$ 172.66	\$ 80.15	\$ 252.81
4 Pickups/Week/Container		519.18	\$ 226.69	\$ 106.86	\$ 333.55
5 Pickups/Week/Container		648.98	\$ 280.69	\$ 133.58	\$ 414.27
6 Pickups/Week/Container		778.77	\$ 334.76	\$ 160.30	\$ 495.06
2 Cu. Yd. Uncompacted					
1 Pickup/Week/Container	170	173.06	\$ 69.41	\$ 35.62	\$ 105.03
2 Pickups/Week/Container	13	346.12	\$ 125.67	\$ 71.24	\$ 196.91
3 Pickups/Week/Container	12	519.18	\$ 181.92	\$ 106.86	\$ 288.78
4 Pickups/Week/Container		692.24	\$ 238.14	\$ 142.49	\$ 380.63
5 Pickups/Week/Container		865.30	\$ 294.41	\$ 178.11	\$ 472.52
6 Pickups/Week/Container		1,038.36	\$ 350.71	\$ 213.73	\$ 564.44
3 Cu. Yd. Uncompacted					
1 Pickup/Week/Container	190	259.59	\$ 75.79	\$ 53.43	\$ 129.22
2 Pickups/Week/Container	41	519.18	\$ 136.53	\$ 106.86	\$ 243.39
3 Pickups/Week/Container	11	778.77	\$ 197.23	\$ 160.30	\$ 357.53
4 Pickups/Week/Container		1,038.36	\$ 257.98	\$ 213.73	\$ 471.71
5 Pickups/Week/Container		1,297.95	\$ 318.69	\$ 267.16	\$ 585.85
6 Pickups/Week/Container	1	1,557.54	\$ 379.44	\$ 320.59	\$ 700.03
4 Cu. Yd. Uncompacted					
1 Pickup/Week/Container	208	346.12	\$ 82.82	\$ 71.24	\$ 154.06
2 Pickups/Week/Container	89	692.24	\$ 148.01	\$ 142.49	\$ 290.50
3 Pickups/Week/Container	19	1,038.36	\$ 213.22	\$ 213.73	\$ 426.95
4 Pickups/Week/Container	2	1,384.48	\$ 278.41	\$ 284.97	\$ 563.38
5 Pickups/Week/Container	4	1,730.60	\$ 343.61	\$ 356.21	\$ 699.82
6 Pickups/Week/Container	1	2,076.72	\$ 408.87	\$ 427.46	\$ 836.33
6 Cu. Yd. Uncompacted					
1 Pickup/Week/Container	132	519.18	\$ 95.02	\$ 106.86	\$ 201.88
2 Pickups/Week/Container	64	1,038.36	\$ 169.17	\$ 213.73	\$ 382.90
3 Pickups/Week/Container	5	1,557.54	\$ 243.31	\$ 320.59	\$ 563.90
4 Pickups/Week/Container	7	2,076.72	\$ 317.45	\$ 427.46	\$ 744.91
5 Pickups/Week/Container	-	2,595.90	\$ 391.60	\$ 534.32	\$ 925.92
6 Pickups/Week/Container	2	3,115.08	\$ 465.77	\$ 641.19	\$ 1,106.96

Attachment B - Contract Initial Rates

SERVICE CLASS	# of Customers/ Containers	Pounds Per Unit	(Monthly) Collection Fee	(Monthly) Disposal Fee	Total Service Fee
Comm./MF Uncompacted Containers					
8 Cu. Yd. Uncompacted					
1 Pickup/Week/Container	84	692.24	\$ 106.38	\$ 142.49	\$ 248.87
2 Pickups/Week/Container	67	1,384.48	\$ 189.48	\$ 284.97	\$ 474.45
3 Pickups/Week/Container	24	2,076.72	\$ 272.57	\$ 427.46	\$ 700.03
4 Pickups/Week/Container	3	2,768.96	\$ 355.67	\$ 569.94	\$ 925.61
5 Pickups/Week/Container	5	3,461.20	\$ 438.75	\$ 712.43	\$ 1,151.18
6 Pickups/Week/Container		4,153.44	\$ 521.86	\$ 854.92	\$ 1,376.78
Compacted Containers (weekly pulls)					
1 Cu. Yd. Container		259.59	\$ 99.49	\$ 53.43	\$ 152.92
1.5 Cu. Yd. Container		389.39	\$ 119.10	\$ 80.15	\$ 199.25
2 Cu. Yd. Container	10	519.18	\$ 137.83	\$ 106.86	\$ 244.69
3 Cu. Yd. Container	5	778.77	\$ 171.36	\$ 160.30	\$ 331.66
4 Cu. Yd. Container	7	1,038.36	\$ 205.67	\$ 213.73	\$ 419.40
6 Cu. Yd. Container	9	1,557.54	\$ 519.44	\$ 320.59	\$ 840.03
Extra Uncompacted Cubic Yard					
		86.53	\$ 21.01	\$ 17.81	\$ 38.82
Commercial/Multifamily Yard Debris					
1 96 gallon cart, weekly collection		40.00	\$ 9.48		\$ 9.48
1 2 cubic yard container, weekly		160.00	\$ 72.61		\$ 72.61
1 extra cubic yard		80.00	\$ 22.62		\$ 22.62
Extra Yard Debris 32 gal. Can			\$ 3.34		\$ 3.34

SERVICE CLASS	# of Customers	# of Hauls/ Tons	Daily Rental	Monthly Container Rental	Charge per Haul
Drop-box Collection					
Noncompacted Service					
1 10 Cu. Yd. Container				\$ 40.80	\$ 128.23
1 15 Cu. Yd. Container				\$ 47.60	\$ 128.23
1 20 Cu. Yd. Container				\$ 61.21	\$ 128.23
1 25 Cu. Yd. Container				\$ 68.02	\$ 128.23
1 30 Cu. Yd. Container	25	600		\$ 74.82	\$ 128.23
1 40 Cu. Yd. Container				\$ 81.61	\$ 128.23
Compacted Service					
1 10 Cu. Yd. Container					\$ 141.89
1 15 Cu. Yd. Container					\$ 141.89
1 20 Cu. Yd. Container					\$ 141.89
1 25 Cu. Yd. Container					\$ 141.89
1 30 Cu. Yd. Container		950			\$ 141.89
1 40 Cu. Yd. Container					\$ 141.89
Drop-box (Temp)					
1 10 Cu. Yd. Container			\$ 1.59	\$ 47.60	\$ 135.05
1 15 Cu. Yd. Container			\$ 1.83	\$ 54.43	\$ 135.05
1 20 Cu. Yd. Container			\$ 2.09	\$ 62.58	\$ 135.05
1 25 Cu. Yd. Container			\$ 2.37	\$ 70.74	\$ 135.05
1 30 Cu. Yd. Container		130	\$ 2.60	\$ 77.53	\$ 135.05
1 40 Cu. Yd. Container			\$ 3.03	\$ 91.15	\$ 135.05
Delivery Fee - All Temporary Customers					\$ 98.57
					Charge per Ton
Roll Off Disposal Fees (15% markup on King County Disposal Fees)					\$ 109.25

Attachment B - Contract Initial Rates

SERVICE CLASS		(Monthly) Collection Fee	(Monthly) Disposal Fee	Total Service Fee
Additional Services				
Additional Mileage Charge				
For Hauls to Other Sites				
Charge Per Mile		\$ 4.98		\$ 4.98
Return Trip		\$ 43.64		\$ 43.64
Solid Drop-box Lid Charge (per month)		\$ 43.64		\$ 43.64
Pressure Washing (per yd.)		\$ 9.97		\$ 9.97
Stand-By Time (per minute)		\$ 2.48		\$ 2.48
Hourly Rates				
Rear/Side Load Packer & Driver		\$ 130.94		\$ 130.94
Front Load Packer & Driver		\$ 130.94		\$ 130.94
Drop Box Truck & Driver		\$ 130.94		\$ 130.94
Additional Labor (per person)		\$ 62.36		\$ 62.36
Multi-Family & Commercial Organics Recycling				
Semi-Weekly Service				
1 - 64 Gallon Cart (includes biodegradable liners)		\$ 45.49		\$ 45.49
2 - 64 Gallon Carts (includes biodegradable liners)		\$ 77.80		\$ 77.80
1 - 96 Gallon Cart (includes biodegradable liners)		\$ 53.37		\$ 53.37
Cart replacement, exchange or cleaning, per cart		\$ 11.30		\$ 11.30
Weekly Service				
1 - 64 Gallon Cart (includes biodegradable liners)		\$ 24.32		\$ 24.32
2 - 64 Gallon Carts (includes biodegradable liners)		\$ 40.71		\$ 40.71
1 - 96 Gallon Cart (includes biodegradable liners)		\$ 27.94		\$ 27.94

Attachment C

Rate Modification Examples

The collection and disposal components of the Customer charges listed in Attachment B will be adjusted separately, as appropriate. The collection component of Customer charges will be adjusted annually, pursuant to this Section and as described below. The disposal component of the Customer charges listed in Attachment B will be adjusted only if the City receives notification from the County of a pending disposal fee adjustment, and will not become effective until the new disposal charges become effective and are actually charged to the Contractor. Formulas for both collection and disposal rate adjustments are provided as follows:

Collection Component Adjustment

The collection component listed in Attachment B will be increased or decreased by the amount of the CPI change:

$$NCC = PCC \times 1 + \frac{nCPI - oCPI}{oCPI}$$

- Where
- NCC = The new collection charge component of the customer rate for a particular service level; and
 - PCC = The previous collection charge component of the Customer rate for a particular service level; and
 - nCPI = The most recent June CPI value; and
 - oCPI = The CPI value used for the previous rate adjustment or, in the case of the first contract adjustment, the CPI value reported at the end of June 2010.

Disposal Component Adjustment

In the case of a disposal fee modification at County disposal facilities, the disposal component of each service level will be adjusted as follows:

Step 1:

$$A = ODC \times \frac{NTF}{OTF}$$

Step 2:

$$NDC = A + [(A - ODC) \times CETR]$$

- Where
- NDC = The new disposal charge component of the customer rate for a particular service level; and

- NTF = The new disposal fee, dollars per ton; and
- ODC = The old disposal charge component of the customer rate for a particular service level;
- OTF = The old disposal fee, dollars per ton; and
- A = Pre-excise tax adjusted disposal component; and
- CETR = Current excise tax rate (the current State excise tax rate; 0.018 used for this example).

For example, using the initial one 35-gallon cart rate of \$21.09 per month: if the previous CPI is 143.2, the new CPI is 144.3 and the disposal fee will increase from \$95 to \$105 per ton starting on January 1, 2012, the old disposal component is \$3.50, and the State Excise Tax rate is 0.018, the January 1, 2012 Customer charge for one 35-gallon cart per week Residential Curbside service would be:

$$\text{New Collection Component} = \$17.59 \times \left[1 + \frac{(144.3-143.2)}{(143.2)} \right] = \$17.73$$

$$\text{New Disposal Component} = [\$3.50 \times (105/95)] \text{ plus excise tax adjustment of } \$0.01 = \$3.88$$

Thus, the new Customer charge for one 35-gallon cart per week Residential Curbside service will be \$17.73 plus \$3.88, equaling \$21.61.

**CITY OF KIRKLAND**

City Manager's Office

123 Fifth Avenue, Kirkland, WA 98033 425.587.3001

www.ci.kirkland.wa.us

MEMORANDUM

To: Kurt Triplett, City Manager

From: Ellen Miller-Wolfe, Economic Development Manager

Date: March 3, 2011

Subject: Lodging Tax Advisory Committee (LTAC) Recommendations Regarding Use of Reserve Funds and Name Change

RECOMMENDATION:

The Lodging Tax Advisory Committee (LTAC) is recommending that up to \$15,000 in LTAC budget reserves be approved to help outfit a visitor's center at the new location of the Kirkland Downtown Association (KDA) and Greater Kirkland Chamber of Commerce (Chamber).

The LTAC also seeks approval from the City Council to change the name of the Committee to the Tourism Development Committee, in order to reflect the advocacy role that the Committee plays on behalf of tourism programs and events, in addition to the required role as advisor to the City Council regarding the annual budget and grant recipients of LTAC funds.

BACKGROUND DISCUSSION:

The LTAC met on March 3, 2011, received the request of Bill Vadino, Executive Director, Kirkland Downtown Association, for funding to help equip a visitor's center to be housed at the offices of the KDA and Chamber (Attachment 1), and voted to recommend funding for tourism-related items to the City Council. Mr. Vadino indicated that only "items that meet the criteria...for LTAC funding... including signage, literature racks, displays, interactive kiosks..." would be purchased with these funds. Chair Penny Sweet advised the LTAC that she had met with the City Manager and City Attorney regarding the request and was clear on what the KDA/Chamber could move forward with. In order to meet the requirements for LTAC funding, the items purchased must be removable and not permanently affixed to the building where they are to be utilized. Staff is recommending that the purchases be acquired in the City's name.

The LTAC also recommends that its name change to Tourism Development Committee. The sentiment is that the Committee wants to engage in more than budget and grant activities and build more of a constituency in the business community, neighborhoods and region for Kirkland tourism. Descriptions of this Committee in City documents will continue to identify its advisory role to the Council in LTAC budget formulation and monitoring and distribution of LTAC funds.



March 2, 2011

Penny Sweet, Chair and
Members of the Lodging Tax Advisory Committee (LTAC)

Dear Members of the LTAC Committee,

As discussed at your retreat, the Kirkland Downtown Association (KDA) would like to request reserve funding to equip a visitors center at the new location of the KDA and Greater Kirkland Chamber of Commerce. The new location is across from the Heathman Hotel at 223 Kirkland Central in the former storefront of a yogurt business.

Our request is to spend up to \$15,000 on visitor center related items that meet the criteria for items that may be eligible for LTAC funding. These items include signage, literature racks, displays, interactive kiosks and related furnishings.

Thank you for your consideration of this request.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Vadino". The signature is fluid and cursive, with a long horizontal stroke at the end.

Bill Vadino
Executive Director
Kirkland Downtown Association

FISCAL NOTE

CITY OF KIRKLAND

Source of Request							
Ellen Miller-Wolfe, Economic Development Manager							
Description of Request							
Request for one-time use of up to \$15,000 of Lodging Tax Fund operating reserve to outfit a Visitor's Center at the new location of the Kirkland Downtown Association/Greater Kirkland Chamber of Commerce.							
Legality/City Policy Basis							
Fiscal Impact							
One-time use of up to \$15,000 of the Lodging Tax Fund Operating Reserve. The reserve is able to fully fund this request.							
Recommended Funding Source(s)							
Reserve	Description	2012 Est End Balance	Prior Auth. 2011-12 Uses	Prior Auth. 2011-12 Additions	Amount This Request	Revised 2012 End Balance	2012 Target
	Lodging Tax Fund Operating Rsv	127,826	0	0	15,000	112,826	N/A
	There are no prior 2011-12 Authorized Uses of the Lodging Tax Fund Operating Reserve						
Revenue/Exp Savings							
Other Source							
Other Information							
Use of Lodging Tax funds is restricted to tourism promotion and acquisition and/or operation of tourism-related facilities.							

Prepared By	Neil Kruse, Senior Financial Analyst	Date	March 4, 2011
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