



## City of Leavenworth

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### City Council

Carl J. Florea – *Mayor*  
Sharon Waters  
Clint Strand  
Jason Lundgren  
Anne Hessburg – *Mayor Pro Tem*  
Zeke Reister  
Marco Aurilio  
Tibor Lak  
Matthew “Selby” – City Administrator

### MEETING LINKS VIA ZOOM CONFERENCING November 14, 2023 Pacific Time

#### Study Session Begins at 5:30 PM

##### Join Zoom Meeting

<https://zoom.us/j/94239326982?pwd=V1pSa0VkWEdHNmYwVFZEN2t4QWovUT09>

**Meeting ID: 942 3932 6982**  
**Passcode: 919411**

#### Regular Evening Meeting Begins at 7:00 PM

##### Join Zoom Meeting

<https://zoom.us/j/94239326982?pwd=V1pSa0VkWEdHNmYwVFZEN2t4QWovUT09>

**Meeting ID: 942 3932 6982**  
**Passcode: 919411**

All Meetings allow for the same dial by your location option using the number listed below:

**(253) 215-8782**

Or find your local number: <https://zoom.us/u/axsZ7iy7W>

**LEAVENWORTH CITY COUNCIL AGENDA**  
**Leavenworth City Hall – Council Chambers**  
**November 14, 2023 – 7:00 PM**

**Call to Order**  
**Flag Salute**  
**Roll Call**

**Consent Agenda**

1. Approval of Agenda
2. Approval of October 24, 2023 Study Session and Regular Meeting Minutes
3. 2023 Claims \$1,203,319.61
4. October 2023 Payroll \$413,213.60
5. PRSA Voucher Request \$56,417.00
6. Public Hearing on CIP Amendments on January 9, 2024 @ 7:00 PM
7. Chelan County Prosecution Services Agreement for 2024
8. Professional Services Agreements/Supplemental Agreements:
  - a. The Local Event Co. for Festhalle Management Services
  - b. Winton Mfg. for Food Waste Pilot Project
  - c. Waste Loop for Food Waste Pilot Project
  - d. Supp. No. 1 ARC Architects for Front Street Restroom/Stairway Project
  - e. RH2 Engineering Design for Pine Street Phase 2 Watermain Replacement Project
9. Grant from the Chelan-Douglas Regional Port Authority

**Comments from the Public on Items Not on the Agenda**

10. Presentation: The Housing Authority of Chelan County & City of Wenatchee
11. Public Hearing: Continuation of Multi-Family Tax Exemption Program
12. Public Hearing: Continuation of Bed & Breakfast Code Amendments

**Resolutions, Ordinances, Orders, and Other Business**

13. Action: Resolution 17-2023 – Snow & Ice Maintenance Policy
14. Action: Ordinance 1682 – Multi-Family Tax Exemption Program
15. Action: Ordinance 1683 – Bed & Breakfast Amendments
16. Action: Ordinance 1684 – Adopting Ad Valorem Tax & Authorize Mayor to Sign Tax Levy
17. Action: North Central Regional Library Building Use & Maintenance Agreement
18. Action: Approval of Village of Light Traffic/Pedestrian Plan & Funding
19. Action: Ski Hill Drive Sidewalk Improvements – Change Order No. 1
20. Action: Ski Hill Drive Sidewalk Improvements – Change Order No. 2
21. Action: Professional Services Agreement – RH2 Engineering, Inc. – Supplemental Agreement – Pine Street Emergency Water Main: Services During Construction
22. Action: Loan Agreement – Department of Commerce Public Works Board – Pine Street Watermain Replacement: Titus Road to Fir Street
23. Action: Loan Application Submission – Department of Health Drinking Water State Revolving Fund – Water Distribution Capacity Improvements and Loop Completion Project

**Reports**

**Information Items & Future Considerations**

24. October 2023 Public Works Report

**Executive Session: RCW 42.30.110(1)(i) – Pending Litigation – 30 minutes with possible action**

**Adjournment**

**(Next Ordinance is 1685 – Next Resolution is 18-2023)**

**1. City Council Meeting Agenda:**

The following item is included under **TAB 1.**

**2. Approval of October 24, 2023 Study Session and Regular Meeting Minutes**

The following item is included under **TAB 2.**

**3. 2023 Claims:**

The following item is included under **TAB 3.**

**4. October 2023 Payroll**

The following item is included under **TAB 4.**

**5. PRSA Voucher Request**

The following item is included under **TAB 5.**

**6. Public Hearing on CIP Amendments on January 9, 2023 @ 7:00 PM**

There are no items included under **TAB 6.**

**7. Chelan County Prosecution Services Agreement for 2024**

The City Council is being asked to approve the 2024 Chelan County Prosecution Service Agreement for prosecution services through the Chelan County Prosecuting Attorney’s Office. This agreement allows the Prosecuting Attorney to prosecute misdemeanors and gross misdemeanors filed in District Court for cases arising within the corporate City limits. The fee for the prosecution services will be calculated based on the rate of \$300 per case, which is a \$25 increase from previous years. The total contract amount for 2024 is \$17,100, which is based on the 57 cases that were prosecuted during the 12-month period of September 1, 2022 through August 31, 2023. See the table below for the history of annual contract costs and numbers of cases prosecuted.

<b>Year</b>	<b>Per Case Fee</b>	<b>Number of Cases</b>	<b>Contract Cost</b>
<b>2024</b>	\$300	57	\$17,100
<b>2023</b>	\$275	54	\$14,850
<b>2022</b>	\$275	38	\$10,450
<b>2021</b>	\$275	68	\$18,700
<b>2020</b>	\$250	106	\$26,500

Some of the history of fee changes per case for the Prosecution Service Contract is as follows:

<b>2010 - \$200 per case</b>	<b>2013 - \$210 per case</b>	<b>2017 - \$225 per case</b>
<b>2019 - \$250 per case</b>	<b>2021 - \$275 per case</b>	<b>2024 - \$300 per case</b>

A copy of the agreement is provided as well as a list of misdemeanor crimes occurring within the corporate city limits as provided by the Chelan County Sheriff’s Office via RiverCom. The report provides the incident number, location of incident, location of arrest, the charges, and the date of the arrest. The “Y” in the right column indicates that the case was prosecuted and is included in the number of cases for the 2024 agreement.

The following items are included under **TAB 7**.

- Chelan County Prosecuting Attorney Cover Letter – Oct. 4, 2023
- 2024 Prosecution Service Agreement
- Bookings by LV Incident Location 9/1/2022 – 8/31/2023

**8. Professional Services Agreements –**

**a. The Local Event Co. for Festhalle Management Services**

The City Council is being asked to approve a Professional Services Agreement with Ashley Coffin of The Local Event Co, LLC for management services of the Leavenworth Festhalle. The Local Event Co. began providing management services at the Festhalle in August 2021 at a \$3,000 per month flat rate; the 2022 and 2023 contracts were increased to a monthly flat rate of \$3,550. The 2024 contract has been increased to a monthly flat rate of \$4,200. The Festhalle Oversight Committee approved the monthly fee increase at the October 9, 2023 quarterly meeting and recommends approval by the City Council.

The following item is included under **TAB 8**.

- Professional Services Agreement – The Local Event Co., LLC

**b. Professional Services Agreement – Winton Mfg for Food Waste Pilot Project**

The City Council is being asked to approve a Professional Services Agreement with Winton MFG Compost Works, LLC for the Food Waste Reduction Pilot Project associated with the USDA grant that was accepted at the June 13, 2023 City Council meeting. Winton was selected following their response to a Request for Proposals for the “compost collection and hauling” portion of the Pilot Project. The PSA has a not to exceed amount of \$162,662.50 and runs through July 31, 2025.

The following item is included under **TAB 8**.

- Professional Services Agreement – Winton MFG Compost Works

**c. Professional Services Agreement – Waste Loop for Food Waste Pilot Project**

The City Council is being asked to approve a Professional Services Agreement with Waste Loop for the Food Waste Reduction Pilot Project associated with the USDA grant that was accepted at the June 13, 2023 City Council meeting. Waste Loop was selected following their response to a Request for Proposals for the “education and outreach” portion of the Pilot Project. The PSA has a not to exceed amount of \$107,296 and runs through July 31, 2025.

The following item is included under **TAB 8**.

- Professional Services Agreement – Waste Loop

**d. PSA Supp. No. 1 ARC Architects for Front Street Restroom/Stairway Project**

The City Council is being asked to approve a Professional Services Supplemental Agreement Number 1 with ARC Architects, Inc. for the Front Street Restroom & Stairway Expansion Project. After the 60% design was complete, the Downtown Steering Committee reviewed the project and requested additional design elements and adding a stand-alone unisex/family restroom. Supplemental Agreement Number 1 in the amount of \$18,609 amends the original contract cost to a not to exceed amount of \$225,869.

The following item is included under **TAB 8**.

- PSA Supplemental Agreement No. 1 – ARC Architects, Inc.

e. **Professional Services Agreement – RH2 Engineering for Pine Street Phase 2 Watermain Replacement Project**

The City Council is being asked to approve a Professional Services Agreement with RH2 Engineering, Inc. for the Pine Street Phase 2 Watermain Replacement project. At the City Council meeting on October 24, 2023, the City Council approved Resolution 16-2023 declaring an emergency to repair the Pine Street Water Main between Titus Road and Fir Street. This professional services agreement is for the engineering services associated with the main replacement and includes design services, services during bidding, and services during construction with up to forty (40) hours of on-site construction observation. This Professional Services Agreement has a not to exceed amount of \$30,000.

The following item is included under **TAB 8**.

- Professional Services Agreement – RH2 Engineering, Inc. – Pine Street Phase 2 Watermain Replacement

**9. Grant from the Chelan-Douglas Regional Port Authority**

At the August 9, 2023 study session, Chelan-Douglas Regional Port Authority representatives Jim Kuntz (CEO) and Stacie de Mestre (Director of Economic Development and Capital Projects) discussed economic development opportunities in Leavenworth. At this meeting, they recommended the City apply for a Partners in Economic Development Program grant through the Port to help fund an update to the 2018 Downtown Strategic Parking Management Plan completed by Rick Williams Consulting. Staff applied for the grant and were successful in obtaining a \$10,000 grant from CDRPA for this project.

The following item is included under **TAB 9**.

- Interlocal Agreement – Funds for Parking Study Update

## PRESENTATION & HEARING ITEMS

**10. Presentation – The Housing Authority of Chelan County & City of Wenatchee**

Kevin King from the Housing Authority of Chelan County & City of Wenatchee, Isabel Garcia from the Office of Rural and Farmworker Housing, along with Stephanie Davis and Mark King of ZBA Architecture will be presenting a mixed-use, workforce housing concept for the P2 (“Blewett”) parking lot. This potential project was presented to and discussed by the City Council in study session on November 8, 2022, February 28, 2023 and May 23, 2023.

The following item is included under **TAB 10**.

- Housing Authority Presentation slides
- Draft Lease for P2 Project

## **11. Public Hearing: Continuation of Multi-Family Tax Exemption Program**

The City Council will continue to take public comment on the proposed new Multi-Family Tax Exemption (MFTE) Program. MFTE is a property tax waiver program, codified in Chapter 84.14 RCW, to encourage the development of new multifamily housing. Using the program, the City Council may, on a case-by-case basis, consider a property tax exemption for new multifamily residential development. For developments with rent-restricted units, developers may receive property tax exemptions for 12 years. Property owners still pay tax on the land and the value of non-residential improvements, such as the commercial portion of a mixed-use building.

Department of Commerce published a 2022 MFTE annual report. It shows 52 jurisdictions offered an MFTE program, and (in 2022) 18 authorized tax exemptions for 91 projects, representing 7,643 housing units, and over \$2 billion of investment.

The following items are included under **TAB 11**.

- Memo – MFTE Overview

## **12. Public Hearing: Continuation of Bed & Breakfast Code Amendments**

The City Council will continue to take public comment on proposed amendments to the Leavenworth Municipal Code Section 18.52.120 Bed & Breakfast regulations.

The following items are included under **TAB 12**.

- Transmittal Memo
- Staff Report
- Public Written Comments

## **SUPPLEMENTAL COUNCIL AGENDA**

### **13. Resolution 17-2023 – Snow and Ice Maintenance Policy**

The City Council is being asked to consider approving Resolution 17-2023, formalizing an update to the City's snow and ice maintenance policy. In terms of history, the formation of a snow and ice maintenance policy was first completed in 2015. Since then, Public Works Department staff recommended a snow and ice maintenance policy review. Public Works Department staff facilitated a snow and ice maintenance policy update discussion at the January 10, 2023 Study Session. Subsequently, a proposed snow and ice maintenance policy update was presented to the Council at the February 14, 2023 Study Session. Direction from the Council following the February 14 Study Session was to explore increasing the level of service for sidewalk snow removal.

Public Works Department staff reviewed options in terms of exploring ways to increase the level of service associated with sidewalk snow removal. Based on current staffing and equipment resources, staff recommends adding 1,085 ft of winter sidewalk maintenance. The additional sidewalk maintenance results in the Public Works Department maintaining the newly constructed sidewalk along Ski Hill Dr, the remaining sections of Evans Street, and the previous sidewalk gap along Birch Street in between Central Avenue and Summit. With the newly constructed sidewalk along Ski Hill

Drive that terminated at Evans Street, the sidewalk snow removal route is eliminating Benton Street. This is primarily due to Benton Street having narrow sidewalks.

In addition to increasing the sidewalk snow removal level of service, the following are key updates to the proposed snow and ice maintenance policy:

- Added a section entitled “Snow and Ice Maintenance Activity Phases.” Phases I – IV provide snapshot of what occurs through a snowstorm event. These Phases can be used to aide in communicating to the community where Public Works is at during a particular snow event;
- General grammatical/typo fixes;
- Added a section related to hauling snow;
- Updated plow route and sidewalk snow remove maps;
- Added a section related to intersection sight distance; and
- Added a section referenced LMC 12.20.030 which prohibits private property snow from being placed on City right of way.

The following items are included under **TAB 13.**

- 2015 Snow and Ice Maintenance Policy Redlines
- Resolution 17-2023 – Snow and Ice Maintenance Policy
- **MOTION:** *The Leavenworth City Council moves to approve Resolution No. 17-2023 Updating the City’s Snow and Ice Maintenance Policy.*

#### **14. Ordinance 1682 – Multi-Family Tax Exemption Program**

The City Council is being asked to consider adoption of a new Multifamily Tax Exemption Program based on the Public Hearing(s) with consideration of the public and staff comment during the public hearing.

The following item is included under **TAB 14.**

- Ordinance 1682
- **MOTION:** *The Leavenworth City Council moves to adopt Ordinance 1682 – Multi-Family Tax Exemption Program.*

#### **15. Ordinance 1683 – Bed & Breakfast Code Amendments**

The City Council is being asked to consider amendments to the Bed & Breakfast regulations, as recommended by the Planning Commission and with consideration of public and staff comment during the public hearing.

The following item is included under **TAB 15.**

- Ordinance 1683
- **MOTION:** *The Leavenworth City Council moves to adopt Ordinance 1683 – Bed & Breakfast Code Amendments.*

#### **16. Ordinance 1684**

##### **a. Adopting Ad Valorem Tax**

The City Council is being asked to consider options for Ordinance 1684, which is the authorization of the property tax levy for the 2024 tax year. This ordinance will include increased estimates of \$13,227.85 for new construction, \$0.00 for annexations, and \$601.33 for refunded revenue by the Assessor's office. The total maximum preliminary property tax allowed is \$729,769.14. The City Council held a public hearing at the October 24, 2023 Council meeting to review the options this year to request the annual property taxes. At the hearing last month, Finance Director Chantell Steiner reviewed options of either requesting the 1% allowable increase per State law that will generate an additional \$7,088.51 or not requesting the 1% and only accepting the new construction and refunded revenues, which in turn would create banked capacity for future requests. The 2024 Budget and proposed Ordinance includes the 1% increase for Council approval. The Ordinance will need to be signed by Councilmembers and transmitted to the Assessor's Office no later than November 30, 2023.

The following items are included under **TAB 16**.

- Ordinance 1684
- City of Leavenworth Regular Tax Levy Preliminary Values for the 2024 Tax Year
- **MOTION:** *The Leavenworth City Council moves to adopt Ordinance 1684 with the Ad Valorem Tax increase of \$7,088.51, which is an increase of 1% from the previous year.*

**b. Authorize Mayor to Sign Tax Levy**

In addition to setting the property tax levy, the Department of Revenue and the County Assessor require a levy certification. This certification figure is approximately \$20,000 more than the actual levy amount for the regular levy to allow the Assessor to collect more revenue if their preliminary projections for taxes come in higher than presented due to revaluations, new construction, annexations, or refunds; this ensures no funds are left unaccounted for.

The following item is included under **TAB 16**.

- Department of Revenue Levy Certification
- **MOTION:** *The Leavenworth City Council moves to authorize the Mayor to sign the Tax Levy Certificate.*

**17. North Central Regional Library Building & Maintenance Agreement**

The City Council is being asked to authorize the Mayor to sign a Building Use and Maintenance Agreement with the North Central Washington Libraries (NCW Libraries), which operates a Leavenworth branch in City Hall. This agreement runs through December 31, 2029, and mirrors the existing agreement between the City and NCW Libraries. There was a decrease in the reimbursable square footage due to the realization that the library was not using a storage area and staircase previously calculated. Staff reviewed the calculation of the area exclusively used by the library and agrees with the decrease in reimbursable square footage. In the agreement before the Council, the reimbursement rate will increase from \$3.75/sf to \$4.00/sf for 2024 through 2026, and \$4.25/sf for 2027 through 2029. The agreement includes a provision for a potential relocation of the library branch from City Hall to the former Osborn school property.

The following item is included under **TAB 17**.

- Cover Letter
- North Central Regional Library Building & Maintenance Agreement



- Qualified Reimbursable Space
  - **MOTION:** *The Leavenworth City Council moves to approve and authorizes the Mayor to sign the North Central Regional Library Building & Maintenance Agreement.*

**18. Approval of Village of Lights Traffic/Pedestrian Plan & Funding**

The City Council is being asked to authorize the expenditure of lodging tax funds to provide traffic control and additional public safety officers for the Leavenworth 2023 Chamber of Commerce Village of Lights: Christmastown Event. Although the actual lighting ceremonies have been cancelled, it is anticipated that crowd attendance, over the usual weekends, will still be significant. The three anticipated weekends for larger crowds are Saturday December 2nd, December 9th, and December 16th.

Beginning in 2018, the Village of Lights planning group has been meeting in response to the traffic and congestion issues caused by the Lighting Event and concerns voiced by residents in 2017. Group members include representatives of the Chelan County Sheriff’s Department, Washington State Patrol, WSDOT Emergency Management, Chelan County Emergency Management, Chelan County Fire District #3, WA State Department of Transportation, Chelan County Public Works, Cascade Medical Center, and the Leavenworth Chamber of Commerce. The City is represented by the City Administrator and the Public Works Director. The group meets approximately three months in advance of the event and once again just prior to commencement. The list of topics covered includes:

Event Modifications, Traffic Management, Police and Deputy Coverage, Emergency Management/Mass Gathering Planning, Communications, and Parking. The most significant improvements over time have been the development of the Incident Action Plan for the event, improved WSDOT communications, signage boards, a twitter account regarding traffic, weather conditions to and from Leavenworth, increased Sheriff Deputy presence, traffic control, and modifications to bus parking. This year, the group is continuing with last year’s traffic management plan based on previous year’s data collected by WSDOT traffic engineers and signal technicians from traffic cameras and signals monitored in the City Hall Event Coordination Center.

Beginning in 2018, the City has provided additional funding for Traffic Control and additional law enforcement officers to be present at the event. The following table shows the dollar amounts authorized by Council and the total amount spent in previous years:

<b>Year</b>	<b>Council Authorized Funds</b>	<b>Cost of Traffic Management</b>
<b>2018</b>	\$90,420	\$99,657
<b>2019</b>	\$125,000	\$125,387
<b>2020</b>	\$135,000	\$90,605
<b>2021</b>	\$135,000	\$91,959
<b>2022</b>	\$135,000	\$48,965

The total authorization requested at this time is \$135,000 for public safety and traffic management of the Leavenworth Area Chamber of Commerce Village of Lights: Christmastown Event. The current plan for 2023 will utilize the same amount of traffic control flaggers as 2022, which will be supplemented by WSDOT traffic engineers and signal

technicians monitoring and adjusting traffic flows from the City Hall Event Coordination Center via live streaming data provided by cameras and signals. This year's funding will be utilized to fund the following:

1. TBMM, LLC (Traffic and Pedestrian Control)
2. Chelan County Sheriff Deputies
3. Washington State Patrol
4. WSDOT Traffic Management Personnel

In consideration of the unknown attendance, the plan will be reevaluated after the first weekend and adjusted in terms of the staffing as to what will be required for subsequent weekends.

The following item is included under **TAB 18**.

- Village of Lights: Christmastown 2023 Traffic Control Plan
  - **MOTION:** *The Leavenworth City Council moves to authorize a not to exceed expenditure of \$135,000 to provide traffic control and additional public safety officers for the 2023 Village of Lights: Christmastown Event.*

#### **19. Ski Hill Drive Sidewalk Improvements – Change Order No. 1**

The City Council is being asked to consider approving Change Order No. 1 to the Ski Hill Drive Sidewalk Improvements project for the addition of one curb ramp and associated pavement markings. The additional curb ramp is located in the southeast quadrant of the Ski Hill Drive and Evans Street intersection. This ramp was not originally included in the scope of the project, as it was reconstructed in approximately 2012. As design of the project proceeded, it was determined that this existing ramp did not meet Americans with Disabilities Act (ADA) requirements and therefore needed to be reconstructed. Due to limited amount of existing right-of-way in this location, additional right-of-way needed to be secured from the adjacent property owner in order to construct this ramp to ADA requirements. Knowing that the right-of-way acquisition process can span months, this ramp was designed separately from the remainder of the Ski Hill Drive Sidewalk Improvements project to eliminate the potential for the right-of-way acquisition process to delay the remainder of the project.

The necessary right-of-way was acquired in August 2023. Therefore, the work associated with reconstructing this curb ramp was constructed as part of the Ski Hill Drive Sidewalk Improvements project. The total cost of Change Order No. 1 is \$32,317.48.

The following item is included under **TAB 19**.

- **Change Order No. 1 - Ski Hill Drive Sidewalk Improvements**
  - **MOTION:** *The Leavenworth City Council moves to approve and authorizes the Mayor to execute Change Order No. 1 associated with the Ski Hill Drive Sidewalk Improvements project in the amount of \$32,317.48.*

#### **20. Ski Hill Drive Sidewalk Improvements – Change Order No. 2**

The City Council is being asked to consider approving Change Order No. 2 to the Ski Hill Drive Sidewalk Improvements project for additional work associated with water service replacement.

During the initial design of this project, City staff requested that all water services crossing the proposed sidewalk locations on Ski Hill Drive be reconstructed from the Ski Hill Drive watermain to each customer's water meter setter. This request is in line with the Public Works Department's primary goal of shifting from a reactive to proactive culture. The City's Street/Utility Division has responded to water service leaks along this corridor. Therefore, City staff determined it to be prudent to replace the existing services before constructing new sidewalk over the top of these services.

Once water service replacement work began, the City's contractor discovered that multiple water services within the project limits did not have a standard water meter setter for the new water service line to connect to. As such, City staff requested that the contractor provide and install water meter setters per the City standard construction details. Additional work also occurred to re-route conflicting structures and utilities around the new water services.

The following item is included under **TAB 20**.

- **Change Order No. 2 - Ski Hill Drive Sidewalk Improvements**
  - **MOTION:** *The Leavenworth City Council moves to approve and authorizes the Mayor to execute Change Order No. 2 associated with the Ski Hill Drive Sidewalk Improvements project in the amount of \$40,602.56.*

## **21. Professional Services Agreement – RH2 Engineering, Inc. – Supplemental Agreement – Pine Street Emergency Replacement Watermain: Services During Construction**

At the City Council meeting on October 24, 2023, the City Council approved Resolution 16-2023, affirming the Mayor's declaration of an emergency to repair the Pine Street Water Main between Titus Road and Fir Street. During the same October 24, 2023 meeting, the City Council accepted the construction bid and authorized the Mayor to execute a contract with HCON, Inc. for the construction of the Pine Street watermain project. A professional services agreement with RH2 Engineering, Inc. (RH2) for this Pine Street watermain project is included in the consent agenda for this November 14, 2023 Council meeting for the design services, services during bidding, and services during construction with up to forty (40) hours of on-site construction observation. Due to the criticality of this watermain, the City's lack of experience with the awarded contractor, the coordination necessary with nearby residents, and the anticipated number of construction working days, City staff is requested that RH2 Engineering provide full-time construction inspection services beyond the originally anticipated 40 hours. This supplemental agreement adds an additional 160 hours of construction observation time to the original professional services agreement with RH2. This Supplemental Agreement has a not to exceed amount of \$35,387; this brings the total of the Professional Services Agreement with RH2 to a not to exceed amount of \$65,387.

The following item is included under **TAB 21**.

- PSA Supplemental Agreement No. 1 – RH2 Engineering, Inc.
  - **MOTION:** *The Leavenworth City Council moves to approve and authorizes the Mayor to execute Supplemental Agreement No. 1 to the Professional Services Agreement with RH2 Engineering, Inc. for the Pine Street Phase 2 Watermain Replacement Project, increasing the not to exceed amount to \$65,387.*

## **22. Loan Agreement – Department of Commerce Public Works Board – Pine Street Watermain Replacement: Titus Road to Fir Street**

On October 19, 2023, the Department of Commerce Public Works Board (PWB) approved the City's Pine Street Watermain Replacement: Titus Road to Fir Street emergency funding application. The City has been awarded \$60,000 in grant funding and \$340,000 in loan funding from PWB, totaling \$400,000. The loan has a 20-year term with an interest rate of 1.34%. The first loan payment is due to PWB on June 1, 2024 in the amount of \$19,492.60.

Approximately \$4,775 from the City's water fund is anticipated to be required to cover the full project costs in addition to the funding award from PWB. The contract bid from HCON, Inc. that was accepted at the October 24, 2023 Council meeting totals \$339,388.00. The professional services agreement with RH2 Engineering for design, bidding, and full-time construction services has a not to exceed amount of \$65,387, if Supplement Agreement No. 1 is approved by the Council during the November 14<sup>th</sup> meeting. Together, this sums to a total project cost of \$404,775, which exceeds the PWB awarded total by \$4,775.

The following item is included under **TAB 22**.

- Public Works Board Emergency Funding Contract
- Loan Amortization Schedule
  
- **MOTION:** *The Leavenworth City Council moves to approve and authorizes the Mayor to execute the Public Works Board Emergency Funding Contract for the Pine Street Water Main Replacement: Titus Road to Fir Street project in the amount of \$400,000, authorizes the acceptance of the funds when tendered from the Public Works Board, authorizes payment out of the net revenue of the City water fund, and directs any relevant budget amendments as required.*

## **23. Loan Application Submission – Department of Health Drinking Water State Revolving Fund – Water Distribution Capacity Improvements and Loop Completion Project**

The City Council is being asked to approve submission of a construction loan application to the Department of Health Drinking Water State Revolving Fund (DWSRF). City staff has drafted an application for the Water Distribution Capacity Improvements and Loop Completion Project. This project is a compilation of three (3) separate improvements to the water distribution system:

- Cedar Street Loop Completion
  - Constructs approximately 240 linear feet of 8-inch diameter watermain between Titus Road and Fir Street, connecting the existing two dead ends of watermain within this roadway
  - Estimated cost: \$211,600
- Stafford Street Watermain Replacement and Loop Completion
  - Replaces approximately 330 linear feet of existing 1.5-inch diameter watermain with 8-inch diameter watermain on Stafford Street between O'Grady Street and Ski Hill Drive
  - Connects the existing two dead ends of watermain on Stafford Street
  - Estimated cost: \$292,900
- Commercial Street Main Replacement - Division Street to 14th Street

- Replaces approximately 1,160 linear feet of existing 6-inch diameter watermain between Division Street and 14<sup>th</sup> Street with 12" watermain
- Estimated cost: \$1,130,900

If awarded, the loan has the following terms:

- 20-year loan with an interest rate of 2.25%
- One-time loan service fee totaling 1% of loan total is assessed at contract execution
- Construction bid process must be completed within 18 months of contract execution
- Entirety of project must be completed within 4 years of contract execution

The project construction loan request, which includes all design, permitting, bidding, and construction costs, totals \$1,635,400. With the loan service fee equal to \$16,354, the total funding request is \$1,651,754. Approved City Council meeting minutes stating that the City Council approved submission of the loan application are required for the loan application to be considered complete.

The following item is included under **TAB 23**.

- Draft Water Distribution Capacity Improvements and Loop Completion Construction Loan Application
- Loan Amortization Schedule
- **MOTION:** *The Leavenworth City Council moves to approve and authorizes City staff (Tom Wachholder, Andi Zontek-Backstrum, Matthew "Selby", and/or Chantell Steiner) to submit the Department of Health Drinking Water State Revolving Fund Construction Loan application for the Water Distribution Capacity Improvements and Loop Completion project with a total loan request of \$1,651,754.*

**COMMITTEES, INFORMATION ITEMS & FUTURE CONSIDERATIONS**

**24. October 2023 Public Works Report**

The following item is included under **TAB 24**.