



CITY COUNCIL 345 6th Street, Suite 100, Bremerton, WA 98337 ☐ Phone (360) 473-5280

WEDNESDAY, MAY 14, 2025
CITY COUNCIL STUDY SESSION AGENDA
Starting at 5:00 PM in Council Conference Room 603

*Council Conference Room 603 will be open to the public to attend the Study Session in-person, but there will be no opportunities for input. However, public questions or comments may be submitted at any time to City.Council@bremertonwa.gov. Please remember that the content of the Agenda Bill items is subject to change; and no action at the Study Session is anticipated. If approved by the Council, these items will be placed on the **May 21, 2025** City Council Meeting Agenda, or as indicated...*

- *Members of the public may click the link below to join the webinar:*
<https://bremertonwa-gov.zoom.us/j/87318266756?pwd=ZWIMVnVYbFBHYjY5U1RJUmFreDFXUT09>
- *Or One tap mobile:*
US: +12532050468,,87318266756#,,,,*857582# or +12532158782,,87318266756#,,,,*857582#
- *Or Telephone: Dial (for higher quality, dial a number based on your current location):* US: +1 253 205 0468 or +1 253 215 8782 or +1 346 248 7799 or +1 669 444 9171 or +1 669 900 6833
Webinar ID: 873 1826 6756; Passcode: 857582

A. AGENDA BILL BRIEFINGS

1. Confirm Reappointment of Angelica Nery to the Lodging Tax Advisory Committee
2. Approval to eliminate a Code Enforcement Specialist position and to add a Code Enforcement Officer position to the authorized staffing for the Department of Community Development
3. Resolution to accept Clean Water State Revolving Fund Loan Agreement with the Department of Ecology to Design the Westside Wastewater Treatment Plant Improvements Project
4. Resolution to accept Clean Water Revolving State Fund Loan Agreement with the Department of Ecology to Design and Construct the Eastside Treatment Plant UV Replacement Project
5. Proposed 2024 Comprehensive Plan and Development Regulations *Discussion only, with final action anticipated at the June 4, 2025 Council Meeting*
6. Proposed 6-Month Moratorium for New Applications for the Bremerton Multi-Family Tax Exemption (MFTE) Program

B. GENERAL COUNCIL BUSINESS

1. Audit Committee Briefing (*Last meeting 4/28/25*) – Chair Anna Mockler
2. Public Safety Committee Briefing (*Last Meeting 5/1/25*) – Chair Michael Goodnow
3. Regional and Other Committee/Board Briefings
4. Other General Council Business (*As necessary, and as time allows...*)

C. ADJOURNMENT OF STUDY SESSION



Americans with Disabilities Act accommodations provided upon request. Those requiring special accommodations should contact the City Clerk's Office at (360) 473-5323 at least 24 hours prior to the meeting.

AGENDA BILL
CITY OF BREMERTON
CITY COUNCIL

A1

SUBJECT:

Confirm Reappointment of Angelica Nery to
the Lodging Tax Advisory Committee

Study Session Date: May 14, 2025

COUNCIL MEETING Date: May 21, 2025

Department: Executive

Presenter: Mayor Wheeler

Phone: (360) 473-5266

SUMMARY: RCW 67.28 and BMC Chapter 2.38 outline membership requirements for the Lodging Tax Advisory Committee as follows: two (2) members from organizations that support activities which are authorized to be funded by hotel-motel tax revenue; two (2) members from businesses that collect the hotel-motel tax; and an elected official (Council Member).

The Mayor is seeking confirmation for the reappointment of Angelica Nery, General Manager for the Fairfield Inn & Suites to the Lodging Tax Advisory Committee.

The appointment of Ms. Nery relates to a committee position for businesses that collect the hotel-motel tax within Bremerton; and for a term expiring on May 17, 2028.

ATTACHMENTS: Application is available in the Mayor's Office

FISCAL IMPACTS (Include Budgeted Amount):

STUDY SESSION ACTION: ☐ Consent Agenda ☐ General Business ☐ Public Hearing

RECOMMENDED MOTION:

Move to confirm the reappointment of Angelica Nery to the Lodging Tax Advisory Committee for the term expiring May 17, 2028.

COUNCIL ACTION: ☐ Approve ☐ Deny ☐ Table ☐ Continue ☐ No Action

From: noreply@civicplus.com <noreply@civicplus.com>

Sent: Monday, April 14, 2025 2:19 AM

To: WebMaster <WebMaster@ci.bremerton.wa.us>; Greg Wheeler

<Greg.Wheeler@ci.bremerton.wa.us>; Jennifer Hayes <Jennifer.Hayes@ci.bremerton.wa.us>

Subject: Online Form Submittal: Application for City Boards / Commissions / Committee

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

Application for City Boards / Commissions / Committee

Date	4/14/2025
First Name	Angelica
Middle Name	Field not completed.
Last Name	Nery
Home Phone	
Address1	
Address2	Field not completed.
City	Bremerton
State	WA
Zip	98337
Occupation	General Manager
Employer	HCK2, LLC - Fairfield Inn and Suites Seattle/Bremerton
Work Address1	239 4th Street
Work Address2	Field not completed.
City	Bremerton
State	WA
Zip	98337
Work Phone	3603772111

Fax	Field not completed.
Email	[REDACTED]
Education	Former Brazilian Attorney
Local References	Hampton Inn and Suites - Phoebe Payne [REDACTED] Fairfield Inn and Suites Poulsbo - Ashley Walchok [REDACTED] [REDACTED] KIAC - Bremerton [REDACTED]
I am interested in serving:	Lodging Tax Advisory Committee
Is this an application for reappointment?	Yes
If yes, how many years have you served on this commission or committee?	2
How long have you lived in Bremerton	5 years
Why are you applying for this appointment?	I believe that I have experience with Lodging and Turism and being part of the Lodging Tax Advisory Committee will bring value and responsibility when it comes to decision making for lodging tax funds.
Which of your personal and / or professional interests prompted you to apply for this appointment?	My professional interest for being part of the Hospitality Industry, being a leader and a manager of one of the biggest properties in Bremerton.
Have you ever served on any other Bremerton board, commission, committee or task force? If yes, please list.	Kitsap Immigration Association - Board Member
Please list your qualifications for this appointment (include	Experience in leadership and management in hospitality business, tourism analysis, and strategies skills with training.

skills, activities,
training, education):

What are your
community interests
(committee,
organizations, special
activities)?

Organizations and special activities

Please list any
accommodations you
need to perform
volunteer duties:

I am open for the duties where volunteers are mostly needed.

We welcome your willingness to serve Bremerton.

Pursuant to the Washington Public Disclosure Act, (RCW 42.56), this form constitutes a public record and is subject to public release upon request. Prior to release, the following information may be redacted pursuant to RCW 42.56.250(3): Residential addresses, residential telephone numbers, personal wireless telephone numbers, personal electronic mail addresses, social security numbers, driver's license numbers, identicard numbers, and emergency contact information of employees or volunteers of a public agency, and the names, dates of birth, residential addresses, residential telephone numbers, personal wireless telephone numbers, personal electronic mail addresses, social security numbers, and emergency contact information of dependents of employees or volunteers of a public agency.

Applicants are considered for appointment without regard to race, color, religion, gender, national origin, sexual orientation, age, genetic information, marital or veteran status, or the presence of any disability.

Updated 3/24/2020

Email not displaying correctly? [View it in your browser.](#)

AGENDA BILL
CITY OF BREMERTON
CITY COUNCIL

A2

SUBJECT:

Approval to eliminate a Code Enforcement Specialist position and to add a Code Enforcement Officer position to the authorized staffing for the Department of Community Development

Study Session Date: May 14, 2025

COUNCIL MEETING Date: May 21, 2025

Department: DCD

Presenter: Andrea Spencer

Phone: (360) 473-5283

SUMMARY: Human Resources recently conducted a desk audit to assess the roles, responsibilities, and qualifications of the Code Enforcement Specialist and the Code Enforcement Officer positions within Community Development. The result of the audit was the recommendation that the Code Enforcement "Specialist" position be reclassified to an "Officer" position because the duties performed at the Specialist level are so closely aligned with those of an Officer and that the pay gap between the positions creates a significant barrier to recruitment and retention. The HR audit is attached to this agenda bill.

It should be noted that the current position of Code Enforcement Specialist has been vacant since November 2024 and recruitment to find a qualified candidate has been unsuccessful.

ATTACHMENTS:

Human Resources Desk Audit for Code Enforcement Specialist
Finance Personnel Cost Comparison Estimate

FISCAL IMPACTS (Include Budgeted Amount): Based on 2025 salary rates Finance has calculated the annual cost of the increase to be just under \$27,000. Due to position vacancies the fiscal impact can be absorbed in the DCD budget for 2025 without modification.

STUDY SESSION ACTION: ☐ Consent Agenda ☐ General Business ☐ Public Hearing

RECOMMENDED MOTION:

Move to authorize the elimination of the Code Enforcement Specialist Position and add a Code Enforcement Officer position to the Department of Community Development authorized staffing.

COUNCIL ACTION: ☐ Approve ☐ Deny ☐ Table ☐ Continue ☐ No Action

Desk Audit Report

Subject: Evaluation of Code Enforcement Officer and Code Enforcement Specialist Duties

Requested by: Andrea Spencer, Director of Community Development

Prepared by: Charlotte Nelson, Human Resources Manager

Date: April 21, 2025

Purpose of the Audit

This desk audit was conducted to assess the roles, responsibilities, and qualifications of the Code Enforcement Officer and the Code Enforcement Specialist positions within Community Development. Specifically, the objective is to determine whether the two roles are substantially similar and evaluate the position's compensation.

Community Development has two positions that are dedicated to the City's Code Enforcement Program, a "Code Enforcement Officer" (CEO) and a "Code Enforcement Specialist" (CES). Currently the CES position is vacant and the City has been recruiting for a staff replacement since November 2024 with no viable candidates applying. Since 2023 there have been two people that have served in the role of CES, with one individual serving in the position for approximately 5 months and the most recent serving in the role for 11 months. When both individuals resigned, they both cited concerns about pay inequity relative to the demands of their work in comparison to the CEO, and that it is hard to discern the difference between the two positions. It is important to note that both employees accepted higher pay positions at other municipalities doing the same work that they were doing for the City of Bremerton. One of the departing staff members filled out an exit questionnaire, which confirms in writing that their departure was due to the rate of pay (Appendix A).

This desk audit was not only prompted by these resignations, and the fact that we are unable to find qualified applicants to backfill the currently vacant CES position but also because the work program has changed in complexity since the CES position was first created in 2018. When the CES position was established the person in the role was responsible for proactively addressing less complex enforcement of nuisances like vegetation and weed overgrowth, garbage and graffiti issues. Since 2018 the work demands of the Code Enforcement program have grown substantially and both the CEO and CES positions have had to respond to more complex community issues like building abatements and court-ordered demolitions, stop work cases, and unsafe/uninhabitable structures. The result of the changing work difficulty has resulted in the CES position being responsible for complex work that is indiscernible from the CEO's.

This desk audit included a thorough comparison between the two closely aligned job descriptions of CEO and CES and assesses potential discrepancies in their roles, responsibilities, and compensation structures.

Understanding and addressing these concerns is critical to maintaining a fair and equitable workplace environment. By analyzing the specific duties, skill requirements, and compensation levels associated with each position, this report aims to determine whether significant disparities

exist. The findings will provide insight into whether adjustments are needed to ensure that pay aligns appropriately with the nature of the work being performed.

Methodology

1. **Job Description Review:** Examined both the CEO and CES job descriptions.
2. **Task Analysis:** Compared essential functions, required knowledge, and qualifying education and experience.

Findings

1. **Overlap in Duties and Responsibilities** A side-by-side comparison of the two roles reveals significant overlap in the essential functions:

Code Enforcement Specialist	Code Enforcement Officer
Conducts investigations, gathers evidence, issues notice of violation, and prepares written and oral reports.	Conducts investigations, gathers evidence, issues notice of violation, and prepares written and oral reports.
Provide information to complainants, code violators, city staff and public by phone and in the field regarding complaint process, investigation results and abatement actions. Explains requirements and intent of codes and explains options and procedures for compliance.	Provide information to complainants, code violators, city staff and public by phone and in the field regarding complaint process, investigation results and abatement actions. Explains requirements and intent of codes and explains options and procedures for compliance.
Prepares, posts and mails letters and abatement orders relating to unsafe structures, garbage accumulation, weeds, graffiti and other nuisance violations to ensure compliance with provisions of municipal ordinances and other applicable codes and/or laws in abatement procedures.	Prepares, posts and mails letters and abatement orders relating to unsafe structures, garbage accumulation, weeds, graffiti and other nuisance violations to ensure compliance with provisions of municipal ordinances and other applicable codes and/or laws in abatement procedures.
Attend and participate in professional group meetings; stay current of new trends in the field of code enforcement.	Attend and participate in professional group meetings; stay current of new trends in the field of plans examination and building code compliance.
Appears as a witness for the City in legal actions taken to gain compliance.	Appears as a witness for the City in legal actions taken to gain compliance.
Assists the Code Enforcement Officer in the preparation and maintenance of detailed records and statistics related to enforcement activities and makes summary reports as required.	Prepares and maintains detailed records and statistics related to enforcement activities and makes summary reports as required.
Assists in developing, organizing, and implementing code enforcement programs and procedures.	Develops, organizes, and implements code enforcement programs and procedures.

2. QUALIFYING EDUCATION and EXPERIENCE (Minimum Requirements)

Code Enforcement Specialist	Code Enforcement Officer
Bachelor's degree in engineering, architecture, planning, building, or a related field, and two (2) years' experience in a position of enforcement of adopted codes, OR any combination of education, certification, and experience which provides the applicant with desired skills, knowledge and ability required to perform the job.	Associate's degree in engineering, building, or a related field, and five (5) years' experience in a position of enforcement of adopted codes, OR any combination of education, certification, and experience which provides the applicant with desired skills, knowledge and ability required to perform the job. Must obtain Building Inspector certification within one year of employment.

3. Common Knowledge Requirements

- Health, safety, and sanitation standards for housing and buildings.
- Applicable laws, regulations, and policies (e.g., Washington State and International codes).
- Modern building construction methods and principles of structural engineering.
- On-site building inspection techniques.
- City operations, policies, and objectives.
- Record-keeping, oral and written communication, and interpersonal skills.
- Office software (e.g., Microsoft Word, Excel) and permit tracking systems.

Additional Knowledge Areas for Officer

- Supervisory techniques.
- Budget tracking for abatement fund and financing.
- Public presentation methods.

4. Workload and Accountability

Discussions with the current CEO and management indicate that both roles handle comparable inspections and are held to similar performance metrics. Both roles are equally accountable for the legal and procedural accuracy of their work, with minimal distinction in decision-making authority.

5. Pay Differential

Currently, the CES position has a monthly salary range of \$5,490 to \$6,462 while the CEO position is compensated within a range of \$7,193 to \$8,505. This reflects a 30.2% difference in minimum pay and a 31.6% difference in maximum pay between the two roles.

Request for Reclassification

Due to ongoing challenges in filling the CES position and the minimal difference in job duties performed between the Specialist and Officer roles, the Department is formally requesting that the Specialist position be reclassified to a CEO position. The difficulty in recruiting and retaining qualified candidates at the Specialist level suggests that the current salary range and the demands of the work does not sufficiently reflect the responsibilities or required expertise for the role. Furthermore, the overlap in duties between the two positions supports the need for a streamlined classification.

Reclassifying the Specialist position to an Officer position will help attract more qualified candidates, ensure internal equity, and better align the role's compensation with market standards and job expectations.

Human Resources Review, Support and Recommendations

The CES has functioned as a CEO and when comparing the two job descriptions they are very similar.

1. **Equal Compensation:** Adjust the salary for the CES to match the compensation for the CEO, reflecting the equivalent essential functions, required knowledge, accountability and qualifying education and experience.
2. **Job Title Standardization:** The two positions should have a unified title of Code Enforcement officer (CEO) to eliminate ambiguity and ensure consistency.

After a thorough review, Human Resources agrees with the Department's request to reclassify the CES position to a CEO position. HR's analysis confirms that the duties performed at the Specialist level closely align with those of an Officer and that the existing pay gap creates a significant barrier to recruitment and retention. Aligning the classification with the Officer position should improve hiring success, ensure job classification accuracy, and support internal compensation equity.

Prepared by:

Charlotte Nelson

Human Resources Manager

April 17, 2025

CITY OF BREMERTON EXIT QUESTIONNAIRE

NOV 04 2024

HUMAN RESOURCES

I. INSTRUCTIONS:

As a separating employee, please take a few minutes to provide the following information about your employment with the City of Bremerton.

This information will not affect any future opportunities with the City. The exit questionnaire will be shared with your department and used to see what, if any, changes are needed.

After you have filled out this form, please return it in the self-addressed envelope. Thank you for your time and service to the City of Bremerton.

II. IDENTIFICATION:

1. Name: [REDACTED] 2. Department: DCD
 3. Job Title: Code Enforcement Specialist 4. Date Hired: 1-2-24
 5. Last Day Worked: 11-4-24 6. Immediate Supervisor: Stuart Anderson

III. TERMINATION INFORMATION:

A. Was your decision to leave the City influenced by:

- | | | | |
|---------------------------|-------------------------------------|-------------------|--------------------------|
| 1. Better job opportunity | <input type="checkbox"/> | 7. Family reasons | <input type="checkbox"/> |
| 2. Type of work | <input type="checkbox"/> | 8. Self-employed | <input type="checkbox"/> |
| 3. Rate of pay/benefits | <input checked="" type="checkbox"/> | 9. Illness | <input type="checkbox"/> |
| 4. Commuting distance | <input type="checkbox"/> | 10. School | <input type="checkbox"/> |
| 5. Supervision | <input type="checkbox"/> | 11. Other | <input type="checkbox"/> |
| 6. Retirement | <input type="checkbox"/> | | |

If other, please explain: _____

B. If going to another job, will you be doing the same type of work? ☒ Yes ☐ No

C. What do you think of the supervision you received regarding the following?

- | | | |
|--|----------|-------------------|
| 1. Followed policies and practices. | <u>A</u> | A – Almost Always |
| 2. Demonstrated fair and equal treatment. | <u>A</u> | B – Usually |
| 3. Recognized good job performance. | <u>A</u> | C – Sometimes |
| 4. Developed cooperation. | <u>A</u> | D – Never |
| 5. Resolved complaints, grievances & problems. | <u>A</u> | |

Please comment regarding your supervision: Both Stuart Anderson & Andrea Spencer are great supervisors!

D. Did your supervisor treat you fairly? ☒ Yes ☐ No

E. How would you rate the following in your department?

- | | | |
|--|----------|---------------|
| 1. Cooperation within the department. | <u>A</u> | A – Excellent |
| 2. Cooperation with other departments. | <u>A</u> | B – Good |
| 3. On-the-job training. | <u>A</u> | C – Fair |
| 4. Communications. | <u>A</u> | D – Poor |
| 5. Equipment & tools provided to you. | <u>A</u> | |
| 6. Safety conditions. | <u>A</u> | |

Please Comment: No complaints about the DCD

F. Were your co-workers fair and non-discriminatory in their treatment of you? ☒ Yes ☐ No

G. Was your workload:

1. Too Great	<input type="checkbox"/>	2. Just Right	<input checked="" type="checkbox"/>
3. Peaks - Valleys	<input type="checkbox"/>	4. Too Light	<input type="checkbox"/>

H. Did your job match your interests? ☒ Yes ☐ No

I. Did you feel you had adequate opportunity to advance? ☐ Yes ☒ No

J. Would you come back to work for the City if asked? ☒ Yes ☐ No

K. Would you recommend the City as a place to work to a friend? ☒ Yes ☐ No

L. How did you feel about your rate of pay and the benefits provided?

- | | | |
|------------------------------------|----------|---------------|
| 1. Rate of Pay | <u>C</u> | A – Excellent |
| 2. Paid Holidays | <u>B</u> | B – Good |
| 3. Vacations | <u>B</u> | C – Adequate |
| 4. Sick Leave | <u>B</u> | D – Poor |
| 5. Retirement Plan | <u>A</u> | |
| 6. Medical - Dental Plan | <u>A</u> | |
| 7. Disability Plan (Police & Fire) | <u>A</u> | |
| 8. Personal Leave | <u>A</u> | |
| 9. Educational Opportunities | <u>?</u> | |

Any Comments: _____

M. Do you feel the City's Safety Program is sufficient? ☐ Yes ☐ No unknown

N. What changes, if any, would you recommend for the City's Safety Program? N/A

IV. OTHER:

A. What does your new job offer that your job with the City does not? Greater pay

B. What did you like the most about your job with the City? I liked the content of the job duties and my co-workers & supervisors

C. What did you like the least about your job with the City? _____

The fact that I was making much less than my co-worker but doing the same job.

D. Were you given training to perform the job? How would you assess the quality of that training? What are some of the areas for improvement? _____

The training was sufficient

E. Were there any special problem areas? No

F. Were you and your supervisor able to work together effectively? Yes, very much so

G. What kind of feedback did you receive from your supervisor and how frequently? _____

positive feedback and constructive criticism regularly

H. How could your supervisor have helped you more on the job? He did a great job!

I. Any additional comments? I would love to return to the City if the Code Enforcement Specialist position is ever bumped up to a Code Enforcement

THANK YOU! Officer position.

Reclassification Cost Comparison (2025 Rates)

Job Class	Description	Current Budget (Wages, Salary, and Benefits)	Grade	Step
0168	Code Enforcement Specialist	\$97,633.50	11	D
0169	Code Enforcement Officer	\$124,081.15	16	D
Anticipated Additional Cost of Position Upgrade (12 months):		\$26,447.65		

AGENDA BILL
CITY OF BREMERTON
CITY COUNCIL

A3

SUBJECT:

Resolution to accept Clean Water State
Revolving Fund Loan Agreement with the
Department of Ecology to Design the
Westside Wastewater Treatment Plant
Improvements Project

Study Session Date:	May 14, 2025
COUNCIL MEETING Date:	May 21, 2025
Department:	PW&U
Presenter:	David Powell
Phone:	(360) 473-5268

SUMMARY: The City of Bremerton has negotiated a Clean Water State Revolving Fund (CWSRF) loan agreement (Agreement No. WQC-2025-BremPW-00186) with the Department of Ecology to provide partial funding to plan and design the Westside Wastewater Treatment Plant Upgrade Project. The loan is for \$2,120,000 over 20 years at a 1.2% interest rate. To secure the loan, a Resolution by the City Council accepting the loan is required, followed by execution of the loan by the Mayor.

ATTACHMENTS: 1) Resolution; 2) Loan Agreement; 3) Vicinity Map

FISCAL IMPACTS (Include Budgeted Amount): This project is in the Wastewater Capital budget for \$895,000 in 2025 and \$3,568,000 in 2026.

STUDY SESSION ACTION: ☐ Consent Agenda ☐ General Business ☐ Public Hearing

RECOMMENDED MOTION: Move to pass Resolution No. _____ to accept Loan Agreement WQC-2025-BremPW-00186 from the Washington State Department of Ecology and authorize the Mayor to execute the agreement with substantially the same terms and conditions as presented.

COUNCIL ACTION: ☐ Approve ☐ Deny ☐ Table ☐ Continue ☐ No Action

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF BREMERTON WASHINGTON, APPROVING AND ACCEPTING A \$2,120,000 LOAN WITH THE DEPARTMENT OF ECOLOGY, AND AUTHORIZING EXECUTION OF THE LOAN AGREEMENT FOR PLANNING AND DESIGN OF THE WESTSIDE WASTEWATER TREATMENT PLANT IMPROVEMENTS PROJECT (WQC-2025-BremPW-00186)

WHEREAS, the City of Bremerton (City) owns and operates the Westside Wastewater Treatment Plant (WWTP) that provides physical, biological and disinfection treatment for sewage generated from the City of Bremerton before it is discharged into the Puget Sound, under NPDES #WA0029289; and

WHEREAS, the City Council has determined that certain components of the WWTP and related electrical and control systems are at or beyond their useful life and in need of replacement to reliably meet wastewater discharge standards; and

WHEREAS, to finance these improvements, the City applied for and received a loan award from the Washington State Department of Ecology (Ecology) Water Quality Combined Funding Program – Fiscal Year 2024 Funding Cycle for \$2,120,000; and

WHEREAS, the award is composed of a 20-year Clean Water State Revolving Fund (CWSRF) Standard Loan at a 1.2% interest rate; and

WHEREAS, the City accepts responsibility to repay the loan and abide by the provisions of the AGREEMENT; and

WHEREAS, to make the loan funds available to the City, execution of an approved loan agreement is required,

THE CITY COUNCIL OF THE CITY OF BREMERTON, WASHINGTON, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Purpose. That the City Council hereby authorizes the Mayor to execute the Loan Agreement with the Department of Ecology, a copy of which is attached hereto and incorporated herein by this reference as Exhibit A; and to make minor substantive changes as necessary to execute the Agreement.

SECTION 2. Severability. If any one or more sections, subsections, or sentences of this Resolution are held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portion of this Resolution and the same shall remain in full force and effect.

SECTION 3. *Effective Date.* This Resolution shall take effect and be in force immediately upon its passage.

PASSED by the City Council of the City of Bremerton, Washington this _____ day of _____, 2025.

ERIC YOUNGER,
Council President

APPROVED AS TO FORM:

ATTEST:

KYLIE J. FINNELL, City Attorney

ANGELA HOOVER, City Clerk



Agreement No. WQC-2025-BremPW-00186

WATER QUALITY COMBINED FINANCIAL ASSISTANCE AGREEMENT

BETWEEN

THE STATE OF WASHINGTON DEPARTMENT OF ECOLOGY

AND

CITY OF BREMERTON - PUBLIC WORKS AND UTILITIES

This is a binding Agreement entered into by and between the state of Washington, Department of Ecology, hereinafter referred to as “ECOLOGY,” and City of Bremerton - Public Works and Utilities, hereinafter referred to as the “RECIPIENT,” to carry out with the provided funds activities described herein.

GENERAL INFORMATION

Project Title:	Westside Wastewater Treatment Plant Upgrade
Total Cost:	\$2,120,000.00
Total Eligible Cost:	\$2,120,000.00
Ecology Share:	\$2,120,000.00
Recipient Share:	\$0.00
The Effective Date of this Agreement is:	06/01/2023
The Expiration Date of this Agreement is no later than:	12/31/2027
Project Type:	Wastewater Facility

Project Short Description:

This project improves water quality in the Sinclair Inlet through the design of wastewater facility improvements at Bremerton’s Westside Wastewater Treatment Plant located along Bayview Drive West in the Bremerton, Washington. This project designs the repairs or replacement of several existing facility components that are at the end of their useful life. Benefits include the addition of redundancy for some components, improved reliability and compliance with NPDES permit.

Project Long Description:

This project improves water quality in the Sinclair Inlet through the design of wastewater facility improvements at Bremerton’s Westside Wastewater Treatment Plant (West Plant) located along Bayview Drive West in the Bremerton, Washington. This project designs the repairs or replacement of several existing facility components that are at the end of their useful life. Benefits include the addition of redundancy for some components, improved reliability and compliance

Agreement No: WQC-2025-BremPW-00186
Project Title: Westside Wastewater Treatment Plant Upgrade
Recipient Name: City of Bremerton - Public Works and Utilities

with NPDES permit.

The West Plant is a conventional activated sludge secondary treatment plant that provides secondary wastewater treatment for the city. The West plant discharges to Sinclair Inlet and produces Class B biosolids.

The city identified several components of the West Plant that need to be refurbished or replaced due to age and corrosion in the City's 6-year Capital Improvement Plan. These component upgrades were combined into the Westside Wastewater Treatment Plant Upgrade Project (WW00087). Information on the capital improvement project was originally presented in the City's approved 2014 Wastewater Comprehensive Plan. The city provided the Bremerton Westside Wastewater Treatment Plant SRF Application Memorandum, dated August 23, 2023, as an addendum to the 2014 plan, which describes how the components will be refurbished or replaced. Ecology approved this document as an addendum to the 2014 plan on December 5, 2023. Final engineering report(s) that meets WAC 173.240.060 must be submitted and approved for the project components identified in preliminary planning documents.

This project includes design of the following:

- Centrifuge Replacement.
- Aeration Basin Supply Piping Replacement.
- Boiler System Reliability Improvements.
- Grit Chamber Rehabilitation.
- Headworks Screen Replacement.

This project will design the replacement or refurbishment of equipment at the end of its useful life, improve dewatering of biosolids, improve odor control, add redundancy in some system components, and improve overall system reliability and permit compliance.

Overall Goal:

The overall goal of the project is to replace or refurbished equipment at the end of its useful life, improve dewatering of biosolids, improve odor control, add redundancy in some system components, and improve overall system reliability and permit compliance, preventing discharge of pollutants into Sinclair Inlet.

Agreement No: WQC-2025-BremPW-00186
Project Title: Westside Wastewater Treatment Plant Upgrade
Recipient Name: City of Bremerton - Public Works and Utilities

RECIPIENT INFORMATION

Organization Name: City of Bremerton - Public Works and Utilities

Federal Tax ID: 91-6001231
UEI Number: HV84RG6NYNG4

Mailing Address: 100 Oyster Bay Ave N
Bremerton, WA 98312

Physical Address: 345 6th Street
Bremerton, WA 98337

Organization Email: chance.berthiaume@ci.bremerton.wa.us

Contacts

Agreement No: WQC-2025-BremPW-00186
Project Title: Westside Wastewater Treatment Plant Upgrade
Recipient Name: City of Bremerton - Public Works and Utilities

Project Manager	David Powell Engineering Project Manager 345 6th Street Bremerton, WA 98337 Bremerton, Washington 98337 Email: david.powell@ci.bremerton.wa.us Phone: (360) 473-5268
Billing Contact	Kimberly Seibold Financial Analysis 100 Oyster Bay Ave N Bremerton, Washington 98312 Bremerton, Washington 98312 Email: kim.seibold@ci.bremerton.wa.us Phone: (360) 473-5929
Authorized Signatory	Greg Wheeler Mayor 345 6th Street, Suite 600 Bremerton, Washington 98337 Email: greg.wheeler@ci.bremerton.wa.us Phone: (360) 473-5266

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ECOLOGY INFORMATION

Mailing Address: Department of Ecology
Water Quality
PO BOX 47600
Olympia, WA 98504-7600

Physical Address: Water Quality
300 Desmond Drive SE
Lacey, WA 98503

Contacts

Project Manager	Sue Cook PO Box 330316 Shoreline, Washington 98133-9716 Email: SUEC461@ecy.wa.gov Phone: (425) 758-7776
Financial Manager	Tammie McClure PO Box 47600 Olympia, Washington 98504-7600 Email: tmcc461@ecy.wa.gov Phone: (360) 628-4315
Technical Advisor	Madison Diaz PO Box 330316 Shoreline, Washington 98133-9716 Email: mdia461@ecy.wa.gov Phone: (425) 495-1777

AUTHORIZING SIGNATURES

RECIPIENT agrees to furnish the necessary personnel, equipment, materials, services, and otherwise do all things necessary for or incidental to the performance of work as set forth in this Agreement.

RECIPIENT acknowledges that they had the opportunity to review the entire Agreement, including all the terms and conditions of this Agreement, Scope of Work, attachments, and incorporated or referenced documents, as well as all applicable laws, statutes, rules, regulations, and guidelines mentioned in this Agreement. Furthermore, the RECIPIENT has read, understood, and accepts all requirements contained within this Agreement.

This Agreement contains the entire understanding between the parties, and there are no other understandings or representations other than as set forth, or incorporated by reference, herein.

No subsequent modifications or amendments to this agreement will be of any force or effect unless in writing, signed by authorized representatives of the RECIPIENT and ECOLOGY and made a part of this agreement. ECOLOGY and RECIPIENT may change their respective staff contacts without the concurrence of either party.

This Agreement shall be subject to the written approval of Ecology’s authorized representative and shall not be binding until so approved.

The signatories to this Agreement represent that they have the authority to execute this Agreement and bind their respective organizations to this Agreement.

Washington State		City of Bremerton - Public Works and Utilities	
Department of Ecology			
By:		By:	
_____		_____	
David Giglio	Date	Greg Wheeler	Date
Water Quality		Mayor	
Acting Program Manager			
Template Approved to Form by			
Attorney General's Office			

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Recipient Name: City of Bremerton - Public Works and Utilities

SCOPE OF WORK

Task Number: 1 **Task Cost: \$30,000.00**

Task Title: Grant and Loan Administration

Task Description:

A. The RECIPIENT shall carry out all work necessary to meet ECOLOGY grant or loan administration requirements. Responsibilities include but are not limited to: Maintenance of project records; submittal of requests for reimbursement and corresponding backup documentation; progress reports; and the EAGL (Ecology Administration of Grants and Loans) recipient closeout report (including photos, if applicable). If the RECIPIENT elects to use a contractor to complete project elements, the RECIPIENT shall retain responsibility for the oversight and management of this funding agreement.

B. The RECIPIENT shall keep documentation that demonstrates the project is in compliance with applicable procurement, contracting, and interlocal agreement requirements; permitting requirements, including application for, receipt of, and compliance with all required permits, licenses, easements, or property rights necessary for the project; and submittal of required performance items. This documentation shall be available upon request.

C. The RECIPIENT shall maintain effective communication with ECOLOGY and maintain up-to-date staff contact information in the EAGL system. The RECIPIENT shall carry out this project in accordance with any completion dates outlined in this agreement.

Task Goal Statement:

Properly managed and fully documented project that meets ECOLOGY's grant or loan administrative requirements.

Task Expected Outcome:

- * Timely and complete submittal of requests for reimbursement, quarterly progress reports, and Recipient Closeout Report.
- * Properly maintained project documentation.

Grant and Loan Administration

Deliverables

Number	Description	Due Date
1.1	Progress Reports that include descriptions of work accomplished, project challenges or changes in the project schedule. Submitted at least quarterly.	
1.2	Recipient Closeout Report (EAGL Form)	

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SCOPE OF WORK

Task Number: 2

Task Cost: \$600,000.00

Task Title: Planning

Task Description:

A. The RECIPIENT will procure professional services in accordance with state law. The RECIPIENT will include ECOLOGY's State Revolving Fund Engineering Services Insert in the contract documents between the RECIPIENT and the professional services team. The RECIPIENT must submit all professional services contracts before ECOLOGY will provide reimbursement for work performed under this task.

B. The RECIPIENT will prepare and submit engineering report(s) in accordance with the requirements of WAC 173-240 for approval by Ecology. The engineering report(s) will fully evaluate the alternatives for replacement or refurbishment of components identified. The engineering report(s) will identify the cost-effective alternative as the preferred alternative for each of the following components identified in the addendum:

- B.1. Centrifuge Replacement.
- B.2. Aeration Basin Supply Piping Replacement.
- B.3. Boiler System Reliability Improvements.
- B.4. Grit Chamber Rehabilitation.
- B.5. Headworks Screen Replacement.

C. The RECIPIENT will prepare a Cost-Effectiveness Analysis for the project alternatives and will integrate the analysis into the planning document(s) in accordance with WAC 173-98.

Task Goal Statement:

See overall goal.

Task Expected Outcome:

See overall goal.

Planning

Deliverables

Number	Description	Due Date
2.1	Executed contracts for professional services and documentation of the RECIPIENT's process for procuring professional services.	
2.2	Final engineering report(s).	

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Recipient Name: City of Bremerton - Public Works and Utilities

SCOPE OF WORK

Task Number: 3 **Task Cost: \$1,490,000.00**

Task Title: Design, Environmental/Cultural Review

Task Description:

A. The RECIPIENT will procure professional services in accordance with state law. The RECIPIENT will include ECOLOGY's State Revolving Fund Engineering Services Insert in the contract documents between the RECIPIENT and the professional services team. The RECIPIENT must submit all professional services contracts before ECOLOGY will provide reimbursement for work performed under this task.

B. The RECIPIENT will design the improvements consistent with the recommended alternative presented in the approved engineering report(s). Construction contract documents (plans and specifications) developed by the RECIPIENT must be consistent with the requirements of Chapter 173-240 WAC.

C. The RECIPIENT will prepare a Fiscal Sustainability Plan (FSP) (aka Asset Management Plan). The RECIPIENT will certify that a plan that contains at least the minimum required elements listed below has been developed and is being implemented:

- C.1. An inventory of critical assets that belong to the utility.
- C.2. An evaluation of the condition and performance of the critical assets.
- C.3. A plan to maintain, repair, and replace the critical assets and to fund those activities.
- C.4. A plan to coordinate utilities, including water, sewer, stormwater, and transportation for work in the right-of-way.
- C.5. A process to evaluate and implement water and energy conservation efforts as part of the plan.

D. The RECIPIENT will conduct an Investment Grade Efficiency Audit (IGEA). The RECIPIENT will review their energy use looking for cost-effective energy savings. The recipient may also submit documentation of an energy efficiency review conducted within the last five years.

E. The RECIPIENT's design team shall provide a constructability review and quality assurance check of the project drawing and specification package, and general requirements of the construction bid documents at the 90 percent stage. With the 90 percent design package an engineer's estimate will also be provided.

F. The final construction contract documents will be approved by the RECIPIENT prior to submittal for ECOLOGY review. Construction plans submitted to ECOLOGY for review and approval will be reduced to no larger than 11" x 17" in size. The project manager may request plans be submitted in either PDF or other electronic format, and specifications in a searchable PDF or Microsoft Word electronic file. An updated construction cost estimate will be submitted with each plan/specification submittal. The project manager may request a spreadsheet of the estimate in electronic file format.

G. The RECIPIENT will submit the minimum requirements as outlined in the Environmental Information Document (EID) Guidance, Section A and in the State Environmental Review Process (SERP) EID at the time construction contract documents are submitted to ECOLOGY for approval.

H. The RECIPIENT will provide an Ecology Cultural Resources Review form as part of the minimum SERP requirements. The

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RECIPIENT will provide any additional information for ECOLOGY to lead the required cultural resources consultation. Costs incurred for ground-disturbing activities that occur before cultural resources review will not be eligible for reimbursement.

I. The RECIPIENT will complete an Ecology inadvertent discovery plan template for their project.

J. The RECIPIENT will notify Ecology when deliverables are available and have been uploaded to EAGL.

Task Goal Statement:

See overall goal.

Task Expected Outcome:

See overall goal.

Design, Environmental/Cultural Review

Deliverables

Number	Description	Due Date
3.1	Executed contracts for professional services and documentation of the RECIPIENT's process for procuring professional services.	
3.2	Provide 90% design review and engineer's estimate.	
3.3	Final construction contract documents.	
3.4	Certification in EAGL that the Fiscal Sustainability Plan has been developed and is being implemented.	
3.5	Documentation of an energy efficiency review.	
3.6	Complete SERP EID.	
3.7	Ecology Cultural Resources Review form.	
3.8	Inadvertent Discovery Plan.	

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BUDGET

Funding Distribution EL250381

NOTE: *The above funding distribution number is used to identify this specific agreement and budget on payment remittances and may be referenced on other communications from ECOLOGY. Your agreement may have multiple funding distribution numbers to identify each budget.*

Funding Title: SRF Loan (State) Funding Type: Loan
Funding Effective Date: 06/01/2023 Funding Expiration Date: 12/31/2027

Funding Source:

Title: CWSRF-SFY25 (State)

Fund: FD0727

Type: State

Funding Source %: 100%

Description: The Clean Water Act (CWA) (33 U.S.C 1251-1387) established the State Revolving Fund (SRF) low interest loans program (40. C.F.R. Part 31, 35 Sub Part K). Washington State administers the program under Chapter 173-98 WAC. The portion of this project funded with this funding distribution comes from non-federal source and are not subject to Federal Funding Accountability and Transparency Act (FFATA) and Single Audit Act (SAA). However, this project is subject to the federal requirements outlined in Section 4 and 5 of agreement terms and conditions.

Approved Indirect Costs Rate: Approved State Indirect Rate: 30%

Recipient Match %: 0%

InKind Interlocal Allowed: No

InKind Other Allowed: No

Is this Funding Distribution used to match a federal grant? No

Effective Interest Rate: 1.2% Interest Rate: 0.9% Admin Charge: 0.3%

Terms: 20 years

Project Start Date: 06/01/2023 Project Completion Date: 12/31/2027

Estimated Initiation of Operation date: 12/31/2027

Loan Security: Revenue Secure Lien Obligation of the Recipient

Final Accrued Interest: \$

Final Loan Amount: \$

Repayment Schedule Number: 995

SRF Loan (State)	Task Total
Grant and Loan Administration	\$ 30,000.00
Planning	\$ 600,000.00
Design, Environmental/Cultural Review	\$ 1,490,000.00

Total: \$ 2,120,000.00

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Funding Distribution Summary

Recipient / Ecology Share

Funding Distribution Name	Recipient Match %	Recipient Share	Ecology Share	Total
SRF Loan (State)	0.00 %	\$ 0.00	\$ 2,120,000.00	\$ 2,120,000.00
Total		\$ 0.00	\$ 2,120,000.00	\$ 2,120,000.00

AGREEMENT SPECIFIC TERMS AND CONDITIONS

N/A

SPECIAL TERMS AND CONDITIONS

WQC-2024—Water Quality Program Special Terms and Conditions (Update June 2023)

SECTION 1: DEFINITIONS

Unless otherwise provided, the following terms will have the respective meanings for all purposes of this agreement:

“Administration Charge” means a charge established in accordance with Chapter 90.50A RCW and Chapter 173-98 WAC, to be used to pay Ecology’s cost to administer the State Revolving Fund by placing a percentage of the interest earned in an Administrative Charge Account.

“Administrative Requirements” means the effective edition of ECOLOGY's Administrative Requirements for Recipients of Ecology Grants and Loans at the signing of this agreement.

“Annual Debt Service” for any calendar year means for any applicable bonds or loans including the loan, all interest plus all principal due on such bonds or loans in such year.

“Average Annual Debt Service” means, at the time of calculation, the sum of the Annual Debt Service for the remaining years of the loan to the last scheduled maturity of the loan divided by the number of those years.

“Accrued Interest” means the interest incurred as loan funds are disbursed.

“Acquisition” means the purchase or receipt of a donation of fee or less than fee interests in real property. These interests include, but are not limited to, conservation easements, access/trail easements, covenants, water rights, leases, and mineral rights.

“Build American Buy American (BABA)” means a portion of the Infrastructure Investment and Jobs Act and establishes a domestic content procurement preference for all Federal financial assistance obligated for infrastructure projects after May 14, 2022.

“Bipartisan Infrastructure Law (BIL)” means funding to improve drinking water, wastewater and stormwater infrastructure.

“Centennial Clean Water Program” means the state program funded from various state sources.

“Contract Documents” means the contract between the RECIPIENT and the construction contractor for construction of the project.

“Construction Materials” means an article, material, or supply (other than an item of primarily iron or steel; a manufactured product; cement and cementitious materials; aggregates such as stone, sand, or gravel; aggregate binding agents or additives; or non-permanent products) that is or consists primarily of, non-ferrous metals, plastic and polymer-based products (including polyvinylchloride, composite building materials, and polymers used in fiber optic cables), (including optic glass), lumber, and drywall.

“Cost Effective Analysis” means a comparison of the relative cost-efficiencies of two or more potential ways of solving a water

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quality problem as described in Chapter 173-98-730 WAC.

“Davis Bacon Prevailing Wage Act” means the federal law mandating on-site workers on public works projects be paid certain wages, benefits, and overtime (also known as “prevailing wage” on all government-funded construction, alteration, and repair projects.

“Defeasement” or “Defeasance” means the setting aside in escrow or other special fund or account of sufficient investments and money dedicated to pay all principal of and interest on all or a portion of an obligation as it comes due.

“Effective Date” means the earliest date on which eligible costs may be incurred.

“Effective Interest Rate” means the total interest rate established by Ecology that includes the Administrative Charge.

“Estimated Loan Amount” means the initial amount of funds loaned to the RECIPIENT.

“Estimated Loan Repayment Schedule” means the schedule of loan repayments over the term of the loan based on the Estimated Loan Amount and the estimated schedule for completion of the project.

“Equivalency” means the amount of State Revolving Fund (SRF) funding each funding cycle equivalent to the EPA grant to Ecology.

“Equivalency Project” means State Revolving Fund (SRF) funded project(s) designated by ECOLOGY to receive federal funding and meet additional federal requirements.

“Expiration Date” means the latest date on which eligible costs may be incurred.

“Final Accrued Interest” means the interest accrued beginning with the first disbursement of funds to the RECIPIENT through such time as the loan is officially closed out and a final loan repayment schedule is issued.

“Final Loan Amount” means all principal of and accrued interest on the loan from the Project Start Date through the Project Completion Date.

“Final Loan Repayment Schedule” means the schedule of loan repayments over the term of the loan based on the Final Loan Amount and the initiation of operation or completion date, whichever comes first.

“Forgivable Principal” means the portion of a loan that is not required to be paid back by the borrower.

“General Obligation Debt” means an obligation of the RECIPIENT secured by annual ad valorem taxes levied by the RECIPIENT and by the full faith, credit, and resources of the RECIPIENT.

“General Obligation Payable from Special Assessments Debt” means an obligation of the RECIPIENT secured by a valid general obligation of the Recipient payable from special assessments to be imposed within the constitutional and statutory tax limitations provided by law without a vote of the electors of the RECIPIENT on all the taxable property within the boundaries of the RECIPIENT.

“Gross Revenue” means all of the earnings and revenues received by the RECIPIENT from the maintenance and operation of the Utility and all earnings from the investment of money on deposit in the Loan Fund, except (i) Utility Local Improvement Districts (ULID) Assessments, (ii) government grants, (iii) RECIPIENT taxes, (iv) principal proceeds of bonds and other obligations, or (v) earnings or proceeds (A) from any investments in a trust, Defeasance, or escrow fund created to Defeasement or refund Utility obligations or (B) in an obligation redemption fund or account other than the Loan Fund until commingled with other earnings and revenues of the Utility or (C) held in a special account for the purpose of paying a rebate to the United States Government under the Internal Revenue Code.

“Guidelines” means the ECOLOGY’s Funding Guidelines that correlate to the State Fiscal Year in which the project is funded.

“Initiation of Operation Date” means the actual date the facility financed with proceeds of the loan begins to operate for its intended purpose. (For loans only)

“Iron and Steel Products” means products made primarily of iron or steel including but may not be limited to: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials.

“Loan” means the Washington State Water Pollution Control Revolving Fund Loan or Centennial Clean Water Fund (Centennial) Loan made pursuant to this loan agreement.

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“Loan Amount” means either an Estimated Loan Amount or a Final Loan Amount, as applicable.

“Loan Fund” means the special fund created by the RECIPIENT for the repayment of the principal of and interest on the loan.

“Loan Security” means the mechanism by which the RECIPIENT pledges to repay the loan.

“Loan Term” means the repayment period of the loan.

“Maintenance and Operation Expense” means all reasonable expenses incurred by the RECIPIENT in causing the Utility to be operated and maintained in good repair, working order, and condition including payments to other parties, but will not include any depreciation or RECIPIENT levied taxes or payments to the RECIPIENT in lieu of taxes.

“Manufactured Products” means, items and construction materials composed in whole or in part of non-ferrous metals such as aluminum plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.

“Produced in the United States” means for iron and steel products, that all manufacturing processes, from the initial melting state through the application of coatings, occurred in the United States.

“Net Revenue” means the Gross Revenue less the Maintenance and Operation Expense.

“Original Engineer’s Estimate” means the engineer’s estimate of construction costs included with bid documents.

“Prevailing Wage” means hourly wage, usual benefits, and overtime paid in the largest city in each county, to the majority of workers, laborers, and mechanics performing the same work. The rate is established separately for each county.

“Principal and Interest Account” means, for a loan that constitutes Revenue-Secured Debt, the account created in the loan fund to be first used to repay the principal of and interest on the loan.

“Project” means the project described in this agreement.

“Project Completion Date” means the date specified in the agreement on which the Scope of Work will be fully completed and is the last day eligible costs can be incurred. This term is only used in loan agreements.

“Project Schedule” means that schedule for the project specified in the agreement.

“Revenue-Secured Debt” means an obligation of the RECIPIENT secured by a pledge of the revenue of a utility and one not a general obligation of the RECIPIENT.

“Reserve Account” means, for a loan that constitutes a Revenue Secured Debt and if specifically identified as a term and condition of the funding agreement, the account of that name created in the loan fund to secure the payment of the principal of and interest on the loan.

“Risk-Based Determination” means an approach to sub-recipient monitoring and oversight based on risk factors associated to a RECIPIENT or project.

“Scope of Work” means the tasks and activities constituting the project.

“Section 319” means the section of the Clean Water Act that provides funding to address nonpoint sources of water pollution.

“Senior Lien Obligations” means all revenue bonds and other obligations of the RECIPIENT outstanding on the date of execution of this loan agreement (or subsequently issued on a parity therewith, including refunding obligations) or issued after the date of execution of this loan agreement having a claim or lien on the Gross Revenue of the Utility prior and superior to the claim or lien of the loan, subject only to Maintenance and Operation Expense.

“State Water Pollution Control Revolving Fund (Revolving Fund)” means the water pollution control revolving fund established by Chapter 90.50A.020 RCW.

“Termination Date” means the effective date of ECOLOGY’s termination of the agreement.

“Termination Payment Date” means the date on which the RECIPIENT is required to repay to ECOLOGY any outstanding balance of the loan and all accrued interest.

“Total Eligible Project Cost” means the sum of all costs associated with a water quality project that have been determined to be eligible for ECOLOGY grant or loan funding, including any required recipient match.

“Total Project Cost” means the sum of all costs associated with a water quality project, including costs that are not eligible for ECOLOGY grant or loan funding.

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“Unique Entity Identity Identifier (UEI)” means a 12-character alphanumeric ID assigned by SAM.gov. to an entity doing business with or receiving funds from the federal government. This number replaces the DUNS number.

“ULID” means any utility local improvement district of the RECIPIENT created for the acquisition or construction of additions to and extensions and betterments of the Utility.

“ULID Assessments” means all assessments levied and collected in any ULID. Such assessments are pledged to be paid into the Loan Fund (less any prepaid assessments permitted by law to be paid into a construction fund or account). ULID Assessments will include principal installments and any interest or penalties which may be due.

“Utility” means the sewer system, stormwater system, or the combined water and sewer system of the RECIPIENT, the Net Revenue of which is pledged to pay and secure the loan.

SECTION 2: CONDITIONS APPLY TO ALL RECIPIENTS OF WATER QUALITY COMBINED FINANCIAL ASSISTANCE FUNDING.

The Water Quality Financial Assistance Funding Guidelines are included in this agreement by reference and are available on ECOLOGY’s Water Quality Program website.

A. Accounting Standards: The RECIPIENT shall maintain accurate records and accounts for the project (PROJECT Records) in accordance with Generally Accepted Accounting Principles (GAAP) as issued by the Governmental Accounting Standards Board (GASB), including standards related to the reporting of infrastructure assets or in accordance with the standards in Chapter 43.09.200 RCW “Local Government Accounting – Uniform System of Accounting.”

B. Architectural and Engineering Services: The RECIPIENT certifies by signing this agreement that the requirements of Chapter 39.80 RCW, “Contracts for Architectural and Engineering Services,” have been, or shall be, met in procuring qualified architectural/engineering services. The RECIPIENT shall identify and separate eligible and ineligible costs in the final architectural/engineering services contract and submit a copy of the contract to ECOLOGY.

C. Acquisition: The following provisions shall be in force only if the project described in this agreement is an acquisition project:

- a. Evidence of Land Value and Title. The RECIPIENT shall submit documentation of the cost of the property rights and the type of ownership interest that has been acquired.
- b. Legal Description of Real Property Rights Acquired. The legal description of the real property rights purchased with funding assistance provided through this agreement (and protected by a recorded conveyance of rights to the State of Washington) shall be incorporated into the agreement before final payment.
- c. Conveyance of Rights to the State of Washington. Upon purchase of real property rights (both fee simple and lesser interests), the RECIPIENT shall execute the document necessary to convey certain rights and responsibilities to ECOLOGY, on behalf of the State of Washington. The documents required will depend on the project type, the real property rights being acquired, and whether or not those rights are being acquired in perpetuity (see options below). The RECIPIENT shall use language provided by ECOLOGY, to record the executed document in the County where the real property lies, and to provide a copy of the recorded document to ECOLOGY.

Documentation Options:

1. Deed of Right. The Deed of Right conveys to the people of the state of Washington the right to preserve, protect, and/or use the property for public purposes consistent with the fund source. RECIPIENTS shall use this document when acquiring real property rights that include the underlying land. This document may also be applicable for those easements where the RECIPIENT has acquired a perpetual easement for public purposes. The RECIPIENT must obtain ECOLOGY approval on the draft language prior to executing the deed of right.
2. Assignment of Rights. The Assignment of Rights document transfers certain rights such as access and enforcement to ECOLOGY. The RECIPIENT shall use this document when an easement or lease is being acquired for water quality and habitat conservation. The Assignment of Rights requires the signature of the underlying landowner and must be incorporated by reference in the easement document.
3. Easements and Leases. The RECIPIENT may incorporate required language from the Deed of Right or Assignment of Rights directly into the easement or lease document, thereby eliminating the requirement for a separate document. Language

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will depend on the situation; therefore, the RECIPIENT must obtain ECOLOGY approval on the draft language prior to executing the easement or lease.

d. Real Property Acquisition and Relocation Assistance.

1. Federal Acquisition Policies. See Section 4 of this agreement for requirements specific to Section 319 and SRF funded projects.
2. State Acquisition Policies. When state funds are part of this agreement, the RECIPIENT agrees to comply with the terms and conditions of the Uniform Relocation Assistance and Real Property Acquisition Policy of the State of Washington, Chapter 8.26 RCW, and Chapter 468-100 WAC.
3. Housing and Relocation. In the event that housing and relocation costs, as required by federal law set out in subsection (1) above and/or state law set out in subsection (2) above, are involved in the execution of this project, the RECIPIENT agrees to provide any housing and relocation assistance required.

e. Hazardous Substances.

1. Certification. The RECIPIENT shall inspect, investigate, and conduct an environmental audit of the proposed acquisition site for the presence of hazardous substances, as defined in RCW 70.105D.020(10), and certify:
 - i. No hazardous substances were found on the site, or
 - ii. Any hazardous substances found have been treated and/or disposed of in compliance with applicable state and federal laws, and the site is deemed “clean.”
2. Responsibility. Nothing in this provision alters the RECIPIENT's duties and liabilities regarding hazardous substances as set forth in RCW 70.105D.
3. Hold Harmless. The RECIPIENT will defend, protect and hold harmless ECOLOGY and any and all of its employees and/or agents, from and against any and all liability, cost (including but not limited to all costs of defense and attorneys' fees) and any and all loss of any nature from any and all claims or suits resulting from the presence of, or the release or threatened release of, hazardous substances on the property the RECIPIENT is acquiring.

f. Restriction On Conversion Of Real Property And/Or Facilities To Other Uses

The RECIPIENT shall not at any time convert any real property (including any interest therein) or facility acquired, developed, maintained, renovated, and/or restored pursuant to this agreement to uses other than those purposes for which funds were approved without prior approval of ECOLOGY. For acquisition projects that are term limited, such as one involving a lease or a term-limited restoration, renovation or development project or easement, this restriction on conversion shall apply only for the length of the term, unless otherwise provided in written documents or required by applicable state or federal law. In such case, the restriction applies to such projects for the length of the term specified by the lease, easement, deed, or landowner agreement.

D. Best Management Practices (BMP) Implementation: If the RECIPIENT installs BMPs that are not approved by ECOLOGY prior to installation, the RECIPIENT assumes the risk that part or all of the reimbursement for that activity may be delayed or ineligible. For more details regarding BMP Implementation, please reference the Water Quality Financial Assistance Funding Guidelines available on ECOLOGY's Water Quality Program funding website.

E. Electronic Fund Transfers: Payment will be issued through Washington State's Office of Financial Management's Statewide Payee Desk. To receive payment you must register as a statewide vendor by submitting a statewide vendor registration form and an IRS W-9 form at website, <https://ofm.wa.gov/it-systems/statewide-vendorpayee-services>. If you have questions about the vendor registration process or electronic fund transfers, you can contact Statewide Payee Help Desk at (360) 407-8180 or email PayeeRegistration@ofm.wa.gov.

F. Equipment Purchase: Equipment purchases over \$5,000 and not included in the scope of work or the Ecology approved construction plans and specifications, must be pre-approved by ECOLOGY's project manager before purchase. All equipment purchases over \$5,000 and not included in a contract for work being completed on the funded project, must also be reported on the Equipment Purchase Report in EAGL.

G. Funding Recognition: The RECIPIENT must inform the public about any ECOLOGY or EPA funding participation in this

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project through the use of project signs, acknowledgement in published materials, reports, the news media, websites, or other public announcements. Projects addressing site-specific locations must utilize appropriately sized and weather-resistant signs. Contact your Ecology Project Team to determine the appropriate recognition for your project.

H. Growth Management Planning: The RECIPIENT certifies by signing this agreement that it is in compliance with the requirements of Chapter 36.70A RCW, "Growth Management Planning by Selected Counties and Cities." If the status of compliance changes, either through RECIPIENT or legislative action, the RECIPIENT shall notify ECOLOGY in writing of this change within 30 days.

I. Interlocal: The RECIPIENT certifies by signing this agreement that all negotiated interlocal agreements necessary for the project are, or shall be, consistent with the terms of this agreement and Chapter 39.34 RCW, "Interlocal Cooperation Act." The RECIPIENT shall submit a copy of each interlocal agreement necessary for the project to ECOLOGY upon request.

J. Lobbying and Litigation: Costs incurred for the purposes of lobbying or litigation are not eligible for funding under this agreement.

K. Post Project Assessment Survey: The RECIPIENT agrees to participate in a brief survey regarding the key project results or water quality project outcomes and the status of long-term environmental results or goals from the project approximately three years after project completion. A representative from ECOLOGY's Water Quality Program may contact the RECIPIENT to request this data. ECOLOGY may also conduct site interviews and inspections, and may otherwise evaluate the project, as part of this assessment.

L. Project Status Evaluation: ECOLOGY may evaluate the status at any time. ECOLOGY's Project Manager and Financial Manager will meet with the RECIPIENT to review spending trends, completion of outcome measures, and overall project administration and performance. If the RECIPIENT fails to make satisfactory progress toward achieving project outcomes, ECOLOGY may change the scope of work, reduce grant funds, or increase oversight measures.

M. Technical Assistance: Technical assistance for agriculture activities provided under the terms of this agreement shall be consistent with the current U.S. Natural Resource Conservation Service ("NRCS") Field Office Technical Guide for Washington State and specific requirements outlined in the Water Quality Funding Guidelines. Technical assistance, proposed practices, or project designs that do not meet these standards may be eligible if approved in writing by ECOLOGY.

SECTION 3: CONDITIONS APPLY TO SECTION 319 AND CENTENNIAL CLEAN WATER FUNDED PROJECTS BEING USED TO MATCH SECTION 319 FUNDS.

The RECIPIENT must submit the following documents to ECOLOGY before this agreement is signed by ECOLOGY:

1. Federal Funding Accountability and Transparency Act (FFATA) Form is available on the Water Quality Program website and must be completed and submitted to Ecology. (This form is used for Section 319 (federal) funds only)
2. "Section 319 Initial Data Reporting" form must be completed in EAGL.

A. Data Reporting: The RECIPIENT must complete the "Section 319 Initial Data Reporting" form in EAGL before this agreement can be signed by Ecology. This form is used to gather general information about the project for EPA.

B. Funding Recognition and Outreach: In addition to Section 2.F. of these Special Terms and Conditions, the RECIPIENT shall provide signage that informs the public that the project is funded by EPA. The signage shall contain the EPA logo and follow usage requirements available at <http://www2.epa.gov/stylebook/using-epa-seal-and-logo>. To obtain the appropriate EPA logo or seal graphic file, the RECIPIENT may send a request to their Ecology Financial Manager.

To increase public awareness of projects serving communities where English is not the predominant language, RECIPIENTS are encouraged to provide their outreach strategies communication in non-English languages. Translation costs for this purpose are allowable, provided the costs are reasonable. (Applies to both the Section 319 funded projects and the Centennial match projects)

The RECIPIENT shall use the following paragraph in all reports, documents, and signage developed under this agreement: (Applies to Section 319 funded projects only)

"This project has been funded wholly or in part by the United States Environmental Protection Agency under an assistance agreement to the Washington State Department of Ecology. The contents of this document do not necessarily reflect the views

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and policies of the Environmental Protection Agency, nor does the mention of trade names or commercial products constitute endorsement or recommendation for use.”

C. Load Reduction Reporting: The RECIPIENT shall complete the “Section 319 Annual Load Reduction Reporting” form in EAGL by January 15 of each year and at project close-out. ECOLOGY may hold reimbursements until the RECIPIENT has completed the form. This form is used to gather information on best management practices (BMPs) installed and associated pollutant load reductions that were funded as a part of this project.

D. Time Extension: The RECIPIENT may request a one-time extension for up to 12 months. However, the time extension cannot exceed the time limitation established in EPA’s assistance agreement. In the event a time extension is requested and approved by ECOLOGY, the RECIPIENT must complete all eligible work performed under this agreement by the expiration date. (For Section 319 funded projects only)

SECTION 4: CONDITIONS APPLY TO ALL FEDERAL FUNDING AGREEMENTS, INCLUDING SECTION 319, State Revolving Fund (SRF) Equivalency Projects, and SEWER OVERFLOW AND STORMWATER REUSE MUNICIPAL GRANT (OSG)

A. Acquisitions: RECIPIENTS shall comply with the terms and conditions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 84 Stat. 1894 (1970)--Public Law 91-646, as amended by the Surface Transportation and Uniform Relocation Assistance Act, PL 100-17-1987, and applicable regulations and procedures of the federal agency implementing that Act.

B. Audit Requirements: In accordance with 2 CFR 200.501(a), the RECIPIENT agrees to obtain a single audit from an independent auditor, if their organization expends \$750,000 or more in total Federal funds in their fiscal year. The RECIPIENT must submit the form SF-SAC and a Single Audit Report Package within 9 months of the end of the fiscal year or 30 days after receiving the report from an independent auditor. The SF-SAC and a Single Audit Report Package MUST be submitted using the Federal Audit Clearinghouse’s Internet Data Entry System available at: <https://facweb.census.gov/>.

C. Archaeological Resources and Historic Properties (Section 106): This requires completion of the Ecology Cultural Resources Review Form, coordination with Ecology Cultural Resources staff, and receipt of the Ecology Final Determination prior to any property acquisition and above and below ground disturbing activities.

D. Architectural and Engineering Services Procurement: The RECIPIENT must procure architectural and engineering services in accordance with the federal requirements in Chapter 11 of Title 40, U.S.C. (see <https://uscode.house.gov/view.xhtml?path=/prelim@title40/subtitle1/chapter11&edition=prelim>).

E Build America, Buy America (BABA – Pub. L. No. 117-58, 70901-52) (Federally funded SRF Equivalency projects only): The RECIPIENT identified by ECOLOGY as receiving federal equivalency funding agrees to comply with all federal requirements applicable to the assistance received (including those imposed by the Infrastructure Investment and Jobs Act (“IIJA”/BIL), Public Law No. 117-58) which the RECIPIENT understands includes, but is not limited to, the following requirements: that all the iron and steel, manufactured products, and construction materials used in the Project are to be produced in the United States (“Build America, Buy America Requirements”) unless (i) the RECIPIENT has requested and obtained a waiver from the cognizant Agency pertaining to the Project or the Project is otherwise covered by a general applicability waiver; or (ii) all of the contributing Agencies have otherwise advised the RECIPIENT in writing that the Build America, Buy America Requirements are not applicable to the project.

RECIPIENT shall comply with all record keeping and reporting requirements under all applicable legal authorities, including any reports required by the funding authority (such as EPA and/or a state), such as performance indicators of program deliverables, information on costs and project progress. The RECIPIENT identified by ECOLOGY as receiving federal equivalency funding, understands that (i) each contract and subcontract related to the project is subject to audit by appropriate federal and state entities and (ii) failure to comply with the applicable legal requirements and this Agreement may result in a default hereunder that results in a repayment of the assistance agreement in advance of termination and/or repayment of assistance, and/or other remedial actions.

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EPA has granted an adjustment period waiver of the requirements of Section 70914(a) of the BIL, pursuant to Section 70914(b)(1) (public interest waiver), for eligible projects financed by SRF projects that have initiated project design planning prior to May 14, 2022, the statutory effective date of the BABA requirements. This action permits the use of non-domestic manufactured products and construction materials in such projects funded by a Clean Water or Drinking Water SRF that may otherwise be prohibited under the BABA requirements of Section 70914. This action permits the use of non-domestic manufactured products and construction materials in such projects funded by a Clean Water or Drinking Water SRF that may otherwise be prohibited under the BABA requirements of Section 70914. Sections 70917(a) and (b) of BIL provide a savings provision for existing statutory requirements that meet or exceed BABA requirements. The statutory American Iron and Steel (AIS) requirements of Clean Water Act (CWA) Section 608 and Safe Drinking Water Act (SDWA) Section 1452(a)(4) has previously applied to SRF projects and will continue to do so as part of BABA requirements.

Where manufactured products used in the project are required to be produced in the United States, manufactured product shall mean manufactured in the United States, and the cost of the components of the manufactured product that are mined, produced, or manufactured in the United States is greater than 55 percent of the total cost of all components of the manufactured product, unless another standard for determining the minimum amount of domestic content of the manufactured product has been established under applicable law or regulation. The manufactured products included cover the majority of potential water infrastructure products, including complex products made up of a variety of material types and components. For water infrastructure projects, commonly manufactured products would include, but not be limited to, pumps, motors, blowers, aerators, generators, instrumentation and control systems, gauges, meters, measurement equipment, treatment equipment, dewatering equipment, actuators, and many other mechanical and electrical items.

F. Disadvantaged Business Enterprise (DBE): General Compliance, 40 CFR, Part 33. The RECIPIENT agrees to comply with the requirements of the Environmental Protection Agency's Program for Utilization of Small, Minority, and Women's Business Enterprises (MBE/WBE) 40CFR, Part 33 in procurement under this agreement.

Six Good Faith Efforts, 40 CFR, Part 33, Subpart C. The RECIPIENT agrees to make the following good faith efforts whenever procuring construction, equipment, services, and supplies under this agreement. Records documenting compliance with the following six good faith efforts shall be retained:

- 1) Ensure Disadvantaged Business Enterprises are made aware of contracting opportunities to the fullest extent practicable through outreach and recruitment activities. For Indian Tribal, State and Local and Government RECIPIENTS, this shall include placing Disadvantaged Business Enterprises on solicitation lists and soliciting them whenever they are potential sources.
- 2) Make information on forthcoming opportunities available to Disadvantaged Business Enterprises and arrange time frames for contracts and establish delivery schedules, where the requirements permit, in a way that encourages and facilitates participation by Disadvantaged Business Enterprises in the competitive process. This includes, whenever possible, posting solicitations for bids or proposals for a minimum of thirty (30) calendar days before the bid or proposal closing date.
- 3) Consider, in the contracting process, whether firms competing for large contracts could subcontract with Disadvantaged Business Enterprises. For Indian Tribal, State, and Local Government RECIPIENTS, this shall include dividing total requirements when economically feasible into smaller tasks or quantities to permit maximum participation by Disadvantaged Business Enterprises in the competitive process.
- 4) Encourage contracting with a consortium of Disadvantaged Business Enterprises when a contract is too large for one of these firms to handle individually.
- 5) Use services and assistance of the Small Business Administration and the Minority Business Development Agency of the Department of Commerce.
- 6) If the prime contractor awards subcontracts, require the prime contractor to take the five good faith efforts steps in paragraphs 1 through 5 above.

The RECIPIENT agrees to submit ECOLOGY's Contractor Participation Report Form D with each payment request. Contract Administration Provisions, 40 CFR, Section 33.302. The RECIPIENT agrees to comply with the contract administration provisions of 40 CFR, Section 33.302.

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Non-discrimination Provision. The RECIPIENT shall not discriminate on the basis of race, color, national origin, or sex in the performance of this agreement. The RECIPIENT shall carry out applicable requirements of 40 CFR Part 33 in the award and administration of contracts awarded under EPA financial assistance agreements. Failure by the RECIPIENT to carry out these requirements is a material breach of this agreement which may result in the termination of this contract or other legally available remedies.

This does not preclude the RECIPIENT from enacting broader nondiscrimination protections.

The RECIPIENT shall comply with all federal and state nondiscrimination laws, including but not limited to, Title VI and VII of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, and Chapter 49.60 RCW, Washington's Law Against Discrimination, and 42 U.S.C. 12101 et seq, the Americans with Disabilities Act (ADA).

In the event of the RECIPIENT's noncompliance or refusal to comply with any applicable nondiscrimination law, regulation, or policy, this agreement may be rescinded, canceled, or terminated in whole or in part and the RECIPIENT may be declared ineligible for further funding from ECOLOGY. The RECIPIENT shall, however, be given a reasonable time in which to cure this noncompliance.

The RECIPIENT shall include the following terms and conditions in contracts with all contractors, subcontractors, engineers, vendors, and any other entity for work or services pertaining to this agreement.

"The Contractor will not discriminate on the basis of race, color, national origin, or sex in the performance of this Contract. The Contractor will carry out applicable requirements of 40 CFR Part 33 in the award and administration of contracts awarded under Environmental Protection Agency financial agreements. Failure by the Contractor to carry out these requirements is a material breach of this Contract which may result in termination of this Contract or other legally available remedies."

Bidder List, 40 CFR, Section 33.501(b) and (c). The RECIPIENT agrees to create and maintain a bidders list. The bidders list shall include the following information for all firms that bid or quote on prime contracts, or bid or quote subcontracts, including both MBE/WBEs and non-MBE/WBEs.

1. Entity's name with point of contact
2. Entity's mailing address, telephone number, and e-mail address
3. The procurement on which the entity bid or quoted, and when
4. Entity's status as an MBE/WBE or non-MBE/WBE

G. Electronic and information Technology (EIT) Accessibility: RECIPIENTS shall ensure that loan funds provided under this agreement for costs in the development or purchase of EIT systems or products provide individuals with disabilities reasonable accommodations and an equal and effective opportunity to benefit from or participate in a program, including those offered through electronic and information technology as per Section 504 of the Rehabilitation Act, codified in 40 CFR Part 7.

Systems or products funded under this agreement must be designed to meet the diverse needs of users without barriers or diminished function or quality. Systems shall include usability features or functions that accommodate the needs of persons with disabilities, including those who use assistive technology.

H. Federal Funding Accountability and Transparency Act (FFATA) Form, available on the Water Quality Program website.

I. Hotel-Motel Fire Safety Act: The RECIPIENT shall ensure that all space for conferences, meetings, conventions, or training seminars funded in whole or in part with federal funds complies with the protection and control guidelines of the Hotel and Motel Fire Safety Act (15 USC 2225a, PL 101-391, as amended). Recipients may search the Hotel-Motel National Master List at <http://www.usfa.dhs.gov/applications/hotel/> to see if a property is in compliance, or to find other information about the Act. Pursuant to 15 USC 2225a.

J. Prevailing Wage (Davis-Bacon Act): The RECIPIENT agrees, by signing this agreement, to comply with the Davis-Bacon Act prevailing wage requirements. This applies to the construction, alteration, and repair of treatment works carried out, in whole or in part, with assistance made available by the State Revolving Fund as authorized by Section 513, title VI of the Federal Water Pollution Control Act (33 U.S.C. 1372). Laborers and mechanics employed by contractors and subcontractors shall be paid wages not less often than once a week and at rates not less than those prevailing on projects of a

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character similar in the locality as determined by the Secretary of Labor.

The RECIPIENT shall obtain the wage determination for the area in which the project is located prior to issuing requests for bids, proposals, quotes, or other methods for soliciting contracts (solicitation). These wage determinations shall be incorporated into solicitations and any subsequent contracts. The RECIPIENT shall ensure that the required EPA contract language regarding Davis-Bacon Wages is in all contracts and subcontracts more than \$2,000. The RECIPIENT shall maintain records sufficient to document compliance with the Davis-Bacon Act and make such records available for review upon request. Wage determinations and instructions for their use can be found at <https://sam.gov/>.

The RECIPIENT also agrees, by signing this agreement, to comply with State Prevailing Wages on Public Works, Chapter 39.12 RCW, as applicable. Compliance may include the determination whether the project involves “public work” and inclusion of the applicable prevailing wage rates in the bid specifications and contracts. The RECIPIENT agrees to maintain records sufficient to evidence compliance with Chapter 39.12 RCW and make such records available for review upon request. Where conflicts arise between the State prevailing wage rates and Davis-Bacon Act prevailing wage requirements the more stringent requirement shall govern. Washington State prevailing wage rates can be found at <https://www.lni.wa.gov/licensing-permits/public-works-projects/prevailing-wage-rates/>

K. Trafficking in Persons: The RECIPIENT and RECIPIENT employees that are private entities shall not engage in forms of trafficking in persons. This includes, but is not limited to, the procurement of a commercial sex act or forced labor. The RECIPIENT shall notify ECOLOGY immediately of any information received from any source alleging a violation under this provision.

L. Unique Entity Identity Identifier (UEI): The RECIPIENT agrees to register with and make their registration public in the System for Award Management (SAM.gov). The RECIPIENT will be assigned a UEI and agree to include their UEI Number under their organization’s information in EAGL. The UEI number must be entered into EAGL before a funding agreement is signed.

SECTION 5: CONDITIONS APPLY TO STATE REVOLVING FUND (SRF) LOAN FUNDED PROJECTS ONLY.

The RECIPIENT must submit the following documents/forms to ECOLOGY before this agreement is signed by ECOLOGY:

1. Financial Capability Assessment Documentation (upon request)
2. Opinion of RECIPIENT’s Legal Council – Form available on the Ecology website must be completed and uploaded to the General Uploads form in EAGL.
3. Authorizing Ordinance or Resolution – Must be uploaded to the General Uploads form in EAGL.
4. Federal Funding Accountability and Transparency Act (FFATA) Form (Required for all federally funded SRF Equivalency projects – Form available on the Ecology website must be completed and uploaded to the General Uploads form in EAGL.
5. CWSRF Federal Reporting Information form – Must be completed in EAGL.
6. Fiscal Sustainability Plan (Asset Management) Certification Form (Only required if the project includes construction of a wastewater or stormwater facility construction) – Must be completed in EAGL.
7. Cost and Effectiveness Analysis Certification Form (Required for all projects receiving SRF Loan funding) – Must be completed in EAGL.
8. State Environmental Review Process (SERP) Documentation (Required for treatment works projects only) – Must be uploaded to the Environmental and Cultural Review form in EAGL.

A. Alteration and Eligibility of Project: During the term of this agreement, the RECIPIENT (1) shall not materially alter the design or structural character of the project without the prior written approval of ECOLOGY and (2) shall take no action which would adversely affect the eligibility of the project as defined by applicable funding program rules and state statutes, or which would cause a violation of any covenant, condition, or provision herein.

B. American Iron and Steel (Buy American – P.L 113-76, Consolidated Appropriations Act 2014, Section 436): This loan provision applies to projects for the construction, alteration, maintenance, or repair of a “treatment works” as defined in the Federal Water Pollution Control Act (33 USC 1381 et seq.) The RECIPIENT shall ensure that all iron and steel products

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used in the project are produced in the United States. Iron and Steel products means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials. The RECIPIENT may request waiver from this requirement from the Administrator of the Environmental Protection Agency. The RECIPIENT must coordinate all waiver requests through ECOLOGY. This provision does not apply if the engineering plans and specifications for the project were approved by ECOLOGY prior to January 17, 2014. ECOLOGY reserves the right to request documentation of RECIPIENT'S compliance with this provision.

C. Authority of RECIPIENT: This agreement is authorized by the Constitution and laws of the state of Washington, including the RECIPIENT's authority, and by the RECIPIENT pursuant to the authorizing ordinance or resolution. The RECIPIENT shall submit a copy of the authorizing ordinance or resolution to the ECOLOGY Financial Manager before this agreement shall be signed by ECOLOGY.

D. Equivalency Projects: ECOLOGY designated equivalency project and alternative designated equivalency project RECIPIENTS agree to accept federal funds and the federal requirements that accompany the funds. This includes all the requirements in Section 4 and this Section.

E. Fiscal Sustainability Plan Certification: The RECIPIENT shall submit a completed Fiscal Sustainability Plan Certification before this agreement is signed by ECOLOGY. The Fiscal Sustainability Plan Certification is available from the ECOLOGY Financial Manager or on the Water Quality Program website.

F. Funding Recognition and Outreach: The RECIPIENT agrees to comply with the EPA SRF Signage Guidance to enhance public awareness of EPA assistance agreements nationwide. Signage guidance can be found at:
<https://ecology.wa.gov/About-us/How-we-operate/Grants-loans/Find-a-grant-or-loan/Water-Quality-grants-and-loans/Facility-project-resources>.

G. Insurance: The RECIPIENT shall at all times carry fire and extended insurance coverage, public liability, and property damage, and such other forms of insurance with responsible insurers and policies payable to the RECIPIENT on such of the buildings, equipment, works, plants, facilities, and properties of the Utility as are ordinarily carried by municipal or privately-owned utilities engaged in the operation of like systems, and against such claims for damages as are ordinarily carried by municipal or privately-owned utilities engaged in the operation of like systems, or it shall self-insure or participate in an insurance pool or pools with reserves adequate, in the reasonable judgment of the RECIPIENT, to protect it against loss.

H. Litigation Authority: No litigation is now pending, or to the RECIPIENT's knowledge, threatened, seeking to restrain, or enjoin:

- (i) the execution of this agreement; or
- (ii) the fixing or collection of the revenues, rates, and charges or the formation of the ULID and the levy and collection of ULID Assessments therein pledged to pay the principal of and interest on the loan (for revenue secured lien obligations); or
- (iii) the levy and collection of the taxes pledged to pay the principal of and interest on the loan (for general obligation-secured loans and general obligation payable from special-assessment-secured loans); or
- (iv) in any manner questioning the proceedings and authority under which the agreement, the loan, or the project are authorized. Neither the corporate existence, or boundaries of the RECIPIENT nor the title of its present officers to their respective offices is being contested. No authority or proceeding for the execution of this agreement has been repealed, revoked, or rescinded.

I. Loan Interest Rate and Terms: This loan agreement shall remain in effect until the date of final repayment of the loan, unless terminated earlier according to the provisions herein.

When the Project Completion Date has occurred, ECOLOGY and the RECIPIENT shall execute an amendment to this loan agreement which details the final loan amount (Final Loan Amount), and ECOLOGY shall prepare a final loan repayment schedule. The Final Loan Amount shall be the combined total of actual disbursements made on the loan and all accrued interest to the computation date.

The Estimated Loan Amount and the Final Loan Amount (in either case, as applicable, a "Loan Amount") shall bear interest

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based on the interest rate identified in this agreement as the “Effective Interest Rate,” per annum, calculated on the basis of a 365-day year. Interest on the Estimated Loan Amount shall accrue from and be compounded monthly based on the date that each payment is mailed to the RECIPIENT. The Final Loan Amount shall be repaid in equal installments, semiannually, over the term of this loan “Loan Term” as outlined in this agreement.

J. Loan Repayment:

Sources of Loan Repayment

1. Nature of RECIPIENT's Obligation. The obligation of the RECIPIENT to repay the loan from the sources identified below and to perform and observe all other agreements and obligations on its part, contained herein, shall be absolute and unconditional, and shall not be subject to diminution by setoff, counterclaim, or abatement of any kind. To secure the repayment of the loan from ECOLOGY, the RECIPIENT agrees to comply with all the covenants, agreements, and attachments contained herein.
2. For General Obligation. This loan is a General Obligation Debt of the RECIPIENT.
3. For General Obligation Payable from Special Assessments. This loan is a General Obligation Debt of the RECIPIENT payable from special assessments to be imposed within the constitutional and statutory tax limitations provided by law without a vote of the electors of the RECIPIENT on all the taxable property within the boundaries of the RECIPIENT.
4. For Revenue-Secured: Lien Position. This loan is a Revenue-Secured Debt of the RECIPIENT's Utility. This loan shall constitute a lien and charge upon the Net Revenue junior and subordinate to the lien and charge upon such Net Revenue of any Senior Lien Obligations.

In addition, if this loan is also secured by Utility Local Improvement Districts (ULID) Assessments, this loan shall constitute a lien upon ULID Assessments in the ULID prior and superior to any other charges whatsoever.

5. Other Sources of Repayment. The RECIPIENT may repay any portion of the loan from any funds legally available to it.

6. Defeasance of the Loan. So long as ECOLOGY shall hold this loan, the RECIPIENT shall not be entitled to, and shall not affect, an economic Defeasance of the loan. The RECIPIENT shall not advance refund the loan.

If the RECIPIENT defeases or advance refunds the loan, it shall be required to use the proceeds thereof immediately upon their receipt, together with other available RECIPIENT funds, to repay both of the following:

- (i) The Loan Amount with interest
- (ii) Any other obligations of the RECIPIENT to ECOLOGY under this agreement, unless in its sole discretion ECOLOGY finds that repayment from those additional sources would not be in the public interest.

Failure to repay the Loan Amount plus interest within the time specified in ECOLOGY's notice to make such repayment shall incur Late Charges and shall be treated as a Loan Default.

7. Refinancing or Early Repayment of the Project. So long as ECOLOGY shall hold this loan, the RECIPIENT shall give ECOLOGY thirty days written notice if the RECIPIENT intends to refinance or make early repayment of the loan.

Method and Conditions on Repayments

1. Semiannual Payments. Notwithstanding any other provision of this agreement, the first semiannual payment of principal and interest on this loan shall be due and payable no later than one year after the project completion date or initiation of operation date, whichever comes first.

Thereafter, equal payments shall be due every six months.

If the due date for any semiannual payment falls on a Saturday, Sunday, or designated holiday for Washington State agencies, the payment shall be due on the next business day for Washington State agencies.

Payments shall be mailed to:

Department of Ecology

Cashiering Unit

P.O. Box 47611

Olympia WA 98504-7611

In lieu of mailing payments, electronic fund transfers can be arranged by working with ECOLOGY's Financial Manager.

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No change to the amount of the semiannual principal and interest payments shall be made without a mutually signed amendment to this agreement. The RECIPIENT shall continue to make semiannual payments based on this agreement until the amendment is effective, at which time the RECIPIENT's payments shall be made pursuant to the amended agreement.

2. Late Charges. If any amount of the Final Loan Amount or any other amount owed to ECOLOGY pursuant to this agreement remains unpaid after it becomes due and payable, ECOLOGY may assess a late charge. The late charge shall be one percent per month on the past due amount starting on the date the debt becomes past due and until it is paid in full.

3. Repayment Limitations. Repayment of the loan is subject to the following additional limitations, among others: those on defeasance, refinancing and advance refunding, termination, and default and recovery of payments.

4. Prepayment of Loan. So long as ECOLOGY shall hold this loan, the RECIPIENT may prepay the entire unpaid principal balance of and accrued interest on the loan or any portion of the remaining unpaid principal balance of the Loan Amount. Any prepayments on the loan shall be applied first to any accrued interest due and then to the outstanding principal balance of the Loan Amount. If the RECIPIENT elects to prepay the entire remaining unpaid balance and accrued interest, the RECIPIENT shall first contact ECOLOGY's Revenue/Receivable Manager of the Fiscal Office.

K. Loan Security

Due Regard: For loans secured with a Revenue Obligation: The RECIPIENT shall exercise due regard for Maintenance and Operation Expense and the debt service requirements of the Senior Lien Obligations and any other outstanding obligations pledging the Gross Revenue of the Utility, and it has not obligated itself to set aside and pay into the loan Fund a greater amount of the Gross Revenue of the Utility than, in its judgment, shall be available over and above such Maintenance and Operation Expense and those debt service requirements.

Where collecting adequate gross utility revenue requires connecting additional users, the RECIPIENT shall require the sewer system connections necessary to meet debt obligations and expected operation and maintenance expenses.

Levy and Collection of Taxes (if used to secure the repayment of the loan): For so long as the loan is outstanding, the RECIPIENT irrevocably pledges to include in its budget and levy taxes annually within the constitutional and statutory tax limitations provided by law without a vote of its electors on all of the taxable property within the boundaries of the RECIPIENT in an amount sufficient, together with other money legally available and to be used therefore, to pay when due the principal of and interest on the loan, and the full faith, credit and resources of the RECIPIENT are pledged irrevocably for the annual levy and collection of those taxes and the prompt payment of that principal and interest.

Not an Excess Indebtedness: For loans secured with a general obligation pledge or a general obligation pledge on special assessments: The RECIPIENT agrees that this agreement and the loan to be made do not create an indebtedness of the RECIPIENT in excess of any constitutional or statutory limitations.

Pledge of Net Revenue and ULID Assessments in the ULID (if used to secure the repayment of this loan): For so long as the loan is outstanding, the RECIPIENT irrevocably pledges the Net Revenue of the Utility, including applicable ULID Assessments in the ULID, to pay when due the principal of and interest on the loan.

Utility Local Improvement District (ULID) Assessment Collection (if used to secure the repayment of the loan): All ULID Assessments in the ULID shall be paid into the Loan Fund and used to pay the principal of and interest on the loan.

L. Maintenance and Operation of a Funded Utility: The RECIPIENT shall, at all times, maintain and keep the funded Utility in good repair, working order, and condition.

M. Opinion of RECIPIENT's Legal Counsel: The RECIPIENT must submit an "Opinion of Legal Counsel to the RECIPIENT" to ECOLOGY before this agreement will be signed. ECOLOGY will provide the form.

N. Prevailing Wage (Davis-Bacon Act): The RECIPIENT agrees, by signing this agreement, to comply with the Davis-Bacon Act prevailing wage requirements. This applies to the construction, alteration, and repair of treatment works carried out, in whole or in part, with assistance made available by the State Revolving Fund as authorized by Section 513, title VI of the Federal Water Pollution Control Act (33 U.S.C. 1372). Laborers and mechanics employed by contractors and subcontractors shall be paid wages not less often than once a week and at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor.

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The RECIPIENT shall obtain the wage determination for the area in which the project is located prior to issuing requests for bids, proposals, quotes, or other methods for soliciting contracts (solicitation). These wage determinations shall be incorporated into solicitations and any subsequent contracts. The RECIPIENT shall ensure that the required EPA contract language regarding Davis-Bacon Wages is in all contracts and subcontracts more than \$2,000. The RECIPIENT shall maintain records sufficient to document compliance with the Davis-Bacon Act and make such records available for review upon request.

The RECIPIENT also agrees, by signing this agreement, to comply with State Prevailing Wages on Public Works, Chapter 39.12 RCW, as applicable. Compliance may include the determination whether the project involves “public work” and inclusion of the applicable prevailing wage rates in the bid specifications and contracts. The RECIPIENT agrees to maintain records sufficient to evidence compliance with Chapter 39.12 RCW and make such records available for review upon request.

O. Progress Reports: RECIPIENTS funded with State Revolving Fund Loan or Forgivable Principal shall include the following verification statement in the “General Comments” text box of each progress report.

“We verified that we are in compliance with all the requirements as outlined in our funding agreement(s) with the Department of Ecology. This includes but is not limited to:

- The Davis-Bacon Act, 29 CFR , prevailing wage requirements, certified weekly payroll, etc.
- The Disadvantaged Business Enterprise (DBE), 40 CFR, Part 33
- The American Iron and Steel Act (Buy American)
- The Build America Buy America Act (BABA) (equivalency projects only)”

P. Representations and Warranties: The RECIPIENT represents and warrants to ECOLOGY as follows:

Application: Material Information. All information and materials submitted by the RECIPIENT to ECOLOGY in connection with its loan application were, when made, and are, as of the date the RECIPIENT signs this agreement, true and correct. There is no material adverse information relating to the RECIPIENT, the project, the loan, or this agreement known to the RECIPIENT, which has not been disclosed in writing to ECOLOGY.

Existence; Authority. It is a duly formed and legally existing municipal corporation or political subdivision of the state of Washington or a federally recognized Indian Tribe. It has full corporate power and authority to execute, deliver, and perform all of its obligations under this agreement and to undertake the project identified herein.

Certification. Each payment request shall constitute a certification by the RECIPIENT to the effect that all representations and warranties made in this loan agreement remain true as of the date of the request and that no adverse developments, affecting the financial condition of the RECIPIENT or its ability to complete the project or to repay the principal of or interest on the loan, have occurred since the date of this loan agreement. Any changes in the RECIPIENT’s financial condition shall be disclosed in writing to ECOLOGY by the RECIPIENT in its request for payment.

Q. Sale or Disposition of Funded Utility: The RECIPIENT shall not sell, transfer, or otherwise dispose of any of the works, plant, properties, facilities, or other part of the funded Utility or any real or personal property comprising a part of the funded Utility unless:

1. The facilities or property transferred are not material to the operation of the funded Utility, or have become unserviceable, inadequate, obsolete, or unfit to be used in the operation of the funded Utility or are no longer necessary, material, or useful to the operation of the funded Utility; or
2. The aggregate depreciated cost value of the facilities or property being transferred in any fiscal year comprises no more than three percent of the total assets of the funded Utility; or
3. The RECIPIENT receives from the transferee an amount equal to an amount which will be in the same proportion to the net amount of Senior Lien Obligations and this LOAN then outstanding (defined as the total amount outstanding less the amount of cash and investments in the bond and loan funds securing such debt) as the Gross Revenue of the funded Utility from the portion of the funded Utility sold or disposed of for the preceding year bears to the total Gross Revenue for that period.
4. Expressed written agreement by the ECOLOGY.

The proceeds of any transfer under this paragraph must be used (1) to redeem promptly, or irrevocably set aside for the

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redemption of, Senior Lien Obligations and to redeem promptly the loan, and (2) to provide for part of the cost of additions to and betterments and extensions of the Utility.

R. Sewer-Use Ordinance or Resolution for Funded Wastewater Facility Projects: If not already in existence, the RECIPIENT shall adopt and shall enforce a sewer-use ordinance or resolution. Such ordinance or resolution shall be submitted to ECOLOGY upon request.

The sewer use ordinance must include provisions to:

- 1) Prohibit the introduction of toxic or hazardous wastes into the RECIPIENT's sewer system.
- 2) Prohibit inflow of stormwater into separated sewer systems.
- 3) Require that new sewers and connections be properly designed and constructed.

S. Termination and Default:

Termination and Default Events

1. For Insufficient ECOLOGY or RECIPIENT Funds. ECOLOGY may terminate this loan agreement for insufficient ECOLOGY or RECIPIENT funds.
2. For Failure to Commence Work. ECOLOGY may terminate this loan agreement for failure of the RECIPIENT to commence project work.
3. Past Due Payments. The RECIPIENT shall be in default of its obligations under this loan agreement when any loan repayment becomes 60 days past due.
4. Other Cause. The obligation of ECOLOGY to the RECIPIENT is contingent upon satisfactory performance in full by the RECIPIENT of all its obligations under this loan agreement. The RECIPIENT shall be in default of its obligations under this loan agreement if, in the opinion of ECOLOGY, the RECIPIENT has unjustifiably failed to perform any obligation required of it by this loan agreement.

Procedures for Termination. If this loan agreement is terminated prior to project completion, ECOLOGY shall provide to the RECIPIENT a written notice of termination at least five working days prior to the effective date of termination (the "Termination Date"). The written notice of termination by the ECOLOGY shall specify the Termination Date and, when applicable, the date by which the RECIPIENT must repay any outstanding balance of the loan and all accrued interest (the "Termination Payment Date").

Termination and Default Remedies

No Further Payments. On and after the Termination Date, or in the event of a default event, ECOLOGY may, at its sole discretion, withdraw the loan and make no further payments under this agreement.

Repayment Demand. In response to an ECOLOGY initiated termination event, or in response to a loan default event, ECOLOGY may at its sole discretion demand that the RECIPIENT repay the outstanding balance of the Loan Amount and all accrued interest.

Interest after Repayment Demand. From the time that ECOLOGY demands repayment of funds, amounts owed by the RECIPIENT to ECOLOGY shall accrue additional interest at the rate of one percent per month, or fraction thereof.

Accelerate Repayments. In the event of a default, ECOLOGY may, in its sole discretion, declare the principal of and interest on the loan immediately due and payable, subject to the prior lien and charge of any outstanding Senior Lien Obligation upon the Net Revenue. That is, the loan is not subject to acceleration so long as any Senior Lien Obligations are outstanding.

Repayments not made immediately upon such acceleration will incur Late Charges.

Late Charges. All amounts due to ECOLOGY and not paid by the RECIPIENT by the Termination Payment Date or after acceleration following a default event, as applicable, shall incur late charges.

Intercept State Funds. In the event of a default event and in accordance with Chapter 90.50A.060 RCW, "Defaults," any state funds otherwise due to the RECIPIENT may, at ECOLOGY's sole discretion, be withheld and applied to the repayment of the loan.

Property to ECOLOGY. In the event of a default event and at the option of ECOLOGY, any personal property (equipment) acquired under this agreement may, in ECOLOGY's sole discretion, become ECOLOGY's property. In that circumstance,

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ECOLOGY shall reduce the RECIPIENT's liability to repay money by an amount reflecting the fair value of such property. Documents and Materials. If this agreement is terminated, all finished or unfinished documents, data studies, surveys, drawings, maps, models, photographs, and reports or other materials prepared by the RECIPIENT shall, at the option of ECOLOGY, become ECOLOGY property. The RECIPIENT shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials.

Collection and Enforcement Actions. In the event of a default event, the state of Washington reserves the right to take any actions it deems necessary to collect the amounts due, or to become due, or to enforce the performance and observance of any obligation by the RECIPIENT, under this agreement.

Fees and Expenses. In any action to enforce the provisions of this agreement, reasonable fees and expenses of attorneys and other reasonable expenses (including, without limitation, the reasonably allocated costs of legal staff) shall be awarded to the prevailing party as that term is defined in Chapter 4.84.330 RCW.

Damages. Notwithstanding ECOLOGY's exercise of any or all the termination or default remedies provided in this agreement, the RECIPIENT shall not be relieved of any liability to ECOLOGY for damages sustained by ECOLOGY and/or the state of Washington because of any breach of this agreement by the RECIPIENT. ECOLOGY may withhold payments for the purpose of setoff until such time as the exact amount of damages due ECOLOGY from the RECIPIENT is determined.

T. User-Charge System for Funded Utilities: The RECIPIENT certifies that it has the legal authority to establish and implement a user-charge system and shall adopt a system of user-charges to assure that each user of the funded utility shall pay its proportionate share of the cost of operation and maintenance, including replacement during the design life of the project. The user-charge system will include provisions for a connection charge.

In addition, the RECIPIENT shall regularly evaluate the user-charge system, at least annually, to ensure the system provides adequate revenues necessary to operate and maintain the funded utility, to establish reserves to pay for replacement, and to repay the loan.

GENERAL FEDERAL CONDITIONS

If a portion or all of the funds for this agreement are provided through federal funding sources or this agreement is used to match a federal grant award, the following terms and conditions apply to you.

A. CERTIFICATION REGARDING SUSPENSION, DEBARMENT, INELIGIBILITY OR VOLUNTARY EXCLUSION:

1. The RECIPIENT/CONTRACTOR, by signing this agreement, certifies that it is not suspended, debarred, proposed for debarment, declared ineligible or otherwise excluded from contracting with the federal government, or from receiving contracts paid for with federal funds. If the RECIPIENT/CONTRACTOR is unable to certify to the statements contained in the certification, they must provide an explanation as to why they cannot.
2. The RECIPIENT/CONTRACTOR shall provide immediate written notice to ECOLOGY if at any time the RECIPIENT/CONTRACTOR learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.
3. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meaning set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact ECOLOGY for assistance in obtaining a copy of those regulations.
4. The RECIPIENT/CONTRACTOR agrees it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under the applicable Code of Federal Regulations, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction.
5. The RECIPIENT/CONTRACTOR further agrees by signing this agreement, that it will include this clause titled

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“CERTIFICATION REGARDING SUSPENSION, DEBARMENT, INELIGIBILITY OR VOLUNTARY EXCLUSION” without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

6. Pursuant to 2CFR180.330, the RECIPIENT/CONTRACTOR is responsible for ensuring that any lower tier covered transaction complies with certification of suspension and debarment requirements.
7. RECIPIENT/CONTRACTOR acknowledges that failing to disclose the information required in the Code of Federal Regulations may result in the delay or negation of this funding agreement, or pursuance of legal remedies, including suspension and debarment.
8. RECIPIENT/CONTRACTOR agrees to keep proof in its agreement file, that it, and all lower tier recipients or contractors, are not suspended or debarred, and will make this proof available to ECOLOGY before requests for reimbursements will be approved for payment. RECIPIENT/CONTRACTOR must run a search in <http://www.sam.gov> and print a copy of completed searches to document proof of compliance.

B. FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA) REPORTING REQUIREMENTS:

CONTRACTOR/RECIPIENT must complete the FFATA Data Collection Form (ECY 070-395) and return it with the signed agreement to ECOLOGY.

Any CONTRACTOR/RECIPIENT that meets each of the criteria below must report compensation for its five top executives using the FFATA Data Collection Form.

- Receives more than \$30,000 in federal funds under this award.
- Receives more than 80 percent of its annual gross revenues from federal funds.
- Receives more than \$25,000,000 in annual federal funds.

Ecology will not pay any invoices until it has received a completed and signed FFATA Data Collection Form. Ecology is required to report the FFATA information for federally funded agreements, including the required Unique Entity Identifier in www.sam.gov <http://www.sam.gov> within 30 days of agreement signature. The FFATA information will be available to the public at www.usaspending.gov <http://www.usaspending.gov>.

For more details on FFATA requirements, see www.fsrc.gov <http://www.fsrc.gov>.

C. FEDERAL FUNDING PROHIBITION ON CERTAIN TELECOMMUNICATIONS OR VIDEO SURVEILLANCE SERVICES OR EQUIPMENT:

As required by 2 CFR 200.216, federal grant or loan recipients and subrecipients are prohibited from obligating or expending loan or grant funds to:

1. Procure or obtain;
2. Extend or renew a contract to procure or obtain; or
3. Enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that use covered telecommunications equipment, video surveillance services or services as a substantial or essential component of any system, or as critical technology as part of any system. As described in [Public Law 115-232](http://www.govinfo.gov/content/pkg/PLAW-115publ232/pdf/PLAW-115publ232.pdf) <http://www.govinfo.gov/content/pkg/PLAW-115publ232/pdf/PLAW-115publ232.pdf>, section 889, covered telecommunications equipment is telecommunications equipment produced by Huawei Technologies Company or ZTE

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Corporation (or any subsidiary or affiliate of such entities).

Recipients, subrecipients, and borrowers also may not use federal funds to purchase certain prohibited equipment, systems, or services, including equipment, systems, or services produced or provided by entities identified in section 889, are recorded in the System for Award Management (SAM) <<https://sam.gov/SAM/>> exclusion list.

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GENERAL TERMS AND CONDITIONS

Pertaining to Grant and Loan Agreements With the state of Washington, Department of Ecology

GENERAL TERMS AND CONDITIONS

For DEPARTMENT OF ECOLOGY GRANTS and LOANS

07/01/2023 Version

1. ADMINISTRATIVE REQUIREMENTS

- a) RECIPIENT shall follow the "Administrative Requirements for Recipients of Ecology Grants and Loans – EAGL Edition." (<https://fortress.wa.gov/ecy/publications/SummaryPages/2301002.html>)
- b) RECIPIENT shall complete all activities funded by this Agreement and be fully responsible for the proper management of all funds and resources made available under this Agreement.
- c) RECIPIENT agrees to take complete responsibility for all actions taken under this Agreement, including ensuring all subgrantees and contractors comply with the terms and conditions of this Agreement. ECOLOGY reserves the right to request proof of compliance by subgrantees and contractors.
- d) RECIPIENT's activities under this Agreement shall be subject to the review and approval by ECOLOGY for the extent and character of all work and services.

2. AMENDMENTS AND MODIFICATIONS

This Agreement may be altered, amended, or waived only by a written amendment executed by both parties. No subsequent modification(s) or amendment(s) of this Agreement will be of any force or effect unless in writing and signed by authorized representatives of both parties. ECOLOGY and the RECIPIENT may change their respective staff contacts and administrative information without the concurrence of either party.

3. ACCESSIBILITY REQUIREMENTS FOR COVERED TECHNOLOGY

The RECIPIENT must comply with the Washington State Office of the Chief Information Officer, OCIO Policy no. 188, Accessibility (<https://ocio.wa.gov/policy/accessibility>) as it relates to "covered technology." This requirement applies to all products supplied under the Agreement, providing equal access to information technology by individuals with disabilities, including and not limited to web sites/pages, web-based applications, software systems, video and audio content, and electronic documents intended for publishing on Ecology's public web site.

4. ARCHAEOLOGICAL AND CULTURAL RESOURCES

RECIPIENT shall take all reasonable action to avoid, minimize, or mitigate adverse effects to archaeological and historic archaeological sites, historic buildings/structures, traditional cultural places, sacred sites, or other cultural resources, hereby referred to as Cultural Resources.

The RECIPIENT must agree to hold harmless ECOLOGY in relation to any claim related to Cultural Resources discovered, disturbed, or damaged due to the RECIPIENT's project funded under this Agreement.

RECIPIENT shall:

- a) Contact the ECOLOGY Program issuing the grant or loan to discuss any Cultural Resources requirements for their project:
 - Cultural Resource Consultation and Review should be initiated early in the project planning process and must be completed prior to expenditure of Agreement funds as required by applicable State and Federal requirements.
- * For state funded construction, demolition, or land acquisitions, comply with Governor Executive Order 21-02, Archaeological and Cultural Resources.

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- For projects with any federal involvement, comply with the National Historic Preservation Act of 1966 (Section 106).
- b) If required by the ECOLOGY Program, submit an Inadvertent Discovery Plan (IDP) to ECOLOGY prior to implementing any project that involves field activities. ECOLOGY will provide the IDP form.

RECIPIENT shall:

- Keep the IDP at the project site.
 - Make the IDP readily available to anyone working at the project site.
 - Discuss the IDP with staff, volunteers, and contractors working at the project site.
 - Implement the IDP when Cultural Resources or human remains are found at the project site.
- c) If any Cultural Resources are found while conducting work under this Agreement, follow the protocol outlined in the project IDP.
- Immediately stop work and notify the ECOLOGY Program, who will notify the Department of Archaeology and Historic Preservation at (360) 586-3065, any affected Tribe, and the local government.
- d) If any human remains are found while conducting work under this Agreement, follow the protocol outlined in the project IDP.
- Immediately stop work and notify the local Law Enforcement Agency or Medical Examiner/Coroner's Office, the Department of Archaeology and Historic Preservation at (360) 790-1633, and then the ECOLOGY Program.
- e) Comply with RCW 27.53, RCW 27.44, and RCW 68.50.645, and all other applicable local, state, and federal laws protecting Cultural Resources and human remains.

5. ASSIGNMENT

No right or claim of the RECIPIENT arising under this Agreement shall be transferred or assigned by the RECIPIENT.

6. COMMUNICATION

RECIPIENT shall make every effort to maintain effective communications with the RECIPIENT's designees, ECOLOGY, all affected local, state, or federal jurisdictions, and any interested individuals or groups.

7. COMPENSATION

- a) Any work performed prior to effective date of this Agreement will be at the sole expense and risk of the RECIPIENT. ECOLOGY must sign the Agreement before any payment requests can be submitted.
- b) Payments will be made on a reimbursable basis for approved and completed work as specified in this Agreement.
- c) RECIPIENT is responsible to determine if costs are eligible. Any questions regarding eligibility should be clarified with ECOLOGY prior to incurring costs. Costs that are conditionally eligible require approval by ECOLOGY prior to expenditure.
- d) RECIPIENT shall not invoice more than once per month unless agreed on by ECOLOGY.
- e) ECOLOGY will not process payment requests without the proper reimbursement forms, Progress Report and supporting documentation. ECOLOGY will provide instructions for submitting payment requests.
- f) ECOLOGY will pay the RECIPIENT thirty (30) days after receipt of a properly completed request for payment.
- g) RECIPIENT will receive payment through Washington State's Office of Financial Management's Statewide Payee Desk. To receive payment you must register as a statewide vendor by submitting a statewide vendor registration form and an IRS W-9 form at website, <https://ofm.wa.gov/it-systems/statewide-vendorpayee-services>. If you have questions about the vendor registration process, you can contact Statewide Payee Help Desk at (360) 407-8180 or email PayeeRegistration@ofm.wa.gov.
- h) ECOLOGY may, at its sole discretion, withhold payments claimed by the RECIPIENT if the RECIPIENT fails to satisfactorily comply with any term or condition of this Agreement.
- i) Monies withheld by ECOLOGY may be paid to the RECIPIENT when the work described herein, or a portion thereof, has been completed if, at ECOLOGY's sole discretion, such payment is reasonable and approved according to this Agreement, as appropriate, or upon completion of an audit as specified herein.

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j) RECIPIENT must submit within thirty (30) days after the expiration date of this Agreement, all financial, performance, and other reports required by this Agreement. Failure to comply may result in delayed reimbursement.

8. COMPLIANCE WITH ALL LAWS

RECIPIENT agrees to comply fully with all applicable federal, state and local laws, orders, regulations, and permits related to this Agreement, including but not limited to:

- a) RECIPIENT agrees to comply with all applicable laws, regulations, and policies of the United States and the State of Washington which affect wages and job safety.
- b) RECIPIENT agrees to be bound by all applicable federal and state laws, regulations, and policies against discrimination.
- c) RECIPIENT certifies full compliance with all applicable state industrial insurance requirements.
- d) RECIPIENT agrees to secure and provide assurance to ECOLOGY that all the necessary approvals and permits required by authorities having jurisdiction over the project are obtained. RECIPIENT must include time in their project timeline for the permit and approval processes.

ECOLOGY shall have the right to immediately terminate for cause this Agreement as provided herein if the RECIPIENT fails to comply with above requirements.

If any provision of this Agreement violates any statute or rule of law of the state of Washington, it is considered modified to conform to that statute or rule of law.

9. CONFLICT OF INTEREST

RECIPIENT and ECOLOGY agree that any officer, member, agent, or employee, who exercises any function or responsibility in the review, approval, or carrying out of this Agreement, shall not have any personal or financial interest, direct or indirect, nor affect the interest of any corporation, partnership, or association in which he/she is a part, in this Agreement or the proceeds thereof.

10. CONTRACTING FOR GOODS AND SERVICES

RECIPIENT may contract to buy goods or services related to its performance under this Agreement. RECIPIENT shall award all contracts for construction, purchase of goods, equipment, services, and professional architectural and engineering services through a competitive process, if required by State law. RECIPIENT is required to follow procurement procedures that ensure legal, fair, and open competition.

RECIPIENT must have a standard procurement process or follow current state procurement procedures. RECIPIENT may be required to provide written certification that they have followed their standard procurement procedures and applicable state law in awarding contracts under this Agreement.

ECOLOGY reserves the right to inspect and request copies of all procurement documentation, and review procurement practices related to this Agreement. Any costs incurred as a result of procurement practices not in compliance with state procurement law or the RECIPIENT's normal procedures may be disallowed at ECOLOGY's sole discretion.

11. DISPUTES

When there is a dispute with regard to the extent and character of the work, or any other matter related to this Agreement the determination of ECOLOGY will govern, although the RECIPIENT shall have the right to appeal decisions as provided for below:

- a) RECIPIENT notifies the funding program of an appeal request.
- b) Appeal request must be in writing and state the disputed issue(s).
- c) RECIPIENT has the opportunity to be heard and offer evidence in support of its appeal.
- d) ECOLOGY reviews the RECIPIENT's appeal.
- e) ECOLOGY sends a written answer within ten (10) business days, unless more time is needed, after concluding the review.

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The decision of ECOLOGY from an appeal will be final and conclusive, unless within thirty (30) days from the date of such decision, the RECIPIENT furnishes to the Director of ECOLOGY a written appeal. The decision of the Director or duly authorized representative will be final and conclusive.

The parties agree that this dispute process will precede any action in a judicial or quasi-judicial tribunal.

Appeals of the Director's decision will be brought in the Superior Court of Thurston County. Review of the Director's decision will not be taken to Environmental and Land Use Hearings Office.

Pending final decision of a dispute, the RECIPIENT agrees to proceed diligently with the performance of this Agreement and in accordance with the decision rendered.

Nothing in this Agreement will be construed to limit the parties' choice of another mutually acceptable method, in addition to the dispute resolution procedure outlined above.

12. ENVIRONMENTAL DATA STANDARDS

a) RECIPIENT shall prepare a Quality Assurance Project Plan (QAPP) for a project that collects or uses environmental measurement data. RECIPIENTS unsure about whether a QAPP is required for their project shall contact the ECOLOGY Program issuing the grant or loan. If a QAPP is required, the RECIPIENT shall:

- Use ECOLOGY's QAPP Template/Checklist provided by the ECOLOGY, unless ECOLOGY Quality Assurance (QA) officer or the Program QA coordinator instructs otherwise.
- Follow ECOLOGY's Guidelines for Preparing Quality Assurance Project Plans for Environmental Studies, July 2004 (Ecology Publication No. 04-03-030).
- Submit the QAPP to ECOLOGY for review and approval before the start of the work.

b) RECIPIENT shall submit environmental data that was collected on a project to ECOLOGY using the Environmental Information Management system (EIM), unless the ECOLOGY Program instructs otherwise. The RECIPIENT must confirm with ECOLOGY that complete and correct data was successfully loaded into EIM, find instructions at:

<http://www.ecy.wa.gov/eim>.

c) RECIPIENT shall follow ECOLOGY's data standards when Geographic Information System (GIS) data is collected and processed. Guidelines for Creating and Accessing GIS Data are available at:

<https://ecology.wa.gov/Research-Data/Data-resources/Geographic-Information-Systems-GIS/Standards>. RECIPIENT, when requested by ECOLOGY, shall provide copies to ECOLOGY of all final GIS data layers, imagery, related tables, raw data collection files, map products, and all metadata and project documentation.

13. GOVERNING LAW

This Agreement will be governed by the laws of the State of Washington, and the venue of any action brought hereunder will be in the Superior Court of Thurston County.

14. INDEMNIFICATION

ECOLOGY will in no way be held responsible for payment of salaries, consultant's fees, and other costs related to the project described herein, except as provided in the Scope of Work.

To the extent that the Constitution and laws of the State of Washington permit, each party will indemnify and hold the other harmless from and against any liability for any or all injuries to persons or property arising from the negligent act or omission of that party or that party's agents or employees arising out of this Agreement.

15. INDEPENDENT STATUS

The employees, volunteers, or agents of each party who are engaged in the performance of this Agreement will continue to be employees, volunteers, or agents of that party and will not for any purpose be employees, volunteers, or agents of the other party.

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16. KICKBACKS

RECIPIENT is prohibited from inducing by any means any person employed or otherwise involved in this Agreement to give up any part of the compensation to which he/she is otherwise entitled to or receive any fee, commission, or gift in return for award of a subcontract hereunder.

17. MINORITY AND WOMEN'S BUSINESS ENTERPRISES (MWBE)

RECIPIENT is encouraged to solicit and recruit, to the extent possible, certified minority-owned (MBE) and women-owned (WBE) businesses in purchases and contracts initiated under this Agreement.

Contract awards or rejections cannot be made based on MWBE participation; however, the RECIPIENT is encouraged to take the following actions, when possible, in any procurement under this Agreement:

- a) Include qualified minority and women's businesses on solicitation lists whenever they are potential sources of goods or services.
- b) Divide the total requirements, when economically feasible, into smaller tasks or quantities, to permit maximum participation by qualified minority and women's businesses.
- c) Establish delivery schedules, where work requirements permit, which will encourage participation of qualified minority and women's businesses.
- d) Use the services and assistance of the Washington State Office of Minority and Women's Business Enterprises (OMWBE) (866-208-1064) and the Office of Minority Business Enterprises of the U.S. Department of Commerce, as appropriate.

18. ORDER OF PRECEDENCE

In the event of inconsistency in this Agreement, unless otherwise provided herein, the inconsistency shall be resolved by giving precedence in the following order: (a) applicable federal and state statutes and regulations; (b) The Agreement; (c) Scope of Work; (d) Special Terms and Conditions; (e) Any provisions or terms incorporated herein by reference, including the "Administrative Requirements for Recipients of Ecology Grants and Loans"; (f) Ecology Funding Program Guidelines; and (g) General Terms and Conditions.

19. PRESENTATION AND PROMOTIONAL MATERIALS

ECOLOGY reserves the right to approve RECIPIENT's communication documents and materials related to the fulfillment of this Agreement:

- a) If requested, RECIPIENT shall provide a draft copy to ECOLOGY for review and approval ten (10) business days prior to production and distribution.
- b) RECIPIENT shall include time for ECOLOGY's review and approval process in their project timeline.
- c) If requested, RECIPIENT shall provide ECOLOGY two (2) final copies and an electronic copy of any tangible products developed.

Copies include any printed materials, and all tangible products developed such as brochures, manuals, pamphlets, videos, audio tapes, CDs, curriculum, posters, media announcements, or gadgets with a message, such as a refrigerator magnet, and any online communications, such as web pages, blogs, and twitter campaigns. If it is not practical to provide a copy, then the RECIPIENT shall provide a description (photographs, drawings, printouts, etc.) that best represents the item.

Any communications intended for public distribution that uses ECOLOGY's logo shall comply with ECOLOGY's graphic requirements and any additional requirements specified in this Agreement. Before the use of ECOLOGY's logo contact ECOLOGY for guidelines.

RECIPIENT shall acknowledge in the communications that funding was provided by ECOLOGY.

20. PROGRESS REPORTING

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- a) RECIPIENT must satisfactorily demonstrate the timely use of funds by submitting payment requests and progress reports to ECOLOGY. ECOLOGY reserves the right to amend or terminate this Agreement if the RECIPIENT does not document timely use of funds.
- b) RECIPIENT must submit a progress report with each payment request. Payment requests will not be processed without a progress report. ECOLOGY will define the elements and frequency of progress reports.
- c) RECIPIENT shall use ECOLOGY's provided progress report format.
- d) Quarterly progress reports will cover the periods from January 1 through March 31, April 1 through June 30, July 1 through September 30, and October 1 through December 31. Reports shall be submitted within thirty (30) days after the end of the quarter being reported.
- e) RECIPIENT must submit within thirty (30) days of the expiration date of the project, unless an extension has been approved by ECOLOGY, all financial, performance, and other reports required by the Agreement and funding program guidelines. RECIPIENT shall use the ECOLOGY provided closeout report format.

21. PROPERTY RIGHTS

- a) Copyrights and Patents. When the RECIPIENT creates any copyrightable materials or invents any patentable property under this Agreement, the RECIPIENT may copyright or patent the same but ECOLOGY retains a royalty free, nonexclusive, and irrevocable license to reproduce, publish, recover, or otherwise use the material(s) or property, and to authorize others to use the same for federal, state, or local government purposes.
- b) Publications. When the RECIPIENT or persons employed by the RECIPIENT use or publish ECOLOGY information; present papers, lectures, or seminars involving information supplied by ECOLOGY; or use logos, reports, maps, or other data in printed reports, signs, brochures, pamphlets, etc., appropriate credit shall be given to ECOLOGY.
- c) Presentation and Promotional Materials. ECOLOGY shall have the right to use or reproduce any printed or graphic materials produced in fulfillment of this Agreement, in any manner ECOLOGY deems appropriate. ECOLOGY shall acknowledge the RECIPIENT as the sole copyright owner in every use or reproduction of the materials.
- d) Tangible Property Rights. ECOLOGY's current edition of "Administrative Requirements for Recipients of Ecology Grants and Loans," shall control the use and disposition of all real and personal property purchased wholly or in part with funds furnished by ECOLOGY in the absence of state and federal statutes, regulations, or policies to the contrary, or upon specific instructions with respect thereto in this Agreement.
- e) Personal Property Furnished by ECOLOGY. When ECOLOGY provides personal property directly to the RECIPIENT for use in performance of the project, it shall be returned to ECOLOGY prior to final payment by ECOLOGY. If said property is lost, stolen, or damaged while in the RECIPIENT's possession, then ECOLOGY shall be reimbursed in cash or by setoff by the RECIPIENT for the fair market value of such property.
- f) Acquisition Projects. The following provisions shall apply if the project covered by this Agreement includes funds for the acquisition of land or facilities:
 - 1. RECIPIENT shall establish that the cost is fair value and reasonable prior to disbursement of funds provided for in this Agreement.
 - 2. RECIPIENT shall provide satisfactory evidence of title or ability to acquire title for each parcel prior to disbursement of funds provided by this Agreement. Such evidence may include title insurance policies, Torrens certificates, or abstracts, and attorney's opinions establishing that the land is free from any impediment, lien, or claim which would impair the uses intended by this Agreement.
- g) Conversions. Regardless of the Agreement expiration date, the RECIPIENT shall not at any time convert any equipment, property, or facility acquired or developed under this Agreement to uses other than those for which assistance was originally approved without prior written approval of ECOLOGY. Such approval may be conditioned upon payment to ECOLOGY of that portion of the proceeds of the sale, lease, or other conversion or encumbrance which monies granted pursuant to this Agreement bear to the total acquisition, purchase, or construction costs of such property.

Agreement No: WQC-2025-BremPW-00186
Project Title: Westside Wastewater Treatment Plant Upgrade
Recipient Name: City of Bremerton - Public Works and Utilities

22. RECORDS, AUDITS, AND INSPECTIONS

RECIPIENT shall maintain complete program and financial records relating to this Agreement, including any engineering documentation and field inspection reports of all construction work accomplished.

All records shall:

- a) Be kept in a manner which provides an audit trail for all expenditures.
 - b) Be kept in a common file to facilitate audits and inspections.
 - c) Clearly indicate total receipts and expenditures related to this Agreement.
 - d) Be open for audit or inspection by ECOLOGY, or by any duly authorized audit representative of the State of Washington, for a period of at least three (3) years after the final grant payment or loan repayment, or any dispute resolution hereunder.
- RECIPIENT shall provide clarification and make necessary adjustments if any audits or inspections identify discrepancies in the records.

ECOLOGY reserves the right to audit, or have a designated third party audit, applicable records to ensure that the state has been properly invoiced. Any remedies and penalties allowed by law to recover monies determined owed will be enforced. Repetitive instances of incorrect invoicing or inadequate records may be considered cause for termination.

All work performed under this Agreement and any property and equipment purchased shall be made available to ECOLOGY and to any authorized state, federal or local representative for inspection at any time during the course of this Agreement and for at least three (3) years following grant or loan termination or dispute resolution hereunder.

RECIPIENT shall provide right of access to ECOLOGY, or any other authorized representative, at all reasonable times, in order to monitor and evaluate performance, compliance, and any other conditions under this Agreement.

23. RECOVERY OF FUNDS

The right of the RECIPIENT to retain monies received as reimbursement payments is contingent upon satisfactory performance of this Agreement and completion of the work described in the Scope of Work.

All payments to the RECIPIENT are subject to approval and audit by ECOLOGY, and any unauthorized expenditure(s) or unallowable cost charged to this Agreement shall be refunded to ECOLOGY by the RECIPIENT.

RECIPIENT shall refund to ECOLOGY the full amount of any erroneous payment or overpayment under this Agreement.

RECIPIENT shall refund by check payable to ECOLOGY the amount of any such reduction of payments or repayments within thirty (30) days of a written notice. Interest will accrue at the rate of twelve percent (12%) per year from the time ECOLOGY demands repayment of funds.

Any property acquired under this Agreement, at the option of ECOLOGY, may become ECOLOGY's property and the RECIPIENT's liability to repay monies will be reduced by an amount reflecting the fair value of such property.

24. SEVERABILITY

If any provision of this Agreement or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of this Agreement which can be given effect without the invalid provision, and to this end the provisions of this Agreement are declared to be severable.

25. STATE ENVIRONMENTAL POLICY ACT (SEPA)

RECIPIENT must demonstrate to ECOLOGY's satisfaction that compliance with the requirements of the State Environmental Policy Act (Chapter 43.21C RCW and Chapter 197-11 WAC) have been or will be met. Any reimbursements are subject to this provision.

26. SUSPENSION

When in the best interest of ECOLOGY, ECOLOGY may at any time, and without cause, suspend this Agreement or any portion thereof for a temporary period by written notice from ECOLOGY to the RECIPIENT. RECIPIENT shall resume performance on the next business day following the suspension period unless another day is specified by ECOLOGY.

Agreement No: WQC-2025-BremPW-00186
Project Title: Westside Wastewater Treatment Plant Upgrade
Recipient Name: City of Bremerton - Public Works and Utilities

27. SUSTAINABLE PRACTICES

In order to sustain Washington's natural resources and ecosystems, the RECIPIENT is fully encouraged to implement sustainable practices and to purchase environmentally preferable products under this Agreement.

- a) Sustainable practices may include such activities as: use of clean energy, use of double-sided printing, hosting low impact meetings, and setting up recycling and composting programs.
- b) Purchasing may include such items as: sustainably produced products and services, EPEAT registered computers and imaging equipment, independently certified green cleaning products, remanufactured toner cartridges, products with reduced packaging, office products that are refillable, rechargeable, and recyclable, 100% post-consumer recycled paper, and toxic free products.

For more suggestions visit ECOLOGY's web page, Green Purchasing,
<https://ecology.wa.gov/Regulations-Permits/Guidance-technical-assistance/Sustainable-purchasing>.

28. TERMINATION

a) For Cause

ECOLOGY may terminate for cause this Agreement with a seven (7) calendar days prior written notification to the RECIPIENT, at the sole discretion of ECOLOGY, for failing to perform an Agreement requirement or for a material breach of any term or condition. If this Agreement is so terminated, the parties shall be liable only for performance rendered or costs incurred in accordance with the terms of this Agreement prior to the effective date of termination.

Failure to Commence Work. ECOLOGY reserves the right to terminate this Agreement if RECIPIENT fails to commence work on the project funded within four (4) months after the effective date of this Agreement, or by any date mutually agreed upon in writing for commencement of work, or the time period defined within the Scope of Work.

Non-Performance. The obligation of ECOLOGY to the RECIPIENT is contingent upon satisfactory performance by the RECIPIENT of all of its obligations under this Agreement. In the event the RECIPIENT unjustifiably fails, in the opinion of ECOLOGY, to perform any obligation required of it by this Agreement, ECOLOGY may refuse to pay any further funds, terminate in whole or in part this Agreement, and exercise any other rights under this Agreement.

Despite the above, the RECIPIENT shall not be relieved of any liability to ECOLOGY for damages sustained by ECOLOGY and the State of Washington because of any breach of this Agreement by the RECIPIENT. ECOLOGY may withhold payments for the purpose of setoff until such time as the exact amount of damages due ECOLOGY from the RECIPIENT is determined.

b) For Convenience

ECOLOGY may terminate for convenience this Agreement, in whole or in part, for any reason when it is the best interest of ECOLOGY, with a thirty (30) calendar days prior written notification to the RECIPIENT, except as noted below. If this Agreement is so terminated, the parties shall be liable only for performance rendered or costs incurred in accordance with the terms of this Agreement prior to the effective date of termination.

Non-Allocation of Funds. ECOLOGY's ability to make payments is contingent on availability of funding. In the event funding from state, federal or other sources is withdrawn, reduced, or limited in any way after the effective date and prior to the completion or expiration date of this Agreement, ECOLOGY, at its sole discretion, may elect to terminate the Agreement, in whole or part, or renegotiate the Agreement, subject to new funding limitations or conditions. ECOLOGY may also elect to suspend performance of the Agreement until ECOLOGY determines the funding insufficiency is resolved. ECOLOGY may exercise any of these options with no notification or restrictions, although ECOLOGY will make a reasonable attempt to provide notice.

In the event of termination or suspension, ECOLOGY will reimburse eligible costs incurred by the RECIPIENT through the effective date of termination or suspension. Reimbursed costs must be agreed to by ECOLOGY and the RECIPIENT. In no

Agreement No: WQC-2025-BremPW-00186
Project Title: Westside Wastewater Treatment Plant Upgrade
Recipient Name: City of Bremerton - Public Works and Utilities

event shall ECOLOGY's reimbursement exceed ECOLOGY's total responsibility under the Agreement and any amendments. If payments have been discontinued by ECOLOGY due to unavailable funds, the RECIPIENT shall not be obligated to repay monies which had been paid to the RECIPIENT prior to such termination.

RECIPIENT's obligation to continue or complete the work described in this Agreement shall be contingent upon availability of funds by the RECIPIENT's governing body.

c) By Mutual Agreement

ECOLOGY and the RECIPIENT may terminate this Agreement, in whole or in part, at any time, by mutual written agreement.

d) In Event of Termination

All finished or unfinished documents, data studies, surveys, drawings, maps, models, photographs, reports or other materials prepared by the RECIPIENT under this Agreement, at the option of ECOLOGY, will become property of ECOLOGY and the RECIPIENT shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials.

Nothing contained herein shall preclude ECOLOGY from demanding repayment of all funds paid to the RECIPIENT in accordance with Recovery of Funds, identified herein.

29. THIRD PARTY BENEFICIARY

RECIPIENT shall ensure that in all subcontracts entered into by the RECIPIENT pursuant to this Agreement, the state of Washington is named as an express third party beneficiary of such subcontracts with full rights as such.

30. WAIVER

Waiver of a default or breach of any provision of this Agreement is not a waiver of any subsequent default or breach, and will not be construed as a modification of the terms of this Agreement unless stated as such in writing by the authorized representative of ECOLOGY.

End of General Terms and Conditions

ATTACHMENT 3: VICINITY MAP



AGENDA BILL
CITY OF BREMERTON
CITY COUNCIL

A4

SUBJECT:

Resolution to accept Clean Water Revolving
State Fund Loan Agreement with the
Department of Ecology to Design and
Construct the Eastside Treatment Plant
UV Replacement Project

Study Session Date:	May 14, 2025
COUNCIL MEETING Date:	May 21, 2025
Department:	Public Works and Utilities
Presenter:	David Powell
Phone:	(360) 473-5268

SUMMARY: The City of Bremerton has negotiated a Clean Water State Revolving Fund (CWSRF) loan agreement (Agreement No WQC-2025-BremPW-00182) with the Department of Ecology to provide partial funding to design and construct the Eastside Treatment Plant UV Replacement Project. The loan is for \$3,964,838 over 20 years at a 1.2% interest rate. To secure the loan, a Resolution by the City Council accepting the loan is required, followed by execution of the loan by the Mayor.

ATTACHMENTS: 1) Resolution; 2) Loan Agreement; 3) Vicinity Map

FISCAL IMPACTS (Include Budgeted Amount): This project is in the Wastewater Capital budget for \$500,000 in 2025 and \$3,966,593 in 2026.

STUDY SESSION ACTION: ☐ Consent Agenda ☐ General Business ☐ Public Hearing

RECOMMENDED MOTION: Move to pass Resolution No. _____ to accept Loan Agreement WQC-2025-BremPW-00182 from the Washington State Department of Ecology and authorize the Mayor to execute the agreement with substantially the same terms and conditions as presented.

COUNCIL ACTION: ☐ Approve ☐ Deny ☐ Table ☐ Continue ☐ No Action

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF BREMERTON WASHINGTON, APPROVING AND ACCEPTING A \$3,964,838 LOAN WITH THE DEPARTMENT OF ECOLOGY, AND AUTHORIZING EXECUTION OF THE LOAN AGREEMENT FOR DESIGN AND CONSTRUCTION OF THE EASTSIDE WASTEWATER TREATMENT PLANT UV REPLACEMENT PROJECT (AGREEMENT NO WQC-2025-BremPW-00182)

WHEREAS, the City of Bremerton (City) owns and operates the Eastside Wastewater Treatment Plant (WWTP) that provides physical and disinfection treatment for combined sewage generated during extreme weather events before it is discharged into the Port Washington Narrows, Puget Sound, under NPDES #WA0029289; and

WHEREAS, the City Council has determined the Ultraviolet Disinfection (UV) system and related electrical components of the WWTP are at or beyond their useful life and in need of replacement to reliably meet wastewater discharge standards; and

WHEREAS, to finance these improvements, the City applied for and received a loan award from the Washington State Department of Ecology (Ecology) Water Quality Combined Funding Program – Fiscal Year 2024 Funding Cycle for \$3,964,838; and

WHEREAS, the award is composed of a 20-year Clean Water State Revolving Fund (CWSRF) Standard Loan at a 1.2% interest rate; and

WHEREAS, the City accepts responsibility to repay the loan and abide by the provisions of the AGREEMENT; and

WHEREAS, to make the loan funds available to the City, execution of an approved loan agreement is required,

THE CITY COUNCIL OF THE CITY OF BREMERTON, WASHINGTON,
DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Purpose. That the City Council hereby authorizes the Mayor to execute the Loan Agreement with the Department of Ecology, a copy of which is attached hereto and incorporated herein by this reference as Exhibit A; and to make minor substantive changes as necessary to execute the Agreement.

SECTION 2. Severability. If any one or more sections, subsections, or sentences of this Resolution are held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portion of this Resolution and the same shall remain in full force and effect.

SECTION 3. *Effective Date.* This Resolution shall take effect and be in force immediately upon its passage.

PASSED by the City Council of the City of Bremerton, Washington this _____ day of _____, 2025.

ERIC YOUNGER,
Council President

APPROVED AS TO FORM:

ATTEST:

KYLIE J. FINNELL, City Attorney

ANGELA HOOVER, City Clerk



Agreement No. WQC-2025-BremPW-00182

WATER QUALITY COMBINED FINANCIAL ASSISTANCE AGREEMENT

BETWEEN

THE STATE OF WASHINGTON DEPARTMENT OF ECOLOGY

AND

CITY OF BREMERTON

This is a binding Agreement entered into by and between the state of Washington, Department of Ecology, hereinafter referred to as “ECOLOGY,” and City of Bremerton, hereinafter referred to as the “RECIPIENT,” to carry out with the provided funds activities described herein.

GENERAL INFORMATION

Project Title:	Eastside Treatment Plant UV Replacement
Total Cost:	\$3,964,838.00
Total Eligible Cost:	\$3,964,838.00
Ecology Share:	\$3,964,838.00
Recipient Share:	\$0.00
The Effective Date of this Agreement is:	07/01/2022
The Expiration Date of this Agreement is no later than:	12/31/2026
Project Type:	Wastewater Facility

Project Short Description:

This project protects water quality in the Port Washington Narrows through the design and construction of wastewater treatment upgrades at the Eastside Treatment Plant in Bremerton, Washington. This project replaces the aging ultraviolet disinfection system at the Eastside Plant. Benefits include continued disinfection of wastewater effluent.

Project Long Description:

This project protects water quality in the Port Washington Narrows through the design and construction of wastewater treatment upgrades at the Eastside Treatment Plant in Bremerton, Washington. This project replaces the aging ultraviolet (UV) disinfection system at the Eastside Plant. Benefits include continued disinfection of wastewater effluent.

The Eastside Plant processes combined sewer flows from East Bremerton during wet weather periods when the volume of combined sewage exceeds the capacity of the downstream sewage conveyance system. The existing UV system was

Agreement No: WQC-2025-BremPW-00182
Project Title: Eastside Treatment Plant UV Replacement
Recipient Name: City of Bremerton

designed based on the results of an engineering report prepared in January 2001, which analyzed treatment alternatives and recommended UV disinfection. The Eastside Plant was constructed and put into operation in 2001.

The existing UV disinfection equipment has reached its useful life and replacement parts are no longer manufactured. The plant has experienced operational challenges associated with the UV treatment channel, including foaming in the upstream channel of the UV system, issues with the turbidity monitoring control system, and communication problems with the UV system.

A report titled, “Engineering Report for the City of Bremerton Eastside Treatment Plant Improvements – Phase 1”, dated December 2023 was prepared by Consor for the RECIPIENT to document these issues.

The report documents current operational challenges and proposed upgrades to the Eastside Plant UV system. The report also discusses the design selection process for replacing the existing UV disinfection system, electrical and control equipment within the existing Eastside Plant. This project will design and construct these improvements. Proposed improvements include replacing the existing UV system with a new, more efficient, UV system located within the existing channel, and replacement of the associated electrical, instrumentation, and controls components. New water sprayers will also be installed upstream of the UV system to control foaming.

Overall Goal:

The overall goal of the project is to prevent disinfection equipment failure at the Eastside Plant by replacement of the current aging system with a new, more efficient, more reliable UV system.

Agreement No: WQC-2025-BremPW-00182

Project Title: Eastside Treatment Plant UV Replacement

Recipient Name: City of Bremerton

RECIPIENT INFORMATION

Organization Name: City of Bremerton

Federal Tax ID: 91-6001231

UEI Number: HV84RG6NYNG4

Mailing Address: 100 Oyster Bay Ave N
Bremerton, WA 98312

Physical Address: 345 6th Street
Bremerton, WA 98337

Organization Email: chance.berthiaume@ci.bremerton.wa.us

Contacts

Agreement No: WQC-2025-BremPW-00182

Project Title: Eastside Treatment Plant UV Replacement

Recipient Name: City of Bremerton

Project Manager	David Powell Engineering Project Manager 345 6th Street Bremerton, WA 98337 Bremerton, Washington 98337 Email: david.powell@ci.bremerton.wa.us Phone: (360) 473-5268
Billing Contact	Kimberly Seibold Financial Analysis 100 Oyster Bay Ave N Bremerton, Washington 98312 Bremerton, Washington 98312 Email: kim.seibold@ci.bremerton.wa.us Phone: (360) 473-5929
Authorized Signatory	Greg Wheeler Mayor 345 6th Street, Suite 600 Bremerton, Washington 98337 Email: greg.wheeler@ci.bremerton.wa.us Phone: (360) 473-5266

Agreement No: WQC-2025-BremPW-00182

Project Title: Eastside Treatment Plant UV Replacement

Recipient Name: City of Bremerton

ECOLOGY INFORMATION

Mailing Address: Department of Ecology
Water Quality
PO BOX 47600
Olympia, WA 98504-7600

Physical Address: Water Quality
300 Desmond Drive SE
Lacey, WA 98503

Contacts

Project Manager	Sue Cook PO Box 330316 Shoreline, Washington 98133-9716 Email: SUEC461@ecy.wa.gov Phone: (425) 758-7776
Financial Manager	Tammie McClure PO Box 47600 Olympia, Washington 98504-7600 Email: tmcc461@ecy.wa.gov Phone: (360) 628-4315
Technical Advisor	Madison Diaz PO Box 330316 Shoreline, Washington 98133-9716 Email: mdia461@ecy.wa.gov Phone: (425) 495-1777

AUTHORIZING SIGNATURES

RECIPIENT agrees to furnish the necessary personnel, equipment, materials, services, and otherwise do all things necessary for or incidental to the performance of work as set forth in this Agreement.

RECIPIENT acknowledges that they had the opportunity to review the entire Agreement, including all the terms and conditions of this Agreement, Scope of Work, attachments, and incorporated or referenced documents, as well as all applicable laws, statutes, rules, regulations, and guidelines mentioned in this Agreement. Furthermore, the RECIPIENT has read, understood, and accepts all requirements contained within this Agreement.

This Agreement contains the entire understanding between the parties, and there are no other understandings or representations other than as set forth, or incorporated by reference, herein.

No subsequent modifications or amendments to this agreement will be of any force or effect unless in writing, signed by authorized representatives of the RECIPIENT and ECOLOGY and made a part of this agreement. ECOLOGY and RECIPIENT may change their respective staff contacts without the concurrence of either party.

This Agreement shall be subject to the written approval of Ecology’s authorized representative and shall not be binding until so approved.

The signatories to this Agreement represent that they have the authority to execute this Agreement and bind their respective organizations to this Agreement.

Washington State Department of Ecology	City of Bremerton
By: _____	By: _____
Vincent McGowan, P.E. Water Quality Program Manager	Greg Wheeler Mayor
Date	Date

Template Approved to Form by
Attorney General's Office

Angela Hoover

City ClerkDate

Kylie Finnell

City AttorneyDate

Agreement No: WQC-2025-BremPW-00182

Project Title: Eastside Treatment Plant UV Replacement

Recipient Name: City of Bremerton

SCOPE OF WORK

Task Number: 1

Task Cost: \$30,000.00

Task Title: Grant and Loan Administration

Task Description:

A. The RECIPIENT shall carry out all work necessary to meet ECOLOGY grant or loan administration requirements. Responsibilities include but are not limited to: Maintenance of project records; submittal of requests for reimbursement and corresponding backup documentation; progress reports; and the EAGL (Ecology Administration of Grants and Loans) recipient closeout report (including photos, if applicable). If the RECIPIENT elects to use a contractor to complete project elements, the RECIPIENT shall retain responsibility for the oversight and management of this funding agreement.

B. The RECIPIENT shall keep documentation that demonstrates the project is in compliance with applicable procurement, contracting, and interlocal agreement requirements; permitting requirements, including application for, receipt of, and compliance with all required permits, licenses, easements, or property rights necessary for the project; and submittal of required performance items. This documentation shall be available upon request.

C. The RECIPIENT shall maintain effective communication with ECOLOGY and maintain up-to-date staff contact information in the EAGL system. The RECIPIENT shall carry out this project in accordance with any completion dates outlined in this agreement.

Task Goal Statement:

Properly managed and fully documented project that meets ECOLOGY's grant or loan administrative requirements.

Task Expected Outcome:

- * Timely and complete submittal of requests for reimbursement, quarterly progress reports, and Recipient Closeout Report.
- * Properly maintained project documentation.

Grant and Loan Administration**Deliverables**

Number	Description	Due Date
1.1	Progress Reports that include descriptions of work accomplished, project challenges or changes in the project schedule. Submitted at least quarterly.	
1.2	Recipient Closeout Report (EAGL Form)	

Agreement No: WQC-2025-BremPW-00182

Project Title: Eastside Treatment Plant UV Replacement

Recipient Name: City of Bremerton

SCOPE OF WORK

Task Number: 2

Task Cost: \$916,320.00

Task Title: Design and Environmental/Cultural Review

Task Description:

A. The RECIPIENT will procure professional services in accordance with state law. The RECIPIENT will include ECOLOGY's State Revolving Fund Engineering Services Insert in the contract documents between the RECIPIENT and the professional services team. The RECIPIENT must submit all professional services contracts before ECOLOGY will provide reimbursement for work performed under this task.

B. The RECIPIENT will design the improvements consistent with the recommended alternative presented in the approved Engineering Report for the City of Bremerton Eastside Treatment Plant Improvements – Phase I, dated December 2023. Construction contract documents developed by the RECIPIENT must be consistent with the requirements of Chapter 173-240 WAC.

C. The RECIPIENT will complete the facility designs within one year of Ecology signing this AGREEMENT.

D. The RECIPIENT's design team shall provide a constructability review and quality assurance check of the project drawing and specification package, and general requirements of the construction bid documents at the 90 percent stage. With the 90 percent design package an engineer's estimate will also be provided.

E. Final construction contract documents (plans and specifications) will be approved by the RECIPIENT prior to submittal for ECOLOGY review. Construction plans submitted to ECOLOGY for review and approval will be reduced to no larger than 11" x 17" in size. The project manager may request plans be submitted in either PDF or other electronic format, and specifications in a searchable PDF or Microsoft Word electronic file. An updated construction cost estimate will be submitted with each submittal. The project manager may request a spreadsheet of the estimate in electronic file format.

F. The RECIPIENT will prepare a Fiscal Sustainability Plan (FSP) (Asset Management Plan). The RECIPIENT will certify that a plan that contains at least the minimum required elements listed below has been developed and is being implemented:

G. The RECIPIENT will conduct an Investment Grade Efficiency Audit (IGEA). The RECIPIENT will review their energy use looking for cost-effective energy savings. The recipient may also submit documentation of an energy efficiency review conducted within the last five years.

H. The RECIPIENT will submit the minimum requirements as outlined in the Environmental Information Document (EID) Guidance, Section A and in the State Environmental Review Process (SERP) EID at the time construction contract documents are submitted to ECOLOGY for approval.

I. The RECIPIENT will provide an Ecology Cultural Resources Review form as part of the minimum SERP requirements. The RECIPIENT will provide any additional information for ECOLOGY to lead the required cultural resources consultation. Costs incurred for ground-disturbing activities that occur before cultural resources review will not be eligible for reimbursement.

Agreement No: WQC-2025-BremPW-00182

Project Title: Eastside Treatment Plant UV Replacement

Recipient Name: City of Bremerton

J. The RECIPIENT will complete an Ecology inadvertent discovery plan template for their project.

Task Goal Statement:

See overall goal.

Task Expected Outcome:

See overall goal

Design and Environmental/Cultural Review**Deliverables**

Number	Description	Due Date
2.1	Executed contracts for professional services and documentation of the RECIPIENT's process for procuring professional services.	
2.2	Provide 90% design review and engineer's estimate.	
2.3	Provide final design plans and specifications for review and approval.	
2.4	Documentation of an energy efficiency review.	
2.5	Complete SERP EID.	
2.6	Ecology Cultural Resources Review form.	

Agreement No: WQC-2025-BremPW-00182

Project Title: Eastside Treatment Plant UV Replacement

Recipient Name: City of Bremerton

SCOPE OF WORK

Task Number: 3

Task Cost: \$0.00

Task Title: Design and Environmental/Cultural Review (Cont.)

Task Description:

J. The RECIPIENT will prepare a Fiscal Sustainability Plan (FSP) (Asset Management Plan). The RECIPIENT will certify that a plan that contains at least the minimum required elements listed below has been developed and is being implemented:

F.1. An inventory of critical assets that belong to the utility.

F.2. An evaluation of the condition and performance of the critical assets.

F.3. A plan to maintain, repair, and replace the critical assets and to fund those activities.

F.4. A plan to coordinate utilities, including water, sewer, stormwater, and transportation for work in the right-of-way.

F.5. A process to evaluate and implement water and energy conservation efforts as part of the plan.

Task Goal Statement:

See overall goal.

Task Expected Outcome:

See overall goal.

Design and Environmental/Cultural Review (Cont.)**Deliverables**

Number	Description	Due Date
3.1	Certification in EAGL that the Fiscal Sustainability Plan (Asset Management Plan). has been developed and is being implemented.	

SCOPE OF WORK

Task Number: 4 **Task Cost:** \$2,998,518.00

Task Title: Construction

Task Description:

- A. The RECIPIENT will execute a contract with a contractor selected in compliance with state law. The RECIPIENT will include ECOLOGY's State Revolving Fund Specification Insert, Contract Clauses, and Pre-Selection Inserts in the construction contract documents as applicable. The RECIPIENT will submit Bid Tabs, the Notice of Award, a copy of the executed contract, and Notice to Proceed before ECOLOGY will provide reimbursement for work performed under this task.
- B. The RECIPIENT will complete the construction in accordance with the approved construction contract documents (plans and specifications). The construction project will include:
- B.1. Replacement of the existing UV system with a new UV system located within the existing channel.
 - B.2. Replacement of associated electrical, instrumentation, and control components.
 - B.3. Installation of new water sprayers upstream of the UV to control foaming.
- C. The RECIPIENT will conduct a pre-construction conference and will invite ECOLOGY staff to the meeting.
- D. All recipients of funding for water pollution control facility projects must comply with the SERP in accordance with WAC 173-98-720. All mitigation measures committed to in documents developed in the environmental review process will become conditions of this agreement.

Task Goal Statement:

See overall goal.

Task Expected Outcome:

See overall goal.

Construction

Deliverables

Number	Description	Due Date
4.1	Documentation of the RECIPIENT's procurement process.	
4.2	Bid Tabs, the Notice of Award, a copy of the executed construction contract and a copy of the Notice to Proceed.	
4.3	Minutes of the pre-construction meeting.	

SCOPE OF WORK

Task Number: 5 **Task Cost:** \$20,000.00

Task Title: Construction Management

Task Description:

A. The RECIPIENT will provide adequate and competent construction management and inspection for the Project. If professional services are procured, the RECIPIENT will procure them in accordance with state law. The RECIPIENT will include ECOLOGY's State Revolving Fund Specification Insert, Contract Clauses, and Pre-Selection Inserts, in the contract documents as applicable. The RECIPIENT will submit contracts for construction management services before ECOLOGY provides reimbursement for work performed under this task.

B. The RECIPIENT will develop a detailed Construction Quality Assurance Plan (WAC 173-240-075) and submit it to ECOLOGY for approval prior to any ground disturbing activities. This plan will describe the activities which the RECIPIENT will undertake to achieve adequate and competent oversight of all construction work.

C. The RECIPIENT will ensure construction progresses according to a timely schedule developed to meet completion dates indicated in the construction contract. The RECIPIENT will revise or update the schedule whenever major changes occur and resubmit to ECOLOGY. A significant change in the scope of work may trigger a SERP review and should be discussed and coordinated with ECOLOGY. In the absence of any major changes, the RECIPIENT will describe progress of the construction in the monthly/quarterly progress reports.

D. At completion of construction, the RECIPIENT will provide ECOLOGY's Project Manager with a set of "as-built" plans by the expiration date of this agreement (i.e., record construction drawings which reflect changes, modifications, or other significant revisions made to the project during construction).

E. At substantial completion, the recipient will notify ECOLOGY and coordinate the project's closeout with ECOLOGY's Project Manager.

F. At project completion, the RECIPIENT will submit the Declaration of Construction Completion form to ECOLOGY in accordance with WAC 173-240-090. The form, when signed by a professional engineer, indicates that the project was completed in accordance with the plans, specifications, and major change orders approved by ECOLOGY, and is accurately shown on the as-built plans.

G. The RECIPIENT will prepare and submit an Operations and Maintenance (O&M) manual for the treatment facility, in compliance with WAC 173-240. A DRAFT O&M Manual will be submitted to ECOLOGY for review & approval, early stages of the construction of a facility in accordance with WAC 173-240-080(3).

Task Goal Statement:

See overall goal.

Task Expected Outcome:

See overall goal.

Construction Management

Deliverables

Number	Description	Due Date
5.1	Executed contract for construction management services and documentation of procurement process.	
5.2	Construction Quality Assurance Plan.	
5.3	“As-built” plans.	
5.4	Declaration of Construction Completion.	
5.5	Operation and Maintenance Manual.	

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SCOPE OF WORK

Task Number: 6

Task Cost: \$0.00

Task Title: Change Order Allowance

Task Description:

A. The RECIPIENT will negotiate all change orders to the construction contract necessary for successful completion of the project.

B. The RECIPIENT will submit change orders and associated backup documentation to ECOLOGY for approval. Change orders that are a significant deviation from the approved plans/specifications will be submitted for approval, prior to execution. A significant deviation shall be as defined in the Water Quality Program Orange Book, section G1-4.2.6 and mean a change in the selected treatment process, facility size, design criteria, or performance standards that result in changes in expected facility performance or environmental impacts. All other change orders will be executed and submitted to ECOLOGY within 30 days of execution. If the change order contains engineering content a P.E stamp is required.

Task Goal Statement:

See overall goal.

Task Expected Outcome:

See overall goal.

Change Order Allowance**Deliverables**

Number	Description	Due Date
6.1	A copy of all executed change orders.	

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BUDGET

Funding Distribution EL250333

NOTE: *The above funding distribution number is used to identify this specific agreement and budget on payment remittances and may be referenced on other communications from ECOLOGY. Your agreement may have multiple funding distribution numbers to identify each budget.*

Funding Title: SRF Loan (State) Funding Type: Loan
Funding Effective Date: 07/01/2022 Funding Expiration Date: 12/31/2026

Funding Source:

Title: CWSRF-SFY25 (State)

Fund: FD0727

Type: State

Funding Source %: 100%

Description: The Clean Water Act (CWA) (33 U.S.C 1251-1387) established the State Revolving Fund (SRF) low interest loans program (40. C.F.R. Part 31, 35 Sub Part K). Washington State administers the program under Chapter 173-98 WAC. The portion of this project funded with this funding distribution comes from non-federal source and are not subject to Federal Funding Accountability and Transparency Act (FFATA) and Single Audit Act (SAA). However, this project is subject to the federal requirements outlined in Section 4 and 5 of agreement terms and conditions.

Approved Indirect Costs Rate: Approved State Indirect Rate: 30%

Recipient Match %: 0%

InKind Interlocal Allowed: No

InKind Other Allowed: No

Is this Funding Distribution used to match a federal grant? No

Effective Interest Rate: 1.2% Interest Rate: 0.9% Admin Charge: 0.3%

Terms: 20 years

Project Start Date: 07/01/2022 Project Completion Date: 12/31/2026

Estimated Initiation of Operation date: 10/01/2026

Loan Security: Revenue Secure Lien Obligation of the Recipient

Final Accrued Interest: \$

Final Loan Amount: \$

Repayment Schedule Number: 976

SRF Loan (State)	Task Total
Grant and Loan Administration	\$ 30,000.00
Design and Environmental/Cultural Review	\$ 916,320.00
Construction	\$ 2,998,518.00
Construction Management	\$ 20,000.00
Change Order Allowance	\$ 0.00

Total: \$ 3,964,838.00

Funding Distribution Summary

Recipient / Ecology Share

Funding Distribution Name	Recipient Match %	Recipient Share	Ecology Share	Total
SRF Loan (State)	0.00 %	\$ 0.00	\$ 3,964,838.00	\$ 3,964,838.00
Total		\$ 0.00	\$ 3,964,838.00	\$ 3,964,838.00

AGREEMENT SPECIFIC TERMS AND CONDITIONS

N/A

SPECIAL TERMS AND CONDITIONS

WQC-2024—Water Quality Program Special Terms and Conditions (Update June 2023)

SECTION 1: DEFINITIONS

Unless otherwise provided, the following terms will have the respective meanings for all purposes of this agreement:

“Administration Charge” means a charge established in accordance with Chapter 90.50A RCW and Chapter 173-98 WAC, to be used to pay Ecology’s cost to administer the State Revolving Fund by placing a percentage of the interest earned in an Administrative Charge Account.

“Administrative Requirements” means the effective edition of ECOLOGY's Administrative Requirements for Recipients of Ecology Grants and Loans at the signing of this agreement.

“Annual Debt Service” for any calendar year means for any applicable bonds or loans including the loan, all interest plus all principal due on such bonds or loans in such year.

“Average Annual Debt Service” means, at the time of calculation, the sum of the Annual Debt Service for the remaining years of the loan to the last scheduled maturity of the loan divided by the number of those years.

“Accrued Interest” means the interest incurred as loan funds are disbursed.

“Acquisition” means the purchase or receipt of a donation of fee or less than fee interests in real property. These interests include, but are not limited to, conservation easements, access/trail easements, covenants, water rights, leases, and mineral rights.

“Build American Buy American (BABA)” means a portion of the Infrastructure Investment and Jobs Act and establishes a domestic content procurement preference for all Federal financial assistance obligated for infrastructure projects after May 14, 2022.

“Bipartisan Infrastructure Law (BIL)” means funding to improve drinking water, wastewater and stormwater infrastructure.

“Centennial Clean Water Program” means the state program funded from various state sources.

“Contract Documents” means the contract between the RECIPIENT and the construction contractor for construction of the project.

“Construction Materials” means an article, material, or supply (other than an item of primarily iron or steel; a manufactured product; cement and cementitious materials; aggregates such as stone, sand, or gravel; aggregate binding agents or additives; or non-permanent products) that is or consists primarily of, non-ferrous metals, plastic and polymer-based products (including polyvinylchloride, composite building materials, and polymers used in fiber optic cables), (including optic glass), lumber, and drywall.

“Cost Effective Analysis” means a comparison of the relative cost-efficiencies of two or more potential ways of solving a water

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quality problem as described in Chapter 173-98-730 WAC.

“Davis Bacon Prevailing Wage Act” means the federal law mandating on-site workers on public works projects be paid certain wages, benefits, and overtime (also known as “prevailing wage” on all government-funded construction, alteration, and repair projects.

“Defease” or “Defeasance” means the setting aside in escrow or other special fund or account of sufficient investments and money dedicated to pay all principal of and interest on all or a portion of an obligation as it comes due.

“Effective Date” means the earliest date on which eligible costs may be incurred.

“Effective Interest Rate” means the total interest rate established by Ecology that includes the Administrative Charge.

“Estimated Loan Amount” means the initial amount of funds loaned to the RECIPIENT.

“Estimated Loan Repayment Schedule” means the schedule of loan repayments over the term of the loan based on the Estimated Loan Amount and the estimated schedule for completion of the project.

“Equivalency” means the amount of State Revolving Fund (SRF) funding each funding cycle equivalent to the EPA grant to Ecology.

“Equivalency Project” means State Revolving Fund (SRF) funded project(s) designated by ECOLOGY to receive federal funding and meet additional federal requirements.

“Expiration Date” means the latest date on which eligible costs may be incurred.

“Final Accrued Interest” means the interest accrued beginning with the first disbursement of funds to the RECIPIENT through such time as the loan is officially closed out and a final loan repayment schedule is issued.

“Final Loan Amount” means all principal of and accrued interest on the loan from the Project Start Date through the Project Completion Date.

“Final Loan Repayment Schedule” means the schedule of loan repayments over the term of the loan based on the Final Loan Amount and the initiation of operation or completion date, whichever comes first.

“Forgivable Principal” means the portion of a loan that is not required to be paid back by the borrower.

“General Obligation Debt” means an obligation of the RECIPIENT secured by annual ad valorem taxes levied by the RECIPIENT and by the full faith, credit, and resources of the RECIPIENT.

“General Obligation Payable from Special Assessments Debt” means an obligation of the RECIPIENT secured by a valid general obligation of the Recipient payable from special assessments to be imposed within the constitutional and statutory tax limitations provided by law without a vote of the electors of the RECIPIENT on all the taxable property within the boundaries of the RECIPIENT.

“Gross Revenue” means all of the earnings and revenues received by the RECIPIENT from the maintenance and operation of the Utility and all earnings from the investment of money on deposit in the Loan Fund, except (i) Utility Local Improvement Districts (ULID) Assessments, (ii) government grants, (iii) RECIPIENT taxes, (iv) principal proceeds of bonds and other obligations, or (v) earnings or proceeds (A) from any investments in a trust, Defeasance, or escrow fund created to Defease or refund Utility obligations or (B) in an obligation redemption fund or account other than the Loan Fund until commingled with other earnings and revenues of the Utility or (C) held in a special account for the purpose of paying a rebate to the United States Government under the Internal Revenue Code.

“Guidelines” means the ECOLOGY’s Funding Guidelines that that correlate to the State Fiscal Year in which the project is funded.

“Initiation of Operation Date” means the actual date the facility financed with proceeds of the loan begins to operate for its intended purpose. (For loans only)

“Iron and Steel Products” means products made primarily of iron or steel including but may not be limited to: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials.

“Loan” means the Washington State Water Pollution Control Revolving Fund Loan or Centennial Clean Water Fund (Centennial) Loan made pursuant to this loan agreement.

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“Loan Amount” means either an Estimated Loan Amount or a Final Loan Amount, as applicable.

“Loan Fund” means the special fund created by the RECIPIENT for the repayment of the principal of and interest on the loan.

“Loan Security” means the mechanism by which the RECIPIENT pledges to repay the loan.

“Loan Term” means the repayment period of the loan.

“Maintenance and Operation Expense” means all reasonable expenses incurred by the RECIPIENT in causing the Utility to be operated and maintained in good repair, working order, and condition including payments to other parties, but will not include any depreciation or RECIPIENT levied taxes or payments to the RECIPIENT in lieu of taxes.

“Manufactured Products” means, items and construction materials composed in whole or in part of non-ferrous metals such as aluminum plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.

“Produced in the United States” means for iron and steel products, that all manufacturing processes, from the initial melting state through the application of coatings, occurred in the United States.

“Net Revenue” means the Gross Revenue less the Maintenance and Operation Expense.

“Original Engineer’s Estimate” means the engineer’s estimate of construction costs included with bid documents.

“Prevailing Wage” means hourly wage, usual benefits, and overtime paid in the largest city in each county, to the majority of workers, laborers, and mechanics performing the same work. The rate is established separately for each county.

“Principal and Interest Account” means, for a loan that constitutes Revenue-Secured Debt, the account created in the loan fund to be first used to repay the principal of and interest on the loan.

“Project” means the project described in this agreement.

“Project Completion Date” means the date specified in the agreement on which the Scope of Work will be fully completed and is the last day eligible costs can be incurred. This term is only used in loan agreements.

“Project Schedule” means that schedule for the project specified in the agreement.

“Revenue-Secured Debt” means an obligation of the RECIPIENT secured by a pledge of the revenue of a utility and one not a general obligation of the RECIPIENT.

“Reserve Account” means, for a loan that constitutes a Revenue Secured Debt and if specifically identified as a term and condition of the funding agreement, the account of that name created in the loan fund to secure the payment of the principal of and interest on the loan.

“Risk-Based Determination” means an approach to sub-recipient monitoring and oversight based on risk factors associated to a RECIPIENT or project.

“Scope of Work” means the tasks and activities constituting the project.

“Section 319” means the section of the Clean Water Act that provides funding to address nonpoint sources of water pollution.

“Senior Lien Obligations” means all revenue bonds and other obligations of the RECIPIENT outstanding on the date of execution of this loan agreement (or subsequently issued on a parity therewith, including refunding obligations) or issued after the date of execution of this loan agreement having a claim or lien on the Gross Revenue of the Utility prior and superior to the claim or lien of the loan, subject only to Maintenance and Operation Expense.

“State Water Pollution Control Revolving Fund (Revolving Fund)” means the water pollution control revolving fund established by Chapter 90.50A.020 RCW.

“Termination Date” means the effective date of ECOLOGY’s termination of the agreement.

“Termination Payment Date” means the date on which the RECIPIENT is required to repay to ECOLOGY any outstanding balance of the loan and all accrued interest.

“Total Eligible Project Cost” means the sum of all costs associated with a water quality project that have been determined to be eligible for ECOLOGY grant or loan funding, including any required recipient match.

“Total Project Cost” means the sum of all costs associated with a water quality project, including costs that are not eligible for ECOLOGY grant or loan funding.

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“Unique Entity Identity Identifier (UEI)” means a 12-character alphanumeric ID assigned by SAM.gov. to an entity doing business with or receiving funds from the federal government. This number replaces the DUNS number.

“ULID” means any utility local improvement district of the RECIPIENT created for the acquisition or construction of additions to and extensions and betterments of the Utility.

“ULID Assessments” means all assessments levied and collected in any ULID. Such assessments are pledged to be paid into the Loan Fund (less any prepaid assessments permitted by law to be paid into a construction fund or account). ULID Assessments will include principal installments and any interest or penalties which may be due.

“Utility” means the sewer system, stormwater system, or the combined water and sewer system of the RECIPIENT, the Net Revenue of which is pledged to pay and secure the loan.

SECTION 2: CONDITIONS APPLY TO ALL RECIPIENTS OF WATER QUALITY COMBINED FINANCIAL ASSISTANCE FUNDING.

The Water Quality Financial Assistance Funding Guidelines are included in this agreement by reference and are available on ECOLOGY’s Water Quality Program website.

A. Accounting Standards: The RECIPIENT shall maintain accurate records and accounts for the project (PROJECT Records) in accordance with Generally Accepted Accounting Principles (GAAP) as issued by the Governmental Accounting Standards Board (GASB), including standards related to the reporting of infrastructure assets or in accordance with the standards in Chapter 43.09.200 RCW “Local Government Accounting – Uniform System of Accounting.”

B. Architectural and Engineering Services: The RECIPIENT certifies by signing this agreement that the requirements of Chapter 39.80 RCW, “Contracts for Architectural and Engineering Services,” have been, or shall be, met in procuring qualified architectural/engineering services. The RECIPIENT shall identify and separate eligible and ineligible costs in the final architectural/engineering services contract and submit a copy of the contract to ECOLOGY.

C. Acquisition: The following provisions shall be in force only if the project described in this agreement is an acquisition project:

- a. Evidence of Land Value and Title. The RECIPIENT shall submit documentation of the cost of the property rights and the type of ownership interest that has been acquired.
- b. Legal Description of Real Property Rights Acquired. The legal description of the real property rights purchased with funding assistance provided through this agreement (and protected by a recorded conveyance of rights to the State of Washington) shall be incorporated into the agreement before final payment.
- c. Conveyance of Rights to the State of Washington. Upon purchase of real property rights (both fee simple and lesser interests), the RECIPIENT shall execute the document necessary to convey certain rights and responsibilities to ECOLOGY, on behalf of the State of Washington. The documents required will depend on the project type, the real property rights being acquired, and whether or not those rights are being acquired in perpetuity (see options below). The RECIPIENT shall use language provided by ECOLOGY, to record the executed document in the County where the real property lies, and to provide a copy of the recorded document to ECOLOGY.

Documentation Options:

1. Deed of Right. The Deed of Right conveys to the people of the state of Washington the right to preserve, protect, and/or use the property for public purposes consistent with the fund source. RECIPIENTS shall use this document when acquiring real property rights that include the underlying land. This document may also be applicable for those easements where the RECIPIENT has acquired a perpetual easement for public purposes. The RECIPIENT must obtain ECOLOGY approval on the draft language prior to executing the deed of right.
2. Assignment of Rights. The Assignment of Rights document transfers certain rights such as access and enforcement to ECOLOGY. The RECIPIENT shall use this document when an easement or lease is being acquired for water quality and habitat conservation. The Assignment of Rights requires the signature of the underlying landowner and must be incorporated by reference in the easement document.
3. Easements and Leases. The RECIPIENT may incorporate required language from the Deed of Right or Assignment of Rights directly into the easement or lease document, thereby eliminating the requirement for a separate document. Language

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will depend on the situation; therefore, the RECIPIENT must obtain ECOLOGY approval on the draft language prior to executing the easement or lease.

d. Real Property Acquisition and Relocation Assistance.

1. Federal Acquisition Policies. See Section 4 of this agreement for requirements specific to Section 319 and SRF funded projects.

2. State Acquisition Policies. When state funds are part of this agreement, the RECIPIENT agrees to comply with the terms and conditions of the Uniform Relocation Assistance and Real Property Acquisition Policy of the State of Washington, Chapter 8.26 RCW, and Chapter 468-100 WAC.

3. Housing and Relocation. In the event that housing and relocation costs, as required by federal law set out in subsection (1) above and/or state law set out in subsection (2) above, are involved in the execution of this project, the RECIPIENT agrees to provide any housing and relocation assistance required.

e. Hazardous Substances.

1. Certification. The RECIPIENT shall inspect, investigate, and conduct an environmental audit of the proposed acquisition site for the presence of hazardous substances, as defined in RCW 70.105D.020(10), and certify:

i. No hazardous substances were found on the site, or

ii. Any hazardous substances found have been treated and/or disposed of in compliance with applicable state and federal laws, and the site is deemed "clean."

2. Responsibility. Nothing in this provision alters the RECIPIENT's duties and liabilities regarding hazardous substances as set forth in RCW 70.105D.

3. Hold Harmless. The RECIPIENT will defend, protect and hold harmless ECOLOGY and any and all of its employees and/or agents, from and against any and all liability, cost (including but not limited to all costs of defense and attorneys' fees) and any and all loss of any nature from any and all claims or suits resulting from the presence of, or the release or threatened release of, hazardous substances on the property the RECIPIENT is acquiring.

f. Restriction On Conversion Of Real Property And/Or Facilities To Other Uses

The RECIPIENT shall not at any time convert any real property (including any interest therein) or facility acquired, developed, maintained, renovated, and/or restored pursuant to this agreement to uses other than those purposes for which funds were approved without prior approval of ECOLOGY. For acquisition projects that are term limited, such as one involving a lease or a term-limited restoration, renovation or development project or easement, this restriction on conversion shall apply only for the length of the term, unless otherwise provided in written documents or required by applicable state or federal law. In such case, the restriction applies to such projects for the length of the term specified by the lease, easement, deed, or landowner agreement.

D. Best Management Practices (BMP) Implementation: If the RECIPIENT installs BMPs that are not approved by ECOLOGY prior to installation, the RECIPIENT assumes the risk that part or all of the reimbursement for that activity may be delayed or ineligible. For more details regarding BMP Implementation, please reference the Water Quality Financial Assistance Funding Guidelines available on ECOLOGY's Water Quality Program funding website.

E. Electronic Fund Transfers: Payment will be issued through Washington State's Office of Financial Management's Statewide Payee Desk. To receive payment you must register as a statewide vendor by submitting a statewide vendor registration form and an IRS W-9 form at website, <https://ofm.wa.gov/it-systems/statewide-vendorpayee-services>. If you have questions about the vendor registration process or electronic fund transfers, you can contact Statewide Payee Help Desk at (360) 407-8180 or email PayeeRegistration@ofm.wa.gov.

F. Equipment Purchase: Equipment purchases over \$5,000 and not included in the scope of work or the Ecology approved construction plans and specifications, must be pre-approved by ECOLOGY's project manager before purchase. All equipment purchases over \$5,000 and not included in a contract for work being completed on the funded project, must also be reported on the Equipment Purchase Report in EAGL.

G. Funding Recognition: The RECIPIENT must inform the public about any ECOLOGY or EPA funding participation in this

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project through the use of project signs, acknowledgement in published materials, reports, the news media, websites, or other public announcements. Projects addressing site-specific locations must utilize appropriately sized and weather-resistant signs. Contact your Ecology Project Team to determine the appropriate recognition for your project.

H. Growth Management Planning: The RECIPIENT certifies by signing this agreement that it is in compliance with the requirements of Chapter 36.70A RCW, "Growth Management Planning by Selected Counties and Cities." If the status of compliance changes, either through RECIPIENT or legislative action, the RECIPIENT shall notify ECOLOGY in writing of this change within 30 days.

I. Interlocal: The RECIPIENT certifies by signing this agreement that all negotiated interlocal agreements necessary for the project are, or shall be, consistent with the terms of this agreement and Chapter 39.34 RCW, "Interlocal Cooperation Act." The RECIPIENT shall submit a copy of each interlocal agreement necessary for the project to ECOLOGY upon request.

J. Lobbying and Litigation: Costs incurred for the purposes of lobbying or litigation are not eligible for funding under this agreement.

K. Post Project Assessment Survey: The RECIPIENT agrees to participate in a brief survey regarding the key project results or water quality project outcomes and the status of long-term environmental results or goals from the project approximately three years after project completion. A representative from ECOLOGY's Water Quality Program may contact the RECIPIENT to request this data. ECOLOGY may also conduct site interviews and inspections, and may otherwise evaluate the project, as part of this assessment.

L. Project Status Evaluation: ECOLOGY may evaluate the status at any time. ECOLOGY's Project Manager and Financial Manager will meet with the RECIPIENT to review spending trends, completion of outcome measures, and overall project administration and performance. If the RECIPIENT fails to make satisfactory progress toward achieving project outcomes, ECOLOGY may change the scope of work, reduce grant funds, or increase oversight measures.

M. Technical Assistance: Technical assistance for agriculture activities provided under the terms of this agreement shall be consistent with the current U.S. Natural Resource Conservation Service ("NRCS") Field Office Technical Guide for Washington State and specific requirements outlined in the Water Quality Funding Guidelines. Technical assistance, proposed practices, or project designs that do not meet these standards may be eligible if approved in writing by ECOLOGY.

SECTION 3: CONDITIONS APPLY TO SECTION 319 AND CENTENNIAL CLEAN WATER FUNDED PROJECTS BEING USED TO MATCH SECTION 319 FUNDS.

The RECIPIENT must submit the following documents to ECOLOGY before this agreement is signed by ECOLOGY:

1. Federal Funding Accountability and Transparency Act (FFATA) Form is available on the Water Quality Program website and must be completed and submitted to Ecology. (This form is used for Section 319 (federal) funds only)
2. "Section 319 Initial Data Reporting" form must be completed in EAGL.

A. Data Reporting: The RECIPIENT must complete the "Section 319 Initial Data Reporting" form in EAGL before this agreement can be signed by Ecology. This form is used to gather general information about the project for EPA.

B. Funding Recognition and Outreach: In addition to Section 2.F. of these Special Terms and Conditions, the RECIPIENT shall provide signage that informs the public that the project is funded by EPA. The signage shall contain the EPA logo and follow usage requirements available at <http://www2.epa.gov/stylebook/using-epa-seal-and-logo>. To obtain the appropriate EPA logo or seal graphic file, the RECIPIENT may send a request to their Ecology Financial Manager.

To increase public awareness of projects serving communities where English is not the predominant language, RECIPIENTS are encouraged to provide their outreach strategies communication in non-English languages. Translation costs for this purpose are allowable, provided the costs are reasonable. (Applies to both the Section 319 funded projects and the Centennial match projects)

The RECIPIENT shall use the following paragraph in all reports, documents, and signage developed under this agreement: (Applies to Section 319 funded projects only)

"This project has been funded wholly or in part by the United States Environmental Protection Agency under an assistance agreement to the Washington State Department of Ecology. The contents of this document do not necessarily reflect the views

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and policies of the Environmental Protection Agency, nor does the mention of trade names or commercial products constitute endorsement or recommendation for use.”

C. Load Reduction Reporting: The RECIPIENT shall complete the “Section 319 Annual Load Reduction Reporting” form in EAGL by January 15 of each year and at project close-out. ECOLOGY may hold reimbursements until the RECIPIENT has completed the form. This form is used to gather information on best management practices (BMPs) installed and associated pollutant load reductions that were funded as a part of this project.

D. Time Extension: The RECIPIENT may request a one-time extension for up to 12 months. However, the time extension cannot exceed the time limitation established in EPA’s assistance agreement. In the event a time extension is requested and approved by ECOLOGY, the RECIPIENT must complete all eligible work performed under this agreement by the expiration date. (For Section 319 funded projects only)

SECTION 4: CONDITIONS APPLY TO ALL FEDERAL FUNDING AGREEMENTS, INCLUDING SECTION 319, State Revolving Fund (SRF) Equivalency Projects, and SEWER OVERFLOW AND STORMWATER REUSE MUNICIPAL GRANT (OSG)

A. Acquisitions: RECIPIENTS shall comply with the terms and conditions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 84 Stat. 1894 (1970)--Public Law 91-646, as amended by the Surface Transportation and Uniform Relocation Assistance Act, PL 100-17-1987, and applicable regulations and procedures of the federal agency implementing that Act.

B. Audit Requirements: In accordance with 2 CFR 200.501(a), the RECIPIENT agrees to obtain a single audit from an independent auditor, if their organization expends \$750,000 or more in total Federal funds in their fiscal year. The RECIPIENT must submit the form SF-SAC and a Single Audit Report Package within 9 months of the end of the fiscal year or 30 days after receiving the report from an independent auditor. The SF-SAC and a Single Audit Report Package MUST be submitted using the Federal Audit Clearinghouse’s Internet Data Entry System available at: <https://facweb.census.gov/>.

C. Archaeological Resources and Historic Properties (Section 106): This requires completion of the Ecology Cultural Resources Review Form, coordination with Ecology Cultural Resources staff, and receipt of the Ecology Final Determination prior to any property acquisition and above and below ground disturbing activities.

D. Architectural and Engineering Services Procurement: The RECIPIENT must procure architectural and engineering services in accordance with the federal requirements in Chapter 11 of Title 40, U.S.C. (see <https://uscode.house.gov/view.xhtml?path=/prelim@title40/subtitle1/chapter11&edition=prelim>).

E Build America, Buy America (BABA – Pub. L. No. 117-58, 70901-52) (Federally funded SRF Equivalency projects only): The RECIPIENT identified by ECOLOGY as receiving federal equivalency funding agrees to comply with all federal requirements applicable to the assistance received (including those imposed by the Infrastructure Investment and Jobs Act (“IIJA”/BIL), Public Law No. 117-58) which the RECIPIENT understands includes, but is not limited to, the following requirements: that all the iron and steel, manufactured products, and construction materials used in the Project are to be produced in the United States (“Build America, Buy America Requirements”) unless (i) the RECIPIENT has requested and obtained a waiver from the cognizant Agency pertaining to the Project or the Project is otherwise covered by a general applicability waiver; or (ii) all of the contributing Agencies have otherwise advised the RECIPIENT in writing that the Build America, Buy America Requirements are not applicable to the project.

RECIPIENT shall comply with all record keeping and reporting requirements under all applicable legal authorities, including any reports required by the funding authority (such as EPA and/or a state), such as performance indicators of program deliverables, information on costs and project progress. The RECIPIENT identified by ECOLOGY as receiving federal equivalency funding, understands that (i) each contract and subcontract related to the project is subject to audit by appropriate federal and state entities and (ii) failure to comply with the applicable legal requirements and this Agreement may result in a default hereunder that results in a repayment of the assistance agreement in advance of termination and/or repayment of assistance, and/or other remedial actions.

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EPA has granted an adjustment period waiver of the requirements of Section 70914(a) of the BIL, pursuant to Section 70914(b)(1) (public interest waiver), for eligible projects financed by SRF projects that have initiated project design planning prior to May 14, 2022, the statutory effective date of the BABA requirements. This action permits the use of non-domestic manufactured products and construction materials in such projects funded by a Clean Water or Drinking Water SRF that may otherwise be prohibited under the BABA requirements of Section 70914. This action permits the use of non-domestic manufactured products and construction materials in such projects funded by a Clean Water or Drinking Water SRF that may otherwise be prohibited under the BABA requirements of Section 70914. Sections 70917(a) and (b) of BIL provide a savings provision for existing statutory requirements that meet or exceed BABA requirements. The statutory American Iron and Steel (AIS) requirements of Clean Water Act (CWA) Section 608 and Safe Drinking Water Act (SDWA) Section 1452(a)(4) has previously applied to SRF projects and will continue to do so as part of BABA requirements.

Where manufactured products used in the project are required to be produced in the United States, manufactured product shall mean manufactured in the United States, and the cost of the components of the manufactured product that are mined, produced, or manufactured in the United States is greater than 55 percent of the total cost of all components of the manufactured product, unless another standard for determining the minimum amount of domestic content of the manufactured product has been established under applicable law or regulation. The manufactured products included cover the majority of potential water infrastructure products, including complex products made up of a variety of material types and components. For water infrastructure projects, commonly manufactured products would include, but not be limited to, pumps, motors, blowers, aerators, generators, instrumentation and control systems, gauges, meters, measurement equipment, treatment equipment, dewatering equipment, actuators, and many other mechanical and electrical items.

F. Disadvantaged Business Enterprise (DBE): General Compliance, 40 CFR, Part 33. The RECIPIENT agrees to comply with the requirements of the Environmental Protection Agency's Program for Utilization of Small, Minority, and Women's Business Enterprises (MBE/WBE) 40CFR, Part 33 in procurement under this agreement.

Six Good Faith Efforts, 40 CFR, Part 33, Subpart C. The RECIPIENT agrees to make the following good faith efforts whenever procuring construction, equipment, services, and supplies under this agreement. Records documenting compliance with the following six good faith efforts shall be retained:

- 1) Ensure Disadvantaged Business Enterprises are made aware of contracting opportunities to the fullest extent practicable through outreach and recruitment activities. For Indian Tribal, State and Local and Government RECIPIENTS, this shall include placing Disadvantaged Business Enterprises on solicitation lists and soliciting them whenever they are potential sources.
- 2) Make information on forthcoming opportunities available to Disadvantaged Business Enterprises and arrange time frames for contracts and establish delivery schedules, where the requirements permit, in a way that encourages and facilitates participation by Disadvantaged Business Enterprises in the competitive process. This includes, whenever possible, posting solicitations for bids or proposals for a minimum of thirty (30) calendar days before the bid or proposal closing date.
- 3) Consider, in the contracting process, whether firms competing for large contracts could subcontract with Disadvantaged Business Enterprises. For Indian Tribal, State, and Local Government RECIPIENTS, this shall include dividing total requirements when economically feasible into smaller tasks or quantities to permit maximum participation by Disadvantaged Business Enterprises in the competitive process.
- 4) Encourage contracting with a consortium of Disadvantaged Business Enterprises when a contract is too large for one of these firms to handle individually.
- 5) Use services and assistance of the Small Business Administration and the Minority Business Development Agency of the Department of Commerce.
- 6) If the prime contractor awards subcontracts, require the prime contractor to take the five good faith efforts steps in paragraphs 1 through 5 above.

The RECIPIENT agrees to submit ECOLOGY's Contractor Participation Report Form D with each payment request. Contract Administration Provisions, 40 CFR, Section 33.302. The RECIPIENT agrees to comply with the contract administration provisions of 40 CFR, Section 33.302.

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Non-discrimination Provision. The RECIPIENT shall not discriminate on the basis of race, color, national origin, or sex in the performance of this agreement. The RECIPIENT shall carry out applicable requirements of 40 CFR Part 33 in the award and administration of contracts awarded under EPA financial assistance agreements. Failure by the RECIPIENT to carry out these requirements is a material breach of this agreement which may result in the termination of this contract or other legally available remedies.

This does not preclude the RECIPIENT from enacting broader nondiscrimination protections.

The RECIPIENT shall comply with all federal and state nondiscrimination laws, including but not limited to, Title VI and VII of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, and Chapter 49.60 RCW, Washington's Law Against Discrimination, and 42 U.S.C. 12101 et seq, the Americans with Disabilities Act (ADA).

In the event of the RECIPIENT's noncompliance or refusal to comply with any applicable nondiscrimination law, regulation, or policy, this agreement may be rescinded, canceled, or terminated in whole or in part and the RECIPIENT may be declared ineligible for further funding from ECOLOGY. The RECIPIENT shall, however, be given a reasonable time in which to cure this noncompliance.

The RECIPIENT shall include the following terms and conditions in contracts with all contractors, subcontractors, engineers, vendors, and any other entity for work or services pertaining to this agreement.

"The Contractor will not discriminate on the basis of race, color, national origin, or sex in the performance of this Contract. The Contractor will carry out applicable requirements of 40 CFR Part 33 in the award and administration of contracts awarded under Environmental Protection Agency financial agreements. Failure by the Contractor to carry out these requirements is a material breach of this Contract which may result in termination of this Contract or other legally available remedies."

Bidder List, 40 CFR, Section 33.501(b) and (c). The RECIPIENT agrees to create and maintain a bidders list. The bidders list shall include the following information for all firms that bid or quote on prime contracts, or bid or quote subcontracts, including both MBE/WBEs and non-MBE/WBEs.

1. Entity's name with point of contact
2. Entity's mailing address, telephone number, and e-mail address
3. The procurement on which the entity bid or quoted, and when
4. Entity's status as an MBE/WBE or non-MBE/WBE

G. Electronic and information Technology (EIT) Accessibility: RECIPIENTS shall ensure that loan funds provided under this agreement for costs in the development or purchase of EIT systems or products provide individuals with disabilities reasonable accommodations and an equal and effective opportunity to benefit from or participate in a program, including those offered through electronic and information technology as per Section 504 of the Rehabilitation Act, codified in 40 CFR Part 7.

Systems or products funded under this agreement must be designed to meet the diverse needs of users without barriers or diminished function or quality. Systems shall include usability features or functions that accommodate the needs of persons with disabilities, including those who use assistive technology.

H. Federal Funding Accountability and Transparency Act (FFATA) Form, available on the Water Quality Program website.

I. Hotel-Motel Fire Safety Act: The RECIPIENT shall ensure that all space for conferences, meetings, conventions, or training seminars funded in whole or in part with federal funds complies with the protection and control guidelines of the Hotel and Motel Fire Safety Act (15 USC 2225a, PL 101-391, as amended). Recipients may search the Hotel-Motel National Master List at <http://www.usfa.dhs.gov/applications/hotel/> to see if a property is in compliance, or to find other information about the Act. Pursuant to 15 USC 2225a.

J. Prevailing Wage (Davis-Bacon Act): The RECIPIENT agrees, by signing this agreement, to comply with the Davis-Bacon Act prevailing wage requirements. This applies to the construction, alteration, and repair of treatment works carried out, in whole or in part, with assistance made available by the State Revolving Fund as authorized by Section 513, title VI of the Federal Water Pollution Control Act (33 U.S.C. 1372). Laborers and mechanics employed by contractors and subcontractors shall be paid wages not less often than once a week and at rates not less than those prevailing on projects of a

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character similar in the locality as determined by the Secretary of Labor.

The RECIPIENT shall obtain the wage determination for the area in which the project is located prior to issuing requests for bids, proposals, quotes, or other methods for soliciting contracts (solicitation). These wage determinations shall be incorporated into solicitations and any subsequent contracts. The RECIPIENT shall ensure that the required EPA contract language regarding Davis-Bacon Wages is in all contracts and subcontracts more than \$2,000. The RECIPIENT shall maintain records sufficient to document compliance with the Davis-Bacon Act and make such records available for review upon request. Wage determinations and instructions for their use can be found at <https://sam.gov/>.

The RECIPIENT also agrees, by signing this agreement, to comply with State Prevailing Wages on Public Works, Chapter 39.12 RCW, as applicable. Compliance may include the determination whether the project involves “public work” and inclusion of the applicable prevailing wage rates in the bid specifications and contracts. The RECIPIENT agrees to maintain records sufficient to evidence compliance with Chapter 39.12 RCW and make such records available for review upon request. Where conflicts arise between the State prevailing wage rates and Davis-Bacon Act prevailing wage requirements the more stringent requirement shall govern. Washington State prevailing wage rates can be found at <https://www.lni.wa.gov/licensing-permits/public-works-projects/prevailing-wage-rates/>

K. Trafficking in Persons: The RECIPIENT and RECIPIENT employees that are private entities shall not engage in forms of trafficking in persons. This includes, but is not limited to, the procurement of a commercial sex act or forced labor. The RECIPIENT shall notify ECOLOGY immediately of any information received from any source alleging a violation under this provision.

L. Unique Entity Identity Identifier (UEI): The RECIPIENT agrees to register with and make their registration public in the System for Award Management (SAM.gov). The RECIPIENT will be assigned a UEI and agree to include their UEI Number under their organization’s information in EAGL. The UEI number must be entered into EAGL before a funding agreement is signed.

SECTION 5: CONDITIONS APPLY TO STATE REVOLVING FUND (SRF) LOAN FUNDED PROJECTS ONLY.

The RECIPIENT must submit the following documents/forms to ECOLOGY before this agreement is signed by ECOLOGY:

1. Financial Capability Assessment Documentation (upon request)
2. Opinion of RECIPIENT’s Legal Council – Form available on the Ecology website must be completed and uploaded to the General Uploads form in EAGL.
3. Authorizing Ordinance or Resolution – Must be uploaded to the General Uploads form in EAGL.
4. Federal Funding Accountability and Transparency Act (FFATA) Form (Required for all federally funded SRF Equivalency projects – Form available on the Ecology website must be completed and uploaded to the General Uploads form in EAGL.
5. CWSRF Federal Reporting Information form – Must be completed in EAGL.
6. Fiscal Sustainability Plan (Asset Management) Certification Form (Only required if the project includes construction of a wastewater or stormwater facility construction) – Must be completed in EAGL.
7. Cost and Effectiveness Analysis Certification Form (Required for all projects receiving SRF Loan funding) – Must be completed in EAGL.
8. State Environmental Review Process (SERP) Documentation (Required for treatment works projects only) – Must be uploaded to the Environmental and Cultural Review form in EAGL.

A. Alteration and Eligibility of Project: During the term of this agreement, the RECIPIENT (1) shall not materially alter the design or structural character of the project without the prior written approval of ECOLOGY and (2) shall take no action which would adversely affect the eligibility of the project as defined by applicable funding program rules and state statutes, or which would cause a violation of any covenant, condition, or provision herein.

B. American Iron and Steel (Buy American – P.L 113-76, Consolidated Appropriations Act 2014, Section 436): This loan provision applies to projects for the construction, alteration, maintenance, or repair of a “treatment works” as defined in the Federal Water Pollution Control Act (33 USC 1381 et seq.) The RECIPIENT shall ensure that all iron and steel products

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used in the project are produced in the United States. Iron and Steel products means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials. The RECIPIENT may request waiver from this requirement from the Administrator of the Environmental Protection Agency. The RECIPIENT must coordinate all waiver requests through ECOLOGY. This provision does not apply if the engineering plans and specifications for the project were approved by ECOLOGY prior to January 17, 2014. ECOLOGY reserves the right to request documentation of RECIPIENT'S compliance with this provision.

C. Authority of RECIPIENT: This agreement is authorized by the Constitution and laws of the state of Washington, including the RECIPIENT's authority, and by the RECIPIENT pursuant to the authorizing ordinance or resolution. The RECIPIENT shall submit a copy of the authorizing ordinance or resolution to the ECOLOGY Financial Manager before this agreement shall be signed by ECOLOGY.

D. Equivalency Projects: ECOLOGY designated equivalency project and alternative designated equivalency project RECIPIENTS agree to accept federal funds and the federal requirements that accompany the funds. This includes all the requirements in Section 4 and this Section.

E. Fiscal Sustainability Plan Certification: The RECIPIENT shall submit a completed Fiscal Sustainability Plan Certification before this agreement is signed by ECOLOGY. The Fiscal Sustainability Plan Certification is available from the ECOLOGY Financial Manager or on the Water Quality Program website.

F. Funding Recognition and Outreach: The RECIPIENT agrees to comply with the EPA SRF Signage Guidance to enhance public awareness of EPA assistance agreements nationwide. Signage guidance can be found at:
<https://ecology.wa.gov/About-us/How-we-operate/Grants-loans/Find-a-grant-or-loan/Water-Quality-grants-and-loans/Facility-project-resources>.

G. Insurance: The RECIPIENT shall at all times carry fire and extended insurance coverage, public liability, and property damage, and such other forms of insurance with responsible insurers and policies payable to the RECIPIENT on such of the buildings, equipment, works, plants, facilities, and properties of the Utility as are ordinarily carried by municipal or privately-owned utilities engaged in the operation of like systems, and against such claims for damages as are ordinarily carried by municipal or privately-owned utilities engaged in the operation of like systems, or it shall self-insure or participate in an insurance pool or pools with reserves adequate, in the reasonable judgment of the RECIPIENT, to protect it against loss.

H. Litigation Authority: No litigation is now pending, or to the RECIPIENT's knowledge, threatened, seeking to restrain, or enjoin:

- (i) the execution of this agreement; or
- (ii) the fixing or collection of the revenues, rates, and charges or the formation of the ULID and the levy and collection of ULID Assessments therein pledged to pay the principal of and interest on the loan (for revenue secured lien obligations); or
- (iii) the levy and collection of the taxes pledged to pay the principal of and interest on the loan (for general obligation-secured loans and general obligation payable from special-assessment-secured loans); or
- (iv) in any manner questioning the proceedings and authority under which the agreement, the loan, or the project are authorized. Neither the corporate existence, or boundaries of the RECIPIENT nor the title of its present officers to their respective offices is being contested. No authority or proceeding for the execution of this agreement has been repealed, revoked, or rescinded.

I. Loan Interest Rate and Terms: This loan agreement shall remain in effect until the date of final repayment of the loan, unless terminated earlier according to the provisions herein.

When the Project Completion Date has occurred, ECOLOGY and the RECIPIENT shall execute an amendment to this loan agreement which details the final loan amount (Final Loan Amount), and ECOLOGY shall prepare a final loan repayment schedule. The Final Loan Amount shall be the combined total of actual disbursements made on the loan and all accrued interest to the computation date.

The Estimated Loan Amount and the Final Loan Amount (in either case, as applicable, a "Loan Amount") shall bear interest

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based on the interest rate identified in this agreement as the “Effective Interest Rate,” per annum, calculated on the basis of a 365-day year. Interest on the Estimated Loan Amount shall accrue from and be compounded monthly based on the date that each payment is mailed to the RECIPIENT. The Final Loan Amount shall be repaid in equal installments, semiannually, over the term of this loan “Loan Term” as outlined in this agreement.

J. Loan Repayment:

Sources of Loan Repayment

1. Nature of RECIPIENT's Obligation. The obligation of the RECIPIENT to repay the loan from the sources identified below and to perform and observe all other agreements and obligations on its part, contained herein, shall be absolute and unconditional, and shall not be subject to diminution by setoff, counterclaim, or abatement of any kind. To secure the repayment of the loan from ECOLOGY, the RECIPIENT agrees to comply with all the covenants, agreements, and attachments contained herein.
2. For General Obligation. This loan is a General Obligation Debt of the RECIPIENT.
3. For General Obligation Payable from Special Assessments. This loan is a General Obligation Debt of the RECIPIENT payable from special assessments to be imposed within the constitutional and statutory tax limitations provided by law without a vote of the electors of the RECIPIENT on all the taxable property within the boundaries of the RECIPIENT.
4. For Revenue-Secured: Lien Position. This loan is a Revenue-Secured Debt of the RECIPIENT's Utility. This loan shall constitute a lien and charge upon the Net Revenue junior and subordinate to the lien and charge upon such Net Revenue of any Senior Lien Obligations.

In addition, if this loan is also secured by Utility Local Improvement Districts (ULID) Assessments, this loan shall constitute a lien upon ULID Assessments in the ULID prior and superior to any other charges whatsoever.

5. Other Sources of Repayment. The RECIPIENT may repay any portion of the loan from any funds legally available to it.

6. Defeasance of the Loan. So long as ECOLOGY shall hold this loan, the RECIPIENT shall not be entitled to, and shall not affect, an economic Defeasance of the loan. The RECIPIENT shall not advance refund the loan.

If the RECIPIENT defeases or advance refunds the loan, it shall be required to use the proceeds thereof immediately upon their receipt, together with other available RECIPIENT funds, to repay both of the following:

(i) The Loan Amount with interest

(ii) Any other obligations of the RECIPIENT to ECOLOGY under this agreement, unless in its sole discretion ECOLOGY finds that repayment from those additional sources would not be in the public interest.

Failure to repay the Loan Amount plus interest within the time specified in ECOLOGY's notice to make such repayment shall incur Late Charges and shall be treated as a Loan Default.

7. Refinancing or Early Repayment of the Project. So long as ECOLOGY shall hold this loan, the RECIPIENT shall give ECOLOGY thirty days written notice if the RECIPIENT intends to refinance or make early repayment of the loan.

Method and Conditions on Repayments

1. Semiannual Payments. Notwithstanding any other provision of this agreement, the first semiannual payment of principal and interest on this loan shall be due and payable no later than one year after the project completion date or initiation of operation date, whichever comes first.

Thereafter, equal payments shall be due every six months.

If the due date for any semiannual payment falls on a Saturday, Sunday, or designated holiday for Washington State agencies, the payment shall be due on the next business day for Washington State agencies.

Payments shall be mailed to:

Department of Ecology

Cashiering Unit

P.O. Box 47611

Olympia WA 98504-7611

In lieu of mailing payments, electronic fund transfers can be arranged by working with ECOLOGY's Financial Manager.

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No change to the amount of the semiannual principal and interest payments shall be made without a mutually signed amendment to this agreement. The RECIPIENT shall continue to make semiannual payments based on this agreement until the amendment is effective, at which time the RECIPIENT's payments shall be made pursuant to the amended agreement.

2. Late Charges. If any amount of the Final Loan Amount or any other amount owed to ECOLOGY pursuant to this agreement remains unpaid after it becomes due and payable, ECOLOGY may assess a late charge. The late charge shall be one percent per month on the past due amount starting on the date the debt becomes past due and until it is paid in full.

3. Repayment Limitations. Repayment of the loan is subject to the following additional limitations, among others: those on defeasance, refinancing and advance refunding, termination, and default and recovery of payments.

4. Prepayment of Loan. So long as ECOLOGY shall hold this loan, the RECIPIENT may prepay the entire unpaid principal balance of and accrued interest on the loan or any portion of the remaining unpaid principal balance of the Loan Amount. Any prepayments on the loan shall be applied first to any accrued interest due and then to the outstanding principal balance of the Loan Amount. If the RECIPIENT elects to prepay the entire remaining unpaid balance and accrued interest, the RECIPIENT shall first contact ECOLOGY's Revenue/Receivable Manager of the Fiscal Office.

K. Loan Security

Due Regard: For loans secured with a Revenue Obligation: The RECIPIENT shall exercise due regard for Maintenance and Operation Expense and the debt service requirements of the Senior Lien Obligations and any other outstanding obligations pledging the Gross Revenue of the Utility, and it has not obligated itself to set aside and pay into the loan Fund a greater amount of the Gross Revenue of the Utility than, in its judgment, shall be available over and above such Maintenance and Operation Expense and those debt service requirements.

Where collecting adequate gross utility revenue requires connecting additional users, the RECIPIENT shall require the sewer system connections necessary to meet debt obligations and expected operation and maintenance expenses.

Levy and Collection of Taxes (if used to secure the repayment of the loan): For so long as the loan is outstanding, the RECIPIENT irrevocably pledges to include in its budget and levy taxes annually within the constitutional and statutory tax limitations provided by law without a vote of its electors on all of the taxable property within the boundaries of the RECIPIENT in an amount sufficient, together with other money legally available and to be used therefore, to pay when due the principal of and interest on the loan, and the full faith, credit and resources of the RECIPIENT are pledged irrevocably for the annual levy and collection of those taxes and the prompt payment of that principal and interest.

Not an Excess Indebtedness: For loans secured with a general obligation pledge or a general obligation pledge on special assessments: The RECIPIENT agrees that this agreement and the loan to be made do not create an indebtedness of the RECIPIENT in excess of any constitutional or statutory limitations.

Pledge of Net Revenue and ULID Assessments in the ULID (if used to secure the repayment of this loan): For so long as the loan is outstanding, the RECIPIENT irrevocably pledges the Net Revenue of the Utility, including applicable ULID Assessments in the ULID, to pay when due the principal of and interest on the loan.

Utility Local Improvement District (ULID) Assessment Collection (if used to secure the repayment of the loan): All ULID Assessments in the ULID shall be paid into the Loan Fund and used to pay the principal of and interest on the loan.

L. Maintenance and Operation of a Funded Utility: The RECIPIENT shall, at all times, maintain and keep the funded Utility in good repair, working order, and condition.

M. Opinion of RECIPIENT's Legal Counsel: The RECIPIENT must submit an "Opinion of Legal Counsel to the RECIPIENT" to ECOLOGY before this agreement will be signed. ECOLOGY will provide the form.

N. Prevailing Wage (Davis-Bacon Act): The RECIPIENT agrees, by signing this agreement, to comply with the Davis-Bacon Act prevailing wage requirements. This applies to the construction, alteration, and repair of treatment works carried out, in whole or in part, with assistance made available by the State Revolving Fund as authorized by Section 513, title VI of the Federal Water Pollution Control Act (33 U.S.C. 1372). Laborers and mechanics employed by contractors and subcontractors shall be paid wages not less often than once a week and at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor.

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The RECIPIENT shall obtain the wage determination for the area in which the project is located prior to issuing requests for bids, proposals, quotes, or other methods for soliciting contracts (solicitation). These wage determinations shall be incorporated into solicitations and any subsequent contracts. The RECIPIENT shall ensure that the required EPA contract language regarding Davis-Bacon Wages is in all contracts and subcontracts more than \$2,000. The RECIPIENT shall maintain records sufficient to document compliance with the Davis-Bacon Act and make such records available for review upon request.

The RECIPIENT also agrees, by signing this agreement, to comply with State Prevailing Wages on Public Works, Chapter 39.12 RCW, as applicable. Compliance may include the determination whether the project involves “public work” and inclusion of the applicable prevailing wage rates in the bid specifications and contracts. The RECIPIENT agrees to maintain records sufficient to evidence compliance with Chapter 39.12 RCW and make such records available for review upon request.

O. Progress Reports: RECIPIENTS funded with State Revolving Fund Loan or Forgivable Principal shall include the following verification statement in the “General Comments” text box of each progress report.

“We verified that we are in compliance with all the requirements as outlined in our funding agreement(s) with the Department of Ecology. This includes but is not limited to:

- The Davis-Bacon Act, 29 CFR , prevailing wage requirements, certified weekly payroll, etc.
- The Disadvantaged Business Enterprise (DBE), 40 CFR, Part 33
- The American Iron and Steel Act (Buy American)
- The Build America Buy America Act (BABA) (equivalency projects only)”

P. Representations and Warranties: The RECIPIENT represents and warrants to ECOLOGY as follows:

Application: Material Information. All information and materials submitted by the RECIPIENT to ECOLOGY in connection with its loan application were, when made, and are, as of the date the RECIPIENT signs this agreement, true and correct. There is no material adverse information relating to the RECIPIENT, the project, the loan, or this agreement known to the RECIPIENT, which has not been disclosed in writing to ECOLOGY.

Existence; Authority. It is a duly formed and legally existing municipal corporation or political subdivision of the state of Washington or a federally recognized Indian Tribe. It has full corporate power and authority to execute, deliver, and perform all of its obligations under this agreement and to undertake the project identified herein.

Certification. Each payment request shall constitute a certification by the RECIPIENT to the effect that all representations and warranties made in this loan agreement remain true as of the date of the request and that no adverse developments, affecting the financial condition of the RECIPIENT or its ability to complete the project or to repay the principal of or interest on the loan, have occurred since the date of this loan agreement. Any changes in the RECIPIENT’s financial condition shall be disclosed in writing to ECOLOGY by the RECIPIENT in its request for payment.

Q. Sale or Disposition of Funded Utility: The RECIPIENT shall not sell, transfer, or otherwise dispose of any of the works, plant, properties, facilities, or other part of the funded Utility or any real or personal property comprising a part of the funded Utility unless:

1. The facilities or property transferred are not material to the operation of the funded Utility, or have become unserviceable, inadequate, obsolete, or unfit to be used in the operation of the funded Utility or are no longer necessary, material, or useful to the operation of the funded Utility; or
2. The aggregate depreciated cost value of the facilities or property being transferred in any fiscal year comprises no more than three percent of the total assets of the funded Utility; or
3. The RECIPIENT receives from the transferee an amount equal to an amount which will be in the same proportion to the net amount of Senior Lien Obligations and this LOAN then outstanding (defined as the total amount outstanding less the amount of cash and investments in the bond and loan funds securing such debt) as the Gross Revenue of the funded Utility from the portion of the funded Utility sold or disposed of for the preceding year bears to the total Gross Revenue for that period.
4. Expressed written agreement by the ECOLOGY.

The proceeds of any transfer under this paragraph must be used (1) to redeem promptly, or irrevocably set aside for the

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redemption of, Senior Lien Obligations and to redeem promptly the loan, and (2) to provide for part of the cost of additions to and betterments and extensions of the Utility.

R. Sewer-Use Ordinance or Resolution for Funded Wastewater Facility Projects: If not already in existence, the RECIPIENT shall adopt and shall enforce a sewer-use ordinance or resolution. Such ordinance or resolution shall be submitted to ECOLOGY upon request.

The sewer use ordinance must include provisions to:

- 1) Prohibit the introduction of toxic or hazardous wastes into the RECIPIENT's sewer system.
- 2) Prohibit inflow of stormwater into separated sewer systems.
- 3) Require that new sewers and connections be properly designed and constructed.

S. Termination and Default:

Termination and Default Events

1. For Insufficient ECOLOGY or RECIPIENT Funds. ECOLOGY may terminate this loan agreement for insufficient ECOLOGY or RECIPIENT funds.
2. For Failure to Commence Work. ECOLOGY may terminate this loan agreement for failure of the RECIPIENT to commence project work.
3. Past Due Payments. The RECIPIENT shall be in default of its obligations under this loan agreement when any loan repayment becomes 60 days past due.
4. Other Cause. The obligation of ECOLOGY to the RECIPIENT is contingent upon satisfactory performance in full by the RECIPIENT of all its obligations under this loan agreement. The RECIPIENT shall be in default of its obligations under this loan agreement if, in the opinion of ECOLOGY, the RECIPIENT has unjustifiably failed to perform any obligation required of it by this loan agreement.

Procedures for Termination. If this loan agreement is terminated prior to project completion, ECOLOGY shall provide to the RECIPIENT a written notice of termination at least five working days prior to the effective date of termination (the "Termination Date"). The written notice of termination by the ECOLOGY shall specify the Termination Date and, when applicable, the date by which the RECIPIENT must repay any outstanding balance of the loan and all accrued interest (the "Termination Payment Date").

Termination and Default Remedies

No Further Payments. On and after the Termination Date, or in the event of a default event, ECOLOGY may, at its sole discretion, withdraw the loan and make no further payments under this agreement.

Repayment Demand. In response to an ECOLOGY initiated termination event, or in response to a loan default event, ECOLOGY may at its sole discretion demand that the RECIPIENT repay the outstanding balance of the Loan Amount and all accrued interest.

Interest after Repayment Demand. From the time that ECOLOGY demands repayment of funds, amounts owed by the RECIPIENT to ECOLOGY shall accrue additional interest at the rate of one percent per month, or fraction thereof.

Accelerate Repayments. In the event of a default, ECOLOGY may, in its sole discretion, declare the principal of and interest on the loan immediately due and payable, subject to the prior lien and charge of any outstanding Senior Lien Obligation upon the Net Revenue. That is, the loan is not subject to acceleration so long as any Senior Lien Obligations are outstanding.

Repayments not made immediately upon such acceleration will incur Late Charges.

Late Charges. All amounts due to ECOLOGY and not paid by the RECIPIENT by the Termination Payment Date or after acceleration following a default event, as applicable, shall incur late charges.

Intercept State Funds. In the event of a default event and in accordance with Chapter 90.50A.060 RCW, "Defaults," any state funds otherwise due to the RECIPIENT may, at ECOLOGY's sole discretion, be withheld and applied to the repayment of the loan.

Property to ECOLOGY. In the event of a default event and at the option of ECOLOGY, any personal property (equipment) acquired under this agreement may, in ECOLOGY's sole discretion, become ECOLOGY's property. In that circumstance,

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ECOLOGY shall reduce the RECIPIENT's liability to repay money by an amount reflecting the fair value of such property. Documents and Materials. If this agreement is terminated, all finished or unfinished documents, data studies, surveys, drawings, maps, models, photographs, and reports or other materials prepared by the RECIPIENT shall, at the option of ECOLOGY, become ECOLOGY property. The RECIPIENT shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials.

Collection and Enforcement Actions. In the event of a default event, the state of Washington reserves the right to take any actions it deems necessary to collect the amounts due, or to become due, or to enforce the performance and observance of any obligation by the RECIPIENT, under this agreement.

Fees and Expenses. In any action to enforce the provisions of this agreement, reasonable fees and expenses of attorneys and other reasonable expenses (including, without limitation, the reasonably allocated costs of legal staff) shall be awarded to the prevailing party as that term is defined in Chapter 4.84.330 RCW.

Damages. Notwithstanding ECOLOGY's exercise of any or all the termination or default remedies provided in this agreement, the RECIPIENT shall not be relieved of any liability to ECOLOGY for damages sustained by ECOLOGY and/or the state of Washington because of any breach of this agreement by the RECIPIENT. ECOLOGY may withhold payments for the purpose of setoff until such time as the exact amount of damages due ECOLOGY from the RECIPIENT is determined.

T. User-Charge System for Funded Utilities: The RECIPIENT certifies that it has the legal authority to establish and implement a user-charge system and shall adopt a system of user-charges to assure that each user of the funded utility shall pay its proportionate share of the cost of operation and maintenance, including replacement during the design life of the project. The user-charge system will include provisions for a connection charge.

In addition, the RECIPIENT shall regularly evaluate the user-charge system, at least annually, to ensure the system provides adequate revenues necessary to operate and maintain the funded utility, to establish reserves to pay for replacement, and to repay the loan.

GENERAL FEDERAL CONDITIONS

If a portion or all of the funds for this agreement are provided through federal funding sources or this agreement is used to match a federal grant award, the following terms and conditions apply to you.

A. CERTIFICATION REGARDING SUSPENSION, DEBARMENT, INELIGIBILITY OR VOLUNTARY EXCLUSION:

1. The RECIPIENT/CONTRACTOR, by signing this agreement, certifies that it is not suspended, debarred, proposed for debarment, declared ineligible or otherwise excluded from contracting with the federal government, or from receiving contracts paid for with federal funds. If the RECIPIENT/CONTRACTOR is unable to certify to the statements contained in the certification, they must provide an explanation as to why they cannot.
2. The RECIPIENT/CONTRACTOR shall provide immediate written notice to ECOLOGY if at any time the RECIPIENT/CONTRACTOR learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.
3. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meaning set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact ECOLOGY for assistance in obtaining a copy of those regulations.
4. The RECIPIENT/CONTRACTOR agrees it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under the applicable Code of Federal Regulations, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction.
5. The RECIPIENT/CONTRACTOR further agrees by signing this agreement, that it will include this clause titled

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“CERTIFICATION REGARDING SUSPENSION, DEBARMENT, INELIGIBILITY OR VOLUNTARY EXCLUSION” without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

6. Pursuant to 2CFR180.330, the RECIPIENT/CONTRACTOR is responsible for ensuring that any lower tier covered transaction complies with certification of suspension and debarment requirements.
7. RECIPIENT/CONTRACTOR acknowledges that failing to disclose the information required in the Code of Federal Regulations may result in the delay or negation of this funding agreement, or pursuance of legal remedies, including suspension and debarment.
8. RECIPIENT/CONTRACTOR agrees to keep proof in its agreement file, that it, and all lower tier recipients or contractors, are not suspended or debarred, and will make this proof available to ECOLOGY before requests for reimbursements will be approved for payment. RECIPIENT/CONTRACTOR must run a search in <http://www.sam.gov> and print a copy of completed searches to document proof of compliance.

B. FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA) REPORTING REQUIREMENTS:

CONTRACTOR/RECIPIENT must complete the FFATA Data Collection Form (ECY 070-395) and return it with the signed agreement to ECOLOGY.

Any CONTRACTOR/RECIPIENT that meets each of the criteria below must report compensation for its five top executives using the FFATA Data Collection Form.

- Receives more than \$30,000 in federal funds under this award.
- Receives more than 80 percent of its annual gross revenues from federal funds.
- Receives more than \$25,000,000 in annual federal funds.

Ecology will not pay any invoices until it has received a completed and signed FFATA Data Collection Form. Ecology is required to report the FFATA information for federally funded agreements, including the required Unique Entity Identifier in www.sam.gov <http://www.sam.gov> within 30 days of agreement signature. The FFATA information will be available to the public at www.usaspending.gov <http://www.usaspending.gov>.

For more details on FFATA requirements, see www.fsrs.gov <http://www.fsrs.gov>.

C. FEDERAL FUNDING PROHIBITION ON CERTAIN TELECOMMUNICATIONS OR VIDEO SURVEILLANCE SERVICES OR EQUIPMENT:

As required by 2 CFR 200.216, federal grant or loan recipients and subrecipients are prohibited from obligating or expending loan or grant funds to:

1. Procure or obtain;
2. Extend or renew a contract to procure or obtain; or
3. Enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that use covered telecommunications equipment, video surveillance services or services as a substantial or essential component of any system, or as critical technology as part of any system. As described in [Public Law 115-232](http://www.govinfo.gov/content/pkg/PLAW-115publ232/pdf/PLAW-115publ232.pdf) <http://www.govinfo.gov/content/pkg/PLAW-115publ232/pdf/PLAW-115publ232.pdf>, section 889, covered telecommunications equipment is telecommunications equipment produced by Huawei Technologies Company or ZTE

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Corporation (or any subsidiary or affiliate of such entities).

Recipients, subrecipients, and borrowers also may not use federal funds to purchase certain prohibited equipment, systems, or services, including equipment, systems, or services produced or provided by entities identified in section 889, are recorded in the [System for Award Management \(SAM\) <https://sam.gov/SAM/>](https://sam.gov/SAM/) exclusion list.

GENERAL TERMS AND CONDITIONS

Pertaining to Grant and Loan Agreements With the state of Washington, Department of Ecology

GENERAL TERMS AND CONDITIONS

For DEPARTMENT OF ECOLOGY GRANTS and LOANS

07/01/2023 Version

1. ADMINISTRATIVE REQUIREMENTS

- a) RECIPIENT shall follow the "Administrative Requirements for Recipients of Ecology Grants and Loans – EAGL Edition." (<https://fortress.wa.gov/ecy/publications/SummaryPages/2301002.html>)
- b) RECIPIENT shall complete all activities funded by this Agreement and be fully responsible for the proper management of all funds and resources made available under this Agreement.
- c) RECIPIENT agrees to take complete responsibility for all actions taken under this Agreement, including ensuring all subgrantees and contractors comply with the terms and conditions of this Agreement. ECOLOGY reserves the right to request proof of compliance by subgrantees and contractors.
- d) RECIPIENT's activities under this Agreement shall be subject to the review and approval by ECOLOGY for the extent and character of all work and services.

2. AMENDMENTS AND MODIFICATIONS

This Agreement may be altered, amended, or waived only by a written amendment executed by both parties. No subsequent modification(s) or amendment(s) of this Agreement will be of any force or effect unless in writing and signed by authorized representatives of both parties. ECOLOGY and the RECIPIENT may change their respective staff contacts and administrative information without the concurrence of either party.

3. ACCESSIBILITY REQUIREMENTS FOR COVERED TECHNOLOGY

The RECIPIENT must comply with the Washington State Office of the Chief Information Officer, OCIO Policy no. 188, Accessibility (<https://ocio.wa.gov/policy/accessibility>) as it relates to "covered technology." This requirement applies to all products supplied under the Agreement, providing equal access to information technology by individuals with disabilities, including and not limited to web sites/pages, web-based applications, software systems, video and audio content, and electronic documents intended for publishing on Ecology's public web site.

4. ARCHAEOLOGICAL AND CULTURAL RESOURCES

RECIPIENT shall take all reasonable action to avoid, minimize, or mitigate adverse effects to archaeological and historic archaeological sites, historic buildings/structures, traditional cultural places, sacred sites, or other cultural resources, hereby referred to as Cultural Resources.

The RECIPIENT must agree to hold harmless ECOLOGY in relation to any claim related to Cultural Resources discovered, disturbed, or damaged due to the RECIPIENT's project funded under this Agreement.

RECIPIENT shall:

- a) Contact the ECOLOGY Program issuing the grant or loan to discuss any Cultural Resources requirements for their project:
 - Cultural Resource Consultation and Review should be initiated early in the project planning process and must be completed prior to expenditure of Agreement funds as required by applicable State and Federal requirements.
- * For state funded construction, demolition, or land acquisitions, comply with Governor Executive Order 21-02, Archaeological and Cultural Resources.

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- For projects with any federal involvement, comply with the National Historic Preservation Act of 1966 (Section 106).
- b) If required by the ECOLOGY Program, submit an Inadvertent Discovery Plan (IDP) to ECOLOGY prior to implementing any project that involves field activities. ECOLOGY will provide the IDP form.

RECIPIENT shall:

- Keep the IDP at the project site.
 - Make the IDP readily available to anyone working at the project site.
 - Discuss the IDP with staff, volunteers, and contractors working at the project site.
 - Implement the IDP when Cultural Resources or human remains are found at the project site.
- c) If any Cultural Resources are found while conducting work under this Agreement, follow the protocol outlined in the project IDP.
- Immediately stop work and notify the ECOLOGY Program, who will notify the Department of Archaeology and Historic Preservation at (360) 586-3065, any affected Tribe, and the local government.
- d) If any human remains are found while conducting work under this Agreement, follow the protocol outlined in the project IDP.
- Immediately stop work and notify the local Law Enforcement Agency or Medical Examiner/Coroner's Office, the Department of Archaeology and Historic Preservation at (360) 790-1633, and then the ECOLOGY Program.
- e) Comply with RCW 27.53, RCW 27.44, and RCW 68.50.645, and all other applicable local, state, and federal laws protecting Cultural Resources and human remains.

5. ASSIGNMENT

No right or claim of the RECIPIENT arising under this Agreement shall be transferred or assigned by the RECIPIENT.

6. COMMUNICATION

RECIPIENT shall make every effort to maintain effective communications with the RECIPIENT's designees, ECOLOGY, all affected local, state, or federal jurisdictions, and any interested individuals or groups.

7. COMPENSATION

- a) Any work performed prior to effective date of this Agreement will be at the sole expense and risk of the RECIPIENT. ECOLOGY must sign the Agreement before any payment requests can be submitted.
- b) Payments will be made on a reimbursable basis for approved and completed work as specified in this Agreement.
- c) RECIPIENT is responsible to determine if costs are eligible. Any questions regarding eligibility should be clarified with ECOLOGY prior to incurring costs. Costs that are conditionally eligible require approval by ECOLOGY prior to expenditure.
- d) RECIPIENT shall not invoice more than once per month unless agreed on by ECOLOGY.
- e) ECOLOGY will not process payment requests without the proper reimbursement forms, Progress Report and supporting documentation. ECOLOGY will provide instructions for submitting payment requests.
- f) ECOLOGY will pay the RECIPIENT thirty (30) days after receipt of a properly completed request for payment.
- g) RECIPIENT will receive payment through Washington State's Office of Financial Management's Statewide Payee Desk. To receive payment you must register as a statewide vendor by submitting a statewide vendor registration form and an IRS W-9 form at website, <https://ofm.wa.gov/it-systems/statewide-vendorpayee-services>. If you have questions about the vendor registration process, you can contact Statewide Payee Help Desk at (360) 407-8180 or email PayeeRegistration@ofm.wa.gov.
- h) ECOLOGY may, at its sole discretion, withhold payments claimed by the RECIPIENT if the RECIPIENT fails to satisfactorily comply with any term or condition of this Agreement.
- i) Monies withheld by ECOLOGY may be paid to the RECIPIENT when the work described herein, or a portion thereof, has been completed if, at ECOLOGY's sole discretion, such payment is reasonable and approved according to this Agreement, as appropriate, or upon completion of an audit as specified herein.

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j) RECIPIENT must submit within thirty (30) days after the expiration date of this Agreement, all financial, performance, and other reports required by this Agreement. Failure to comply may result in delayed reimbursement.

8. COMPLIANCE WITH ALL LAWS

RECIPIENT agrees to comply fully with all applicable federal, state and local laws, orders, regulations, and permits related to this Agreement, including but not limited to:

- a) RECIPIENT agrees to comply with all applicable laws, regulations, and policies of the United States and the State of Washington which affect wages and job safety.
- b) RECIPIENT agrees to be bound by all applicable federal and state laws, regulations, and policies against discrimination.
- c) RECIPIENT certifies full compliance with all applicable state industrial insurance requirements.
- d) RECIPIENT agrees to secure and provide assurance to ECOLOGY that all the necessary approvals and permits required by authorities having jurisdiction over the project are obtained. RECIPIENT must include time in their project timeline for the permit and approval processes.

ECOLOGY shall have the right to immediately terminate for cause this Agreement as provided herein if the RECIPIENT fails to comply with above requirements.

If any provision of this Agreement violates any statute or rule of law of the state of Washington, it is considered modified to conform to that statute or rule of law.

9. CONFLICT OF INTEREST

RECIPIENT and ECOLOGY agree that any officer, member, agent, or employee, who exercises any function or responsibility in the review, approval, or carrying out of this Agreement, shall not have any personal or financial interest, direct or indirect, nor affect the interest of any corporation, partnership, or association in which he/she is a part, in this Agreement or the proceeds thereof.

10. CONTRACTING FOR GOODS AND SERVICES

RECIPIENT may contract to buy goods or services related to its performance under this Agreement. RECIPIENT shall award all contracts for construction, purchase of goods, equipment, services, and professional architectural and engineering services through a competitive process, if required by State law. RECIPIENT is required to follow procurement procedures that ensure legal, fair, and open competition.

RECIPIENT must have a standard procurement process or follow current state procurement procedures. RECIPIENT may be required to provide written certification that they have followed their standard procurement procedures and applicable state law in awarding contracts under this Agreement.

ECOLOGY reserves the right to inspect and request copies of all procurement documentation, and review procurement practices related to this Agreement. Any costs incurred as a result of procurement practices not in compliance with state procurement law or the RECIPIENT's normal procedures may be disallowed at ECOLOGY's sole discretion.

11. DISPUTES

When there is a dispute with regard to the extent and character of the work, or any other matter related to this Agreement the determination of ECOLOGY will govern, although the RECIPIENT shall have the right to appeal decisions as provided for below:

- a) RECIPIENT notifies the funding program of an appeal request.
- b) Appeal request must be in writing and state the disputed issue(s).
- c) RECIPIENT has the opportunity to be heard and offer evidence in support of its appeal.
- d) ECOLOGY reviews the RECIPIENT's appeal.
- e) ECOLOGY sends a written answer within ten (10) business days, unless more time is needed, after concluding the review.

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The decision of ECOLOGY from an appeal will be final and conclusive, unless within thirty (30) days from the date of such decision, the RECIPIENT furnishes to the Director of ECOLOGY a written appeal. The decision of the Director or duly authorized representative will be final and conclusive.

The parties agree that this dispute process will precede any action in a judicial or quasi-judicial tribunal.

Appeals of the Director's decision will be brought in the Superior Court of Thurston County. Review of the Director's decision will not be taken to Environmental and Land Use Hearings Office.

Pending final decision of a dispute, the RECIPIENT agrees to proceed diligently with the performance of this Agreement and in accordance with the decision rendered.

Nothing in this Agreement will be construed to limit the parties' choice of another mutually acceptable method, in addition to the dispute resolution procedure outlined above.

12. ENVIRONMENTAL DATA STANDARDS

a) RECIPIENT shall prepare a Quality Assurance Project Plan (QAPP) for a project that collects or uses environmental measurement data. RECIPIENTS unsure about whether a QAPP is required for their project shall contact the ECOLOGY Program issuing the grant or loan. If a QAPP is required, the RECIPIENT shall:

- Use ECOLOGY's QAPP Template/Checklist provided by the ECOLOGY, unless ECOLOGY Quality Assurance (QA) officer or the Program QA coordinator instructs otherwise.
- Follow ECOLOGY's Guidelines for Preparing Quality Assurance Project Plans for Environmental Studies, July 2004 (Ecology Publication No. 04-03-030).
- Submit the QAPP to ECOLOGY for review and approval before the start of the work.

b) RECIPIENT shall submit environmental data that was collected on a project to ECOLOGY using the Environmental Information Management system (EIM), unless the ECOLOGY Program instructs otherwise. The RECIPIENT must confirm with ECOLOGY that complete and correct data was successfully loaded into EIM, find instructions at:

<http://www.ecy.wa.gov/eim>.

c) RECIPIENT shall follow ECOLOGY's data standards when Geographic Information System (GIS) data is collected and processed. Guidelines for Creating and Accessing GIS Data are available at:

<https://ecology.wa.gov/Research-Data/Data-resources/Geographic-Information-Systems-GIS/Standards>. RECIPIENT, when requested by ECOLOGY, shall provide copies to ECOLOGY of all final GIS data layers, imagery, related tables, raw data collection files, map products, and all metadata and project documentation.

13. GOVERNING LAW

This Agreement will be governed by the laws of the State of Washington, and the venue of any action brought hereunder will be in the Superior Court of Thurston County.

14. INDEMNIFICATION

ECOLOGY will in no way be held responsible for payment of salaries, consultant's fees, and other costs related to the project described herein, except as provided in the Scope of Work.

To the extent that the Constitution and laws of the State of Washington permit, each party will indemnify and hold the other harmless from and against any liability for any or all injuries to persons or property arising from the negligent act or omission of that party or that party's agents or employees arising out of this Agreement.

15. INDEPENDENT STATUS

The employees, volunteers, or agents of each party who are engaged in the performance of this Agreement will continue to be employees, volunteers, or agents of that party and will not for any purpose be employees, volunteers, or agents of the other party.

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16. KICKBACKS

RECIPIENT is prohibited from inducing by any means any person employed or otherwise involved in this Agreement to give up any part of the compensation to which he/she is otherwise entitled to or receive any fee, commission, or gift in return for award of a subcontract hereunder.

17. MINORITY AND WOMEN'S BUSINESS ENTERPRISES (MWBE)

RECIPIENT is encouraged to solicit and recruit, to the extent possible, certified minority-owned (MBE) and women-owned (WBE) businesses in purchases and contracts initiated under this Agreement.

Contract awards or rejections cannot be made based on MWBE participation; however, the RECIPIENT is encouraged to take the following actions, when possible, in any procurement under this Agreement:

- a) Include qualified minority and women's businesses on solicitation lists whenever they are potential sources of goods or services.
- b) Divide the total requirements, when economically feasible, into smaller tasks or quantities, to permit maximum participation by qualified minority and women's businesses.
- c) Establish delivery schedules, where work requirements permit, which will encourage participation of qualified minority and women's businesses.
- d) Use the services and assistance of the Washington State Office of Minority and Women's Business Enterprises (OMWBE) (866-208-1064) and the Office of Minority Business Enterprises of the U.S. Department of Commerce, as appropriate.

18. ORDER OF PRECEDENCE

In the event of inconsistency in this Agreement, unless otherwise provided herein, the inconsistency shall be resolved by giving precedence in the following order: (a) applicable federal and state statutes and regulations; (b) The Agreement; (c) Scope of Work; (d) Special Terms and Conditions; (e) Any provisions or terms incorporated herein by reference, including the "Administrative Requirements for Recipients of Ecology Grants and Loans"; (f) Ecology Funding Program Guidelines; and (g) General Terms and Conditions.

19. PRESENTATION AND PROMOTIONAL MATERIALS

ECOLOGY reserves the right to approve RECIPIENT's communication documents and materials related to the fulfillment of this Agreement:

- a) If requested, RECIPIENT shall provide a draft copy to ECOLOGY for review and approval ten (10) business days prior to production and distribution.
- b) RECIPIENT shall include time for ECOLOGY's review and approval process in their project timeline.
- c) If requested, RECIPIENT shall provide ECOLOGY two (2) final copies and an electronic copy of any tangible products developed.

Copies include any printed materials, and all tangible products developed such as brochures, manuals, pamphlets, videos, audio tapes, CDs, curriculum, posters, media announcements, or gadgets with a message, such as a refrigerator magnet, and any online communications, such as web pages, blogs, and twitter campaigns. If it is not practical to provide a copy, then the RECIPIENT shall provide a description (photographs, drawings, printouts, etc.) that best represents the item.

Any communications intended for public distribution that uses ECOLOGY's logo shall comply with ECOLOGY's graphic requirements and any additional requirements specified in this Agreement. Before the use of ECOLOGY's logo contact ECOLOGY for guidelines.

RECIPIENT shall acknowledge in the communications that funding was provided by ECOLOGY.

20. PROGRESS REPORTING

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- a) RECIPIENT must satisfactorily demonstrate the timely use of funds by submitting payment requests and progress reports to ECOLOGY. ECOLOGY reserves the right to amend or terminate this Agreement if the RECIPIENT does not document timely use of funds.
- b) RECIPIENT must submit a progress report with each payment request. Payment requests will not be processed without a progress report. ECOLOGY will define the elements and frequency of progress reports.
- c) RECIPIENT shall use ECOLOGY's provided progress report format.
- d) Quarterly progress reports will cover the periods from January 1 through March 31, April 1 through June 30, July 1 through September 30, and October 1 through December 31. Reports shall be submitted within thirty (30) days after the end of the quarter being reported.
- e) RECIPIENT must submit within thirty (30) days of the expiration date of the project, unless an extension has been approved by ECOLOGY, all financial, performance, and other reports required by the Agreement and funding program guidelines. RECIPIENT shall use the ECOLOGY provided closeout report format.

21. PROPERTY RIGHTS

- a) Copyrights and Patents. When the RECIPIENT creates any copyrightable materials or invents any patentable property under this Agreement, the RECIPIENT may copyright or patent the same but ECOLOGY retains a royalty free, nonexclusive, and irrevocable license to reproduce, publish, recover, or otherwise use the material(s) or property, and to authorize others to use the same for federal, state, or local government purposes.
- b) Publications. When the RECIPIENT or persons employed by the RECIPIENT use or publish ECOLOGY information; present papers, lectures, or seminars involving information supplied by ECOLOGY; or use logos, reports, maps, or other data in printed reports, signs, brochures, pamphlets, etc., appropriate credit shall be given to ECOLOGY.
- c) Presentation and Promotional Materials. ECOLOGY shall have the right to use or reproduce any printed or graphic materials produced in fulfillment of this Agreement, in any manner ECOLOGY deems appropriate. ECOLOGY shall acknowledge the RECIPIENT as the sole copyright owner in every use or reproduction of the materials.
- d) Tangible Property Rights. ECOLOGY's current edition of "Administrative Requirements for Recipients of Ecology Grants and Loans," shall control the use and disposition of all real and personal property purchased wholly or in part with funds furnished by ECOLOGY in the absence of state and federal statutes, regulations, or policies to the contrary, or upon specific instructions with respect thereto in this Agreement.
- e) Personal Property Furnished by ECOLOGY. When ECOLOGY provides personal property directly to the RECIPIENT for use in performance of the project, it shall be returned to ECOLOGY prior to final payment by ECOLOGY. If said property is lost, stolen, or damaged while in the RECIPIENT's possession, then ECOLOGY shall be reimbursed in cash or by setoff by the RECIPIENT for the fair market value of such property.
- f) Acquisition Projects. The following provisions shall apply if the project covered by this Agreement includes funds for the acquisition of land or facilities:
 - 1. RECIPIENT shall establish that the cost is fair value and reasonable prior to disbursement of funds provided for in this Agreement.
 - 2. RECIPIENT shall provide satisfactory evidence of title or ability to acquire title for each parcel prior to disbursement of funds provided by this Agreement. Such evidence may include title insurance policies, Torrens certificates, or abstracts, and attorney's opinions establishing that the land is free from any impediment, lien, or claim which would impair the uses intended by this Agreement.
- g) Conversions. Regardless of the Agreement expiration date, the RECIPIENT shall not at any time convert any equipment, property, or facility acquired or developed under this Agreement to uses other than those for which assistance was originally approved without prior written approval of ECOLOGY. Such approval may be conditioned upon payment to ECOLOGY of that portion of the proceeds of the sale, lease, or other conversion or encumbrance which monies granted pursuant to this Agreement bear to the total acquisition, purchase, or construction costs of such property.

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22. RECORDS, AUDITS, AND INSPECTIONS

RECIPIENT shall maintain complete program and financial records relating to this Agreement, including any engineering documentation and field inspection reports of all construction work accomplished.

All records shall:

- a) Be kept in a manner which provides an audit trail for all expenditures.
 - b) Be kept in a common file to facilitate audits and inspections.
 - c) Clearly indicate total receipts and expenditures related to this Agreement.
 - d) Be open for audit or inspection by ECOLOGY, or by any duly authorized audit representative of the State of Washington, for a period of at least three (3) years after the final grant payment or loan repayment, or any dispute resolution hereunder.
- RECIPIENT shall provide clarification and make necessary adjustments if any audits or inspections identify discrepancies in the records.

ECOLOGY reserves the right to audit, or have a designated third party audit, applicable records to ensure that the state has been properly invoiced. Any remedies and penalties allowed by law to recover monies determined owed will be enforced.

Repetitive instances of incorrect invoicing or inadequate records may be considered cause for termination.

All work performed under this Agreement and any property and equipment purchased shall be made available to ECOLOGY and to any authorized state, federal or local representative for inspection at any time during the course of this Agreement and for at least three (3) years following grant or loan termination or dispute resolution hereunder.

RECIPIENT shall provide right of access to ECOLOGY, or any other authorized representative, at all reasonable times, in order to monitor and evaluate performance, compliance, and any other conditions under this Agreement.

23. RECOVERY OF FUNDS

The right of the RECIPIENT to retain monies received as reimbursement payments is contingent upon satisfactory performance of this Agreement and completion of the work described in the Scope of Work.

All payments to the RECIPIENT are subject to approval and audit by ECOLOGY, and any unauthorized expenditure(s) or unallowable cost charged to this Agreement shall be refunded to ECOLOGY by the RECIPIENT.

RECIPIENT shall refund to ECOLOGY the full amount of any erroneous payment or overpayment under this Agreement.

RECIPIENT shall refund by check payable to ECOLOGY the amount of any such reduction of payments or repayments within thirty (30) days of a written notice. Interest will accrue at the rate of twelve percent (12%) per year from the time ECOLOGY demands repayment of funds.

Any property acquired under this Agreement, at the option of ECOLOGY, may become ECOLOGY's property and the RECIPIENT's liability to repay monies will be reduced by an amount reflecting the fair value of such property.

24. SEVERABILITY

If any provision of this Agreement or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of this Agreement which can be given effect without the invalid provision, and to this end the provisions of this Agreement are declared to be severable.

25. STATE ENVIRONMENTAL POLICY ACT (SEPA)

RECIPIENT must demonstrate to ECOLOGY's satisfaction that compliance with the requirements of the State Environmental Policy Act (Chapter 43.21C RCW and Chapter 197-11 WAC) have been or will be met. Any reimbursements are subject to this provision.

26. SUSPENSION

When in the best interest of ECOLOGY, ECOLOGY may at any time, and without cause, suspend this Agreement or any portion thereof for a temporary period by written notice from ECOLOGY to the RECIPIENT. RECIPIENT shall resume performance on the next business day following the suspension period unless another day is specified by ECOLOGY.

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27. SUSTAINABLE PRACTICES

In order to sustain Washington's natural resources and ecosystems, the RECIPIENT is fully encouraged to implement sustainable practices and to purchase environmentally preferable products under this Agreement.

- a) Sustainable practices may include such activities as: use of clean energy, use of double-sided printing, hosting low impact meetings, and setting up recycling and composting programs.
- b) Purchasing may include such items as: sustainably produced products and services, EPEAT registered computers and imaging equipment, independently certified green cleaning products, remanufactured toner cartridges, products with reduced packaging, office products that are refillable, rechargeable, and recyclable, 100% post-consumer recycled paper, and toxic free products.

For more suggestions visit ECOLOGY's web page, Green Purchasing,

<https://ecology.wa.gov/Regulations-Permits/Guidance-technical-assistance/Sustainable-purchasing>.

28. TERMINATION

a) For Cause

ECOLOGY may terminate for cause this Agreement with a seven (7) calendar days prior written notification to the RECIPIENT, at the sole discretion of ECOLOGY, for failing to perform an Agreement requirement or for a material breach of any term or condition. If this Agreement is so terminated, the parties shall be liable only for performance rendered or costs incurred in accordance with the terms of this Agreement prior to the effective date of termination.

Failure to Commence Work. ECOLOGY reserves the right to terminate this Agreement if RECIPIENT fails to commence work on the project funded within four (4) months after the effective date of this Agreement, or by any date mutually agreed upon in writing for commencement of work, or the time period defined within the Scope of Work.

Non-Performance. The obligation of ECOLOGY to the RECIPIENT is contingent upon satisfactory performance by the RECIPIENT of all of its obligations under this Agreement. In the event the RECIPIENT unjustifiably fails, in the opinion of ECOLOGY, to perform any obligation required of it by this Agreement, ECOLOGY may refuse to pay any further funds, terminate in whole or in part this Agreement, and exercise any other rights under this Agreement.

Despite the above, the RECIPIENT shall not be relieved of any liability to ECOLOGY for damages sustained by ECOLOGY and the State of Washington because of any breach of this Agreement by the RECIPIENT. ECOLOGY may withhold payments for the purpose of setoff until such time as the exact amount of damages due ECOLOGY from the RECIPIENT is determined.

b) For Convenience

ECOLOGY may terminate for convenience this Agreement, in whole or in part, for any reason when it is the best interest of ECOLOGY, with a thirty (30) calendar days prior written notification to the RECIPIENT, except as noted below. If this Agreement is so terminated, the parties shall be liable only for performance rendered or costs incurred in accordance with the terms of this Agreement prior to the effective date of termination.

Non-Allocation of Funds. ECOLOGY's ability to make payments is contingent on availability of funding. In the event funding from state, federal or other sources is withdrawn, reduced, or limited in any way after the effective date and prior to the completion or expiration date of this Agreement, ECOLOGY, at its sole discretion, may elect to terminate the Agreement, in whole or part, or renegotiate the Agreement, subject to new funding limitations or conditions. ECOLOGY may also elect to suspend performance of the Agreement until ECOLOGY determines the funding insufficiency is resolved. ECOLOGY may exercise any of these options with no notification or restrictions, although ECOLOGY will make a reasonable attempt to provide notice.

In the event of termination or suspension, ECOLOGY will reimburse eligible costs incurred by the RECIPIENT through the effective date of termination or suspension. Reimbursed costs must be agreed to by ECOLOGY and the RECIPIENT. In no

Agreement No: WQC-2025-BremPW-00182

Project Title: Eastside Treatment Plant UV Replacement

Recipient Name: City of Bremerton

event shall ECOLOGY's reimbursement exceed ECOLOGY's total responsibility under the Agreement and any amendments. If payments have been discontinued by ECOLOGY due to unavailable funds, the RECIPIENT shall not be obligated to repay monies which had been paid to the RECIPIENT prior to such termination.

RECIPIENT's obligation to continue or complete the work described in this Agreement shall be contingent upon availability of funds by the RECIPIENT's governing body.

c) By Mutual Agreement

ECOLOGY and the RECIPIENT may terminate this Agreement, in whole or in part, at any time, by mutual written agreement.

d) In Event of Termination

All finished or unfinished documents, data studies, surveys, drawings, maps, models, photographs, reports or other materials prepared by the RECIPIENT under this Agreement, at the option of ECOLOGY, will become property of ECOLOGY and the RECIPIENT shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials.

Nothing contained herein shall preclude ECOLOGY from demanding repayment of all funds paid to the RECIPIENT in accordance with Recovery of Funds, identified herein.

29. THIRD PARTY BENEFICIARY

RECIPIENT shall ensure that in all subcontracts entered into by the RECIPIENT pursuant to this Agreement, the state of Washington is named as an express third party beneficiary of such subcontracts with full rights as such.

30. WAIVER

Waiver of a default or breach of any provision of this Agreement is not a waiver of any subsequent default or breach, and will not be construed as a modification of the terms of this Agreement unless stated as such in writing by the authorized representative of ECOLOGY.

End of General Terms and Conditions

ATTACHMENT 3: VICINITY MAP



AGENDA BILL
CITY OF BREMERTON
CITY COUNCIL

A5

SUBJECT:

Proposed 2024 Comprehensive Plan and
Development Regulations

Study Session Date: May 14, 2025

COUNCIL MEETING Date: N/A

Department: DCD

Presenter: Garrett Jackson

Phone: (360) 473-5289

SUMMARY: The Planning Commission made a recommendation to the City Council to adopt the 2024 Comprehensive Plan Update and implementing development regulations at an April 21st Public Hearing. Final Draft documents for the Comprehensive Plan, and implementing Development Regulations, are available for the City Council and public to review at Bremerton2044.com. Council held a public hearing May 7th in order to receive comment on final draft documents. This study session will provide time for the Council to discuss/deliberate, and provide staff with feedback on final draft documents.

ATTACHMENTS:

None.

FISCAL IMPACTS (Include Budgeted Amount): None.

STUDY SESSION ACTION: ☐ Consent Agenda ☐ General Business ☐ Public Hearing


RECOMMENDED MOTION:

None.

COUNCIL ACTION: ☐ Approve ☐ Deny ☐ Table ☐ Continue ☒ No Action

Published for
May 14
Study Session

Item A5
Comments

#	Commentor & Topic	Comment Summary	Action Required?																				
This table is organized into the following categories: 1) Support from multiple Council Members, 2) Other policy change requests, 3) Future zoning code amendments, 4) Information/Analytics, 5) Additional Comments Received																							
1) SUPPORT FROM MULTIPLE COUNCIL MEMBERS																							
1	Anna Mockler & Jane Rebelowski Wright Creek Conservation	<p>Wright Creek wetland system should be a priority for conservation</p> <p>Staff Supplemental Information:</p>  <p>E3(A): Preserve and protect fish and wildlife habitat conservation areas through regulation, acquisitions, incentives, <u>partnerships with conservation organizations such as Great Peninsula Conservancy, and other techniques, including The City should considering participating in regional initiatives such as salmon recovery plans in the Chico Creek basin, conserving the Wright Creek wetland system, and other opportunities for environmental protection and enhancement throughout the City project and other salmon recovery plans.</u></p>	Alterations requested by Council, revisions anticipated at the 5/28 Study Session																				
2	Jane Rebelowski & Denise Frey Multimodal Level of Service	<p>Support for Erik Peterson comments, Multimodal Level of Service, Active Transportation Plan, and compliance to the Growth Management Act.</p> <p>Staff Supplemental Information:</p> <table><tr><th colspan="2">Exhibit CSA-3: Bremerton Level of Service Standards</th></tr><tr><th>Capital Facility/Service</th><th>2024-2044 Level of Service</th></tr><tr><td>Fire and Emergency Services</td><td>Bremerton Fire Department has an adopted LOS of 6.0 minutes response time.</td></tr><tr><td>Law Enforcement Services</td><td>1.8 police personnel per 1,000 population. 250 square feet per officer</td></tr><tr><td>Parks</td><td>The 2020 Parks, Recreation and Open Space (PROS) Plan reflects the City's Level of Service Standard by adopting the 10-Minute Walk Campaign of National Recreation and Park Association (NRPA) standards.</td></tr><tr><td>Streets/Transportation</td><td>The Transportation Element established a minimum level-of-service (LOS) standard of LOS E for City roadways. Minimum LOS standards for State routes are established by the Washington State Department of Transportation (WSDOT). WSDOT designates SR 3, SR 304 (Burwell St), and SR 310 (Kitsap Way) as Highways of Statewide Significance (HSS), with a minimum LOS D standard. The WSDOT designates SR 303 (Warren Ave) as a non-HSS route with a minimum LOS E/Mitigated standard, meaning that congestion should be mitigated when peak hour LOS falls below LOS E.</td></tr><tr><td>Sewer/Wastewater</td><td>Manage the City-owned municipal sewer system in compliance with the requirements of the City's National Pollutant Discharge Elimination System (NPDES) permit which establishes the requirements for collection and treatment of the City's wastewater discharge</td></tr><tr><td>Stormwater Management</td><td>Manage the City-owned municipal separate storm sewer system in compliance with the requirements of the Western Washington Phase II Municipal Stormwater Permit and ensure land development is in compliance with the City's Stormwater Management code.</td></tr><tr><td>Water</td><td>150 gallons per equivalent residential unit for average daily demand, and 300 gallons per equivalent residential unit maximum day demand.</td></tr><tr><td>Public Buildings</td><td>Amount necessary to maintain current space without adding capacity; future planning 1,600 square feet per 1,000 population.</td></tr></table>	Exhibit CSA-3: Bremerton Level of Service Standards		Capital Facility/Service	2024-2044 Level of Service	Fire and Emergency Services	Bremerton Fire Department has an adopted LOS of 6.0 minutes response time.	Law Enforcement Services	1.8 police personnel per 1,000 population. 250 square feet per officer	Parks	The 2020 Parks, Recreation and Open Space (PROS) Plan reflects the City's Level of Service Standard by adopting the 10-Minute Walk Campaign of National Recreation and Park Association (NRPA) standards.	Streets/Transportation	The Transportation Element established a minimum level-of-service (LOS) standard of LOS E for City roadways. Minimum LOS standards for State routes are established by the Washington State Department of Transportation (WSDOT). WSDOT designates SR 3, SR 304 (Burwell St), and SR 310 (Kitsap Way) as Highways of Statewide Significance (HSS), with a minimum LOS D standard. The WSDOT designates SR 303 (Warren Ave) as a non-HSS route with a minimum LOS E/Mitigated standard, meaning that congestion should be mitigated when peak hour LOS falls below LOS E.	Sewer/Wastewater	Manage the City-owned municipal sewer system in compliance with the requirements of the City's National Pollutant Discharge Elimination System (NPDES) permit which establishes the requirements for collection and treatment of the City's wastewater discharge	Stormwater Management	Manage the City-owned municipal separate storm sewer system in compliance with the requirements of the Western Washington Phase II Municipal Stormwater Permit and ensure land development is in compliance with the City's Stormwater Management code.	Water	150 gallons per equivalent residential unit for average daily demand, and 300 gallons per equivalent residential unit maximum day demand.	Public Buildings	Amount necessary to maintain current space without adding capacity; future planning 1,600 square feet per 1,000 population.	Alterations requested by Council, revisions anticipated at the 5/28 Study Session
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Public Buildings	Amount necessary to maintain current space without adding capacity; future planning 1,600 square feet per 1,000 population.																						

2) OTHER POLICY CHANGE REQUESTS			
3	Denise Frey Parks	Add language to the Comprehensive Plan supporting additional park facilities in the north end of District 2.	Alterations requested by Council, revisions anticipated at the 5/28 Study Session
4	Anna Mockler Environment Element	<p>Proposed revised Vision of Environmental Element: “Conserve and enhance natural resources, critical areas, water quality/quantity, and environmental amenities while planning for and accommodating sustainable growth”</p> <p>Staff Supplemental Information: Existing Vision of Environmental Element:</p>	Alterations requested by Council, revisions anticipated at the 5/28 Study Session

		<p>“Protect Bremerton’s natural environment by meeting the needs of today’s citizens without compromising the needs of future generations.”</p> <p>KRCC Countywide Planning Policies reference: NE-3 The County and the Cities will conserve and enhance the County’s natural resources, critical areas, water quality/quantity, and environmental amenities while planning for and accommodating sustainable growth by:</p> <ul style="list-style-type: none">a. Protecting critical areas (wetlands, aquifer recharge areas, fish and wildlife habitat conservation areas, frequently flooded areas, steep slopes, and geologically hazardous areas). They should also consider other environmental amenities.b. Establishing and implementing Best Management Practices to protect the long-term integrity of the natural environment, adjacent land use, and the productivity of resource lands.c. Establishing procedures to preserve significant historic, archaeological, and cultural resources.d. Encouraging the use of environmentally sensitive development practices to minimize the impacts of growth on the County’s natural resource systems.e. Protecting and enhancing the public health and safety and the environment for all residents, regardless of social or economic status, by reducing pollutants, as defined by WA State and federal law.f. Working together to identify, protect, and restore networks of natural habitat areas and functions that cross jurisdictional boundaries.g. Protecting and enhancing ecosystems that support Washington State’s Priority Habitat and Species as identified by the Washington Department of Fish and Wildlife.h. Incorporating and incentivizing anti-displacement tools and policies.i. Ensuring accessibility of green spaces for people of all abilities and transportation methods.j. Working together to preserve, restore, and reduce impacts on natural systems, including the Salish Sea, wildlife and salmon, and water quality of Kitsap County’s watersheds and ecosystems.	
5	Anna Mockler Environment Element	<p>Proposed revised Policy in Environmental Element: NE-8 Develop policies and actions to address climate change.</p> <p>Staff Supplemental Information: Existing Environmental Element Policy: NE-8 Consider policies and actions to address climate change.</p>	Alterations requested by Council, revisions anticipated at the 5/28 Study Session. NOTE: NE-8 is a KRCC CPP and not currently in the Comprehensive Plan. Revisions limited to adding this information in the KRCC section of Environmental Element.

3) FUTURE ZONING CODE AMENDMENTS			
6	Jane Rebelowski Parking	<p>I am in favor of removing all parking minimums throughout the city.</p> <p>Staff Supplemental Information: See May 19, 2025 Planning Commission Packet</p>	Planning Commission action anticipated May 19, 2025
7	Denise Frey Parking	<p>Favors market-based parking standards for Harrison Heights Subarea Plan.</p> <p>Staff Supplemental Information: See May 19, 2025 Planning Commission Packet</p>	Planning Commission action anticipated May 19, 2025
8	Anna Mockler DCC Development	<p>Amend zoning & take other actions to encourage development near DCCs. How can we offer incentives to developers to build multi-family immediately adjacent to DCCs?</p> <p><u>5/15 Comment:</u> Restrictive zoning within 10-minute walkfield of “Centers” for residential use with commercial on ground floor (as at St V dePaul project), with at least 50% of housing at 60-80% AML. Specifically, the empty parking lots behind the U-Haul at Wycoff and 6th St / Kitsap Way.</p>	Item will added to future planning efforts (bullpen)
9	Anna Mockler Development Patterns	Discourage McMansions with wide sidewalks and few common areas replacing mature forest in car-dependent settings	No action requested by Council
10	Anna Mockler Development Patterns	Require Council approval for all proposed structures >35 feet high.	No action requested by Council
11	Anna Mockler Neighborhood Business	Neighborhood business districts should have the same requirement for public access that DCC	No action requested by Council
12	Anna Mockler Tree Canopy	<p>Central Bremerton has very little canopy. For equity’s sake, provide central Bremerton – especially low-income neighborhoods – with real shade trees. Plant them along streets, in parks, in parking lots, in public areas. Post 3-5 year bonds on contractors who install, to ensure they live.</p> <p>“Consider vegetation selection” is not a strong mandate. Our BMC 20.50, our PROS plan, and others, all call for focus on native vegetation. Replace with “Plant native or nearby trees with maximum heights >40 feet”.</p> <p>Staff Supplemental Information:</p> <p>See Planning Commission 4/21/25 Packet, New Business, Landscaping Code, Critical Areas Ordinance, Shoreline Master Program to be updated in 2nd half of 2025</p>	Planning Commission review 2nd half of 2025

13	Anna Mockler Priority Habitat & Species	1) “Species of local importance” are mentioned as an option. How is this option exercised? 2) Priority Habitat & Species Map Make sure we’re consistent with Kitsap County, which has reportedly revised Priority Habitat & Species to include beaver habitat, e.g., Pendergast’s beaver/otter wetland. Final draft hasn’t come out yet.	Planning Commission review 2nd half of 2025
		Staff Supplemental Information: Habitats & Species of Local Importance BMC 20.14.720(f) See Planning Commission 4/21/25 Packet, New Business, Landscaping Code, Critical Areas Ordinance, Shoreline Master Program to be updated in 2nd half of 2025	

4) INFORMATION/ANALYTICS			
14	Jane Rebelowski Police Positions	The math appears to be incorrect on positions in Police Department. Section 3.21 states 81 positions budgeted but listed are only 77 positions.	No action requested by Council
		Staff Supplemental Information: Point in time jobs information, all positions were not filled	
15	Anna Mockler Greenhouse Gas Emissions	Requests more information on GHG emissions, what has helped reduce them, and potential mitigation measures [1] Kitsap County Communitywide Geographic Greenhouse Gas Emissions 8/2022 Page 6 -- Total GHG emissions in 2019 increased 16% compared to the last inventory year (2015; Figure 22). The largest GHG emissions sources are building electricity (~36%), onroad transportation (~19%), and tree loss (~17%) (Figure 11, Figure 33).	No action requested by Council
		Staff Supplemental Information: See Environmental Appendix HB 1181 new climate change and resiliency element required by 2029	
16	Anna Mockler Shoreline Management Program	Shoreline Master Program, p.22. We’ve had these goals for a long time. Please give us an assessment of how well they’ve succeeded since the last Comp Plan. How did the 2021 amendment, allowing rebuilding to existing footprint, regardless of height or nearness to critical shoreline processes, serve to protect our shorelines of statewide significance? Please update us about the work the City has done to provide opportunities for the general public to have access to enjoying shorelines. Where are the separate maps included in the SMP?	Planning Commission review 2nd half of 2025
		Staff Supplemental Information: See Planning Commission 4/21/25 Packet, New Business, Landscaping Code, Critical Areas Ordinance, Shoreline Master Program to be updated in 2nd half of 2025	
17	Anna Mockler Mapping Scale	1) Can’t see central Bremerton well on any of these maps. Are there larger or interactive maps somewhere? At this scale, there are no wetlands in central Bremerton, no frequently-flooded areas, etc. Where are these maps from? When are they from? Who supplied the definitions of text to the left of each map? 2) Frequently Flooded Areas Map Only visible 100-yr flood plain at this scale is near Gorst.	Revisions will be presented at the 5/28 Study Session. Revisions are limited to updating mapping to include sources.
		Staff Supplemental Information: Interactive map available Kitsap County Parcel Search Map Data Sources: Washington Geological Survey, Washington State Department of Natural Resources, Washington State Department of Fish & Wildlife, and Kitsap County Open Data GIS	
18	Anna Mockler Geologic Hazards	Geologically Hazardous Areas Map Both the KCCGGGE (2022) and the KCCRS (2020) discuss the increased risk of landslides with the increase of extreme rain events. Major landslides this year in Alaska – with no historic precedent -- are just one result of extreme events resulting from climate crisis. Make sure we’re using most up to date geologic research before issuing land use permits on slopes. Our climate has changed dramatically.	Planning Commission review 2nd half of 2025
		Staff Supplemental Information: See Planning Commission 4/21/25 Packet, New Business, Landscaping Code, Critical Areas Ordinance, Shoreline Master Program to be updated in 2nd half of 2025	
19	Anna Mockler Multifamily Housing LDR	Amend zoning to permit 3-story residential multi-family infill in LDRs (low-density residential areas). Currently, these are not permitted in low-density residential areas. This is exactly where they would fit well, especially where they bring sidewalks in their permitting requirements. The photo of the house in Bellevue in our district digests should serve as a model for this kind of infill housing.	No action requested by Council

5) ADDITIONAL COMMENTS RECEIVED			
20	Anna Mockler Citizen/Resident	Throughout: change “citizen” to “resident”; change “citizens” and “citizenry” to “residents”.	Revisions will be presented at the 5/28 Study Session
21	Anna Mockler Neighborhood Centers	Manette is now the only Neighborhood Center (p.20)?? Why were other Neighborhood Centers left out?	No action requested by Council
22	Anna Mockler Urban Forest	Establish programs and policies that maintain and increase forests and vegetative cover (ibid.) Where are such policies? What specific actions is COB taking to “support continued planting of Bremerton’s urban forest...” (p.79, E1-P) How do we assess increase or maintenance of our “urban forest”?	Revisions will be presented at the 5/28 Study Session limited to referencing future

			adoption of Utility Land Management Plan.
23	Anna Mockler Annual Review	(E-1 (H)) Protect critical areas, habitat and the natural environment through land use plans, surface water and stormwater management plans and programs, comprehensive park plans, development regulations and site-specific project review. <u>Annually review specific development regulations as used by Permit Technicians to ensure that the regulations fulfil this intent.</u>	No action requested by Council
24	Anna Mockler Multifamily Housing LDR	(EA-6). Bremerton’s western portion contains forested areas and undeveloped lands, including watersheds (Union River, Gorst Creek, Anderson Creek, <u>Wright Creek</u>), which support a high diversity of species. These forests, typically second-growth mixed conifer and deciduous, are home to amphibian species like the tailed frog and Pacific giant salamander, as well as various small mammals (e.g., <u>otters</u> , <u>beavers</u> , shrews, moles, flying squirrels, tree voles).	Revisions will be presented at the 5/28 Study Session
25	Anna Mockler Multifamily Housing LDR	Ensure that limited-equity housing cooperatives are legal in Bremerton, as they are in Bainbridge etc.	No action requested by Council
26	Anna Mockler Council Permit Approval	Require Council approval, per BMC 26.02.040(d) for all permit applications for: FC (Freeway Corridor) zones; drive-throughs; gas stations; buildings >35 ft high.	No action requested by Council
27	Anna Mockler Speed Limits	TRANSPORTATION ELEMENT Citywide – Maximum speed in City is 30mph. Lower all 35 mph to 30mph; 30mph to 25mph; all 25mph to 20mph No right turn on red All bicycle lanes to be protected Level of stress to be considered equivalent importance to level of service when evaluating traffic flow, road channelization, etc.	No action requested by Council
28	Anna Mockler Multifamily Housing LDR	District Six – A) Traffic calming on 13th St between Wycoff and Kitsap Way: Create dedicated Nbound lane on Kitsap Way at Callow – move up from Tier 3 and actively seek funding, AND Block Kitsap Way at 13th and at Corbett (as done on 11th St near High School) to prevent left-hand turns from Ebound lanes, AND Make one-way westbound, with current eastbound lane as 10 mph “shared street”, OR Add speed humps on eastbound lane, OR Reclaim about 12’ of ROW from property owners on N side of 13th for sidewalks, at very high cost, OR Some other specific, spelled-out method of making this street safe for kids to walk to school and adults to walk to work, restaurants, etc. B) Four-way stop at blind intersection of 15th & Lafayette, with marked crosswalk C) No Left Turn signs at Kitsap Way at 13th St and at Corbett. Map apps often tell drivers to make this left; signage would eliminate this dangerous suggestion.	No action requested by Council

From: Marianne Weber <marianne@elevatedservices.com>
Sent: Tuesday, May 13, 2025 9:30 PM
To: City Council <City.Council@ci.bremerton.wa.us>
Cc: Wes Larson <wes@soundwestgroup.com>
Subject: MFTE Lender Opinion

Good Evening City Council,

I was asked to pass along a letter from one of our many lenders here at Sound West Group. They are real estate investors, lenders, and partners in the Puget Sound Region. The MFTE program helps new construction secure more favorable terms in the lending phase, which assists with making the project viable, raising the required equity, and having a better loan to value option. If interested, Wes Larson, CEO of Sound West Group, would be happy to walk through creating a pro forma for a new construction build and showing how the MFTE lever changes the metrics to make a project viable. We have one project that wouldn't move forward without the program, period. Thank you for your time and consideration.





Kindest Regards,

Marianne Weber

Principal | VP Development, Property Management, CAM
SOUND WEST GROUP | ELEVATED PROPERTY SERVICES

*My working day may not look like your working day.
Please don't feel obligated to reply to this e-mail outside of your normal working hours.
Thank you!*



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Bremerton WA 98337
 soundwestgroup.com



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IMPORTANT TAX INFORMATION: To insure compliance with U.S. Treasury Department regulations, we advise you that, unless otherwise expressly indicated, any federal tax advice contained in this correspondence was not intended or written to be used, and cannot be used, for the purpose of: (i) avoiding tax-related penalties under the Internal Revenue Code of 1986, as amended, or applicable state or local tax law provisions; or (ii) promoting, marketing or recommending to another party any tax-related matters addressed herein.



HAL

May 13, 2025

Bremerton City Council
345 6th St., Suite 100
Bremerton, WA 98337

Re: Recommended Continuance of MFTE Program

Dear Members of the Bremerton City Council,

It has come to our attention that the City is considering terminating the Multifamily Tax Exemption (MFTE) Program in Bremerton. We strongly oppose this proposal, as the program serves as a vital incentive to foster development through tax abatement.

Bremerton, as a tertiary market, relies heavily on such incentives to stimulate growth and attract investment. As is widely understood, development costs have escalated significantly in recent years. Today, the cost to build in Bremerton is comparable to that in Seattle. However, investors demand higher risk-adjusted returns for projects in tertiary markets, which programs like the MFTE help facilitate.


HAL has been an active real estate investor in the Puget Sound region since 1993. Over the past decade, we have invested approximately \$500 million across 24 projects, with a total value of around \$2 billion. While headquartered in Seattle, we operate as a subsidiary of a large public company with an estimated market capitalization of approximately \$10 billion. This structure allows us to close transactions swiftly and with considerable flexibility. Notably, we do not raise outside equity; all investments are funded solely from our own balance sheet.

We believe supporting the MFTE program is crucial to ensuring Bremerton remains an attractive market capable of continuing its growth trajectory. We urge you to reconsider any plans to eliminate this important policy tool.

Thank you for your attention to this matter. We appreciate your commitment to fostering a vibrant and prosperous Bremerton.

Sincerely,

HAL Real Estate Inc.

By: 
Name: Roger Long
Its: Vice President
Date: 5/13/2025

HAL Real Estate Inc.

2025 First Avenue, Suite 700 • Seattle, WA 98121 • t 206.448.5080 • www.halrealestate.com

AGENDA BILL
CITY OF BREMERTON
CITY COUNCIL

A6

SUBJECT:

Proposed 6-Month Moratorium for New
Applications for the Bremerton Multi-Family
Tax Exemption (MFTE) Program

Study Session Date: May 14, 2025

COUNCIL MEETING Date: _____

Department: City Council

Presenter: Jane Rebelowski

Phone: (360) 473-5280

SUMMARY: A discussion to consider a temporary suspension of new applications for the MFTE program in Bremerton for six months, allowing for a comprehensive evaluation of its fiscal impact and effectiveness—particularly regarding tax exemptions granted to market-rate units.

This proposal is in response to the *2025-2026 Council Goals & Priorities*:

8. Housing Equity

- ii. Continue to evaluate and adopt regulations that foster the development of housing for low income and support creation of “missing middle” housing
- iii. Review Multi-Family Tax Exemption Policy

ATTACHMENTS: 1) Summary 2) Draft Ordinance 3) Email from Department of Community Development with Project and Rent Limits 4) Email from Kitsap County with Market and Value Analysis 5) Email from Department of Community Development with Project & Application List 6) Ordinance No. 5463 adopted 11/2/22

FISCAL IMPACTS (Include Budgeted Amount): TBD

STUDY SESSION ACTION: ☐ Consent Agenda ☐ General Business ☐ Public Hearing

RECOMMENDED MOTION:

Move to approve Ordinance No. _____ authorizing a 6-month moratorium on new applications to the Multi-Family Tax Exemption Program.

COUNCIL ACTION: ☐ Approve ☐ Deny ☐ Table ☐ Continue ☐ No Action

Six-Month Moratorium Plan: Bremerton Multifamily Tax Exemption (MFTE)

Objective

To temporarily suspend new applications for the MFTE program in Bremerton for six months, allowing for a comprehensive evaluation of its fiscal impact and effectiveness—particularly regarding tax exemptions granted to market-rate units.

Background

The MFTE program offers property tax exemptions to developers building or rehabilitating multifamily housing. An 8-year exemption is granted for market-rate units, while a 12-year exemption requires 20% of units to be affordable.

Recent data and reports indicate:

- The 8-year (no affordability requirement) is disproportionately favored.
 - The 12-year exemption with affordability requirements is underutilized.
 - The program may be increasing tax burdens on other residents due to foregone revenue from exempted properties.
-

Implementation Plan

1. Moratorium Ordinance

- Adopt a six-month moratorium on new MFTE applications.
- Exclude projects already approved or under construction.
- Justify as a pause to determine whether tax exemptions for market-rate housing benefit the public.

2. Evaluation Task Force

- Composed of city staff, developers, and community reps (51% of the total committee).
- Charged with assessing the program's costs, affordability impact, and alignment with city housing goals.

3. Data & Fiscal Analysis

- Total property tax revenue lost due to MFTE exemptions over the past 5 years.
- Number of market-rate vs middle income housing units created.

- Estimate of how much additional property tax has been shifted to other taxpayers.

4. Public Input

- Host town halls and listening sessions.
- Survey renters, homeowners, and housing advocates on perceived impacts.

5. Deliverable

- A full report by the end of the moratorium with recommendations:
 - Reform or repeal of the MFTE program.
 - Shift toward programs with more binding affordability guarantees.
 - Clear metrics for evaluating public benefit of tax incentives.

Sources & References

- City of Bremerton MFTE Program Overview:
<https://www.bremertonwa.gov/280/MFTE>
 - Kitsap Affordable Housing Recommendations Report:
<https://www.bremertonwa.gov/DocumentCenter/View/8503/Kitsap-Bremerton-Affordable-Housing-Study---Appendix-A-PDF>
 - RCW 84.14 – Multifamily Property Tax Exemption:
<https://app.leg.wa.gov/RCW/default.aspx?cite=84.14>
 - Bremerton City Council meeting packets and budgets (for estimating tax shift impact):
<https://www.bremertonwa.gov/AgendaCenter>
-

ORDINANCE NO.

AN ORDINANCE of the City Council of the City of Bremerton, Washington, authorizing a 6-month moratorium on new applications to the Multi-Family Tax Exemption (MFTE) Program.

WHEREAS, The MFTE program offers property tax exemptions to developers building or rehabilitating multifamily housing. An 8-year exemption is granted for market-rate units, while a 12-year exemption requires 20% of units to be affordable.

WHEREAS, Recent data and reports indicate: The 8-year (no affordability requirement) is disproportionately favored. The 12-year exemption with affordability requirements is underutilized. The program may be increasing tax burdens on other residents due to foregone revenue from exempted properties.

WHEREAS, a temporary suspension of new applications will allow for a comprehensive evaluation of its fiscal impact and effectiveness, particularly regarding tax exemptions granted to market-rate units.

NOW THEREFORE;

THE CITY COUNCIL OF THE CITY OF BREMERTON, WASHINGTON, DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Recitals. The recitals set forth above are hereby adopted and incorporated as set forth herein in full.

SECTION 2. Moratorium. The Bremerton City Council does hereby declare a moratorium on the acceptance of new applications to the Multi-Family Tax Exemption Program. During said moratorium, no application will be accepted for this purpose within the City of Bremerton.

SECTION 3. Pending Applications. Substantially completed applications, filed and accepted by the City for the Multi-Family Tax Exemption Program, shall not be affected by this moratorium.

SECTION 4. Duration. The moratorium established herein shall be for a period of six months from adoption, unless extended as provided by law, subject to a public hearing being held ____days from adoption if the City Council does not make findings of fact justifying the moratorium during a public hearing(s) held within that time period. This moratorium may also be terminated earlier by motion of the City Council.

SECTION 5. Severability. If any one or more sections, subsections, or sentences of this ordinance are held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portion of this ordinance and the same shall remain in full force and effect.

SECTION 6. Effective Date. This ordinance shall take effect and be in force on _____.

PASSED by the City Council the _____ day of _____, 2025.

ERIC YOUNGER, Council President

Approved this _____ day of _____, 2025.

GREG WHEELER, Mayor

ATTEST:

APPROVED AS TO FORM:

City Clerk

KYLIE J. FINNELL, City Attorney

PUBLISHED the _____ day of _____, 2025.

EFFECTIVE the _____ day of _____, 2025.

ORDINANCE NO. _____

From: Kelli Lambert <Kelli.Lambert@ci.bremerton.wa.us>
Sent: Friday, April 4, 2025 3:07 PM
To: Jeff Coughlin <Jeff.Coughlin@ci.bremerton.wa.us>
Cc: City Council <City.Council@ci.bremerton.wa.us>; Greg Wheeler <Greg.Wheeler@ci.bremerton.wa.us>; Andrea Spencer <Andrea.Spencer@ci.bremerton.wa.us>
Subject: RE: MFTE Info for PFIP Committee

Councilman Coughlin,
The MFTE information you requested is attached.

The table lists projects currently receiving MFTE, projects approved but not yet completed, and the one application that is in review (for the Spyglass Hill Apartments 12 Year Extension).

The separate document shows the rent limits for Low- and Moderate-Income households. These are based on 2024 Area Median Income (AMI), the HUD site has not yet updated AMI for 2025.

Please me know if I can answer any questions about this.

Best,

Kelli Lambert

Senior Planner
City of Bremerton | 345 6th Street | Bremerton, WA 98337
Physical Location: Suite 600 | Mailing: Suite 100
360.473.5245
Kelli.Lambert@BremertonWA.gov

*****If you would like to contact the Department of Community Development please email dcdpermits@ci.bremerton.wa.us, or individual staff members from our [DCD Staff Directory](#), you may also call our main line 360-473-5275. For a complete list of all City staff please visit the [City Staff Directory](#) page. The initial information you provide will help determine how best to assist you, whether that is through a phone call, email, virtual meeting, or onsite visit.*****

From: Andrea Spencer <Andrea.Spencer@ci.bremerton.wa.us>
Sent: Wednesday, March 26, 2025 9:41 AM
To: Jeff Coughlin <Jeff.Coughlin@ci.bremerton.wa.us>
Cc: Mike Riley <Mike.Riley@ci.bremerton.wa.us>; City Council <City.Council@ci.bremerton.wa.us>; Greg Wheeler <Greg.Wheeler@ci.bremerton.wa.us>; Kelli Lambert <Kelli.Lambert@ci.bremerton.wa.us>
Subject: Re: MFTE Info for PFIP Committee

Hi Jeff -

We can pull together the data for the first two items (buildings/units that fall under the MFTE program, and the HUD low & middle-income rates), and we should be able to get you the information by Friday April 4th. We don't track the data for the ad valorem tax exemption rates, that'll have to be obtained through the KC Assessor.

Andrea

From: Jeff Coughlin
Sent: Tuesday, March 25, 2025 8:38 PM
To: Andrea Spencer
Cc: Jane Rebelowski; Michael Goodnow; Mike Riley
Subject: MFTE Info for PFIP Committee

Hi Andrea,

At the next PFIP meeting on April 22 we will be diving into the MFTE program, and were hoping to get ahead of time the following data if possible.

- The buildings (and units in each) that fall under the MFTE program, including:
 - How how many fall under the 8, 12, and 20 year MFTE.
 - For the 12 and 20 year MFTE, how many are designated low and how many middle income.
 - When each building (and # of units) is dropping off the MFTE program.
- What is the current low- and middle-income rates?
 - (Knowing this is based on county-wide median income, and we could apply a Bremerton factor.)
- What is the current ad valorem tax exemption for each building (and # of units)?
 - We may be able to look this up via county assessor as well if the city doesn't have it.

I will also be working with building owners to get the current market-rate rents, but if the city had any data on that, greatly appreciated.

Anything else you think may be helpful is also greatly appreciated, and happy to chat on the phone if anything isn't clear or I may have misstated anything.

Thanks!

Jeff

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This e-mail and further communication may be subject to public disclosure, if requested under the Washington Public Records Act (RCW 42.56).

MULTIFAMILY TAX EXEMPTIONS

PROJECT	MFTE PERIOD	UNIT COUNT	# of AFFORDABLE UNITS	EXEMPTION PERIOD	STATUS
CURRENTLY RECEIVING MULTIFAMILY TAX EXEMPTION					
Spyglass Hill 646 Highland Avenue	8	80	N/A	2018 - 2025	
B Flats 252 4 th St.	8	27	N/A	2019 - 2026	
Ambrose (Bay Vista) 4520 Bay Vista Blvd	8	216	N/A	2021 - 2028	
1010 Burwell Apts 1010 Burwell St	8	25	N/A	2023 - 2030	
Marina Square 280 Washington Ave	8	270	N/A	2023 - 2030	
Blue Ridge Apts, Phase I 1911 NE Riddell Rd	8	193	N/A	2025 - 2032	
606 Apartments 606 Burwell	12	71	15	2016 - 2027	14 Low, 1 Moderate
Harborside Flats 240 Burwell	12	56	12	2022 - 2033	6 Low, 6 Moderate
The Sage Apartments 2090 Wheaton Way	12	28	25 (6 required)	2025 - 2036	All units currently rent for \$1280 (all affordable to Low Income)
PROJECTS APPROVED, NOT YET COMPLETED					
Narrows at Clare Townhomes 2745 Clare Avenue	8	16	N/A	2026-2033	Conditional approval expires 10/1/2027
Broadmoor Commons Constellation Loop	8	33	N/A	TBD	Conditional approval expires 5/7/2027
Blue Ridge Apts, Phase II (address) Riddell Rd	8	130	N/A	TBD	Conditional certificate not yet issued (Under Construction)
APPLICATIONS IN REVIEW					
Spyglass Hill Apts 646 Highland Avenue	12	80	16	2026 - 2037	12 Year Extension: Contract in Review

Multifamily Tax Exemption

Income Levels and Rent Limits for Affordable Units

Table 1. HUD Income Levels for the Bremerton-Silverdale MSA				
	1 Person	2 Person	3 Person	4 Person
Area Median Income (AMI) 2024	\$83,821	\$95,760	\$107,761	\$119,700
Moderate = 115% of AMI	\$96,394	\$110,124	\$123,925	\$137,655
Low = 80% of AMI	\$67,050	\$76,600	\$86,200	\$95,750

Table 2. Rent Limits for Affordable Units*				
Based on 2024 AMI Bremerton-Silverdale MSA				
	1 Person	2 Person	3 Person	4 Person
Moderate = 115% of AMI	\$2,410	\$2,753	\$3,098	\$3,441
Low = 80% of AMI	\$1,676	\$1,915	\$2,155	\$2,394
*Including utility costs				

From: Shannon Lewis <SLewis@kitsap.gov>
Date: April 16, 2025 at 11:01:25 AM PDT
To: Jane Rebelowski <Jane.Rebelowski@ci.bremerton.wa.us>
Cc: Holly Becksted <hbecksted@kitsap.gov>
Subject: RE: MFTE City of Bremerton

Good morning, Jane

I have included Holly Becksted in on this response.
Holly replaced me as the Levy Specialist a few years ago when I was promoted as the Administrative Supervisor.
It's possible that I may be retired by this time next year, so I want to make sure she is familiar with the information you are seeking.

I believe the three attachments will contain the information you requested.

The Excel file includes the properties that have been approved for the multi-family tax exemption.

The market value as well as the taxable value is shown.

The taxable value is the amount that is not exempt and is the value that the properties are paying taxes on.

There is an estimate of the amount that would have been paid if there was no exemption.

This was done by taking the Estimated Rate with No Exemption and applying it to the total market value. (Rate X .Market Value / 1,000)

The Estimate Rate is about 0.207 lower than the actual combined rates for 2025.

Most of the exempt properties are in tax code 0010. One is in tax code 0060, which includes all the listed tax districts under 0010 except the Port of Bremerton.

Tax codes reflect the consolidation of tax districts that serve the same property owners.

We apply the tax code to each property that is served by the same tax districts.

This allows us to apply one consolidated rate to these properties.

I included the affected tax districts and their levy rate under tax code 0010. Then I included the percentage of the individual levy rates from the total (consolidated) rate.

The PDF attachment is a report with the same rates for tax codes 0010 and 0060. The reports show the factor for each levy rate which falls in line with percentages.

The second worksheet shows the estimated levy rate property owners in tax codes 0010 and 0060 would have paid if the properties were taxable.

I come up with tax rates about 0.207 lower if the properties were fully taxable.

As in the case with any exemption, taxes not paid by exempt properties are shifted to nonexempt properties.

The estimated shift of property taxes to a single-family residence in the City of Bremerton, using the 2025 median assessed value of 386,340, is 79.97.
(386,340 X 0.207 / 1,000 = 79.97)

This is the final year of exemption for the Spyglass Apartments. They will be fully taxable for 2026.

There was a new exemption for the Wheaton Way Apartments for 2025.

This property sold February 21, 2025, to the Housing Authority of the City of Bremerton, which is a publicly owned entity, making the property fully exempt as of the date of sale.

If you have any questions or if I can be of further assistance, please let me know.

Shannon Lewis

Administrative Supervisor

Kitsap County Assessor's Office

slewis@kitsap.gov

(360) 337-7094

(360) 337-4874 fax

Office hours: Monday - Thursday 9AM - 4:00 PM & Fridays 9AM - 12:00 PM

From: Jane Rebelowski <Jane.Rebelowski@ci.bremerton.wa.us>

Sent: Wednesday, April 16, 2025 7:16 AM

To: Shannon Lewis <SLewis@kitsap.gov>

Subject: MFTE City of Bremerton

Hello Shannon,

Hope you are enjoying our beautiful weather! When you have time can you please provide me with the current properties in Bremerton city limits that are receiving the Multi Family Tax Exemption. Please include the "lost" tax revenue and the percentage changes that tax payers are shouldering. I appreciate your help.

Jane Rebelowski

Public Works Committee Chair

Finance Committee member

District 4 Councilor



Levies by Tax Code, Tax Status, and Tax District

Tax Code: 0010

Tax Year: 2025

Tax Status: T

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Wednesday April 16, 2025 7:50 AM

City?	Active?	Voted %	Rate	Dist #	Levy No	Levy Rate	Factor	Levy Name	Levy Type
Y	Y	36.38	8.816799	1000	00	0.583529	0.066184	COUNTY CURRENT EXPENSE	R
				1000	05	0.025000	0.002835	COUNTY MENTAL HEALTH	R
				1000	10	0.013000	0.001474	COUNTY VETERANS RELIEF	R
				1001	00	0.025936	0.002942	COUNTY CONSERVATION FUTURES	R
				8300	01	1.608711	0.182460	STATE SCHOOL PART 1	O
				8300	02	0.867343	0.098374	STATE SCHOOL PART 2	S
				8610	00	0.000000	0.000000	SCHOOL DIST NO 100 GENERAL	N
				8610	05	1.898943	0.215378	SCHOOL DIST NO 100 SPECIAL GENL	S
				8610	06	0.000000	0.000000	SCHOOL DISTRICT NO 100 CAPITAL PROJECTS	B
				8610	40	1.076675	0.122116	SCHOOL DIST NO 100 GO BOND	B
				8700	00	1.471078	0.166849	CITY OF BREMERTON	R
				8700	70	0.088168	0.010000	CITY OF BREMERTON BOND	B
				8700	80	0.144276	0.016364	CITY OF BREMERTON 10 GO REF	B
				8701	00	0.500000	0.056710	CITY OF BREMERTON EMS	E
				8800	00	0.195288	0.022150	PORT OF BREMERTON GENERAL	R
				8800	65	0.000000	0.000000	PORT OF BREMERTON LMT GO BOND	R
				8801	00	0.000000	0.000000	PORT OF BREMERTON IDD	R
				9301	00	0.044441	0.005040	PUBLIC UTILITY DIST NO 1 GENERAL	R
				9600	00	0.274411	0.031124	REGIONAL LIBRARY GENERAL	R



Levies by Tax Code, Tax Status, and Tax District

Tax Code: 0060

Tax Year: 2025

Tax Status: T

Page 1 of 1

Wednesday April 16, 2025 7:56 AM

City?	Active?	Voted %	Rate	Dist #	Levy No	Levy Rate	Factor	Levy Name	Levy Type
Y	Y	37.21	8.621511	1000	00	0.583529	0.067683	COUNTY CURRENT EXPENSE	R
				1000	05	0.025000	0.002900	COUNTY MENTAL HEALTH	R
				1000	10	0.013000	0.001508	COUNTY VETERANS RELIEF	R
				1001	00	0.025936	0.003008	COUNTY CONSERVATION FUTURES	R
				8300	01	1.608711	0.186593	STATE SCHOOL PART 1	O
				8300	02	0.867343	0.100602	STATE SCHOOL PART 2	S
				8610	00	0.000000	0.000000	SCHOOL DIST NO 100 GENERAL	N
				8610	05	1.898943	0.220256	SCHOOL DIST NO 100 SPECIAL GENL	S
				8610	06	0.000000	0.000000	SCHOOL DISTRICT NO 100 CAPITAL PROJECTS	B
				8610	40	1.076675	0.124882	SCHOOL DIST NO 100 GO BOND	B
				8700	00	1.471078	0.170629	CITY OF BREMERTON	R
				8700	70	0.088168	0.010227	CITY OF BREMERTON BOND	B
				8700	80	0.144276	0.016734	CITY OF BREMERTON 10 GO REF	B
				8701	00	0.500000	0.057994	CITY OF BREMERTON EMS	E
				9301	00	0.044441	0.005155	PUBLIC UTILITY DIST NO 1 GENERAL	R
				9600	00	0.274411	0.031829	REGIONAL LIBRARY GENERAL	R

Name	Account number	2025 Market Value	2025 Taxable Value	2025 Exempt Value	2025 Tax Rate	2025 Taxes	Estimated Rate With No Exemption	2025 Taxes If No Exemption Applied	Notes
606 Lorax Co	3718-014-001-0403	19,476,730	0	19,476,730	8.816799	0.00		8.608605	167,667.48
Spyglass Hill Apartments LLC	3712-002-001-0107	22,572,910	200,050	22,372,860	8.816799	1,763.80		8.608605	194,321.27 2025 Final Year of Exemption - Taxable for 2026
Sound West Quincy Square	8219-000-001-0009	8,094,090	0	8,094,090	8.816799	0.00		8.608605	69,678.83
Bay Vista	5597-000-012-0103	63,887,790	594,490	63,293,300	8.816799	5,241.50		8.608605	549,984.77
Burwell Subsidiary LLC	3718-007-009-0102	10,819,630	159,690	10,659,940	8.816799	1,407.95		8.608605	93,141.92
Marina Square (Sound West)	8222-000-001-0004	36,078,440	0	36,078,440	8.816799	0.00		8.608605	310,585.05
Marina Square (Sound West)	8222-000-002-0003	38,364,530	0	38,364,530	8.816799	0.00		8.608605	330,265.10
1010 Apartments LLC	3718-022-014-0104	5,827,630	165,110	5,662,520	8.816799	1,455.74		8.608605	50,167.77
Wheaton Way Apartments	3972-000-006-0309	6,393,060	262,750	6,130,310	8.816799	2,316.61		8.608605	55,035.33 Sold to Bremerton Housing Authority 2/21/2025
Sage Apartments	3967-001-017-0608	5,778,870	236,860	5,542,010	8.621511	2,042.09		8.415604	48,632.68 Tax Code 0060
Riddell/Almira Apartments-Phase 1	012401-2-195-2106	53,365,480	0	53,365,480	8.816799	0.00		8.608605	459,402.35
Totals		270,659,160	1,618,950	269,040,210		9,869.00		2,328,882.55	Estimated tax amount if fully taxable
								2,319,013.56	Estimated tax amount shifted to others

Tax Code 0010 District Levies	2025 Rate	% of Total Rate
County Current Expense	0.583529	6.62%
County Mental Health	0.025000	0.28%
County Veterans Relief	0.013000	0.15%
County Conservation Futures	0.025936	0.29%
State School Part 1	1.608711	18.25%
State School Part 2	0.867343	9.84%
School District 100 - Enrichment	1.898943	21.54%
School District 100 - Bond	1.076675	12.21%
City of Bremerton	1.471078	16.68%
City of Bremerton - Bond	0.088168	1.00%
City of Bremerton - Refund Bond	0.144276	1.64%
City of Bremerton EMS	0.500000	5.67%
Port of Bremerton	0.195288	2.21%
Public Utility District	0.044441	0.50%
Regional Library	0.274411	3.11%
Total Levy Rate	8.816799	100.00%

Tax Code 0060 District Levies	2025 Rate	% of Total Rate
County Current Expense	0.583529	6.77%
County Mental Health	0.025000	0.29%
County Veterans Relief	0.013000	0.15%
County Conservation Futures	0.025936	0.30%
State School Part 1	1.608711	18.66%
State School Part 2	0.867343	10.06%
School District 100 - Enrichment	1.898943	22.03%
School District 100 - Bond	1.076675	12.49%
City of Bremerton	1.471078	17.06%
City of Bremerton - Bond	0.088168	1.02%
City of Bremerton - Refund Bond	0.144276	1.67%
City of Bremerton EMS	0.500000	5.80%
Public Utility District	0.044441	0.52%
Regional Library	0.274411	3.18%
Total Levy Rate	8.621511	100.00%

From: Andrea Spencer <Andrea.Spencer@ci.bremerton.wa.us>

Sent: Tuesday, May 13, 2025 10:09 AM

To: City Council <City.Council@ci.bremerton.wa.us>

Cc: Eric Younger <eric.younger@ci.bremerton.wa.us>; Kylie Finnell <Kylie.Finnell@ci.bremerton.wa.us>; Greg Wheeler <Greg.Wheeler@ci.bremerton.wa.us>; Garrett Jackson <Garrett.Jackson@ci.bremerton.wa.us>; Kelli Lambert <Kelli.Lambert@ci.bremerton.wa.us>

Subject: Information Related to MFTE

Councilmembers -

In advance of the Council Study session tomorrow, and to assist with you with determining if a MFTE moratorium should be moved forward I thought that I would share a couple of resources with you:

1. The [Washington State Joint Legislative Audit & Review Committee \(JLARC\)](#) audited the MFTE program in 2019 and they published this report:

[JLARC Report](#)

[JLARC Report - Washington](#)

The law has a broad goal: increase multifamily housing, including affordable housing, in urban centers that need it. The Multifamily Housing Property Tax Exemption (MFTE) provides an 8- or 12-year property tax exemption on new, expanded, or updated multifamily housing. leg.wa.gov

As a result of this audit there were changes at the State level to the MFTE program to include more reporting measures so that future audits could produce more conclusive data to determine the results of the program. Bremerton has been submitting annual reports to the State since the inception of the program here locally.

2. If you would like to invite them, there is a staff member at the [Washington State Department of Commerce MFTE Program](#) that is available to jurisdictions to answer questions and we would be happy to reach out to them to see if they could attend a meeting with you. The website linked here contains a lot of good information about MFTE programs.

3. At the meeting last week a few Councilmembers inquired about which projects might be affected if a moratorium is enacted. Attached is a pdf that contains a list of the projects that are currently receiving the MFTE exemption, and those that are under construction (these would be unaffected by a moratorium). I believe that you've seen this portion of the list previously - what we've newly added to the list is our best estimate of the projects that are in development that are eligible to receive an exemption - these are the projects most likely to be affected by a moratorium. Please keep in mind that this last addition to the table is our best estimate, there may be other plans in development that we may not be aware of.

Andrea

Andrea L. Spencer, AICP

Director of Community Development

City of Bremerton

Office Location: 345 6th Street, Suite 600, Bremerton WA 98337

Mailing Address: 345 6th Street, Suite 100, Bremerton WA 98337

Voice 360.473.5283 | Fax 360.473.5278

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MULTIFAMILY TAX EXEMPTIONS – MAY 2025

PROJECT	MFTE PERIOD	UNIT COUNT	# of AFFORDABLE UNITS	EXEMPTION PERIOD	STATUS
CURRENTLY RECEIVING MULTIFAMILY TAX EXEMPTION					
Spyglass Hill 646 Highland Avenue Marianne Weber (Sound West)	8	80	N/A	2018 - 2025	Receiving exemption
B Flats 252 4 th St. Marianne Weber (Sound West)	8	27	N/A	2019 - 2026	Receiving exemption
Ambrose (Bay Vista) 4520 Bay Vista Blvd Sam Mullen (The Wolff Co.)	8	216	N/A	2021 - 2028	Receiving exemption
1010 Burwell Apts 1010 Burwell St Joseph Brotherton	8	25	N/A	2023 - 2030	Receiving exemption
Marina Square 280 Washington Ave Marianne Weber (Sound West))	8	270	N/A	2023 - 2030	Receiving exemption
Blue Ridge Apts, Phase I 1911 NE Riddell Rd David Dearth	8	193	N/A	2025 - 2032	Receiving exemption
606 Apartments 606 Burwell Crossbeam Investments	12	71	15	2016 - 2027	Receiving exemption
Harborside Flats 240 Burwell Redside Partners (Cassadee Erickson)	12	56	12	2022 - 2033	Receiving exemption
The Sage Apartments 2090 Wheaton Way Jennifer Kreidler-Moss (PCHS)	12	28	25 (6 required)	2025 - 2036	Receiving exemption (all units affordable to Low Income)
Narrows at Clare Townhomes 2745 Clare Avenue Will Mentor	8	16	N/A	2026-2033	Exemption begins 2026. Expected to be owner-occupied

MULTIFAMILY TAX EXEMPTIONS – MAY 2025

PROJECT	MFTE PERIOD	UNIT COUNT	# of AFFORDABLE UNITS	EXEMPTION PERIOD	STATUS
Spyglass Hill Apts 646 Highland Avenue Marianne Weber (Sound West)	12	80	16	2026 - 2037	12 Year Extension, begins 2026
Total Units Receiving Exemption:		1062			
PROJECTS APPROVED, NOT YET COMPLETED					
Broadmoor Commons Constellation Loop Kjell Lindberg (MTT)	8	33	N/A	TBD	Conditional approval expires 5/7/2027
Blue Ridge Apts, Phase II (address) Riddell Rd) David Dearth	8	130	N/A	TBD	Conditional certificate expired 12/26/2027
Total Units Approved for Exemption:		163			
APPLICATIONS ELIGIBLE					
Evergreen Pointe Sheldon Blvd Marianne Weber (Sound West)		123			Previously approved, conditional approval expired
Bay Bowl 2313 Wheaton Way Mark Goldberg		187			Previously approved, conditional approval expired
Bremerton Landing 4800 Prospector St. Austin Roupe		82			Building Permit in Review
Reyna View Mixed Use 2410 1 st St. Alex Mejia		14			Building Permit in Review
Wheaton Way Housing 2512 Wheaton Way Dale Sperling		52			Conversion of Office Space to Apts; Building Permit in Review
Harrison Heights Apartments 2520 Cherry Avenue Anna Thompson		336			Presubmittal Conference Held 4/9/25

MULTIFAMILY TAX EXEMPTIONS – MAY 2025

PROJECT	MFTE PERIOD	UNIT COUNT	# of AFFORDABLE UNITS	EXEMPTION PERIOD	STATUS
606 Apartments 606 Burwell Crossbeam Investments		71			Inquired re: 12 year extension (current MFTE ends 12/31/2027)
Total:		865			

ORDINANCE NO. 5463

AN ORDINANCE of the City Council of the City of Bremerton, Washington, amending certain provisions of Chapter 3.78 of the Bremerton Municipal Code related to relocation assistance to low-income households, adding a twenty (20) year exemption for permanent affordable housing, adding process for exemption extensions, and other administrative changes.

WHEREAS, exemptions from ad valorem property taxes for multifamily housing encourage increased residential opportunities within designated residential targeted areas, stimulate new construction and rehabilitation of existing buildings, assist in directing future population growth and helps to achieve development densities which are more conducive to transit use in designated residential targeted areas; and

WHEREAS, on October 4, 2006, the City Council of the City of Bremerton, Washington, passed Ordinance No. 4968 adopting Chapter 3.78 of the Bremerton Municipal Code (“BMC”) establishing exemptions from ad valorem property taxation for new multifamily housing in designated residential targeted areas of the City and established a residential targeted area for the Multifamily Tax Exemption (MFTE) within the Downtown Regional Center; and

WHEREAS, the City Council and State Legislature have frequently amended and updated the requirements and eligibility relating to multifamily tax exemptions and added additional target areas that align with the City’s Comprehensive Plan growth centers; and

WHEREAS, on May 3, 2021, the State Legislature passed E2SSB 5287 amending Chapter 84.14 RCW relating to multifamily tax exemptions; and

WHEREAS, the proposed revisions amend language relating to tenant displacement, add a twenty (20) year exemption, add a process for exemption extensions, and other administrative changes; and

WHEREAS, the proposed revisions to the requirements for the multifamily property tax exemption are allowed per Chapter 84.14 RCW; and

WHEREAS, on October 19, 2022, the public was notified by a legal advertisement in the Kitsap Sun of the opportunity to make comment and participate in the public hearing by the City Council; and

WHEREAS, on November 2, 2022, the City Council conducted a public hearing and considered all testimony; NOW THEREFORE;

THE CITY COUNCIL OF THE CITY OF BREMERTON, WASHINGTON, DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Recitals. The recitals set forth above are hereby adopted and incorporated as set forth herein in full.

SECTION 2. BMC 3.78.010 Amended. Section 3.78.010 of the Bremerton Municipal Code entitled "Purpose" is hereby amended to read as follows:

3.78.010 PURPOSE.

As provided for in Chapter 84.14 RCW, the purpose of this chapter is to provide limited exemptions from ad valorem property taxation for multifamily housing in designated residential targeted areas to:

- (a) Encourage increased residential opportunities, including affordable housing units, within areas of the City designated by the City Council as residential targeted areas; and/or
- (b) Stimulate new construction or rehabilitation of existing vacant and underutilized buildings for multifamily housing in designated residential targeted areas to increase and improve housing opportunities, including affordable housing; and
- (c) Assist in directing future population growth to designated residential targeted areas, thereby reducing development pressure on single-family residential neighborhoods; and
- (d) Achieve development densities which are more conducive to transit use in designated residential targeted areas.

SECTION 3. BMC 3.78.020 Amended. Section 3.78.020 of the Bremerton Municipal Code entitled "Definitions" is hereby amended to read as follows:

3.78.020 DEFINITIONS.

When used in this chapter, the following terms shall have the following meanings, unless the context indicates otherwise:

(a) "Affordable housing" means residential housing that is rented by a person or household whose monthly housing costs, including utilities other than telephone, do not exceed thirty (30) percent of the household's monthly income. For the purposes of housing intended for owner occupancy, "affordable housing" means residential housing that is within the means of low or moderate-income households.

(b) "Building codes" means the City and state building and fire codes as set forth in Chapters 17.04, 18.02 and 18.03 BMC.

(c) "City" means the City of Bremerton.

(d) "Department" means the City Department of Community Development.

(e) "Director" means the Director of the Department of Community Development, or designee.

~~(f) "High-cost area" means a county where the third quarter median house price for the previous year as reported by the Washington Center for Real Estate Research at Washington State University is equal to or greater than one hundred thirty (130) percent of the statewide median house price published during the same time period.~~

~~(fg)~~ "Household" means a single person, family, or unrelated persons living together.

~~(gh)~~ "Low-income household" means a single person, family, or unrelated persons living together whose adjusted income is at or below eighty (80) percent of the median family income adjusted for family size, for the county where the project is located, as reported by the

United States Department of Housing and Urban Development. ~~For cities located in high-cost areas, "low-income household" means a household that has an income at or below one hundred (100) percent of the median family income, adjusted for family size, for the county where the project is located.~~

(~~hi~~) "Moderate-income household" means a single person, family, or unrelated persons living together whose adjusted income is more than eighty (80) percent but is at or below one hundred fifteen (115) percent of the median family income adjusted for family size, for the county where the project is located, as reported by the United States Department of Housing and Urban Development. For cities located in high-cost areas, "moderate-income household" means a household that has an income that is more than one hundred (100) percent, but at or below one hundred fifty (150) percent, of the median family income adjusted for family size, for the county where the project is located.

(~~ij~~) "Multifamily housing" means a building having ten (10) or more dwelling units not designed or used as transient accommodations and not including hotels and motels. Multifamily units may result from new construction or rehabilitated or conversion of vacant, underutilized, or substandard buildings to multifamily housing.

(~~jk~~) "Multifamily property tax exemption" means an exemption from ad valorem property taxation for multifamily housing.

(~~kl~~) "Owner" means the property owner of record.

(~~lm~~) "Permanent residential occupancy" means multiunit housing that provides either rental or owner occupancy on a nontransient basis. This includes owner-occupied or rental accommodation that is leased for a period of at least one (1) month. This excludes hotels and motels that predominantly offer rental accommodation on a daily or weekly basis.

(~~mn~~) "Rehabilitation improvements" means modifications to existing structures that are vacant for twelve (12) months or longer that are made to achieve a condition of substantial compliance with existing building, fire, and zoning codes, or modification to existing occupied structures which increase the number of multifamily housing units.

(~~no~~) "Residential targeted area," also "residential target area," means the geographic area located within the areas set forth in Figures 3.78(a) through 3.78(g).

(~~op~~) "Substantial compliance" means compliance with all local building, fire and zoning code requirements, which are typically required for rehabilitation as opposed to new construction.

SECTION 4. BMC 3.78.040 Amended. Section 3.78.040 of the Bremerton Municipal Code entitled "Terms of the Tax Exemption" is hereby amended to read as follows:

3.78.040 TERMS OF THE TAX EXEMPTION.

(a) Duration of Exemption. The value of new housing construction, conversion, and rehabilitation improvements qualifying under this chapter is exempt from ad valorem property taxation, as follows:

(1) ~~For properties for which applications for certificates of tax exemption eligibility are submitted under this chapter before July 22, 2007, the value is exempt for ten (10) successive years beginning January 1st of the year immediately following the calendar year of issuance of the certificate; and~~

~~(2) — For properties for which applications for certificates of tax exemption eligibility are submitted under this chapter on or after July 22, 2007, the value is exempt:~~

~~(i) — For eight (8) successive years beginning January 1st of the year immediately following the calendar year of issuance of the certificate; or~~

~~(ii) — For twelve (12) successive years beginning January 1st of the year immediately following the calendar year of issuance of the certificate, if the property otherwise qualifies for the exemption under this chapter and meets the conditions in this subsection~~

~~(a)(2)(ii). For the property to qualify for the twelve (12) year exemption under this subsection, the applicant must commit to renting or selling at least twenty (20) percent of the multifamily housing units as affordable housing units to low- and moderate-income households, and the property must satisfy that commitment and any additional affordability and income eligibility conditions adopted by the local government under this chapter. In the case of projects intended exclusively for owner occupancy, the minimum requirement of this subsection (a)(2)(ii) may be satisfied solely through housing affordable to moderate-income households.~~

(1) — For eight (8) successive years beginning January 1st of the year immediately following the calendar year of issuance of the certificate; or

(2) — For twelve (12) successive years beginning January 1st of the year immediately following the calendar year of issuance of the certificate, if the property otherwise qualifies for the exemption under this chapter and meets the conditions in this subsection BMC 3.78.040(a)(2). For the property to qualify for the twelve (12) year exemption under this subsection, the applicant must commit to renting or selling at least twenty (20) percent of the multifamily housing units as affordable housing units to low- and moderate-income households, and the property must satisfy that commitment and any additional affordability and income eligibility conditions adopted by the local government under this chapter. In the case of projects intended exclusively for owner occupancy, the minimum requirement of this subsection BMC 3.78.040(a)(2) may be satisfied solely through housing affordable to moderate-income households. Low- and moderate-income household units shall be dispersed throughout the development and be apportioned among all unit types (ie. studio, single bedroom, double bedroom etc.) based on the number of each unit type to the extent feasible.

(3) — For twenty (20) successive years beginning January 1st of the year immediately following the calendar year of issuance of the certificate, if the property otherwise qualifies for the exemption under this chapter and meets the conditions in this subsection BMC 3.78.040(a)(3). To qualify for the exemption under this subsection, the applicant must commit to renting at least 20 percent of the dwelling units as affordable to low- and moderate-income households for a term of at least 99 years, and the property must satisfy that commitment and all required affordability and income eligibility conditions adopted by the City under this chapter. The applicant shall record a covenant or deed restriction that ensures the continuing rental of units subject to these affordability requirements consistent with the conditions in this subsection BMC 3.78.040(a)(3) for a period of no less than 99 years. The covenant or deed restriction must also address criteria and policies to maintain public benefit if the property is converted to a use other than which continues to provide for permanently affordable low- and moderate-income households consistent with this subsection BMC 3.78.040(a)(3). Low- and moderate-income household units shall be dispersed throughout the development and be apportioned among all unit types (ie. studio, single bedroom, double bedroom etc.) based on the number of each unit type to the extent feasible.

- (b) Limits on Exemption. The exemption does not apply:
- (1) To the value of land or to the value of nonhousing-related improvements not qualifying under this chapter.
 - (2) In the case of rehabilitation of existing buildings, to the value of improvements constructed prior to submission of the completed application required under this chapter.
 - (3) To increases in assessed valuation made by the Kitsap County Assessor on non-qualifying portions of building or other improvements and value of land nor to increases made by lawful order of a County board of equalization, the Department of Revenue, or Kitsap County, to a class of property throughout the County or specific area of the County to achieve the uniformity of assessment or appraisal required by law.
- (c) Conclusion of Exemption. At the conclusion of the exemption period, the new or rehabilitated housing cost shall be considered as new construction for the purposes of Chapter 84.55 RCW.

SECTION 5. BMC 3.78.050 Amended. Section 3.78.050 of the Bremerton Municipal Code entitled "Project Eligibility" is hereby amended to read as follows:

3.78.050 PROJECT ELIGIBILITY.

A proposed multifamily housing project must meet the following requirements for consideration for a property tax exemption:

(a) Location. The project must be located within a residential targeted area as defined in BMC 3.78.020 and as set forth in Figures 3.78(a) through 3.78(g).

(b) Tenant Displacement Prohibited. The project must not displace existing residential tenants of structures that are proposed for redevelopment. If the property proposed to be rehabilitated is not vacant, an applicant shall provide each existing tenant housing of comparable size, quality, and price and a reasonable opportunity to relocate.

(1) General Notification. The applicant shall provide each displaced household at least 12-month's moving notice, unless mutually agreed otherwise by household and applicant.

(2) Relocation Assistance. Low Income Households shall be provided the following:

(i) Assistance in securing housing of comparable size, quality, and price which meets the Housing and Urban Development's Uniform Physical Condition Standards or a similar standard acceptable to the City, and

(ii) First and last month expenses at the new housing location as defined above, and moving and relocating expenses as defined by the Department of Transportation Fixed Residential Moving Costs Schedule.

(c) Noncompliance with Building Codes. Existing dwelling units proposed for rehabilitation must fail to comply with one or more standards of the applicable State or City building codes.

(d) Size of Project. The new, converted, or rehabilitated multiple-unit housing must provide for a minimum of fifty (50) percent of the space for permanent residential occupancy. The project, whether new, converted, or rehabilitated multiple-unit housing, must include at least ten (10) units of multifamily housing within a residential structure or as part of an urban

development. In the case of existing multifamily housing that is occupied or which has not been vacant for twelve (12) months or more, the multifamily housing project must also provide for a minimum of four (4) additional multifamily units for a total project of at least ten (10) units including the four (4) additional units. Existing multifamily housing that has been vacant for twelve (12) months or more does not have to provide additional units.

(e) Proposed Completion Date. New construction of multifamily housing and rehabilitation improvements must be completed within three (3) years from the date of approval of the application.

(f) Compliance with Guidelines and Standards. The project must be designed to comply with the City's Comprehensive Plan, building, housing, and zoning codes, and any other applicable regulations. The project must also comply with any other standards and guidelines adopted by the City Council for the residential targeted area.

SECTION 6. BMC 3.78.070 Amended. Section 3.78.070 of the Bremerton Municipal Code entitled "Issuance of Final Certificate" is hereby amended to read as follows:

3.78.070 APPLICATION FOR CONDITIONAL CERTIFICATE.

The Director may certify as eligible an application which is determined to comply with the requirements of this chapter. A decision to approve or deny an application shall be made within ninety (90) calendar days of receipt of a complete application.

(a) Application. The Director may approve the application if he/she finds that:

(1) A minimum of ten (10) new units are being constructed or in the case of occupied rehabilitation or conversion within twelve (12) months of occupancy, a minimum of four (4) additional multifamily units for a total project of at least ten (10) units including the four (4) additional multifamily units are being developed.

(2) The proposed project is or will be, at the time of completion, in conformance with all applicable local plans and regulations.

(3) The owner has complied with all standards and guidelines adopted by the City under this chapter.

(4) The site is located in the residential targeted area.

(5) ~~If applicable,~~ The proposed multiunit housing project meets the affordable housing requirements as described in BMC 3.78.040.

(b) Approval of Application. If an application is approved, the applicant shall enter into a contract with the City, regarding the terms and conditions of implementation of the project, and the Director shall issue a conditional certificate of acceptance of tax exemption. The conditional certificate shall expire three (3) years from the date of approval unless an extension is granted as provided in this chapter.

(c) Denial of Application. If an application is denied, the Director shall state in writing the reasons for denial and shall send notice to the applicant at the applicant's last known address within ten (10) calendar days of the denial.

(d) Appeal. Per RCW 84.14.070, an applicant may appeal a denial to the City Council within thirty (30) calendar days of receipt of the denial by filing a complete appeal application and fee with the Director. The appeal before the City Council will be based on the record made before the Director. The Director's decision will be upheld unless the applicant can show that

there is no substantial evidence on the record to support the Director's decision. The City Council's decision on appeal will be final.

SECTION 7. BMC 3.78.110 Amended. Section 3.78.110 of the Bremerton Municipal Code entitled "Annual Compliance Review" is hereby amended to read as follows:

3.78.110 ANNUAL COMPLIANCE REVIEW.

(a) Within thirty (30) calendar days after the first anniversary of the date of filing the final certificate of tax exemption and each year for the tax exemption period, the property owner shall be required to file a notarized declaration with the Director indicating the following:

- (1) A statement of occupancy and vacancy of the multifamily units during the previous twelve (12) months;
- (2) A certification by the owner that the property has not changed use and, if applicable, that the property has been in compliance with the affordable housing requirements as described in RCW 84.14.020 since the date of the certificate approved by the City;
- (3) A description of changes or improvements constructed after issuance of the certificate of tax exemption; and
- (4) Any information needed by the City to file its report pursuant to subsection (b) of this section and any additional information requested by the City in regards to the units receiving a tax exemption.

(b) The City shall report annually consistent with requirements as described in RCW 84.14.100 by December 31st of each year, beginning in 2007, to the Washington State Department of Commerce Community, Trade, and Economic Development. The report must include the following information, or as otherwise required per RCW 84.14:

- (1) The number of tax exemption certificates granted;
- (2) The total number and type of units produced or to be produced;
- (3) The number, size, and type of units produced or to be produced meeting affordable housing requirements;
- (4) The actual development cost of each unit produced;
- (5) The total monthly rent or total sale amount of each unit produced;
- (6) The annual household income and household size for each of the affordable units receiving a tax exemption and a summary of these figures for the City
- (7) The value of the tax exemption for each project receiving a tax exemption and the total value of tax exemptions granted.

(c) City staff may also conduct on-site verification of the declaration. Failure to submit the annual declaration shall result in a review of the exemption per RCW 84.14.110.

SECTION 8. BMC 3.78.140 Added. Section 3.78.140 of the Bremerton Municipal Code entitled "Extension of Tax Exemption" is hereby added to read as follows:

3.78.140 EXTENSION OF TAX EXEMPTION.

Pursuant to RCW 84.14.020(6), the Administrator may approve an extended exemption of the project that qualified for, satisfied the conditions of, and utilized the exemption as provided in BMC 3.78.040(a)(2) from ad valorem property taxation for up to a total of twelve

(12) successive years beginning January 1 of the year immediately following the calendar year that the original exemption expires.

(a) The owner of property applying for extended exemption under this subsection shall submit an application to the Administrator on a form established by the Administrator. The owner shall verify the correctness of the information contained in the application by his/her signature and affirmation made under penalty of perjury under the laws of the State of Washington. The application shall contain such information as the Administrator may deem necessary or useful, which at a minimum shall include:

(1) A statement from the owner acknowledging the potential tax liability when the property ceases to be eligible for exemption, equivalent to BMC 3.78.060, and

(2) Information required for the Final Exemption Certificate pursuant to subsections BMC 3.78.100, and

(3) Information required for the annual report pursuant to BMC 3.78.110.

(b) Deadline: The extension application shall be submitted to the Administrator no later than August 31 of the year of the original exemption expires.

SECTION 9. Figure 3.78(e) of Chapter 3.78 of the Bremerton Municipal Code entitled “Eastside Employment Center Target Area” and shown in Exhibit A is hereby repealed and replaced with Exhibit B, entitled “Eastside Village Center Target Area”.

SECTION 10. Severability. If any one or more sections, subsections, or sentences of this ordinance are held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portion of this ordinance and the same shall remain in full force and effect.

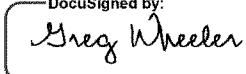
SECTION 11. Effective Date. This ordinance shall take effect and be in force on November 17th, 2022.

PASSED by the City Council the 2nd day of November, 2022.

DocuSigned by:

MICHAEL GOODNOW, Council President

Approved this 8th day of November, 2022.

DocuSigned by:

GREG WHEELER, Mayor

ATTEST:

APPROVED AS TO FORM:

DocuSigned by:
Angela Hoover
24E95ED4E45041F...

City Clerk

DocuSigned by:
Kylie Finnell
1B8F5510D58252A1...

KYLIE J. FINNELL, City Attorney

PUBLISHED the 7th day of November, 2022.

EFFECTIVE the 17th day of November, 2022.

ORDINANCE NO. 5463

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**Published for
May 14
Study Session**

**Public Comment
Item A6**



606 Apartments
606 Burwell St
Bremerton, WA 98337

May 13, 2025

City Council
Bremerton

Dear Members of the City Council,

I am writing on behalf of 606 Apartments, a key Multi-Family property within Downtown Regional Center to express our strong support for the continuation of the property tax exemption program currently benefiting our community. As owners and managers of a multifamily property, we believe this program is crucial not only for local residents but also for the overall stability and prosperity of the city.

The property tax exemption has played an essential role in enabling us to maintain affordable rents, keep our property in good condition, and continue to provide housing to a diverse range of residents, including students, military and low-to-moderate-income individuals. In an environment where property taxes continue to rise, this exemption has been a critical tool in preventing rent increases that would otherwise burden our tenants and potentially force them to seek housing elsewhere.

Moreover, the exemption has allowed us to reinvest in our property, improve safety & security concerns, and make upgrades that benefit both our residents and the surrounding community. These improvements have not only enhanced the quality of life for those living in the complex but have also contributed to the overall development and vibrancy of our neighborhood.

Without the continuation of this property tax exemption, we would face significant financial challenges, which could ultimately result in higher operating costs, reduced investment in the property, and—most concerning—higher rents that could displace vulnerable tenants. The ongoing availability of this exemption helps us avoid these outcomes and supports our goal of maintaining a stable, affordable, and thriving community.

We respectfully urge the City Council to continue the property tax exemption program for Multi-Family properties like ours. The positive impact of this program extends far beyond the immediate financial relief for property owners and helps to foster long-term stability and affordability in our city.

Thank you for your time and consideration. We appreciate your ongoing support and look forward to working together to ensure that Bremerton remains a place where all residents can live, grow, and thrive.

Sincerely,
Ron Bianco
Senior Operations Manager
606 Apartments

Demographic Detail Report

Property: 606 Apartments

Unit	Employer	Industry
100	PSNS	Government
101	PSNS	Government
102	PSNS	Government
103	US Navy	Military
104	PSNS	Government
105	US Navy	Military
	Victoria Women's Clinic	Medical
106	Target corporation	Retail
107	United States Navy	Military
108	US Navy	Military
	Starbucks	Food Service
109	PSNS	Government
110	US Navy	Military
111	Amazon	Online Retail
112	FreddyTs Bar and Grill	Food Service
	Retired	Unemployed
113	NA	NA
114	University of Washington	Medical
115	United States Navy	Military
116	Northwest Health Law Advocates	Law
117	PSNS	Government
200	Corporate Housing	NA
201	PSNS	Government
	Bay Pointe	Assisted Living
202	US Navy	Military
203	United States Navy	Military
204	Bremerton Municipal Court	Government
205	PSNS	Government
206	Kitsap County	Government
207	Us Navy	Military
208	US Navy	Military
209	US Navy	Military
	Law Office of Bryan and Jetter PLLC	Law
210	Corporate Housing	NA
211	US Navy	Military
212	Victra, Inc.	Phone Retailer
213	Unemployed	Unemployed
214	PSNS	Government
215	Leidos Inc	IT
216	Corporate Housing	NA
217	Unemployed	NA
	Sound Transit	Public Transit
300	Crossbeam Investments	Property Management
301	US Navy	Military
	US Navy	Military
302	US Navy	Military
303	US Coast Guard	Military
304	PSNS	Government
305	Corporate Housing	NA
306	Corporate Housing	NA
307	US Navy	Military
308	Yoko Yoko	Food Service
309	Yoko Yoko	Food Service
	Chungs	Food Service
310	Digitalis Education Solutions Inc	Education
311	Marriot International	Hotel Service
	Aithre Inc	Aviation
312	PSNS	Government

Demographic Detail Report

Property: 606 Apartments

Unit	Employer	Industry
313	US Navy	Military
314	US Navy	Military
	Unemployed	NA
315	PSNS	Government
316	US Navy	Military
317	US Navy	Military
400	US Navy	Military
	Chick-fil-A	Food Service
401	Peninsula Community Health Services	Health
	Department Of Defence	Military
402	US Navy	Military
403	PSNS	Government
404	C-Swift	Construction
	Dentistry For Children	Densitry
405	US Navy	Military
	Unemployed	NA
406	US Coast Guard	Military
407	NA	NA
408	US Navy	Military
409	NA	NA
410	Self	Cosmetology
411	PSNS	Government
	Starbucks	Food Service
412	Self	Nanny
	Department Of Defence	Military
413	Amazon	Online Retail
414	NA	NA
415	Unemployed	NA
	Crossbeam Investments	Property Management
416	PSNS	Government
	NA	NA
417	Retired	NA
	Retired	NA

From: Marianne Weber <marianne@elevatedservices.com>
Sent: Tuesday, May 13, 2025 9:30 PM
To: City Council <City.Council@ci.bremerton.wa.us>
Cc: Wes Larson <wes@soundwestgroup.com>
Subject: MFTE Lender Opinion

Good Evening City Council,

I was asked to pass along a letter from one of our many lenders here at Sound West Group. They are real estate investors, lenders, and partners in the Puget Sound Region. The MFTE program helps new construction secure more favorable terms in the lending phase, which assists with making the project viable, raising the required equity, and having a better loan to value option. If interested, Wes Larson, CEO of Sound West Group, would be happy to walk through creating a pro forma for a new construction build and showing how the MFTE lever changes the metrics to make a project viable. We have one project that wouldn't move forward without the program, period. Thank you for your time and consideration.





Kindest Regards,

Marianne Weber

Principal | VP Development, Property Management, CAM
SOUND WEST GROUP | ELEVATED PROPERTY SERVICES

*My working day may not look like your working day.
Please don't feel obligated to reply to this e-mail outside of your normal working hours.
Thank you!*



 marianne@soundwestgroup.com
 [\(360\) 850-7242](tel:(360)850-7242)
 423 Pacific Ave, Ste 402
Bremerton WA 98337
 soundwestgroup.com



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IMPORTANT TAX INFORMATION: To insure compliance with U.S. Treasury Department regulations, we advise you that, unless otherwise expressly indicated, any federal tax advice contained in this correspondence was not intended or written to be used, and cannot be used, for the purpose of: (i) avoiding tax-related penalties under the Internal Revenue Code of 1986, as amended, or applicable state or local tax law provisions; or (ii) promoting, marketing or recommending to another party any tax-related matters addressed herein.



HAL

May 13, 2025

Bremerton City Council
345 6th St., Suite 100
Bremerton, WA 98337

Re: Recommended Continuance of MFTE Program

Dear Members of the Bremerton City Council,

It has come to our attention that the City is considering terminating the Multifamily Tax Exemption (MFTE) Program in Bremerton. We strongly oppose this proposal, as the program serves as a vital incentive to foster development through tax abatement.

Bremerton, as a tertiary market, relies heavily on such incentives to stimulate growth and attract investment. As is widely understood, development costs have escalated significantly in recent years. Today, the cost to build in Bremerton is comparable to that in Seattle. However, investors demand higher risk-adjusted returns for projects in tertiary markets, which programs like the MFTE help facilitate.

HAL has been an active real estate investor in the Puget Sound region since 1993. Over the past decade, we have invested approximately \$500 million across 24 projects, with a total value of around \$2 billion. While headquartered in Seattle, we operate as a subsidiary of a large public company with an estimated market capitalization of approximately \$10 billion. This structure allows us to close transactions swiftly and with considerable flexibility. Notably, we do not raise outside equity; all investments are funded solely from our own balance sheet.

We believe supporting the MFTE program is crucial to ensuring Bremerton remains an attractive market capable of continuing its growth trajectory. We urge you to reconsider any plans to eliminate this important policy tool.

Thank you for your attention to this matter. We appreciate your commitment to fostering a vibrant and prosperous Bremerton.

Sincerely,

HAL Real Estate Inc.

By: _____
Name: Roger Long
Its: Vice President
Date: 5/13/2025

HAL Real Estate Inc.

2025 First Avenue, Suite 700 • Seattle, WA 98121 • t 206.448.5080 • www.halrealestate.com