

City of Tenino

149 Hodgen Street South
Tenino, WA 98589

City Council Meeting
Tuesday, January 14, 2025 at 6:30 PM

Agenda

WORK SESSION

1. 6:30 pm Review of 1/14/2025 Council Agenda

- 2. Council Priorities**

Council Liaisons for 2025/Mayor Pro Tem Nominations.

Audit Reports Financial/ Accountability

Personnel Policy

Facade Improvement Grant

Utility Clerk Resignation

Police Department Resignation

Planning Commission Resignation

Civil Service Commission Resignation

Court Services

3. Discussion of 1/28/2025 Council Draft Agenda

CALL TO ORDER

4. Flag Salute

AGENDA APPROVAL

5. Agenda for the Regular Meeting of the 1/14/25.

Recommended Action: Motion to approve the agenda as presented.

APPROVAL OF MINUTES

- 6.** Meeting Minutes for 12/10/2024

Recommended Action: Motion to approve 12/10/2024 meeting minutes as presented.

CONSENT CALENDAR

7. Consent Calendar for December 10, 2024 through December 31, 2024 consisting of

Payroll EFT's in the amount of \$64,787.37 and Claims checks #3897 through #32925 in the amount of \$107,312.28

for a grand total of \$172,099.65

Consent Calendar for January 1, 2025 through January 14, 2025

Claims Checks #32926 through #32952 in the amount of \$349,367.06

Liquor Cannabis License: Three Amigos (Don Juans) and The Tenino VFW

Recommended Action: Move to approve the consent calendar as presented.

EXECUTIVE SESSION

PRESENTATIONS

8. Mathis Bosch

Recommended Action: None, Presentation Only

PUBLIC COMMENTS

PUBLIC HEARING

PROCLAMATIONS

OLD BUSINESS

NEW BUSINESS

9. Fire Marshal Agreement

Recommended Action: Motion to approve Agreement

10. TIB Grant for Old 99 Grind Overlay

Recommended Action: Motion to approve TIB Grant for Old 99 Grind Overlay

11. Tenino Food Bank Solar Plus Storage Clean Energy Grants 2024

Recommended Action: Motion to Approve Tenino Food Bank Solar Plus Storage Clean Energy Grants 2024

12. EV Charging station Bid Award

Recommended Action: Motion to approve EV Charging station Bid Award

RESOLUTIONS

13. Resolution 2025-01 Surplus of Service Weapon

ORDINANCES

REPORTS

14. Outside Agency

- 1) Chamber of Commerce**
- 2) Economic Development Council (EDC)**
- 3) South Thurston Economic Development Initiative (STEDI)**
- 4) ARCH Commission**
- 5) Experience Olympia & Beyond (VCB)**
- 6) Timberland Regional Library**

15. Committees/Commissions

- 1) Civil Service Commission**
- 2) Façade Improvement Grant Review Committee**
- 3) Finance Committee**
- 4) Planning Commission**
- 5) Public Safety Committee**
- 6) Public Works Committee**

16. Staff

- 1) Chief of Police**
- 2) Director of Public Works**
- 3) Code Enforcement/Building Inspector**
- 4) PARC Specialist**
- 5) Clerk/Treasurer**
- 6) Mayor**

17. Liaisons

- 1) Bucoda/Tenino Healthy Action Team (BTHAT)**
- 2) Solid Waste Advisory Board**
- 3) TCOMM/911**
- 4) Tenino School Board**
- 5) Thurston Regional Planning Council (TRPC)**
- 6) Transportation Policy Board**

7) Thurston County Commissioner's Office

8) Legislature

PUBLIC COMMENTS 2

ANNOUNCEMENTS

ADJOURNMENT

File Attachments for Item:

2. Council Priorities

Council Liaisons for 2025/Mayor Pro Tem Nominations.

Audit Reports Financial/ Accountability

Personnel Policy

Facade Improvement Grant

Utility Clerk Resignation

Police Department Resignation

Planning Commission Resignation

Civil Service Commission Resignation

Court Services

CITY OF TENINO COMMITTEE/COMMISSION APPOINTMENTS 2024

City Commission or Committee	Primary Representative	Secondary Representative	Staff Representative	Meeting Schedule	Council Reporting
Civil Service Commission	Administration		Chief Auderer	2 nd Thu, 10 am	2 nd Meeting
Planning Commission	Adam Carney		Courtney Sheldon	2 nd Wed, 6 pm	2 nd Meeting
Façade Imp Grant Rev Com FIGR	Linda Gotovac			Ad hoc	Ad hoc
Finance Committee	Linda Gotovac	Elaine Klamn	Jen Scharber	Variable; Quarterly	1 st Meeting
Public Safety Committee	John O’Callahan	Jason Lawton	Chief Auderer	1 st Wed, 6:30 pm	1 st Meeting
Utilities Committee	Jeff Eisel	Elaine Klamn	Troy Cannon	2 nd & 3 rd Wed, 7 pm	2 nd Meeting
External Agency	Primary Representative	Secondary Representative		Meeting Schedule	Council Reporting
Thurston Regional Plng Council	John O’Callahan	Mayor Watterson	SCJ Alliance		
Transportation Policy Board	John O’Callahan	Mayor Watterson			
Tenino School Board	Jason Lawton	Jeff Eisel		4 th Mon, 6:30 pm	1 st Meeting
TCOMM911 Admin Board					
TCOMM911 Ops Board					
Solid Waste Advisory	Mayor Watterson	Elaine Klamn		Quarterly	
Community Investment Partnership					
Emergency Medical Services	Mayor Watterson			1 st Fri, 8:30 am	1 st Meeting
Emergency Management Council	Chief Auderer			2 nd Wed, 7:00 am	2 nd Meeting
Bucoda/Tenino Healthy Action Team	Jason Lawton	Jeff Eisel			
EDC	Mayor Watterson	John O’Callahan	Jen Scharber		
S.T.E.D.I.	John O’Callahan	Linda Gotovac			
Library	Admin		Troy Cannon	1 st Wed 3:30pm	
Museum	Jessica Reeves Rush		Troy Cannon	2 nd Thu, 11:30-1:00	2 nd Meeting
Fire District No. 12	Linda Gotovac	John O’Callahan		2 nd Monday	1 st Meeting
Law and Justice Council	Chief Auderer				
Leg Liaison	Linda Gotovac			3 rd Thu, 10:00 am	2 nd Meeting
VCB	Administration				



Office of the Washington State Auditor
Pat McCarthy

Accountability Audit Report

City of Tenino

For the period January 1, 2019 through December 31, 2022

Published December 26, 2024

Report No. 1036302



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**Office of the Washington State Auditor
Pat McCarthy**

December 26, 2024

Mayor and City Council
City of Tenino
Tenino, Washington

Report on Accountability

The Office of the Washington State Auditor takes seriously our role of providing state and local governments with assurance and accountability as the independent auditor of public accounts. In this way, we strive to help government work better, cost less, deliver higher value and earn greater public trust.

Independent audits provide essential accountability and transparency for City operations. This information is valuable to management, the governing body and public stakeholders when assessing the government's stewardship of public resources.

Attached is our independent audit report on the City's compliance with applicable requirements and safeguarding of public resources for the areas we examined. We appreciate the opportunity to work with your staff and value your cooperation during the audit.

Sincerely,

Pat McCarthy, State Auditor
Olympia, WA

Americans with Disabilities

In accordance with the Americans with Disabilities Act, we will make this document available in alternative formats. For more information, please contact our Office at (564) 999-0950, TDD Relay at (800) 833-6388, or email our webmaster at webmaster@sao.wa.gov.

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AUDIT RESULTS

Results in brief

This report describes the overall results and conclusions for the areas we examined. In most of the areas we examined, City operations complied, in all material respects, with applicable state laws, regulations, and its own policies, and provided adequate controls over safeguarding of public resources.

As referenced above, we identified areas where the City could make improvements. These recommendations are included with our report as findings.

We also noted certain matters related to municipal court operations, police department operations, and utility billing and B&O taxes that we communicated to City management and the Mayor and City Council in a letter dated December 20, 2024. We appreciate the City's commitment to resolving those matters.

Additionally, as noted under the Related Reports – Special Investigations section of this report, certain matters were examined and reported as part of two separate engagements.

In keeping with general auditing practices, we do not examine every transaction, activity, policy, internal control, or area. As a result, no information is provided on the areas that were not examined.

About the audit

This report contains the results of our independent accountability audit of the City of Tenino from January 1, 2019 through December 31, 2022.

Management is responsible for ensuring compliance and adequate safeguarding of public resources from fraud, loss or abuse. This includes the design, implementation and maintenance of internal controls relevant to these objectives.

This audit was conducted under the authority of RCW 43.09.260, which requires the Office of the Washington State Auditor to examine the financial affairs of all local governments. Our audit involved obtaining evidence about the City's use of public resources, compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters. The procedures performed were based on our assessment of risks in the areas we examined.

Based on our risk assessment for the years ended December 31, 2022, 2021, 2020 and 2019, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. In addition, as part of this audit we followed up on the special investigation report issued April 13, 2023, over cash receipting and accounts receivable for utility billing, adjustments and collections,

and on the special investigation report issued on January 13, 2022, over electronic funds transfers. We examined the following areas during this audit period:

- Financial condition – reviewing for indications of financial distress
- Municipal court – cash receipting, adjustments and collections
- Police department – disposition of property and forfeiture
- Accounts receivable – utility billing, adjustments and collections
- Cash receipting – timeliness and completeness of deposits
- Accounts payable – electronic funds transfers
- Use of restricted funds – interfund transfers and loans
- Cost allocation plan – equitable distribution of payroll costs
- Payroll – gross wages and electronic funds transfers
- Open public meetings – compliance with minutes, meetings and executive session requirements

SCHEDULE OF AUDIT FINDINGS AND RESPONSES

**City of Tenino
January 1, 2019 through December 31, 2022**

2022-001 The City did not monitor its financial activity or comply with state law, placing it at risk of not meeting its financial obligations or providing services at current levels.

Background

The City of Tenino currently serves 1,819 residents in Thurston County. The City provides a full range of services including police, municipal court, street maintenance and construction, parks and recreation, planning and economic development, storm water management and water services. An elected, five-member Council and an independently elected Mayor govern the City. The Council appoints department heads to oversee the City’s daily operations and its 13 employees. For fiscal years 2022, 2021, 2020 and 2019, the City's general fund had operating expenditures of about \$1,674,629, \$1,326,398, \$1,501,745 and \$1,161,110, respectively.

Description of Condition

The City did not establish adequate internal controls over financial operations to ensure it can sustain operations and meet obligations.

Our audit identified a decline in cash position within its governmental funds as shown in the following table:

Ratios	As of the year ending December 31:				
	2019	2020	2021	2022	2023 Unaudited
Govt fund beginning cash & investments	546,038	533,478	309,006	691,144	101,366
Govt fund ending cash & investments	535,478	309,006	691,144	100,248	(358,422)
Percent change in cash position	(2%)	(42%)	124%	(85%)	(454%)

Also, the City paid expenditures from the City Street fund that did not have available cash and reported a negative cash and investment balance of \$503,932 in 2022.

When expenditures in a fund exceed the amount of available resources, the City uses resources from other funds to continue operations without formally making an interfund transfer or establishing an interfund loan. The City can only make transfers from unrestricted sources such as the general fund. The Council must approve interfund loans by resolution or ordinance that includes a payment plan and set a reasonable interest rate the City will pay to the lending fund. If the City does not repay interfund loans in a timely manner, it would represent an unallowable diversion of funds. The City effectively borrowed from restricted revenues to sustain operations in 2022 and 2023.

Cause of Condition

The City did not establish adequate internal controls over its financial condition to ensure it may continue operations, and did not develop a comprehensive financial plan to improve its financial condition.

Additionally, the City experienced high turnover in key positions during the audit period that resulted in additional challenges including staff's lack of knowledge and experience.

Effect of Condition

The City is at an increased risk of being unable to meet its financial obligations and maintain its operations at the present level. Further, the City had expenditures that exceeded its fund's available resources.

Recommendation

We recommend the City establish adequate internal controls over financial operations and closely monitor financial operations to ensure it can meet its financial obligations. Specifically, the City should implement a comprehensive financial plan to improve its financial condition.

We also recommend the City obligate expenditures only when funds have the available resources to pay for transactions and comply with the *Budgeting, Accounting and Reporting System (BARS) Manual* when borrowing from restricted funds by implementing allowable interfund loans.

City's Response

In response to the Performance and Accountability Audit of the City of Tenino from January 1, 2019- December 31, 2022. We appreciate the thoroughness and professionalism with which the audit was conducted, and we acknowledge receipt of the audit findings.

The City of Tenino is committed to ensuring compliance, transparency, and adherence to best practices in all aspects of our operations. Your audit report has been instrumental in identifying areas where improvements can be made, and we are dedicated to implementing these improvements promptly.

Additionally, we would like to thank your audit team for providing valuable insights and recommendations throughout the audit process. We believe that their expertise and guidance will contribute significantly to the City of Tenino ongoing growth and success.

Auditor's Remarks

We appreciate the steps the City is taking to resolve this issue. We will review the corrective action taken during our next audit.

Applicable Laws and Regulations

RCW 35.33.121 – Funds – Limitations on expenditures – Transfers

Budgeting, Accounting and Reporting System (BARS) Manual 3.9.1 – Interfund Loans

SCHEDULE OF AUDIT FINDINGS AND RESPONSES

City of Tenino January 1, 2019 through December 31, 2022

2022-002 The City lacked adequate internal controls over financial reporting to ensure compliance with state law requiring timely annual report submissions.

Background

Federal and state agencies, the City Council and the public rely on the information included in financial statements and reports to make decisions. The City is responsible for designing, implementing and maintaining internal controls that provide reasonable assurance its financial reporting is reliable.

State law (RCW 43.09.230) requires the City to submit an annual report with accurate, summarized financial information and supporting schedules to the State Auditor's Office within 150 days after the end of its fiscal year.

Description of Condition

The City did not submit the required annual reports to our Office within 150 days of fiscal year-end. The City filed its 2022, 2021 and 2019 annual reports 246, 519 and 330 days late, respectively. The City filed its 2020 annual report on time.

Cause of Condition

Due to staff turnover, City leadership did not dedicate the necessary resources to submit the annual report on time and did not respond to our Office's outreach efforts, which limited their access to support and training.

Effect of Condition

Delays in the availability of complete financial reports prevent City officials, the public and other interested parties from obtaining timely information. Such delays and inaccuracies also hinder public transparency and our Office's efforts to compile statistical and financial information that the Legislature and other parties use. Further, the City's failure to respond impeded our Office's ability to audit the government in a timely manner, as state law requires.

Recommendation

We recommend the City establish internal controls to ensure timely financial reporting in accordance with state law.

City's Response

In response to the Performance and Accountability Audit of the City of Tenino from January 1, 2019- December 31, 2022. We appreciate the thoroughness and professionalism with which the audit was conducted, and we acknowledge receipt of the audit findings.

The City of Tenino is committed to ensuring compliance, transparency, and adherence to best practices in all aspects of our operations. Your audit report has been instrumental in identifying areas where improvements can be made, and we are dedicated to implementing these improvements promptly.

Additionally, we would like to thank your audit team for providing valuable insights and recommendations throughout the audit process. We believe that their expertise and guidance will contribute significantly to the City of Tenino ongoing growth and success.

Auditor's Remarks

We appreciate the steps the City is taking to resolve this issue. We will review the corrective action taken during our next audit.

Applicable Laws and Regulations

RCW 43.09.230, Local government accounting – Annual reports – Comparative statistics.

RELATED REPORTS

Financial

Our opinion on the City's financial statements is provided in a separate report, which includes the City's financial statements. That report is available on our website, <https://portal.sao.wa.gov//ReportSearch>.

That report includes a finding for a material weakness in internal controls over financial reporting regarding the accuracy of amounts reported on the financial statements, Schedules of Liabilities, and the Schedule of Expenditures of Federal Awards.

Special investigations

We issued two reports on fraud investigation reports on activities at the City. Those reports are available on our website, <https://portal.sao.wa.gov//ReportSearch>.

INFORMATION ABOUT THE CITY

The City of Tenino currently serves 1,819 residents in Thurston County. The City provides a full range of services including police, municipal court, street maintenance and construction, parks and recreation, planning and economic development, storm water management and water services.

An elected, five-member Council and an independently elected Mayor govern the City. The Council appoints department heads to oversee the City’s daily operations and its 13 employees. For fiscal years 2022, 2021, 2020 and 2019, the City's general fund had operating expenditures of about \$1,674,629, \$1,326,398, \$1,501,745 and \$1,161,110, respectively.

Contact information related to this report	
Address:	City of Tenino P.O. Box 4019 Tenino, WA 98589
Contact:	Jen Scharber, Clerk Treasurer
Telephone:	(360) 264-2368
Website:	http://www.cityoftenino.us

Information current as of report publish date.

Audit history

You can find current and past audit reports for the City of Tenino at <https://portal.sao.wa.gov//ReportSearch>.

ABOUT THE STATE AUDITOR’S OFFICE

The State Auditor’s Office is established in the Washington State Constitution and is part of the executive branch of state government. The State Auditor is elected by the people of Washington and serves four-year terms.

We work with state agencies, local governments and the public to achieve our vision of increasing trust in government by helping governments work better and deliver higher value.

In fulfilling our mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, we hold ourselves to those same standards by continually improving our audit quality and operational efficiency, and by developing highly engaged and committed employees.

As an agency, the State Auditor’s Office has the independence necessary to objectively perform audits, attestation engagements and investigations. Our work is designed to comply with professional standards as well as to satisfy the requirements of federal, state and local laws. The Office also has an extensive quality control program and undergoes regular external peer review to ensure our work meets the highest possible standards of accuracy, objectivity and clarity.

Our audits look at financial information and compliance with federal, state and local laws for all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits and cybersecurity audits of state agencies and local governments, as well as state whistleblower, fraud and citizen hotline investigations.

The results of our work are available to everyone through the more than 2,000 reports we publish each year on our website, www.sao.wa.gov. Additionally, we share regular news and other information via an email subscription service and social media channels.

We take our role as partners in accountability seriously. The Office provides training and technical assistance to governments both directly and through partnerships with other governmental support organizations.

Stay connected at sao.wa.gov

- [Find your audit team](#)
- [Request public records](#)
- Search BARS Manuals ([GAAP](#) and [cash](#)), and find [reporting templates](#)
- Learn about our [training workshops](#) and [on-demand videos](#)
- Discover [which governments serve you](#) — enter an address on our map
- Explore public financial data with the [Financial Intelligence Tool](#)

Other ways to stay in touch

- Main telephone:
(564) 999-0950
- Toll-free Citizen Hotline:
(866) 902-3900
- Email:
webmaster@sao.wa.gov



Office of the Washington State Auditor
Pat McCarthy

Financial Statements Audit Report

City of Tenino

For the period January 1, 2019 through December 31, 2022

Published December 26, 2024

Report No. 1036287



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**Office of the Washington State Auditor
Pat McCarthy**

December 26, 2024

Mayor and City Council
City of Tenino
Tenino, Washington

Report on Financial Statements

Please find attached our report on the City of Tenino's financial statements.

We are issuing this report in order to provide information on the City's financial activities and condition.

Sincerely,

Pat McCarthy, State Auditor
Olympia, WA

Americans with Disabilities

In accordance with the Americans with Disabilities Act, we will make this document available in alternative formats. For more information, please contact our Office at (564) 999-0950, TDD Relay at (800) 833-6388, or email our webmaster at webmaster@sao.wa.gov.

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SCHEDULE OF AUDIT FINDINGS AND RESPONSES

City of Tenino January 1, 2019 through December 31, 2022

2022-001 The City did not have adequate internal controls ensuring accurate reporting of its financial statements.

Background

State and federal agencies, the City Council and the public rely on information included in the financial statements and reports to make decisions. Management is responsible for designing and following internal controls that provide reasonable assurance its financial reporting is reliable and the financial statements and notes to financial statements are accurate.

The City prepares its financial statements in accordance with the cash-basis accounting method prescribed by the Budgeting, Accounting and Reporting System (BARS) Manual.

Our audit identified deficiencies in internal controls over accounting and financial reporting that affected the City's ability to produce reliable financial statements. Government Auditing Standards requires the State Auditor's Office to communicate material weaknesses in internal controls as a finding.

Description of Condition

We identified the following deficiencies in the City's internal controls over financial reporting that, when taken together, represent a material weakness:

- The financial statement preparation process did not ensure financial reports were accurate and prepared in accordance with the BARS Manual.
- The City did not perform an effective review to ensure amounts reported in the financial statements, notes to the financial statements and supplementary schedules were consistent with the underlying accounting records.
- The City did not complete monthly and year-end cash reconciliations to ensure that accounting records, including revenues, expenditures and cash amounts, reconciled to the bank statements.

Cause of Condition

The City experienced significant turnover in key positions responsible for preparing the financial statements and related schedules, and did not provide adequate training and oversight for new staff who took over these duties.

Effect of Condition

The City’s financial information contained errors that management did not detect. We identified the following material and significant misstatements for each year under audit. The City:

- Understated the beginning and ending balance of the Schedule of Liabilities for the following years:

Year	Understated beginning balance	Understated ending balance
2022	\$613,135	\$520,964
2021	\$630,352	\$672,071
2020	\$5,792,867	\$5,361,379
2019	\$446,486	\$0

- Had unknown differences between the cash balance in the bank and the cash recorded in the general ledger totaling \$79,430, \$31,320, \$9,081 and \$2,254 in 2022, 2021, 2020 and 2019, respectively
- Overstated 2020 revenues and other decreases in fund resources by \$518,567 and \$490,732, respectively
- Overstated the 2022 Schedule of Expenditures of Federal Awards (SEFA) by \$528,509
- Did not consistently report the street fund as its own fund and instead combined this activity into the general fund for 2021 and 2022.
- Did not submit all required schedules and supplementary information as part of the 2020 annual financial report, including notes to the financial statements, Summary of Bank Reconciliation and the SEFA, and did not submit the 2019 notes to the financial statements

We also identified less significant errors in the City’s financial statements, schedules and notes that it provided for audit, including errors in the City’s ending cash. The City subsequently corrected all the significant and material misstatements on the 2022, 2021, 2020 and 2019 financial statements, schedules and notes.

Recommendation

We recommend the City:

- Strengthen internal controls and dedicate the resources necessary to ensure all staff responsible for preparing financial statements have the necessary resources and training to prepare accurate and complete financial statements in accordance with reporting standards
- Conduct an effective, independent financial statement review that ensures amounts reported agree with underlying accounting records
- Ensure it completes monthly and year-end cash reconciliations and that accounting records, including revenues, expenditures and cash amounts reconciled to the bank statements

City's Response

In response to the Financial Audit of the City of Tenino from January 1, 2019-December 31, 2022. We appreciate the thoroughness and professionalism with which the audit was conducted, and we acknowledge receipt of the audit findings.

The City of Tenino is committed to ensuring compliance, transparency, and adherence to best practices in all aspects of our operations. Your audit report has been instrumental in identifying areas where improvements can be made, and we are dedicated to implementing these improvements promptly.

Additionally, we would like to thank your audit team for providing valuable insights and recommendations throughout the audit process. We believe that their expertise and guidance will contribute significantly to the City of Tenino ongoing growth and success.

Auditor's Remarks

We appreciate the steps the City is taking to resolve this issue. We will review the corrective action taken during our next audit.

Applicable Laws and Regulations

Government Auditing Standards, July 2018 Revision, paragraphs 6.40 and 6.41 establish reporting requirements related to significant deficiencies or material weaknesses in internal control, instances of fraud, and noncompliance with provisions of laws, regulations, contracts, or grant agreements.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its Codification of Statements on Auditing Standards, section 265, Communicating Internal Control Related Matters Identified in an Audit, paragraph 7.

RCW 43.09.200 Local government accounting – Uniform system of accounting, requires the State Auditor to prescribe the system of accounting and reporting for all local governments.

Budgeting, Accounting and Reporting System (BARS Manual), 3.1.3, Internal Control, requires each local government to establish and maintain an effective system of internal controls that provides reasonable assurance that the government will achieve its objectives.

Budgeting, Accounting and Reporting System (BARS Manual), 4.14.13, Liabilities (Schedule 09)

Budgeting, Accounting and Reporting System (BARS Manual), 4.14.15, Expenditures of Federal Awards (SEFA/Schedule 16)

Budgeting, Accounting and Reporting System (BARS Manual), 3.1.9, Bank Reconciliations

INDEPENDENT AUDITOR'S REPORT

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

City of Tenino January 1, 2019 through December 31, 2022

Mayor and City Council
City of Tenino
Tenino, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the City of Tenino, as of and for the years ended December 31, 2022, 2021, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the City's financial statements, and have issued our report thereon dated December 20, 2024.

We issued an unmodified opinion on the fair presentation of the City's financial statements in accordance with its regulatory basis of accounting. We issued an adverse opinion on the fair presentation with regard to accounting principles generally accepted in the United States of America (GAAP) because the financial statements are prepared by the City using accounting practices prescribed by state law and the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) manual described in Note 1, which is a basis of accounting other than GAAP. The effects on the financial statements of the variances between the basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audits of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

However, we identified certain deficiencies in internal control, as described in the accompanying Schedule of Audit Findings and Responses as Finding 2022-001, that we consider to be material weaknesses.

REPORT ON COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain matters that we have reported to the management of the City in separate special investigation reports dated April 13, 2023 and January 13, 2022.

CITY'S RESPONSE TO FINDINGS

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying Schedule of Audit Findings and Responses. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.



Pat McCarthy, State Auditor

Olympia, WA

December 20, 2024

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

City of Tenino January 1, 2019 through December 31, 2022

Mayor and City Council
City of Tenino
Tenino, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Unmodified and Adverse Opinions

We have audited the financial statements of the City of Tenino, as of and for the years ended December 31, 2022, 2021, 2020 and 2019, and the related notes to the financial statements, as listed in the financial section of our report.

Unmodified Opinion on the Regulatory Basis of Accounting (BARS Manual)

As described in Note 1, the City has prepared these financial statements to meet the financial reporting requirements of state law and accounting practices prescribed by the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) Manual. Those accounting practices differ from accounting principles generally accepted in the United States of America (GAAP). The differences in these accounting practices are also described in Note 1.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash and investments of the City of Tenino, and its changes in cash and investments, for the years ended December 31, 2022, 2021, 2020 and 2019, on the basis of accounting described in Note 1.

Adverse Opinion on U.S. GAAP

The financial statements referred to above were not intended to, and in our opinion, they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the City of Tenino, as of December 31, 2022, 2021, 2020 and 2019, or the changes in financial position or cash flows thereof for the years then ended, because of the significance of the matter discussed below.

Basis for Unmodified and Adverse Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and *Government Auditing Standards*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit unmodified and adverse opinions.

Matter Giving Rise to Adverse Opinion on U.S. GAAP

Auditing standards issued by the American Institute of Certified Public Accountants (AICPA) require auditors to formally acknowledge when governments do not prepare their financial statements, intended for general use, in accordance with GAAP. As described in Note 1 of the financial statements, the financial statements are prepared by the City in accordance with state law using accounting practices prescribed by the BARS Manual, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of state law and the BARS Manual described in Note 1. This includes determining that the basis of accounting is acceptable for the presentation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Performing an audit in accordance with GAAS and *Government Auditing Standards* includes the following responsibilities:

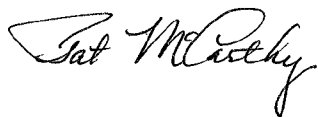
- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed;
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements;
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time; and
- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements. The Schedules of Liabilities are presented for purposes of additional analysis, as required by the prescribed BARS manual. These schedules are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2024 on our consideration of the City's internal control over financial reporting and on the tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Pat McCarthy, State Auditor

Olympia, WA

December 20, 2024

FINANCIAL SECTION**City of Tenino
January 1, 2019 through December 31, 2022****FINANCIAL STATEMENTS**

Fund Resources and Uses Arising from Cash Transactions – 2022
Fund Resources and Uses Arising from Cash Transactions – 2021
Fund Resources and Uses Arising from Cash Transactions – 2020
Fund Resources and Uses Arising from Cash Transactions – 2019
Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2022
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SUPPLEMENTARY AND OTHER INFORMATION

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Schedule of Liabilities – 2019

City of Tenino
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		Total for All Funds (Memo Only)	001 General Government Fund #001	101 City Street Fund #101	310 Municipal Capital Imp Fund 310
Beginning Cash and Investments					
308	Beginning Cash and Investments	3,825,637	651,705	19,558	19,881
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	1,286,184	1,165,840	60,172	60,172
320	Licenses and Permits	81,722	80,017	1,705	-
330	Intergovernmental Revenues	1,472,957	105,216	40,379	1,311,898
340	Charges for Goods and Services	1,798,819	49,024	-	-
350	Fines and Penalties	31,308	7,483	-	-
360	Miscellaneous Revenues	18,673	9,494	13	264
Total Revenues:		<u>4,689,663</u>	<u>1,417,074</u>	<u>102,269</u>	<u>1,372,334</u>
Expenditures					
510	General Government	558,415	558,415	-	-
520	Public Safety	696,204	696,204	-	-
530	Utilities	726,925	-	-	-
540	Transportation	78,172	-	78,172	-
550	Natural/Economic Environment	161,707	161,707	-	-
560	Social Services	4,538	4,538	-	-
570	Culture and Recreation	174,417	174,417	-	-
Total Expenditures:		<u>2,400,378</u>	<u>1,595,281</u>	<u>78,172</u>	<u>-</u>
Excess (Deficiency) Revenues over Expenditures:		2,289,285	(178,207)	24,097	1,372,334
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	38,785	-	38,785	-
385	Special or Extraordinary Items	105	-	-	-
381, 382, 389, 395, 398	Other Resources	54,342	20,736	-	33,606
Total Other Increases in Fund Resources:		<u>93,232</u>	<u>20,736</u>	<u>38,785</u>	<u>33,606</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	2,705,185	-	586,375	1,282,019
591-593, 599	Debt Service	563,627	-	-	-
597	Transfers-Out	38,785	38,785	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	10,545	10,545	-	-
Total Other Decreases in Fund Resources:		<u>3,318,142</u>	<u>49,330</u>	<u>586,375</u>	<u>1,282,019</u>
Increase (Decrease) in Cash and Investments:		(935,625)	(206,801)	(523,493)	123,921
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	143,802	-	-	143,802
50841	Committed	-	-	-	-
50851	Assigned	2,855,869	50,627	-	-
50891	Unassigned	(109,645)	394,287	(503,932)	-
Total Ending Cash and Investments		<u>2,890,026</u>	<u>444,914</u>	<u>(503,932)</u>	<u>143,802</u>

The accompanying notes are an integral part of this statement.

City of Tenino
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

	330 Inter Governmental Fund	401 Water Fund	403 Stormwater Fund	410 Sewer Fund	
Beginning Cash and Investments					
308	Beginning Cash and Investments	-	1,780,719	37,620	1,316,154
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	15,464	-	-	-
340	Charges for Goods and Services	-	344,788	-	1,405,007
350	Fines and Penalties	-	11,944	-	11,881
360	Miscellaneous Revenues	-	5,900	133	2,869
Total Revenues:		15,464	362,632	133	1,419,757
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	211,023	-	515,902
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	211,023	-	515,902
Excess (Deficiency) Revenues over Expenditures:		15,464	151,609	133	903,855
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	105
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	-	-	105
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	484,931	-	351,860
591-593, 599	Debt Service	-	6,519	-	557,108
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	491,450	-	908,968
Increase (Decrease) in Cash and Investments:		15,464	(339,841)	133	(5,008)
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	-	-	-
50841	Committed	-	-	-	-
50851	Assigned	15,464	1,440,876	37,753	1,311,149
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		15,464	1,440,876	37,753	1,311,149

The accompanying notes are an integral part of this statement.

**City of Tenino
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2021**

		Total for All Funds (Memo Only)	001 General Government Fund #001	101 City Street Fund #101	310 Municipal Capital Imp Fund 310
Beginning Cash and Investments					
308	Beginning Cash and Investments	3,416,308	84,144	14,854	210,008
388 / 588	Net Adjustments	(11,489)	(11,489)	-	-
Revenues					
310	Taxes	1,093,719	1,034,273	16,626	42,820
320	Licenses and Permits	62,710	62,210	500	-
330	Intergovernmental Revenues	487,516	417,786	37,730	32,000
340	Charges for Goods and Services	1,631,810	32,799	-	-
350	Fines and Penalties	12,909	12,075	-	-
360	Miscellaneous Revenues	95,341	7,813	84,643	118
Total Revenues:		<u>3,384,005</u>	<u>1,566,956</u>	<u>139,499</u>	<u>74,938</u>
Expenditures					
510	General Government	456,286	456,286	-	-
520	Public Safety	537,135	537,135	-	-
530	Utilities	568,384	-	-	-
540	Transportation	72,889	-	72,889	-
550	Natural/Economic Environment	126,727	126,727	-	-
560	Social Services	3,783	3,783	-	-
570	Culture and Recreation	142,738	142,738	-	-
Total Expenditures:		<u>1,907,942</u>	<u>1,266,669</u>	<u>72,889</u>	<u>-</u>
Excess (Deficiency) Revenues over Expenditures:		<u>1,476,063</u>	<u>300,287</u>	<u>66,610</u>	<u>74,938</u>
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	22,450	22,450	-	-
397	Transfers-In	5,703	-	5,703	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	333,443	299,837	-	33,606
Total Other Increases in Fund Resources:		<u>361,596</u>	<u>322,287</u>	<u>5,703</u>	<u>33,606</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	834,659	42,171	67,610	298,674
591-593, 599	Debt Service	580,832	-	-	-
597	Transfers-Out	5,703	5,703	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	(4,342)	(4,342)	-	-
Total Other Decreases in Fund Resources:		<u>1,416,852</u>	<u>43,532</u>	<u>67,610</u>	<u>298,674</u>
Increase (Decrease) in Cash and Investments:		<u>420,807</u>	<u>579,042</u>	<u>4,703</u>	<u>(190,130)</u>
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	143,439	-	19,558	19,881
50841	Committed	-	-	-	-
50851	Assigned	3,646,856	616,364	-	-
50891	Unassigned	35,341	35,341	-	-
Total Ending Cash and Investments		<u>3,825,636</u>	<u>651,705</u>	<u>19,558</u>	<u>19,881</u>

The accompanying notes are an integral part of this statement.

City of Tenino
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2021

		<u>401 Water Fund</u>	<u>403 Stormwater Fund</u>	<u>410 Sewer Fund</u>
Beginning Cash and Investments				
308	Beginning Cash and Investments	1,666,612	37,580	1,403,110
388 / 588	Net Adjustments	-	-	-
Revenues				
310	Taxes	-	-	-
320	Licenses and Permits	-	-	-
330	Intergovernmental Revenues	-	-	-
340	Charges for Goods and Services	306,603	-	1,292,408
350	Fines and Penalties	603	-	231
360	Miscellaneous Revenues	1,811	40	916
Total Revenues:		<u>309,017</u>	<u>40</u>	<u>1,293,555</u>
Expenditures				
510	General Government	-	-	-
520	Public Safety	-	-	-
530	Utilities	166,741	-	401,643
540	Transportation	-	-	-
550	Natural/Economic Environment	-	-	-
560	Social Services	-	-	-
570	Culture and Recreation	-	-	-
Total Expenditures:		<u>166,741</u>	<u>-</u>	<u>401,643</u>
Excess (Deficiency) Revenues over Expenditures:		<u>142,276</u>	<u>40</u>	<u>891,912</u>
Other Increases in Fund Resources				
391-393, 596	Debt Proceeds	-	-	-
397	Transfers-In	-	-	-
385	Special or Extraordinary Items	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-
Total Other Increases in Fund Resources:		<u>-</u>	<u>-</u>	<u>-</u>
Other Decreases in Fund Resources				
594-595	Capital Expenditures	21,648	-	404,556
591-593, 599	Debt Service	6,519	-	574,313
597	Transfers-Out	-	-	-
585	Special or Extraordinary Items	-	-	-
581, 582, 589	Other Uses	-	-	-
Total Other Decreases in Fund Resources:		<u>28,167</u>	<u>-</u>	<u>978,869</u>
Increase (Decrease) in Cash and Investments:		<u>114,109</u>	<u>40</u>	<u>(86,957)</u>
Ending Cash and Investments				
50821	Nonspendable	-	-	-
50831	Restricted	-	-	104,000
50841	Committed	-	-	-
50851	Assigned	1,780,718	37,620	1,212,154
50891	Unassigned	-	-	-
Total Ending Cash and Investments		<u>1,780,718</u>	<u>37,620</u>	<u>1,316,154</u>

The accompanying notes are an integral part of this statement.

City of Tenino
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2020

		Total for All Funds (Memo Only)	001 General Government Fund #001	101 City Street Fund #101	310 Municipal Capital Imp Fund 310
Beginning Cash and Investments					
308	Beginning Cash and Investments	3,483,799	324,953	11,884	198,641
388 / 588	Net Adjustments	(6,724)	(6,724)	-	-
Revenues					
310	Taxes	934,040	845,073	34,812	54,155
320	Licenses and Permits	126,529	125,629	900	-
330	Intergovernmental Revenues	266,402	183,767	36,402	46,233
340	Charges for Goods and Services	1,745,624	34,727	-	-
350	Fines and Penalties	22,568	15,014	-	-
360	Miscellaneous Revenues	20,963	15,521	14	261
Total Revenues:		<u>3,116,126</u>	<u>1,219,731</u>	<u>72,128</u>	<u>100,649</u>
Expenditures					
510	General Government	642,085	642,085	-	-
520	Public Safety	622,151	622,151	-	-
530	Utilities	650,379	-	-	-
540	Transportation	65,821	-	65,821	-
550	Natural/Economic Environment	98,425	98,425	-	-
560	Social Services	3,743	3,743	-	-
570	Culture and Recreation	99,352	99,352	-	-
Total Expenditures:		<u>2,181,956</u>	<u>1,465,756</u>	<u>65,821</u>	<u>-</u>
Excess (Deficiency) Revenues over Expenditures:		934,170	(246,025)	6,307	100,649
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	9	-	9	-
385	Special or Extraordinary Items	12,440	12,440	-	-
381, 382, 389, 395, 398	Other Resources	63,384	29,777	-	33,607
Total Other Increases in Fund Resources:		<u>75,833</u>	<u>42,217</u>	<u>9</u>	<u>33,607</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	472,503	-	3,346	122,889
591-593, 599	Debt Service	567,986	-	-	-
597	Transfers-Out	9	9	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	30,258	30,258	-	-
Total Other Decreases in Fund Resources:		<u>1,070,756</u>	<u>30,267</u>	<u>3,346</u>	<u>122,889</u>
Increase (Decrease) in Cash and Investments:		(60,753)	(234,075)	2,970	11,367
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	224,862	-	14,854	210,008
50841	Committed	-	-	-	-
50851	Assigned	3,107,302	-	-	-
50891	Unassigned	84,144	84,144	-	-
Total Ending Cash and Investments		<u>3,416,308</u>	<u>84,144</u>	<u>14,854</u>	<u>210,008</u>

The accompanying notes are an integral part of this statement.

City of Tenino
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2020

		401 Water Fund	410 Sewer Fund
Beginning Cash and Investments			
308	Beginning Cash and Investments	1,773,744	1,174,577
388 / 588	Net Adjustments	-	-
Revenues			
310	Taxes	-	-
320	Licenses and Permits	-	-
330	Intergovernmental Revenues	-	-
340	Charges for Goods and Services	370,859	1,340,038
350	Fines and Penalties	4,250	3,304
360	Miscellaneous Revenues	3,802	1,365
Total Revenues:		378,911	1,344,707
Expenditures			
510	General Government	-	-
520	Public Safety	-	-
530	Utilities	235,202	415,177
540	Transportation	-	-
550	Natural/Economic Environment	-	-
560	Social Services	-	-
570	Culture and Recreation	-	-
Total Expenditures:		235,202	415,177
Excess (Deficiency) Revenues over Expenditures:		143,709	929,530
Other Increases in Fund Resources			
391-393, 596	Debt Proceeds	-	-
397	Transfers-In	-	-
385	Special or Extraordinary Items	-	-
381, 382, 389, 395, 398	Other Resources	-	-
Total Other Increases in Fund Resources:		-	-
Other Decreases in Fund Resources			
594-595	Capital Expenditures	206,573	139,695
591-593, 599	Debt Service	6,686	561,300
597	Transfers-Out	-	-
585	Special or Extraordinary Items	-	-
581, 582, 589	Other Uses	-	-
Total Other Decreases in Fund Resources:		213,259	700,995
Increase (Decrease) in Cash and Investments:		(69,550)	228,535
Ending Cash and Investments			
50821	Nonspendable	-	-
50831	Restricted	-	-
50841	Committed	-	-
50851	Assigned	1,704,192	1,403,110
50891	Unassigned	-	-
Total Ending Cash and Investments		1,704,192	1,403,110

The accompanying notes are an integral part of this statement.

City Of Tenino
Fund Resources and Uses Arising from Cash Transactions
For Year Ending: December 31, 2019

		Total For All Funds (Memo Only)	001 - General Government Fund #001	101 - City Street Fund #101
Beginning Cash and Investments				
308.10	Reserved	376,215.74	0.00	34,972.89
308.80	Unreserved	2,935,769.89	269,821.72	0.00
388/588	Net Adjustments	(3,807.97)	(3,807.97)	0.00
Revenues				
310	Taxes	959,132.05	883,855.12	26,696.41
320	Licenses and Permits	60,726.53	60,206.53	520.00
330	Intergovernmental Revenues	213,668.42	84,736.41	40,103.62
340	Charges for Goods and Services	1,506,609.19	45,702.85	0.00
350	Fines and Penalties	49,858.21	25,567.31	0.00
360	Miscellaneous Revenues	42,087.01	29,052.06	52.42
Total Revenues:		2,832,081.41	1,129,120.28	67,372.45
Expenditures				
510	General Government	318,871.52	318,871.52	0.00
520	Public Safety	515,098.01	512,848.01	0.00
530	Utilities	692,783.52	0.00	0.00
540	Transportation	108,419.15	0.00	108,044.15
550	Natural and Economic Environment	64,969.11	59,968.81	0.00
560	Social Services	2,366.44	2,366.44	0.00
570	Culture and Recreation	154,013.88	154,013.88	0.00
Total Expenditures:		1,856,521.63	1,048,068.66	108,044.15
Excess (Deficiency) Revenues over Expenditures:		975,559.78	81,051.62	(40,671.70)
Other Increases				
391-393, 596	Debt Proceeds	0.00	0.00	0.00
397	Transfers-In	26,800.16	0.00	26,800.16
385	Special or Extraordinary Items	0.00	0.00	0.00
386,389	Custodial Activities	34,528.64	34,528.64	0.00
381,382,395,398	Other Increases	33,606.56	0.00	0.00
Total Other Increases		94,935.36	34,528.64	26,800.16
Other Decreases				
594-595	Capital Expenditures	268,191.91	0.00	9,216.88
591-593, 599	Debt Service	570,040.45	0.00	0.00
597	Transfers-Out	26,800.16	26,800.16	0.00
586, 589	Custodial Activities	29,841.42	29,841.42	0.00
585	Special or Extraordinary Items	0.00	0.00	0.00
581, 582	Other Decreases	0.00	0.00	0.00
Total Other Decreases		894,873.94	56,641.58	9,216.88
Increase (Decrease) in Cash and Investments		175,621.20	58,938.68	(23,088.42)
Ending Cash and Investments				
508.10	Reserved	310,525.20	0.00	11,884.47
508.80	Unreserved	3,173,273.66	324,952.43	0.00
Total Ending Cash and Investments		3,483,798.86	324,952.43	11,884.47

The accompanying notes are an integral part of this Statement

City Of Tenino
Fund Resources and Uses Arising from Cash Transactions
For Year Ending: December 31, 2019

		310 - Municipal Capital Imp Fund 310	401 - Water Fund	403 - Stormwater Fund
Beginning Cash and Investments				
308.10	Reserved	241,242.85	0.00	0.00
308.80	Unreserved	0.00	1,686,040.47	37,704.93
388/588	Net Adjustments	0.00	0.00	0.00
Revenues				
310	Taxes	48,580.52	0.00	0.00
320	Licenses and Permits	0.00	0.00	0.00
330	Intergovernmental Revenues	88,828.39	0.00	0.00
340	Charges for Goods and Services	0.00	301,109.59	0.00
350	Fines and Penalties	0.00	18,170.46	0.00
360	Miscellaneous Revenues	1,970.51	7,398.03	166.69
Total Revenues:		139,379.42	326,678.08	166.69
Expenditures				
510	General Government	0.00	0.00	0.00
520	Public Safety	0.00	0.00	0.00
530	Utilities	0.00	242,664.64	0.00
540	Transportation	0.00	0.00	375.00
550	Natural and Economic Environment	5,000.30	0.00	0.00
560	Social Services	0.00	0.00	0.00
570	Culture and Recreation	0.00	0.00	0.00
Total Expenditures:		5,000.30	242,664.64	375.00
Excess (Deficiency) Revenues over Expenditures:		134,379.12	84,013.44	(208.31)
Other Increases				
391-393, 596	Debt Proceeds	0.00	0.00	0.00
397	Transfers-In	0.00	0.00	0.00
385	Special or Extraordinary Items	0.00	0.00	0.00
386,389	Custodial Activities	0.00	0.00	0.00
381,382,395,398	Other Increases	33,606.56	0.00	0.00
Total Other Increases		33,606.56	0.00	0.00
Other Decreases				
594-595	Capital Expenditures	210,587.80	27,272.25	0.00
591-593, 599	Debt Service	0.00	6,534.10	0.00
597	Transfers-Out	0.00	0.00	0.00
586, 589	Custodial Activities	0.00	0.00	0.00
585	Special or Extraordinary Items	0.00	0.00	0.00
581, 582	Other Decreases	0.00	0.00	0.00
Total Other Decreases		210,587.80	33,806.35	0.00
Increase (Decrease) in Cash and Investments		(42,602.12)	50,207.09	(208.31)
Ending Cash and Investments				
508.10	Reserved	198,640.73	0.00	0.00
508.80	Unreserved	0.00	1,736,247.56	37,496.62
Total Ending Cash and Investments		198,640.73	1,736,247.56	37,496.62

The accompanying notes are an integral part of this Statement

City Of Tenino
Fund Resources and Uses Arising from Cash Transactions
For Year Ending: December 31, 2019

		410 - Sewer Fund	450 - Reserve Academy Operating Fund	
Beginning Cash and Investments				
308.10	Reserved	100,000.00	0.00	
308.80	Unreserved	942,202.77	0.00	
388/588	Net Adjustments	0.00	0.00	
Revenues				
310	Taxes	0.00	0.00	
320	Licenses and Permits	0.00	0.00	
330	Intergovernmental Revenues	0.00	0.00	
340	Charges for Goods and Services	1,157,546.75	2,250.00	
350	Fines and Penalties	6,120.44	0.00	
360	Miscellaneous Revenues	3,447.30	0.00	
Total Revenues:		1,167,114.49	2,250.00	
Expenditures				
510	General Government	0.00	0.00	
520	Public Safety	0.00	2,250.00	
530	Utilities	450,118.88	0.00	
540	Transportation	0.00	0.00	
550	Natural and Economic Environment	0.00	0.00	
560	Social Services	0.00	0.00	
570	Culture and Recreation	0.00	0.00	
Total Expenditures:		450,118.88	2,250.00	
Excess (Deficiency) Revenues over Expenditures:		716,995.61	0.00	
Other Increases				
391-393, 596	Debt Proceeds	0.00	0.00	
397	Transfers-In	0.00	0.00	
385	Special or Extraordinary Items	0.00	0.00	
386,389	Custodial Activities	0.00	0.00	
381,382,395,398	Other Increases	0.00	0.00	
Total Other Increases		0.00	0.00	
Other Decreases				
594-595	Capital Expenditures	21,114.98	0.00	
591-593, 599	Debt Service	563,506.35	0.00	
597	Transfers-Out	0.00	0.00	
586, 589	Custodial Activities	0.00	0.00	
585	Special or Extraordinary Items	0.00	0.00	
581, 582	Other Decreases	0.00	0.00	
Total Other Decreases		584,621.33	0.00	
Increase (Decrease) in Cash and Investments		132,374.28	0.00	
Ending Cash and Investments				
508.10	Reserved	100,000.00	0.00	
508.80	Unreserved	1,074,577.05	0.00	
Total Ending Cash and Investments		1,174,577.05	0.00	

The accompanying notes are an integral part of this Statement

City of Tenino
Fiduciary Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

	Total for All Funds (Memo Only)	Investment Trust	Custodial	
308	Beginning Cash and Investments	(22,714)	(23,036)	322
388 & 588	Net Adjustments	-	-	-
310-390	Additions	20,477	-	20,477
510-590	Deductions	38,660	19,826	18,834
	Net Increase (Decrease) in Cash and Investments:	(18,183)	(19,826)	1,643
508	Ending Cash and Investments	(40,897)	(42,862)	1,965

The accompanying notes are an integral part of this statement.

City of Tenino
Fiduciary Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2021

		<u>Total for All Funds (Memo Only)</u>	<u>Investment Trust</u>	<u>Custodial</u>
308	Beginning Cash and Investments	(7,506)	(14,763)	7,257
388 & 588	Net Adjustments	-	-	-
310-390	Additions	21,002	-	21,002
510-590	Deductions	36,210	8,273	27,937
	Net Increase (Decrease) in Cash and Investments:	(15,208)	(8,273)	(6,935)
508	Ending Cash and Investments	(22,714)	(23,036)	322

The accompanying notes are an integral part of this statement.

City of Tenino
Fiduciary Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2020

		<u>Total for All Funds (Memo Only)</u>	<u>Investment Trust</u>	<u>Custodial</u>
308	Beginning Cash and Investments	2,421	(5,178)	7,599
388 & 588	Net Adjustments	-	-	-
310-390	Additions	557,630	523,075	34,555
510-590	Deductions	567,557	532,660	34,897
	Net Increase (Decrease) in Cash and Investments:	(9,927)	(9,585)	(342)
508	Ending Cash and Investments	(7,506)	(14,763)	7,257

The accompanying notes are an integral part of this statement.

City Of Tenino

Fiduciary Fund Resources and Uses Arising from Cash Transactions

For Year Ending: December 31, 2019

		Total For All Funds (Memo Only)	601 - SWWAIP Trust Fund	631 - Municipal Court Trust Fund
308	Beginning Cash and Investments	4,185.26	(1,400.00)	5,585.26
388/588	Net Adjustments	0.00	0.00	0.00
310 - 360	Revenues	42,068.72	42,068.72	0.00
370 - 390	Other Increases	53,040.16	0.00	53,040.16
510 - 570	Expenditures	0.00	0.00	0.00
580 - 590	Other Decreases	96,872.46	45,846.41	51,026.05
	Increase (Decrease) in Cash and Investments	(1,763.58)	(3,777.69)	2,014.11
508	Ending Cash and Investments:	2,421.68	(5,177.69)	7,599.37

The accompanying notes are an integral part of this Statement

City of Tenino
Notes to the Financial Statements
For the year ended December 31, 2022

Note 1 - Summary of Significant Accounting Policies

The City of Tenino was incorporated on July 24, 1906 and operates under the laws of the state of Washington applicable to a Code City. The city is a general purpose local government and provides Public Safety, Streets, Water, and Sewer Utilities.

The city reports financial activity in accordance with the *Cash Basis Budgeting, Accounting and Reporting System* (BARS) Manual prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW. This manual prescribes a financial reporting framework that differs from generally accepted accounting principles (GAAP) in the following manner:

- Financial transactions are recognized on a cash basis of accounting as described below.
- Component units are required to be disclosed, but are not included in the financial statements (see *Notes to the Financial Statements*).
- Government-wide statements, as defined in GAAP, are not presented.
- All funds are presented, rather than a focus on major funds.
- The *Schedule of Liabilities* is required to be presented with the financial statements as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances are presented using classifications that are different from the ending net position classifications in GAAP.

A. Fund Accounting

Financial transactions of the government are reported in individual funds. Each fund uses a separate set of self-balancing accounts that comprises its cash and investments, revenues and expenditures. The government's resources are allocated to and accounted for in individual funds depending on their intended purpose. Each fund is reported as a separate column in the financial statements, except for fiduciary funds, which are presented by fund types. The total column is presented as "memo only" because any interfund activities are not eliminated. The following fund types are used:

GOVERNMENTAL FUND TYPES:

General Fund

This fund is the primary operating fund of the government. It accounts for all financial resources except those required or elected to be accounted for in another fund.

Special Revenue Funds

These funds account for specific revenue sources that are restricted or committed to expenditures for specified purposes of the government.

Capital Projects Funds

These funds account for financial resources which are restricted, committed, or assigned for the acquisition or construction of capital facilities or other capital assets.

City of Tenino
Notes to the Financial Statements
For the year ended December 31, 2022

PROPRIETARY FUND TYPES:

Enterprise Funds

These funds account for operations that provide goods or services to the general public and are supported primarily through user charges.

FIDUCIARY FUND TYPES:

Fiduciary funds account for assets held by the government in a trustee capacity or as a custodian on behalf of others.

Private-Purpose Trust Funds

These funds report all trust arrangements under which principal and income benefit individuals, private organizations or other governments.

Custodial Funds

These funds are used to account assets that the government holds on behalf of others in a custodial capacity.

B. Basis of Accounting and Measurement Focus

Financial statements are prepared using the cash basis of accounting and measurement focus. Revenues are recognized when cash is received and expenditures are recognized when paid.

In accordance with state law the city also recognizes expenditures paid during twenty days after the close of the fiscal year for claims incurred during the previous period.

C. Cash and Investments

See Note 4 - *Deposits and Investments*.

D. Capital Assets

The City of Tenino has no formal capital asset policy. Capital assets and inventory are recorded as capital expenditures when purchased.

E. Compensated Absences

Vacation leave may be accumulated up to 120 hours and is payable upon separation or retirement. Sick leave may be accumulated up to 720 hours. Upon separation or retirement employees do not receive payment for unused sick leave. Comp Time may be accumulated up to 40 hours and is payable on separation or retirement. Payments are recognized as expenditures when paid. The cost of the compensated absence liability for the City as of December 31, 2022 is \$30,940.

F. Long-Term Debt

See Note 7 – *Long-Term Debt (formerly Debt Service Requirements)*.

City of Tenino
Notes to the Financial Statements
For the year ended December 31, 2022

G. Restricted and Committed Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments are reported as restricted or committed when it is subject to restrictions on use imposed by external parties or due to internal commitments established by the City Council. When expenditures that meet restrictions are incurred, the city intends to use the most restricted resources first.

Restrictions and commitments of Ending Cash and Investments consist of:

Fund Name	Portion of Ending Balance Restricted	Portion of Ending Balance Committed	Combined	Reason for Restriction or Commitment
Fund 310	143,802		143,802	Restricted Revenue Sources

Note 2- Budget Compliance

The City adopts annual appropriated budgets for all funds. These budgets are appropriated at the fund level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

Annual appropriated budgets are adopted on the same basis of accounting as used for financial reporting.

The appropriated and actual expenditures for the legally adopted budgets were as follows:

Fund/Department	Final Appropriated Amounts	Actual Expenses	Variance
General Government Fund #001	1,494,642.48	1,631,674.01	-137,031.53
Quarry Pool Fund #002	47,117.00	11,811.56	35,305.44
Reserve Academy Operating Fund	10,000.00	0.00	10,000.00
Claims Receipts Clearing	0.00	1,117.92	-1,117.92
<i>Total 001 - General Government Fund #001</i>	\$ 1,551,759.48	\$ 1,644,603.49	\$ (92,844.01)
101 - City Street Fund #101	\$ 622,634.00	\$ 664,546.18	\$ (41,912.18)
310 - Municipal Capital Imp Fund 310	\$ 1,778,541.00	\$ 1,282,020.41	\$ 496,520.59
Water Fund	231,378.00	211,023.90	20,354.10
Water Capital Imp Fund	322,278.79	491,449.51	-169,170.72
<i>Total 401 - Water Fund</i>	\$ 553,656.79	\$ 702,473.41	\$ (148,816.62)
Sewer Fund	640,100.00	515,901.61	124,198.39
Sewer Capital Improvement Fund	395,000.00	351,859.53	43,140.47
Sewer Reserve Fund	559,091.00	557,107.70	1,983.30
<i>Total 410 - Sewer Fund</i>	\$ 1,594,191.00	\$ 1,424,868.84	\$ 169,322.16
601 - SWWAIP Trust Fund - Actual Amounts	\$ -	\$ 19,826.27	\$ (19,826.27)
631 - Municipal Court Trust Fund #631 - Actual Am	\$ 50,282.00	\$ 18,833.88	\$ 31,448.12

Budgeted amounts are authorized to be transferred between departments within any fund and object classes within departments; however, any revisions that alter the total expenditures of a fund, or that

City of Tenino
Notes to the Financial Statements
For the year ended December 31, 2022

affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the city’s legislative body.

The City excluded \$976,811 in interfund transfers due to consolidation of funds.

The negative budget variance in the General Fund was due to higher than budgeted engineering costs for the Ritter Street Roadway project, and higher wage expenditures due to staff turnover issues.

The negative budget variance in the Water Fund was due to higher than budgeted construction costs on a water main replacement project.

Note 3 – COVID-19 Pandemic

In February 2020, the Governor of the state of Washington declared a state of emergency in response to the spread of the deadly new virus known as COVID-19. In the months following the declaration, precautionary measures to slow the spread of the virus were ordered. These measures included closing schools, cancelling public events, limiting public and private gatherings, and restricting business operations, travel and non-essential activities.

The financial effects of COVID-19 precautions and protocols were not known at this time. The City did undertake a plan to help utility ratepayers pay their bill with financial assistance grants sourced from state CARES and ARPA funds.

The length of time these measures will continue to be in place, and the full extent of the financial impact on the city is unknown at this time.

Note 4 – Deposits and Investments

Investments are reported at fair value. Deposits and investments by type at December 31, 2022 are as follows:

Type of Deposit or Investment	City's own deposits & investments	Deposits & investments held by the City as custodian for other local governments, individuals, or private organizations.	Combined
Checking Deposits	2,551,913	-40,897	2,511,016
LGIP	338,109		338,109
<i>Totals</i>	2,890,022	-40,897	2,849,125

It is the city’s policy to invest all temporary cash surpluses. The interest on these investments is prorated to the various funds.

City of Tenino
Notes to the Financial Statements
For the year ended December 31, 2022

Investments in the State Local Government Investment Pool (LGIP)

The city is a voluntary participant in the Local Government Investment Pool, an external investment pool operated by the Washington State Treasurer. The pool is not rated and not registered with the SEC. Rather, oversight is provided by the State Finance Committee in accordance with Chapter 43.250 RCW. Investments in the LGIP are reported at amortized cost, which is the same as the value of the pool per share. The LGIP does not impose any restrictions on participant withdrawals.

The Office of the State Treasurer prepares a stand-alone financial report for the pool. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, Washington 98504-0200, online at www.tre.wa.gov.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in event of a failure of a depository financial institution, the city would not be able to recover deposits or would not be able to recover collateral securities that are in possession of an outside party. The city’s deposits and certificates of deposit are mostly covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

All investments are insured, registered or held by the city or its agent in the government’s name.

Note 5 – Joint Ventures, Component Unit(s), and Related Parties

The City of Tenino is engaged in a project to develop small agriculture and related businesses within the City. The City is developing an Ag Park on City owned land that will be leased by other entities and will involve future cost sharing. The City has issued LTGO bonds that can be drawn up to \$1,740,000. The City initiated its first draw of \$22,450 in 2021. The City uses Fund 623, the SWWIAP Trust Fund to record transactions for this purpose.

The City of Tenino participates in LERMS (Thurston County’s Law Enforcement Records Management System. LERMS is managed by the City of Olympia. The City of Tenino paid \$5,598 as its portion of system management costs in 2022.

Note 6 – Leases

The City has two active term leases for a copier and a postal machine. The future minimum lease payments for these equipment items are as follows:

Year	Lease Payments
2023	6,271
2024	2,922
2025	1,806
2026	451
<i>Total</i>	<i>11,450</i>

City of Tenino
Notes to the Financial Statements
For the year ended December 31, 2022

Note 7 – Long-Term Debt *(formerly Debt Service Requirements)*

The accompanying Schedule of Liabilities provides more details of the outstanding debt and liabilities of the city and summarizes the city’s debt transactions for year ended December 31, 2022.

The debt service requirements for general obligation bonds, revenue bonds and other debt are as follows:

Year	Principal	Interest	Total Debt Service
2023	494,905	66,324	561,229
2024	496,213	62,810	559,024
2025	497,558	59,260	556,818
2026	445,058	55,673	500,731
2027	59,252	52,317	111,569
2028-2032	305,888	238,867	544,755
2033-2037	328,140	196,980	525,120
2038-2042	376,156	148,964	525,120
2043-2047	431,197	93,923	525,120
2048-2052	441,058	30,837	471,894
Totals	\$ 3,875,426	\$ 1,005,956	\$ 4,881,381

Note 8 – Pension Plans

A. State Sponsored Pension Plans

Substantially all the city’s full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans PERS, LEOFF, and Deferred Comp.

The State Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems, a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to:

Department of Retirement Systems
Communications Unit
P.O. Box 48380
Olympia, WA 98540-8380

City of Tenino
Notes to the Financial Statements
For the year ended December 31, 2022

Also, the DRS CAFR may be downloaded from the DRS website at www.drs.wa.gov.

At June 30, 2021 (the measurement date of the plans), the city’s proportionate share of the collective net pension liabilities, as reported on the Schedule of Liabilities, was as follows:

Plan Type	Employer Contributions	Allocation Percentage	Plan Liability / Asset	NPL	NPA
PERS 1 UAAL	19,516.67	0.003185%	2,784,367,000	88,682	
PERS 2/3	33,286.49	0.004143%	(3,708,781,000)		(153,655)
LEOFF 1		0.001312%	(2,868,613,000)		(37,636)
LEOFF 2	10,530.38	0.005086%	(2,717,698,000)		(138,222)
		<i>Totals</i>		\$ 88,682	\$ (329,513)

LEOFF Plan 1

The city also participates in LEOFF Plan 1. The LEOFF Plan 1 is fully funded and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation. Starting on July 1, 2000, employers and employees contribute zero percent.

LEOFF Plan 2

The city also participates in the LEOFF Plan 2. The Legislature, by means of a special funding arrangement, appropriates money from the state general fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute.

B. Defined Contribution Pension Plans

The City maintains a 457 Plan administered by DRS. 15 employees participate in the plan in 2022. The total employer matched contribution to the plan was \$4,465 through December 31, 2022.

Note 9 - Property Tax

The county treasurer acts as an agent to collect property tax levied in the county for all taxing authorities. Collections are distributed at the end of each month.

Property tax revenues are recognized when cash is received by city. Delinquent taxes are considered fully collectible because a lien affixes to the property after tax is levied.

The city’s regular levy for the year 2022 was \$1.35965039 per \$1,000 on an assessed valuation of \$233,562,364 for a total regular levy of \$317,563.16.

City of Tenino
Notes to the Financial Statements
For the year ended December 31, 2022

Note 10 – Risk Management

The City of Tenino is a member of the Association of Washington Cities Risk Management Service Agency (AWC RMSA). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The AWC RMSA was formed on January 1, 1989, when 32 municipalities in the State of Washington joined by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of December 31, 2022, 105 entities participate in the AWC RMSA pool.

The AWC RMSA allows members to establish a program of joint insurance and provides risk management services to all members. All coverages, with the exception of pollution liability, are on an occurrence basis. The AWC RMSA provides all risk property, comprehensive crime, general liability, automobile liability, police liability, public officials' liability, employee fidelity and faithful performance, pollution liability, cyber liability, and equipment breakdown insurance coverage. Equipment breakdown is included with the property insurance carrier. Pollution, and cyber liability coverages are stand-alone policies, which the AWC RMSA procures for its members. The AWC RMSA allows members with airports to group purchase airport liability coverage, and members with drones to group purchase property and liability coverage.

Members pay an annual assessment to the AWC RMSA. The AWC RMSA is responsible for payment of all covered causes of loss against the jurisdiction above the stated retention. All members in the AWC RMSA have \$15 million in both per occurrence and aggregate liability limits. For the first \$1 million in liability limits, AWC RMSA is self-insured for its Self-Insured Retention (SIR) of \$250,000, per occurrence, and is reinsured by National League of Cities Mutual Insurance Company (NLC MIC) for the additional \$750,000. The \$9 million in excess liability coverage limits is provided through an excess liability policy purchased from Argonaut Insurance Company. The \$5 million in excess liability coverage limits above the first layer of excess coverage is purchased from Hallmark Specialty Insurance Company. Since AWC RMSA is a cooperative program, there is joint liability among the participating members. The reinsurance coverage is purchased through NLC MIC and excess property coverage is purchased through AIG Specialty Insurance Company, and CHUBB in 2022, AWC RMSA carried a retention of \$200,000, NLC MIC reinsures up to \$3 million, AIG Specialty Insurance Company provides excess insurance up to \$50 million, and CHUBB provides limits up to \$250 million. All commercial policies have been purchased through the Pool's Broker of Record, Aon.

Members contract to remain in the AWC RMSA pool for a minimum of one year and must give a one-year notice before terminating participation. Even after termination, a member is still responsible for contributions to the Pool for any unresolved, unreported, and in-process claims for the period they were signatory to the Interlocal Governmental Agreement.

The AWC RMSA establishes a loss fund for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses.

City of Tenino
Notes to the Financial Statements
For the year ended December 31, 2022

In accordance with WAC 200.100.02023, the AWC RMSA is governed by a board of directors, which is comprised of elected officials of participating members.

Note 11 – OPEB

The LEOFF I Retiree Medical Plan is a closed, single-employer, defined-benefit OPEB plan administered by the City. The plan pays for 100% of eligible retirees’ healthcare costs on a pay-as-you-go basis. As of December 31, 2022, the plan had 1 member, all retirees. As of December 31, 2022, the City’s total OPEB liability was \$551,587, as calculated using the alternative measurement method. For the year ended December 31, 2022, the City paid \$11,509 in benefits.

City of Tenino
Notes to the Financial Statements
For the year ended December 31, 2021

Note 1 - Summary of Significant Accounting Policies

The City of Tenino was incorporated on July 24, 1906 and operates under the laws of the state of Washington applicable to a Code City. The city is a general purpose local government and provides Public Safety, Streets, Water, and Sewer Utilities.

The city reports financial activity in accordance with the *Cash Basis Budgeting, Accounting and Reporting System* (BARS) Manual prescribed by the State Auditor’s Office under the authority of Washington State law, Chapter 43.09 RCW. This manual prescribes a financial reporting framework that differs from generally accepted accounting principles (GAAP) in the following manner:

- Financial transactions are recognized on a cash basis of accounting as described below.
- Component units are required to be disclosed, but are not included in the financial statements (see *Notes to the Financial Statements*).
- Government-wide statements, as defined in GAAP, are not presented.
- All funds are presented, rather than a focus on major funds.
- The *Schedule of Liabilities* is required to be presented with the financial statements as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances are presented using classifications that are different from the ending net position classifications in GAAP.

A. Fund Accounting

Financial transactions of the government are reported in individual funds. Each fund uses a separate set of self-balancing accounts that comprises its cash and investments, revenues and expenditures. The government’s resources are allocated to and accounted for in individual funds depending on their intended purpose. Each fund is reported as a separate column in the financial statements, except for fiduciary funds, which are presented by fund types. The total column is presented as “memo only” because any interfund activities are not eliminated. The following fund types are used:

GOVERNMENTAL FUND TYPES:

General Fund

This fund is the primary operating fund of the government. It accounts for all financial resources except those required or elected to be accounted for in another fund.

Special Revenue Funds

These funds account for specific revenue sources that are restricted or committed to expenditures for specified purposes of the government.

City of Tenino
Notes to the Financial Statements
For the year ended December 31, 2021

Capital Projects Funds

These funds account for financial resources which are restricted, committed, or assigned for the acquisition or construction of capital facilities or other capital assets.

PROPRIETARY FUND TYPES:

Enterprise Funds

These funds account for operations that provide goods or services to the general public and are supported primarily through user charges.

FIDUCIARY FUND TYPES:

Fiduciary funds account for assets held by the government in a trustee capacity or as a custodian on behalf of others.

Private-Purpose Trust Funds

These funds report all trust arrangements under which principal and income benefit individuals, private organizations or other governments.

Custodial Funds

These funds are used to account assets that the government holds on behalf of others in a custodial capacity.

B. Basis of Accounting and Measurement Focus

Financial statements are prepared using the cash basis of accounting and measurement focus. Revenues are recognized when cash is received and expenditures are recognized when paid.

In accordance with state law the city also recognizes expenditures paid during twenty days after the close of the fiscal year for claims incurred during the previous period.

C. Cash and Investments

See Note 4 - *Deposits and Investments*.

D. Capital Assets

The City of Tenino has no formal capital asset policy. Capital assets and inventory are recorded as capital expenditures when purchased.

E. Compensated Absences

Vacation leave may be accumulated up to 120 hours and is payable upon separation or retirement. Sick leave may be accumulated up to 720 hours. Upon separation or retirement employees do not receive payment for unused sick leave. Comp Time may be accumulated up to 40 hours and is payable on separation or retirement. Payments are recognized as expenditures when paid. The cost of the compensated absence liability for the City as of December 31, 2021 is \$24,628.

City of Tenino
Notes to the Financial Statements
For the year ended December 31, 2021

F. Long-Term Debt

See Note 6 – *Debt Service Requirements*.

G. Restricted and Committed Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments are reported as restricted or committed when it is subject to restrictions on use imposed by external parties or due to internal commitments established by the City Council. When expenditures that meet restrictions are incurred, the city intends to use the most restricted resources first.

Restrictions and commitments of Ending Cash and Investments consist of:

Fund Name	Portion of Ending Balance Restricted	Portion of Ending Balance Committed	Combined	Reason for Restriction or Commitment
Street Fund	19,558		19,558	Restricted Revenue Sources
Capital Improvement Fund	19,881		19,881	Restricted Revenue Sources
<i>Totals</i>	39,439	0	39,439	

Note 2 - Budget Compliance

The city adopts annual appropriated budgets for all funds. These budgets are appropriated at the fund level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

Annual appropriated budgets are adopted on the same basis of accounting as used for financial reporting.

City of Tenino
Notes to the Financial Statements
For the year ended December 31, 2021

The appropriated and actual expenditures for the legally adopted budgets were as follows:

Fund/Department	Final Appropriated Amounts	Actual Expenses	Variance
General Government Fund #001	1,325,022	1,302,736	22,286
Quarry Pool Fund #002	39,120	7,457	31,663
Reserve Academy Operating Fund	10,000	-	10,000
Total 001 - General Government Fund #001	\$ 1,374,142	\$ 1,310,194	\$ 63,948
101 - City Street Fund #101	\$ 658,443	\$ 140,498	\$ 517,945
310 - Municipal Capital Imp Fund 310	\$ 1,021,042	\$ 298,672	\$ 722,370
Water Fund	\$ 171,706	\$ 166,744	\$ 4,962
Water Capital Imp Fund	\$ 267,413	\$ 28,167	\$ 239,246
Total 401 - Water Fund	439,119	194,911	244,209
Sewer Fund	\$ 1,014,150	\$ 401,642	\$ 612,508
Sewer Capital Improvement Fund	\$ 442,570	\$ 404,555	\$ 38,015
Sewer Reserve Fund	\$ 559,091	\$ 574,313	\$ (15,222)
Total 410 - Sewer Fund	\$ 2,015,811	\$ 1,380,511	\$ 635,301
601 - SWWAIP Trust Fund - Actual Amounts	-	8,273	(8,273)
631 - Municipal Court Trust Fund #631 - Act	56,305	27,937	28,368

Budgeted amounts are authorized to be transferred between departments within any fund/object classes within departments; however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the city’s legislative body.

The City of Tenino had \$1,038,805 in excluded interfund transfers due to consolidation as compared to its adopted budget. The City of Tenino amended its 2021 adopted budget to add certain interfund transfers. These transfers were eliminated in consolidation of funds.

Note 3 – COVID-19 Pandemic

In February 2020, the Governor of the state of Washington declared a state of emergency in response to the spread of the deadly new virus known as COVID-19. In the months following the declaration, precautionary measures to slow the spread of the virus were ordered. These measures included closing schools, cancelling public events, limiting public and private gatherings, and restricting business operations, travel and non-essential activities.

City of Tenino
Notes to the Financial Statements
For the year ended December 31, 2021

The financial effects of COVID-19 precautions and protocols were not known at this time. The City did undertake a plan to help utility ratepayers pay their bill with financial assistance grants sourced from state CARES and ARPA funds.

The length of time these measures will continue to be in place, and the full extent of the financial impact on the city is unknown at this time.

Note 4 – Deposits and Investments

Investments are reported at fair value. Deposits and investments by type at December 31, 2021 are as follows:

Type of Deposit or Investment	City's own deposits & investments	Deposits & investments held by the City as custodian for other local governments, individuals, or private organizations.	Combined
Bank Checking & Savings Deposits	3,493,107	-22,714	3,470,393
LGIP	332,530		332,530
<i>Totals</i>	3,825,637	-22,714	3,802,923

It is the city’s policy to invest all temporary cash surpluses. The interest on these investments is prorated to the various funds.

Investments in the State Local Government Investment Pool (LGIP)

The city is a voluntary participant in the Local Government Investment Pool, an external investment pool operated by the Washington State Treasurer. The pool is not rated and not registered with the SEC. Rather, oversight is provided by the State Finance Committee in accordance with Chapter 43.250 RCW. Investments in the LGIP are reported at amortized cost, which is the same as the value of the pool per share. The LGIP does not impose any restrictions on participant withdrawals.

The Office of the State Treasurer prepares a stand-alone financial report for the pool. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, Washington 98504-0200, online at www.tre.wa.gov.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in event of a failure of a depository financial institution, the city would not be able to recover deposits or would not be able to recover collateral securities that are in possession of an outside party. The city’s deposits and certificates of deposit are mostly covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

All investments are insured, registered or held by the city or its agent in the government’s name.

City of Tenino
Notes to the Financial Statements
For the year ended December 31, 2021

Note 5 – Joint Ventures, Component Unit(s), and Related Parties

The City of Tenino is engaged in a project to develop small agriculture and related businesses within the City. The City is developing an Ag Park on City owned land that will be leased by other entities and will involve future cost sharing. The City has issued LTGO bonds that can be drawn up to \$1,740,000. The City initiated its first draw of \$22,450 in 2021. The City uses Fund 623, the SWWIAP Trust Fund to record transactions for this purpose.

The City of Tenino participates in LERMS (Thurston County’s Law Enforcement Records Management System. LERMS is managed by the City of Olympia. The City of Tenino paid \$5,649 as its portion of system management costs in 2021.

Note 6 – Long-Term Debt *(formerly Debt Service Requirements)*

The accompanying Schedule of Liabilities provides more details of the outstanding debt and liabilities of the city and summarizes the city’s debt transactions for year ended December 31, 2021.

The debt service requirements for general obligation bonds, revenue bonds and other debt are as follows:

Year	Principal	Interest	Total Debt Service
2022	493,632	73,247	566,879
2023	494,587	70,427	565,013
2024	496,213	65,661	561,875
2025	497,558	64,760	562,318
2026	445,058	61,913	506,971
2027-2031	304,721	246,580	551,300
2032-2036	319,299	205,821	525,120
2037-2041	366,021	159,099	525,120
2042-2046	419,580	105,540	525,120
2047-2051	480,975	44,145	525,120
2052-2056	51,415	703	52,117
<i>Totals</i>	4,369,058	1,097,896	5,466,954

Note 7 – Pension Plans

A. State Sponsored Pension Plans

Substantially all the city’s full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans PERS and LEOFF.

City of Tenino
Notes to the Financial Statements
For the year ended December 31, 2021

The State Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems, a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to:

Department of Retirement Systems
Communications Unit
P.O. Box 48380
Olympia, WA 98540-8380

Also, the DRS CAFR may be downloaded from the DRS website at www.drs.wa.gov.

At June 30, 2020 (the measurement date of the plans), the city’s proportionate share of the collective net pension liabilities, as reported on the Schedule of Liabilities, was as follows:

Plan Type	Employer Contributions	Allocation Percentage	Plan Liability / Asset	NPL	NPA
PERS 1 UAAL	17,905.72	0.002404%	1,221,234,000	29,358	
PERS 2/3	29,232.60	0.003086%	-9,961,609,000		(307,415)
LEOFF 1		0.001277%	-3,425,562,000		(43,744)
LEOFF 2	9,209.19	0.004620%	-5,808,414,000		(268,349)
		<i>Totals</i>		\$ 29,358	\$ (619,508)

LEOFF Plan 1

The city also participates in LEOFF Plan 1. The LEOFF Plan 1 is fully funded and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation. Starting on July 1, 2000, employers and employees contribute zero percent.

LEOFF Plan 2

The city also participates in the LEOFF Plan 2. The Legislature, by means of a special funding arrangement, appropriates money from the state general fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute.

City of Tenino
Notes to the Financial Statements
For the year ended December 31, 2021

Note 8 - Property Tax

The county treasurer acts as an agent to collect property tax levied in the county for all taxing authorities. Collections are distributed after the end of each month.

Property tax revenues are recognized when cash is received by city. Delinquent taxes are considered fully collectible because a lien affixes to the property after tax is levied.

The city's regular levy for the year 2021 was \$1.79047 per \$1,000 on an assessed valuation of \$151,933,687 for a total regular levy of \$272,033.

Note 9 – Risk Management

The City of Tenino is a member of the Association of Washington Cities Risk Management Service Agency (AWC RMSA). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The AWC RMSA was formed on January 1, 1989, when 32 municipalities in the State of Washington joined by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of December 31, 2021, 105 entities participate in the AWC RMSA pool.

The AWC RMSA allows members to establish a program of joint insurance and provides risk management services to all members. All coverages, with the exception of pollution liability, are on an occurrence basis. The AWC RMSA provides all risk property, comprehensive crime, general liability, automobile liability, police liability, public officials' liability, employee fidelity and faithful performance, pollution liability, cyber liability, and equipment breakdown insurance coverage. Equipment breakdown is included with the property insurance carrier. Pollution, and cyber liability coverages are stand-alone policies, which the AWC RMSA procures for its members. The AWC RMSA allows members with airports to group purchase airport liability coverage, and members with drones to group purchase property and liability coverage.

Members pay an annual assessment to the AWC RMSA. The AWC RMSA is responsible for payment of all covered causes of loss against the jurisdiction above the stated retention. All members in the AWC RMSA have \$15 million in both per occurrence and aggregate liability limits. For the first \$1 million in liability limits, AWC RMSA is self-insured for its Self-Insured Retention (SIR) of \$250,000, per occurrence, and is reinsured by National League of Cities Mutual Insurance Company (NLC MIC) for the additional \$750,000. The \$9 million in excess liability coverage limits is provided through an excess liability policy purchased from Argonaut Insurance Company. The \$5 million in excess liability coverage limits above the first layer of excess coverage is purchased from Hallmark Specialty Insurance Company. Since AWC RMSA is a cooperative program, there is joint liability among the participating members. The reinsurance coverage is purchased through NLC MIC and excess property coverage is purchased through AIG Specialty Insurance Company, and CHUBB in 2021, AWC RMSA carried a retention of

City of Tenino
Notes to the Financial Statements
For the year ended December 31, 2021

\$200,000, NLC MIC reinsures up to \$3 million, AIG Specialty Insurance Company provides excess insurance up to \$50 million, and CHUBB provides limits up to \$250 million. All commercial policies have been purchased through the Pool's Broker of Record, Aon.

Members contract to remain in the AWC RMSA pool for a minimum of one year and must give a one-year notice before terminating participation. Even after termination, a member is still responsible for contributions to the Pool for any unresolved, unreported, and in-process claims for the period they were signatory to the Interlocal Governmental Agreement.

The AWC RMSA establishes a loss fund for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses.

In accordance with WAC 200.100.02023, the AWC RMSA is governed by a board of directors, which is comprised of elected officials of participating members.

Note 10 – OPEB

The LEOFF I Retiree Medical Plan is a closed, single-employer, defined-benefit OPEB plan administered by the City. The plan pays for 100% of eligible retirees' healthcare costs on a pay-as-you-go basis. As of December 31, 2021, the plan had 1 member, all retirees. As of December 31, 2021, the City's total OPEB liability was \$589,017, as calculated using the alternative measurement method. For the year ended December 31, 2021, the City paid \$8,910 in benefits.

City of Tenino
Notes to the Financial Statements
For the year ended December 31, 2020

Note 1 - Summary of Significant Accounting Policies

The City of Tenino was incorporated on July 24, 1906 and operates under the laws of the state of Washington applicable to a Code City. The city is a general purpose local government and provides Public Safety, Streets, Water, and Sewer Utilities.

The city reports financial activity in accordance with the *Cash Basis Budgeting, Accounting and Reporting System* (BARS) Manual prescribed by the State Auditor’s Office under the authority of Washington State law, Chapter 43.09 RCW. This manual prescribes a financial reporting framework that differs from generally accepted accounting principles (GAAP) in the following manner:

- Financial transactions are recognized on a cash basis of accounting as described below.
- Component units are required to be disclosed, but are not included in the financial statements (see *Notes to the Financial Statements*).
- Government-wide statements, as defined in GAAP, are not presented.
- All funds are presented, rather than a focus on major funds.
- The *Schedule of Liabilities* is required to be presented with the financial statements as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances are presented using classifications that are similar to the ending balance classification in GAAP.

A. Fund Accounting

Financial transactions of the government are reported in individual funds. Each fund uses a separate set of self-balancing accounts that comprises its cash and investments, revenues and expenditures. The government’s resources are allocated to and accounted for in individual funds depending on their intended purpose. Each fund is reported as a separate column in the financial statements, except for fiduciary funds, which are presented by fund types. The total column is presented as “memo only” because any interfund activities are not eliminated. The following fund types are used:

GOVERNMENTAL FUND TYPES:

General Fund

This fund is the primary operating fund of the government. It accounts for all financial resources except those required or elected to be accounted for in another fund.

Special Revenue Funds

These funds account for specific revenue sources that are restricted or committed to expenditures for specified purposes of the government.

Capital Projects Funds

These funds account for financial resources which are restricted, committed, or assigned for the acquisition or construction of capital facilities or other capital assets.

City of Tenino
Notes to the Financial Statements
For the year ended December 31, 2020

PROPRIETARY FUND TYPES:

Enterprise Funds

These funds account for operations that provide goods or services to the general public and are supported primarily through user charges.

FIDUCIARY FUND TYPES:

Fiduciary funds account for assets held by the government in a trustee capacity or as a custodian on behalf of others.

Custodial Funds

These funds are used to account assets that the government holds on behalf of others in a custodial capacity.

B. Basis of Accounting and Measurement Focus

Financial statements are prepared using the cash basis of accounting and measurement focus. Revenues are recognized when cash is received and expenditures are recognized when paid.

In accordance with state law the city also recognizes expenditures paid during twenty days after the close of the fiscal year for claims incurred during the previous period.

C. Cash and Investments

See Note 4 - *Deposits and Investments*.

D. Capital Assets

The City of Tenino has no formal capital asset policy. Capital assets and inventory are recorded as capital expenditures when purchased.

E. Compensated Absences

Vacation leave may be accumulated up to 120 hours and is payable upon separation or retirement. Sick leave may be accumulated up to 720 hours. Upon separation or retirement employees do not receive payment for unused sick leave. Comp Time may be accumulated up to 40 hours and is payable on separation or retirement. Payments are recognized as expenditures when paid. The cost of the compensated absence liability for the City as of December 31, 2021 is \$27,764.

F. Long-Term Debt

See Note 5 – Long Term Debt (formerly known as *Debt Service Requirements*.)

City of Tenino
Notes to the Financial Statements
For the year ended December 31, 2020

G. Restricted and Committed Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments are reported as restricted or committed when it is subject to restrictions on use imposed by external parties or due to internal commitments established by the City Council. When expenditures that meet restrictions are incurred, the city intends to use the most restricted resources first.

Restrictions and commitments of Ending Cash and Investments consist of:

Fund Name	Portion of Ending Balance Restricted	Portion of Ending Balance Committed	Combined	Reason for Restriction or Commitment
Street Fund	19,558		19,558	Restricted Revenue Sources
Capital Improvement Fund	19,881		19,881	Restricted Revenue Sources
<i>Totals</i>	39,439	0	39,439	

Note 2 - Budget Compliance

The city adopts annual appropriated budgets for all funds. These budgets are appropriated at the fund level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

Annual appropriated budgets are adopted on the same basis of accounting as used for financial reporting.

City of Tenino
Notes to the Financial Statements
For the year ended December 31, 2020

The appropriated and actual expenditures for the legally adopted budgets were as follows:

Fund/Department	Final Appropriated Amounts	Actual Expenses	Variance
General Government Fund #001	1,314,772	1,492,661	(177,890)
Quarry Pool Fund #002	34,929	9,268	25,661
Reserve Academy Operating Fund	10,000	705	9,295
Contingency Fund #109	9.06	9.06	-
Total 001 - General Government Fund #001	\$ 1,359,709.89	\$ 1,502,643.58	\$(142,933.69)
101 - City Street Fund #101	\$ 70,162.00	\$ 69,168.11	\$ 993.89
310 - Municipal Capital Imp Fund 310	\$ 1,069,735.00	\$ 122,888.58	\$ 946,846.42
Water Fund	166,633.00	235,204.34	(68,571.34)
Water Capital Imp Fund	73,446.00	213,258.00	(139,812.00)
Total 401 - Water Fund	\$ 240,079.00	\$ 448,462.34	\$(208,383.34)
Sewer Fund	411,954.00	415,177.51	(3,223.51)
Sewer Capital Improvement Fund	191,000.00	139,694.75	51,305.25
Sewer Reserve Fund	561,300.81	561,300.81	-
Total 410 - Sewer Fund	\$ 1,164,254.81	\$ 1,116,173.07	\$ 48,081.74
601 - SWWAIP Trust Fund - Actual Amounts	\$ 600,876.00	\$ 532,660.54	\$ 68,215.46
631 - Municipal Court Trust Fund #631 - Actual Amounts	\$ 49,993.00	\$ 34,897.48	\$ 15,095.52

Budgeted amounts are authorized to be transferred between departments within any fund/object classes within departments; however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the city’s legislative body.

Note 3 – COVID-19 Pandemic

In February 2020, the Governor of the state of Washington declared a state of emergency in response to the spread of the deadly new virus known as COVID-19. In the months following the declaration, precautionary measures to slow the spread of the virus were ordered. These measures included closing schools, cancelling public events, limiting public and private gatherings, and restricting business operations, travel and non-essential activities.

The City had its operations impacted, and undertook measures to ensure the health of employees and community members. Certain utility provisions were enacted in regard to shutoffs.

The length of time these measures will continue to be in place, and the full extent of the financial impact on the city is unknown at this time.

City of Tenino
Notes to the Financial Statements
For the year ended December 31, 2020

Note 4 – Deposits and Investments

Investments are reported at fair value. Deposits and investments by type at December 31, 2020 are as follows:

Type of Deposit or Investment	City's own deposits & investments	Deposits & investments held by the (City, Town/District) as custodian for other local governments, individuals, or private organizations.	Combined
Deposits	3,084,126	-7,506	3,076,620
LGIP	332,182		332,182
<i>Totals</i>	3,416,308	-7,506	3,408,802

It is the city’s policy to invest all temporary cash surpluses. The interest on these investments is prorated to the various funds.

Investments in the State Local Government Investment Pool (LGIP)

The city is a voluntary participant in the Local Government Investment Pool, an external investment pool operated by the Washington State Treasurer. The pool is not rated and not registered with the SEC. Rather, oversight is provided by the State Finance Committee in accordance with Chapter 43.250 RCW. Investments in the LGIP are reported at amortized cost, which is the same as the value of the pool per share. The LGIP does not impose any restrictions on participant withdrawals.

The Office of the State Treasurer prepares a stand-alone financial report for the pool. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, Washington 98504-0200, online at www.tre.wa.gov.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in event of a failure of a depository financial institution, the city would not be able to recover deposits or would not be able to recover collateral securities that are in possession of an outside party. The city’s deposits and certificates of deposit are mostly covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

All investments are insured, registered or held by the city or its agent in the government’s name.

Note 5 – Long-Term Debt *(formerly Debt Service Requirements)* \mathcal{Y}

The accompanying Schedule of Liabilities provides more details of the outstanding debt and liabilities of the city and summarizes the city’s debt transactions for year ended December 31, 2020.

City of Tenino
Notes to the Financial Statements
For the year ended December 31, 2020

The debt service requirements for general obligation bonds, revenue bonds and other debt are as follows:

Year	Principal	Interest	Total Debt Service
2021	492,393	73,247	565,640
2022	493,632	73,247	566,879
2023	494,587	70,427	565,013
2024	496,213	65,661	561,875
2025	497,558	64,760	562,318
2026-2030	749,779	308,493	551,300
2031-2035	319,299	205,821	525,120
2036-2040	366,021	159,099	525,120
2041-2045	419,580	105,540	525,120
2046-2050	480,975	44,145	525,120
2051-2055	51,415	703	52,117
<i>Totals</i>	4,861,451	1,171,143	4,959,983

Note 6 – OPEB Plans

The LEOFF I Retiree Medical Plan is a closed, single-employer, defined-benefit OPEB plan administered by the City. The plan pays for 100% of eligible retirees’ healthcare costs on a pay-as-you-go basis. As of December 31, 2020, the plan had 1 member, all retirees. As of December 31, 2020, the City’s total OPEB liability was \$522,850, as calculated using the alternative measurement method. For the year ended December 31, 2020, the City paid \$11,187 in benefits.

Note 7 – Pension Plans

A. State Sponsored Pension Plans

Substantially all the city’s full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans PERS and LEOFF.

The State Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems, a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to:

City of Tenino
Notes to the Financial Statements
For the year ended December 31, 2020

Department of Retirement Systems
Communications Unit
P.O. Box 48380
Olympia, WA 98540-8380

Also, the DRS CAFR may be downloaded from the DRS website at www.drs.wa.gov.

At June 30, 2020 (the measurement date of the plans), the city’s proportionate share of the collective net pension liabilities, as reported on the Schedule of Liabilities, was as follows:

Plan Type	Employer Contributions	Allocation Percentage	Plan Liability / Asset	NPL	NPA
PERS 1 UAAL	21,978.93	0.00303300%	3,530,540,000	107,081	
PERS 2/3	36,232.53	0.00394300%	1,278,943,000	55,647	
LEOFF 1		0.00124600%	(1,888,509,000)		(23,531)
LEOFF 2	12,218.37	0.006246%	(2,039,854,000)		(127,409)
		<i>Totals</i>		\$ 162,728	\$ (150,940)

LEOFF Plan 1

The city also participates in LEOFF Plan 1. The LEOFF Plan 1 is fully funded and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation. Starting on July 1, 2000, employers and employees contribute zero percent.

LEOFF Plan 2

The city also participates in the LEOFF Plan 2. The Legislature, by means of a special funding arrangement, appropriates money from the state general fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute.

Note 8 - Property Tax

The county treasurer acts as an agent to collect property tax levied in the county for all taxing authorities. Collections are distributed after the end of each month.

Property tax revenues are recognized when cash is received by city. Delinquent taxes are considered fully collectible because a lien affixes to the property after tax is levied.

The city’s regular levy for the year 20__ was \$_____ per \$1,000 on an assessed valuation of \$_____ for a total regular levy of \$_____.

City of Tenino
Notes to the Financial Statements
For the year ended December 31, 2020

Note 9 – Risk Management

The City of Tenino is a member of the Association of Washington Cities Risk Management Service Agency (AWC RMSA). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The AWC RMSA was formed on January 1, 1989, when 32 municipalities in the State of Washington joined by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of December 31, 2020, 103 municipalities/entities participate in the AWC RMSA pool.

The AWC RMSA allows members to establish a program of joint insurance and provides risk management services to all members. All coverages, with the exception of pollution liability, are on an occurrence basis. The AWC RMSA provides all risk property, comprehensive crime, general liability, automobile liability, police liability, public officials' liability, employee fidelity and faithful performance, pollution liability, cyber liability, and equipment breakdown insurance coverage. Equipment breakdown is included with the property insurance carrier and fidelity (crime), pollution liability, and cyber liability coverages are stand-alone policies, which the AWC RMSA procures for its members. The AWC RMSA also allows members with airports to group purchase airport liability coverage.

Members pay an annual assessment to the AWC RMSA. The AWC RMSA is responsible for payment of all covered causes of loss against the jurisdiction above the stated retention. All members in the AWC RMSA have \$15 million in both per occurrence and aggregate liability limits. For the first \$1 million in liability limits, AWC RMSA is self-insured for its Self-Insured Retention (SIR) of \$250,000, per occurrence, and is reinsured by National League of Cities Mutual Insurance Company (NLC MIC) for the additional \$750,000. The \$9 million in excess liability coverage limits is provided through an excess liability policy purchased from Argonaut Insurance Company. The \$5 million in excess liability coverage limits above the first layer of excess coverage is purchased from Hallmark Specialty Insurance Company. Since AWC RMSA is a cooperative program, there is joint liability among the participating members. The reinsurance coverage is purchased through NLC MIC and excess property coverage is purchased through Lexington Insurance Company and CHUBB in 2020, AWC RMSA carried a retention of \$200,000, NLC MIC reinsures up to \$3 million, Lexington provides excess insurance up to \$50 million, and limits up to \$250 million. All commercial policies have been purchased through the Pool's Broker of Record, Aon.

Members contract to remain in the AWC RMSA pool for a minimum of one year and must give a one-year notice before terminating participation. Even after termination, a member is still responsible for contributions to the Pool for any unresolved, unreported, and in-process claims for the period they were signatory to the Interlocal Governmental Agreement.

The AWC RMSA establishes a loss fund for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses.

City of Tenino
Notes to the Financial Statements
For the year ended December 31, 2020

In accordance with WAC 200.100.02023, the AWC RMSA is governed by a board of directors, which is comprised of elected officials of participating members.

Note 10 – Joint Ventures, Component Unit(s), and Related Parties

The City of Tenino is engaged in a project to develop small agriculture and related businesses within the City. The City is developing an Ag Park on City owned land that will be leased by other entities and will involve future cost sharing. The City will issue LTGO bonds that can be drawn up to \$1,740,000.

The City of Tenino participates in LERMS (Thurston County's Law Enforcement Records Management System). LERMS is managed by the City of Olympia. The City of Tenino paid \$5,730 as its portion of system management costs in 2020.

City of Tenino
Notes to the Financial Statements
For the year ended December 31, 2019

Note 1 - Summary of Significant Accounting Policies

The City of Tenino was incorporated on July 24, 1906 and operates under the laws of the state of Washington applicable to a Code City. The city is a general purpose local government and provides Public Safety, Streets, Water, and Sewer Utilities.

The city reports financial activity in accordance with the *Cash Basis Budgeting, Accounting and Reporting System* (BARS) Manual prescribed by the State Auditor’s Office under the authority of Washington State law, Chapter [43.09](#) RCW. This manual prescribes a financial reporting framework that differs from generally accepted accounting principles (GAAP) in the following manner:

- Financial transactions are recognized on a cash basis of accounting as described below.
- Component units are required to be disclosed, but are not included in the financial statements. (see note to the financial statements)
- Government-wide statements, as defined in GAAP, are not presented.
- All funds are presented, rather than a focus on major funds.
- The *Schedule of Liabilities* is required to be presented with the financial statements as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances are not presented using the classifications defined in GAAP.

A. Fund Accounting

Financial transactions of the government are reported in individual funds. Each fund uses a separate set of self-balancing accounts that comprises its cash and investments, revenues and expenditures. The government’s resources are allocated to and accounted for in individual funds depending on their intended purpose. Each fund is reported as a separate column in the financial statements, except for fiduciary funds, which are presented by fund types. The total column is presented as “memo only” because any interfund activities are not eliminated. The following fund types are used:

GOVERNMENTAL FUND TYPES:

General Fund

This fund is the primary operating fund of the government. It accounts for all financial resources except those required or elected to be accounted for in another fund.

Special Revenue Funds

These funds account for specific revenue sources that are restricted or committed to expenditures for specified purposes of the government.

City of Tenino
Notes to the Financial Statements
For the year ended December 31, 2019

Capital Projects Funds

These funds account for financial resources which are restricted, committed, or assigned for the acquisition or construction of capital facilities or other capital assets.

PROPRIETARY FUND TYPES:

Enterprise Funds

These funds account for operations that provide goods or services to the general public and are supported primarily through user charges.

FIDUCIARY FUND TYPES:

Fiduciary funds account for assets held by the government in a trustee capacity or as a custodian on behalf of others.

Custodial Funds

These funds are used to account assets that the government holds on behalf of others in a custodial capacity.

B. Basis of Accounting and Measurement Focus

Financial statements are prepared using the cash basis of accounting and measurement focus. Revenues are recognized when cash is received and expenditures are recognized when paid.

In accordance with state law the city also recognizes expenditures paid during twenty days after the close of the fiscal year for claims incurred during the previous period.

C. Cash and Investments

See Note 4 - Deposits and Investments.

D. Capital Assets

The City of Tenino has no formal capital asset policy. Capital assets and inventory are recorded as capital expenditures when purchased.

E. Compensated Absences

Vacation leave may be accumulated up to 120 hours and is payable upon separation or retirement. Sick leave may be accumulated up to 720 hours. Upon separation or retirement employees do not receive payment for unused sick leave. Comp Time may be accumulated up to 40 hours and is payable on separation or retirement. Payments are recognized as expenditures when paid. The cost of the compensated absence liability for the City as of December 31, 2019 is \$28,996.

City of Tenino
Notes to the Financial Statements
For the year ended December 31, 2019

F. Long-Term Debt

See Note 5 - Debt Service Requirements.

G. Reserved Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments is reported as reserved when it is subject to restrictions on use imposed by external parties or due to internal commitments established by the City Council. When expenditures that meet restrictions are incurred, the city intends to use reserved resources first before using unreserved amounts.

Reservations of Ending Cash and Investments consist of:

Fund Name	Amount Reserved	Reason for Restriction
422- Sewer Reserve	\$100,000	USDA Reserve
310 - Capital Improvement	\$198,641	Restricted Revenue Sources
101 - Streets	\$11,884	Restricted Revenue Sources

Note 2 – Budget Compliance

The city adopts annual appropriated budgets for all funds. These budgets are appropriated at the fund level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

Annual appropriated budgets are adopted on the same basis of accounting as used for financial reporting.

City of Tenino
Notes to the Financial Statements
For the year ended December 31, 2019

The appropriated and actual expenditures for the legally adopted budgets were as follows:

Fund/Department	Final Appropriated		
	Amounts	Actual Expenses	Variance
General Government Fund #001	1,059,933.00	1,068,246.52	-8,313.52
Quarry Pool Fund #002	46,468.00	36,751.47	9,716.53
Total 001 - General Government Fund #001	\$ 1,106,401.00	\$ 1,104,997.99	\$ 1,403.01
101 - City Street Fund #101	\$ 90,992.00	\$ 117,261.03	\$ (26,269.03)
310 - Municipal Capital Imp Fund 310	\$ 931,969.00	\$ 215,588.10	\$ 716,380.90
Water Fund	230,032.00	241,111.64	-11,079.64
Water Capital Imp Fund	142,796.00	35,359.35	107,436.65
Total 401 - Water Fund	\$ 372,828.00	\$ 276,470.99	\$ 96,357.01
Sewer Fund	426,879.00	450,118.88	-23,239.88
Sewer Capital Improvement Fund	22,500.00	21,114.98	1,385.02
Sewer Reserve Fund	563,775.00	563,506.35	268.65
Total 410 - Sewer Fund	\$ 1,013,154.00	\$ 1,034,740.21	\$ (21,586.21)
450 - Reserve Academy Operating Fund	\$ -	\$ 2,250.00	\$ (2,250.00)
601 - SWWAIP Trust Fund	\$ 40,209.00	\$ 45,846.41	\$ (5,637.41)
631 - Municipal Court Trust Fund #631	\$ 45,000.00	\$ 51,026.05	\$ (6,026.05)

Budgeted amounts are authorized to be transferred between departments within any fund/object classes within departments; however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the city’s legislative body.

The City excluded \$563,776 from budgeted appropriations and \$1,164,324 of expenditures due to interfund transfers between consolidating funds.

Note 3 – Component Units, Joint Ventures and Related Parties

The City of Tenino participates in LERMS (Thurston County’s Law Enforcement Records Management System). LERMS is managed by the City of Olympia. The City of Tenino paid \$3,093 as its portion of system management costs in 2019.

Note 4 – Debt Service Requirements

Debt Service

The accompanying Schedule of Liabilities (09) provides more details of the outstanding debt and liabilities of the city and summarizes the city’s debt transactions for year ended December 31, 2019.

City of Tenino
Notes to the Financial Statements
For the year ended December 31, 2019

The debt service requirements for general obligation bonds, revenue bonds and other debt are as follows:

Year	Principal	Interest	Total Debt Service
2020	491,188	76,658	565,640
2021	492,393	74,846	566,879
2022	493,632	73,247	565,013
2023	494,587	70,427	561,875
2024	496,213	65,661	562,318
2025-2029	1,247,337	373,253	551,300
2030-2034	319,299	205,821	525,120
2035-2039	366,021	159,099	525,120
2040-2044	419,580	105,540	525,120
2045-2049	480,975	44,145	525,120
2050-2054	51,415	703	52,117
<i>Totals</i>	\$ 5,352,639	\$ 1,249,400	\$ 5,525,623

Note 5 – Deposits and Investments

Investments are reported at fair value. Deposits and investments by type at December 31, 2019 are as follows:

Type of Deposit or Investment	City's own deposits & investments	Deposits & investments held by the City as an agent for other local governments, individuals, or private organizations.	Total
Deposits	3,153,723	2,422	3,156,145
LGIP	330,076		330,076
<i>Totals</i>	\$ 3,483,799	\$ 2,422	\$ 3,486,221

It is the city's policy to invest all temporary cash surpluses. The interest on these investments is prorated to the various funds.

Investments in the State Local Government Investment Pool (LGIP)

The city is a voluntary participant in the Local Government Investment Pool, an external investment pool operated by the Washington State Treasurer. The pool is not rated and not registered with the SEC. Rather, oversight is provided by the State Finance Committee in accordance with [Chapter 43.250 RCW](#). Investments in the LGIP are reported at amortized cost, which is the same as the value of the pool per share. The LGIP does not impose any restrictions on participant withdrawals.

The Office of the State Treasurer prepares a stand-alone financial report for the pool. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, Washington 98504-0200, online at www.tre.wa.gov.

City of Tenino
Notes to the Financial Statements
For the year ended December 31, 2019

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in event of a failure of a depository financial institution, the city would not be able to recover deposits or would not be able to recover collateral securities that are in possession of an outside party. The city’s deposits and certificates of deposit are mostly covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

All investments are insured, registered or held by the city or its agent in the government’s name.

Note 6 – Other Post-Employment Benefits (OPEB) Plans

The LEOFF I Retiree Medical Plan is a closed, single-employer, defined-benefit OPEB plan administered by the City. The plan pays for 100% of eligible retirees’ healthcare costs on a pay-as-you-go basis. As of December 31, 2019, the plan had 1 member, all retirees. As of December 31, 2019, the City’s total OPEB liability was \$467,268, as calculated using the alternative measurement method. For the year ended December 31, 2021, the City paid \$14,574 in benefits.

Note 7 – Pension Plans

A. State Sponsored Pension Plans

Substantially all city’s full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans PERS and LEOFF.

The State Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems, a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to:

Department of Retirement Systems
Communications Unit
P.O. Box 48380
Olympia, WA 98540-8380

Also, the DRS CAFR may be downloaded from the DRS website at www.drs.wa.gov.

The city also participates in the Volunteer Fire Fighters’ and Reserve Officers’ Relief and Pension Fund (VFFRPF) administered by the State Board for Volunteer Fire Fighters and Reserve Officers. Detailed information about the plan is included in the State of Washington CAFR available from the Office of Financial Management website at www.ofm.wa.gov.

City of Tenino
Notes to the Financial Statements
For the year ended December 31, 2019

At June 30, 2019 (the measurement date of the plans), the city’s proportionate share of the collective net pension liabilities, as reported on the Schedule 09, was as follows:

Plan Type	Employer Contributions	Plan Liability / Asset	Allocation Percentage	NPL	NPA
PERS 1 UAAL	21375.3	3,845,355,000	0.00298100%	114,630	
PERS 2/3	31,449.57	971,340,000	0.00385100%	42,752	
LEOFF 1		(1,976,611,000)	0.00122000%		(24,115)
LEOFF 2	10923.55	(2,316,693,000)	0.00592500%		(137,264)
			<i>Totals</i>	\$ 157,382	\$ (161,379)

LEOFF Plan 1

The city also participates in LEOFF Plan 1. The LEOFF Plan 1 is fully funded and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation. Starting on July 1, 2000, employers and employees contribute zero percent.

LEOFF Plan 2

The city also participates in the LEOFF Plan 2. The Legislature, by means of a special funding arrangement, appropriates money from the state general fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute

Note 8 - Property Tax

The county treasurer acts as an agent to collect property tax levied in the county for all taxing authorities. Collections are distributed after the end of each month.

Property tax revenues are recognized when cash is received by city. Delinquent taxes are considered fully collectible because a lien affixes to the property after tax is levied.

The city’s regular levy for the year 2019 was \$_____ per \$1,000 on an assessed valuation of \$_____ for a total regular levy of \$_____.

Note 9 – Risk Management

The City of Tenino is a member of the Association of Washington Cities Risk Management Service Agency (AWC RMSA). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The AWC RMSA was formed on January 1, 1989, when 32 municipalities in the State of Washington joined by signing an Interlocal Governmental

City of Tenino
Notes to the Financial Statements
For the year ended December 31, 2019

Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of December 31, 2019, 100 municipalities/entities participate in the AWC RMSA pool.

The AWC RMSA allows members to establish a program of joint insurance and provides risk management services to all members. All coverages, with the exception of pollution liability, are on an occurrence basis. The AWC RMSA provides all risk property, comprehensive crime, general liability, automobile liability, police liability, public officials' liability, employee fidelity and faithful performance, pollution liability, cyber liability, and equipment breakdown insurance coverage. Equipment breakdown is included with the property insurance carrier and fidelity (crime), pollution liability, and cyber liability coverages are stand-alone policies, which the AWC RMSA procures for its members. The AWC RMSA also allows members with airports to group purchase airport liability coverage.

Members pay an annual assessment to the AWC RMSA. The AWC RMSA is responsible for payment of all covered causes of loss against the jurisdiction above the stated retention. All members in the AWC RMSA have \$15 million in both per occurrence and aggregate liability limits. For the first \$1 million in liability limits, AWC RMSA is self-insured for its Self-Insured Retention (SIR) of \$250,000, per occurrence, and is reinsured by Great American for the additional \$750,000. The \$9 million in excess liability coverage limits is provided through an excess liability policy purchased from Argonaut Insurance Company. The \$5 million in excess liability coverage limits above the first layer of excess coverage is purchased from Allied World National Assurance Company. Since AWC RMSA is a cooperative program, there is joint liability among the participating members. The excess property coverage is purchased through Lexington Insurance Company and in 2019, AWC RMSA carried a retention of \$200,000 and limits up to \$250 million. All commercial policies have been purchased through the Pool's Broker of Record, Aon.

Members contract to remain in the AWC RMSA pool for a minimum of one year and must give a one-year notice before terminating participation. Even after termination, a member is still responsible for contributions to the Pool for any unresolved, unreported, and in-process claims for the period they were signatory to the Interlocal Governmental Agreement.

The AWC RMSA establishes a loss fund for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses.

In accordance with WAC 200.100.02023, the AWC RMSA is governed by a board of directors, which is comprised of elected officials of participating members.

**City of Tenino
Schedule of Liabilities
For the Year Ended December 31, 2022**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
263.56	Copier lease	4/29/2024	10,044	-	4,464	5,580
263.56	Postage Meter lease	4/1/2025	7,676	-	1,806	5,870
Total General Obligation Debt/Liabilities:			17,720	-	6,270	11,450
Revenue and Other (non G.O.) Debt/Liabilities						
252.11	USDA-RD WWTP	4/4/2052	2,158,497	-	45,979	2,112,518
259.12	Comp Absences		24,628	6,312	-	30,940
252.11	AG Park LTGO	12/31/2023	22,450	-	-	22,450
264.30	Pension Liability		29,385	59,297	-	88,682
263.84	DWSRF Loan	10/1/2030	58,906	-	6,545	52,361
263.88	PRE-119	6/1/2025	215,526	-	53,882	161,644
263.88	PW044	6/1/2026	1,936,129	-	387,226	1,548,903
264.40	OPEB		589,017	-	37,160	551,857
Total Revenue and Other (non G.O.) Debt/Liabilities:			5,034,538	65,609	530,792	4,569,355
Total Liabilities:			5,052,258	65,609	537,062	4,580,805

**City of Tenino
Schedule of Liabilities
For the Year Ended December 31, 2021**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
251.11	Ag Park LTGO	12/1/2037	-	22,450	-	22,450
Total General Obligation Debt/Liabilities:			-	22,450	-	22,450
Revenue and Other (non G.O.) Debt/Liabilities						
252.11	USDA-RD WWTP	4/4/2052	2,203,237	-	44,740	2,158,497
263.88	PRE-119	6/1/2025	269,408	-	53,882	215,526
263.88	PW044	6/1/2026	2,323,355	-	387,226	1,936,129
259.12	Comp Absences		27,764	-	3,136	24,628
264.30	Pension Liability		157,382	-	127,997	29,385
263.84	DWSRF Loan	10/1/2030	65,451	-	6,545	58,906
264.40	OPEB		522,850	66,167	-	589,017
Total Revenue and Other (non G.O.) Debt/Liabilities:			5,569,447	66,167	623,526	5,012,088
Total Liabilities:			5,569,447	88,617	623,526	5,034,538

**City of Tenino
Schedule of Liabilities
For the Year Ended December 31, 2020**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
Revenue and Other (non G.O.) Debt/Liabilities						
259.12	Compensated Absences		28,996	-	1,232	27,764
264.30	Net Pension Liability		157,382	5,346	-	162,728
264.40	OPEB		467,268	55,582	-	522,850
263.84	DWSRF Loan	10/1/2030	71,997	-	6,546	65,451
263.88	PRE-119	6/1/2025	323,286	-	53,878	269,408
263.88	PW044	6/1/2026	2,710,580	-	387,225	2,323,355
252.11	USDA-RD WWTP	4/4/2052	2,246,772	-	43,535	2,203,237
	Total Revenue and Other (non G.O.) Debt/Liabilities:		6,006,281	60,928	492,416	5,574,793
	Total Liabilities:		6,006,281	60,928	492,416	5,574,793

**City of Tenino
Schedule of Liabilities
For the Year Ended December 31, 2019**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
Revenue and Other (non G.O.) Debt/Liabilities						
263.84	DWSRF Corrosion Control Loan	10/1/2030	78,542	-	6,545	71,997
263.88	PWB PRE 119 Sewer Design	6/1/2025	377,171	-	53,882	323,289
263.88	PWB 044 Sewer Construction	6/1/2026	3,097,807	-	387,226	2,710,581
252.11	USDA-RD Bond	4/4/2052	2,289,134	-	42,362	2,246,772
259.12	Compensated Absences		33,990	-	4,994	28,996
264.30	Net Pension Liability		174,078	-	22,042	152,036
264.40	OPEB Liability		447,854	19,414	-	467,268
Total Revenue and Other (non G.O.) Debt/Liabilities:			6,498,576	19,414	517,051	6,000,939
Total Liabilities:			6,498,576	19,414	517,051	6,000,939

ABOUT THE STATE AUDITOR’S OFFICE

The State Auditor’s Office is established in the Washington State Constitution and is part of the executive branch of state government. The State Auditor is elected by the people of Washington and serves four-year terms.

We work with state agencies, local governments and the public to achieve our vision of increasing trust in government by helping governments work better and deliver higher value.

In fulfilling our mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, we hold ourselves to those same standards by continually improving our audit quality and operational efficiency, and by developing highly engaged and committed employees.

As an agency, the State Auditor’s Office has the independence necessary to objectively perform audits, attestation engagements and investigations. Our work is designed to comply with professional standards as well as to satisfy the requirements of federal, state and local laws. The Office also has an extensive quality control program and undergoes regular external peer review to ensure our work meets the highest possible standards of accuracy, objectivity and clarity.

Our audits look at financial information and compliance with federal, state and local laws for all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits and cybersecurity audits of state agencies and local governments, as well as state whistleblower, fraud and citizen hotline investigations.

The results of our work are available to everyone through the more than 2,000 reports we publish each year on our website, www.sao.wa.gov. Additionally, we share regular news and other information via an email subscription service and social media channels.

We take our role as partners in accountability seriously. The Office provides training and technical assistance to governments both directly and through partnerships with other governmental support organizations.

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Other ways to stay in touch

- Main telephone:
(564) 999-0950
- Toll-free Citizen Hotline:
(866) 902-3900
- Email:
webmaster@sao.wa.gov



Drew Johnson
Police Officer
Tenino Police Department
1/9/2025

Dear Chief Auderer

I am writing to formally resign from my position as police officer at the Tenino Police Department, with my last day of employment being January 24, 2025.

I appreciate the opportunities and experiences I've gained during my time here. Thank you for your support and understanding during this transition.

Please let me know if there's anything I can do to assist in the transition process.

Sincerely,
Drew Johnson

X: 

December 19, 2024

Mayor Watterson and C/T Scharber
City of Tenino,

Please accept this letter as my notice of resignation from the City of Tenino effective January 8, 2025. An opportunity for growth that I simply cannot refuse has presented itself and I have chosen to accept it. I have requested a later start date than the typical two weeks to allow for a smoother transition into me leaving.

Thank you for the opportunity to assist with bettering the City over the last couple of years. I wish you the best.

Sincerely,

Courtney Marganelli

A handwritten signature in black ink, appearing to read 'Courtney Marganelli', with a long, sweeping underline.

City of Tenino

Dear Mayor Dave Watterson & Planning Commissioners,

Thank you so much for the experience and knowledge I have gained throughout my time as a Planning Commissioner. I want to inform you that I have decided to move forward on another path and will be resigning my position as a Planning commissioner.

I will be available on December 18, 2024 for the rescheduled December meeting. This will be the last meeting I attend.

I hope you are able to find a candidate quickly.

Sincerely,

Darnella Stenzel

2.

Thank you Maria.

Due to health reasons, I need to step down from the commission. It has been an honor serving with each of you.

~ Marlena Mulkins

File Attachments for Item:

6. Meeting Minutes for 12/10/2024

Recommended Action: Motion to approve 12/10/2024 meeting minutes as presented.

**City Council Meeting
Tuesday, December 10, 2024**

Minutes

WORK SESSION

Mayor Watterson convened the work session at 6:30 pm with

PRESENT

Councilmember Linda Gotovac

Councilmember Elaine Klamn

Councilmember John O'Callahan

Councilmember Jason Lawton

ABSENT

Councilmember Jeff Eisel

1. 6:30 pm Review of 12/10/2024 Council Agenda

Request to amend the agenda to include real land swap proposal.

2. Council Priorities

Budget Cuts

FD Property

Resolution Rescind

FD Property: Chief Schaffrin reported on the progress of the land purchase for a new station. They are having difficulties with new land laws from the state and county. They have had 1,787 calls to date and are looking at hiring 2 new employees.

3. Discussion of 1/14/2025 Council Draft Agenda

Bring forth an amendment to Resolution 2024-08 PD Funding for approval to amend.

CALL TO ORDER

Mayor Watterson convened the regular Council meeting at 7:30 pm with

PRESENT

Councilmember Linda Gotovac

Councilmember Elaine Klamn

Councilmember John O'Callahan

Councilmember Jason Lawton

ABSENT

Councilmember Jeff Eisel

4. Flag Salute

AGENDA APPROVAL

5. Agenda for the Regular Meeting of the 12/10/24.

Recommended Action: Motion to approve the agenda as presented.

Motion made by Councilmember O'Callahan to approve the amended agenda adding in the land swap under New Business, Seconded by Councilmember Gotovac.

Voting Yea: Councilmember Gotovac, Councilmember Klamn, Councilmember O'Callahan, Councilmember Lawton.

Motion passes 4/0.

APPROVAL OF MINUTES

6. Meeting Minutes for 11/26/2024

Recommended Action: Motion to approve 11/26/2024 meeting minutes as presented.

Motion made by Councilmember Gotovac, Seconded by Councilmember O'Callahan.

Voting Yea: Councilmember Gotovac, Councilmember Klamn, Councilmember O'Callahan, Councilmember Lawton.

Motion passes 4/0.

CONSENT CALENDAR

7. Consent Calendar for November 27, 2024 through December 10, 2024 consisting of

Payroll EFT's in the amount of \$83,180.10 and Claims checks #32866 through #32893 in the amount of \$115,408.24

for a grand total of \$198,588.34

Approval to cancel the Second December Tenino City Council Meeting.

Liquor Cannabis License: Tenino Food Mart & Sandstone Cafe and Quarry Bar

Recommended Action: Move to approve the consent calendar as presented.

Motion made by Councilmember O'Callahan, Seconded by Councilmember Lawton.

Voting Yea: Councilmember Gotovac, Councilmember Klamn, Councilmember O'Callahan, Councilmember Lawton.

Motion passes 4/0.

EXECUTIVE SESSION

None

PRESENTATIONS

None

- 8. Presentation by Mathis Bosch RE Garbage Services

Recommended Action: None, Presentation Only

Cancelled

PUBLIC COMMENTS

Jennifer Colvin, Colvin Ranch: Commented on the difficulty the Fire Dept is having purchasing property for their new building, however, the 6 acres behind the Ag Park should be used for its intended use of agriculture. The processing plant is hoping to utilize the area for the animals and truck turn around. She also stated the land in front of Miles Sand and Gravel is zoned agricultural restoratio.

Mike Huber, 326 Briar Ln: He commented on the possible land swap and would rather the City sell the property instead of a swap to a private citizen.

PUBLIC HEARING

None

PROCLAMATIONS

None

OLD BUSINESS

None

NEW BUSINESS

Land Swap w/Richardson:

Motion made by Councilmember Klamn, Seconded by Councilmember O'Callahan.

Voting Yea: Councilmember Gotovac, Councilmember Klamn, Councilmember O'Callahan, Councilmember Lawton.

Motion passes 4/0.

- 9. TIB Grant Award for Old 99

Recommended Action: Motion to Approve Grant Award from TIB for Old 99 Overlay

Motion made by Councilmember O'Callahan, Seconded by Councilmember Lawton.

Voting Yea: Councilmember Gotovac, Councilmember Klamn, Councilmember O'Callahan, Councilmember Lawton.

Motion passes 5/0.

RESOLUTIONS

None

ORDINANCES

10. Ordinance 932 Budget Amendment

Recommended Action: Motion to approve second reading of Ordinance 932

Motion made by Councilmember O'Callahan, Seconded by Councilmember Gotovac.

Voting Yea: Councilmember Gotovac, Councilmember Klamn, Councilmember O'Callahan, Councilmember Lawton.

Motion passes 4/0.

11. Ordinance 933 Budget Adoption

Recommended Action: Motion to approve second reading of Ordinance 933

Motion made by Councilmember Gotovac, Seconded by Councilmember O'Callahan.

Voting Yea: Councilmember Gotovac, Councilmember Klamn, Councilmember O'Callahan, Councilmember Lawton.

Motion passes 4/0.

REPORTS

12. Outside Agency

1) Chamber of Commerce

2) Economic Development Council (EDC)

3) South Thurston Economic Development Initiative (STEDI)

4) ARCH Commission

5) Experience Olympia & Beyond (VCB)

6) Timberland Regional Library

1) Chamber of Commerce: Councilmember Gotovac read a report from George Sharp thanking Mayor Watterson and City staff for their help with the Christmas Tree Lighting. Next meeting is next Wednesday.

2) Economic Development Council (EDC): Mayor Watterson and Councilmember Gotovac attended the last meeting.

3) South Thurston Economic Development Initiative (STEDI): The next meeting is 12/20/24.

13. Committees/Commissions

1) Civil Service Commission

2) Façade Improvement Grant Review Committee

3) Finance Committee

4) Planning Commission

5) Public Safety Committee

6) Public Works Committee

3) Finance Committee: They will be meeting next week.

4) Planning Commission: The next meeting to be held on 12/18/24.

6) Public Works Committee: Councilmember Klamn reported they have put in the light pole along the walking path on the east end. They will be installing power by the Water Fall. The Library stone has been moved to undercover to preserve the life of the stone.

14. Staff

1) Chief of Police

2) Director of Public Works

3) Code Enforcement/Building Inspector

4) PARC Specialist

5) Clerk/Treasurer

6) Mayor

1) Chief of Police: C/T Scharber provided a report by the Chief outlining his police budget, what was allotted for 2024 and what they used.

5) Clerk/Treasurer: C/T Scharber reported the 2019-2022 audit should be completed within the next couple of weeks. The 2023 audit is going to start in January. The Ag Park buildings are almost complete and should be open within the next couple months. She was in talks with Rural Transit regarding a different staging area for pickup/drop off as they are expanding their route and are trying to cut down time for the drivers. They are interested in the triangle area off Park/5th St. Public works would help by laying gravel.

6) Mayor: Mayor Watterson reported that he is in talks with the company that has taken over the cell towers for Verizon. The current tower still have another 2 years on the lease. He met with State Representative Barkus regarding Capital Projects grant. He will meet with the county tomorrow regarding court services.

15. Liaisons

1) Bucoda/Tenino Healthy Action Team (BTHAT)

2) Solid Waste Advisory Board

3) TCOMM/911

4) Tenino School Board

5) Thurston Regional Planning Council (TRPC)

6) Transportation Policy Board

7) Thurston County Commissioner's Office

8) Legislature

2) Solid Waste Advisory Board: Councilmember Klamn they gave an outline of the 2025 projects by quarter. 1st being security tech, 2nd qtr alarm systems, EV charging stations, 3rd will include general facilities upgrade and the 4th will include continuation of selecting a piece of property for a new transfer station. The fix-it fair was a great success, they completed approximately 88 repairs during the day.

4) Tenino School Board: Meet on Monday 12/16/24.

5) Thurston Regional Planning Council (TRPC): Councilmember O'Callahan reported the discussion revolved around grant monies received, operations and then will start on transportation changes.

6) Transportation Policy Board: Meet on Wednesday 12/11.

8) Legislature: First meeting will be held January 14, 2025.

PUBLIC COMMENTS 2

None

ANNOUNCEMENTS

Mayor Watterson thanked council and public for their support this past year and hopes next year will be better.

Merry Christmas and Happy New Year

6.

ADJOURNMENT

Mayor Watterson adjourned the meeting at 7:47 pm.

File Attachments for Item:

7. Consent Calendar for December 10, 2024 through December 31, 2024 consisting of Payroll EFT's in the amount of \$64,787.37 and Claims checks #3897 through #32925 in the amount of \$107,312.28

for a grand total of \$172,099.65

Consent Calendar for January 1, 2025 through January 14, 2025

Claims Checks #32926 through #32952 in the amount of \$349,367.06

Liquor Cannabis License: Three Amigos (Don Juans) and The Tenino VFW

Recommended Action: Move to approve the consent calendar as presented.



Washington State
Liquor and Cannabis Board
PO Box 43098,
Olympia WA 98504-3098, (360) 664-1600

MAYOR OF TENINO/CITY OF TENINO
PO BOX 4019
TENINO, WA 98589



Washington State
Liquor and Cannabis Board
PO Box 43098

Olympia WA 98504-3098, (360) 664-1600
www.liq.wa.gov Fax #: (360) 753-2710

January 06, 2025

Dear Local Authority:
RE: Liquor License Renewal Applications in Your Jurisdiction - Your Objection Opportunity

Enclosed please find a list of liquor-licensed premises in your jurisdiction whose liquor licenses will expire in about 90 days. This is your opportunity to object to these license renewal requests as authorized by RCW 66.24.010 (8).

1) Objection to License Renewal

To object to a liquor license renewal: fax or mail a letter to the Washington State Liquor and Cannabis Board (WS-LCB) Licensing Division. This letter must:

- o Detail the reason(s) for your objection, including a statement of all the facts upon which your objection or objections are based. You may include attachments and supporting documents which contain or confirm the facts upon which your objections are based.
- o Please note that whether a hearing will be granted or not is within the Board's discretion per RCW 66.24.010 (8)(d).

Your letter or fax of objection must be received by the Board's Licensing Division at least 30 days prior to the license expiration date. If you need additional time you must request that in writing. Please be aware, however, that it is within the Board's discretion to grant or deny any requests for extension of time to submit objections. Your request for extension will be granted or denied in writing. If objections are not timely received, they will not be considered as part of the renewal process.

A copy of your objection and any attachments and supporting materials will be made available to the licensee, therefore, it is the Local Authority's responsibility to redact any confidential or non-disclosable information (see RCW 42.56) prior to submission to the WSLCB.

2) Status of License While Objection Pending

During the time an objection to a renewal is pending, the permanent liquor license is placed on hold. However, temporary licenses are regularly issued to the licensee until a final decision is made by the Board.

3) Procedure Following Licensing Division Receipt of Objection

After we receive your objection, our licensing staff will prepare a report for review by the Licensing Director. The report will include your letter of objection, as well as any attachments and supporting documents you send. The Licensing Director will then decide to renew the liquor license, or to proceed with non-renewal.

4) Procedure if Board Does Not Renew License

If the Board decides not to renew a license, we will notify the licensee in writing, stating the reason for this decision. The licensee also has the right to request a hearing to contest non-renewal of their liquor license. RCW 66.24.010 (8)(d). If the licensee makes a timely request for a hearing, we will notify you.

The Board's Licensing Division will be required to present evidence at the hearing before an administrative law judge to support the non-renewal recommendation. You may present evidence in support of your objection or objections. The administrative law judge will consider all of the evidence and issue an initial order for the Board's review. The Board members have final authority to renew the liquor license and will enter a final order announcing their decision.

5) Procedure if Board Renews License Over Your Objection

If the Board decides to renew the license over your objection, you will be notified in writing. At that time, you may be given an opportunity to request a hearing. An opportunity for a hearing is offered at the Board's discretion. If a hearing is held, you will be responsible for presenting evidence before an Administrative Law Judge in support of your objection to license renewal. The Board's Licensing Division will present evidence in support of license renewal. The licensee may also participate and present evidence if the licensee desires. The administrative law judge will consider all of the evidence, and issue an initial order for the Board's review. The Board members have final authority to renew the liquor license and will enter a final order announcing their decision.

For questions about this process, contact the WSLCB Licensing Division at (360) 664-1600 or email us at localauthority@sp.lcb.wa.gov.

Sincerely,

Rebecca Smith

Rebecca Smith, Director,
Licensing and Regulation Division

LIQ 864 07/10

C091080-2

WASHINGTON STATE LIQUOR AND CANNABIS BOARD
LICENSED ESTABLISHMENTS IN INCORPORATED AREAS CITY OF TENINO
(BY ZIP CODE) FOR EXPIRATION DATE OF 20250430

DATE: 01/06/2025

LICENSEE	BUSINESS NAME AND ADDRESS	LICENSE NUMBER	PRIVILEGES
1. THREE AMIGOS LLC	DON JUAN'S MEXICAN KITCHEN 639 E LINCOLN AVE STE 1 & 2 TENINO WA 98589 0000	0839222	SPIRITS/BR/WN REST SERVICE BAR
2. VETERANS OF FOREIGN WARS GEORGE PENDARVIS POST NO. 5878	VETERANS OF FOREIGN WARS POST 5878 287 SUSSEX ST TENINO WA 98589 0000	369264	PRIVATE CLUB - SPIRITS/BEER/WINE

File Attachments for Item:

8. Mathis Bosch

Recommended Action: None, Presentation Only

**NEW
YEAR.
NEW
IDEAS.**



get-it-away.com

About Us

Get-It-Away Junk Removal is a locally trusted provider specializing in fast, affordable cleanup services. With years of experience serving residential and commercial clients, we're proud to help cities like Tenino maintain clean, sustainable communities.

What we do

As a trusted junk removal company, we currently provide:

- **Residential Cleanouts** – Helping homeowners clear out unwanted items quickly and efficiently.
- **Commercial Services** – Assisting businesses with office cleanouts, retail space cleanups, and more.
- **Construction Debris Removal** – Partnering with contractors to remove waste from job sites.
- **Yard Debris Disposal** – Clearing green waste and other outdoor clutter.
- **Donation and Recycling Efforts** – Prioritizing sustainability by donating usable items and recycling materials whenever possible.

What we're proposing

Our proposal for the City of Tenino includes:

- **Municipal Solid Waste Collection** - Reliable and timely removal of waste for residents, businesses, and city facilities.
- **On-Demand Bulk Pickup Services** - Flexible options for community clean-up events or special projects.
- **Sustainable Disposal Practices** - Prioritizing recycling and environmentally responsible waste management.
- **Cost-Effective Solutions** - Tailored pricing to meet the city's citizens needs while maintaining high-quality service.

A GREENER, CLEANER, TENINO.



File Attachments for Item:

9. Fire Marshal Agreement

Recommended Action: Motion to approve Agreement

AGREEMENT FOR PROFESSIONAL SERVICES BETWEEN
THE CITY OF TENINO AND MJR FIRE CONSULTING LLC

THIS AGREEMENT, is made effective the 14th day of January, 2025, by and between the City of Tenino (hereinafter referred to as "City"), a Washington Municipal Corporation, and MJR FIRE CONSULTING LLC, (hereinafter referred to as "Service Provider"), doing business at 405 143rd Ave SE, Tenino, WA 98589.

WHEREAS, Service Provider is in the business of providing certain services specified herein; and

WHEREAS, the City desires to contract with Service Provider for the provision of such on-call services as Fire Consulting services, and Service Provider agrees to contract with the City for same; and

WHEREAS, this agreement does not include any code enforcement services.

NOW, THEREFORE, in consideration of the mutual promises set forth herein, it is agreed by and between the parties as follows:

TERMS:

Description of Work. Service Provider shall perform work as described in **Exhibit A**, Scope of Services, which is attached hereto and incorporated herein by this reference, according to the existing standard of care for such services. Service Provider shall not perform any additional services without the expressed permission of the City.

PAYMENT:

The City shall pay Service Provider at the rate set forth in **Exhibit A**, for the services described in this Agreement. Service Provider shall submit monthly payment invoices to the City after such services have been performed, and the City shall make payment within four (4) weeks after the submittal of each approved invoice. Such an invoice shall detail the hours worked, a description of the tasks performed, and shall separate all charges for clerical work and reimbursable expenses.

If the City objects to all or any portion of any invoice, it shall so notify Service Provider of the same within five (5) days from the date of receipt and shall pay that portion of the invoice not in dispute. The parties shall immediately make every effort to settle the disputed portion.

RELATIONSHIP OF PARTIES: The parties intend that an independent contractor client relationship will be created by this Agreement. As Service Provider is customarily engaged in an independently established trade which encompasses the specific service provided to the City hereunder, no agent, employee, representative or subcontractor of Service Provider shall be or shall be deemed to be the employee, agent, representative or subcontractor of the City. None of the benefits provided by the City to its employees, including, but not limited to, compensation, insurance and unemployment insurance, are available from the City to the Service Provider or his employees, agents, representatives or subcontractors. Service Provider will be solely and entirely responsible for his acts and for the acts of Service Provider's agents, employees, representatives and subcontractors during the performance of this Agreement. The City may, during the term of this Agreement, engage other independent contractors to perform the same or similar work that Service Provider performs hereunder.

SERVICES PERFORMED: City of Tenino On-Call Fire Consulting services

DURATION OF WORK: Service Provider shall perform the work described in **Exhibit A** at the City's request, as needed.

TERMINATION:

Termination Upon' the City 's option. The City shall have the option to terminate this Agreement at any time, for any reason. Termination shall be effective upon thirty (30) days written notice to the Service Provider.

Termination Upon' the Service Provider's option. The Service Provider shall have the option to terminate this Agreement at any time, for any reason. Termination shall be effective upon thirty (30) days written notice to the City.

Rights upon Termination. In the event of termination, the City shall only be responsible to pay for all services satisfactorily performed by Service Provider to the effective date of termination, as described in the final invoice to the City. The Mayor shall make the final determination about what services have been satisfactorily performed.

NONDISCRIMINATION: In the hiring of employees for the performance of work under this Agreement or any subcontract hereunder, Service Provider, its subcontractors or any person acting on behalf of Service Provider shall not, by reason of race, religion, color, sex, marital status, national origin or the presence of any sensory, mental, or physical disability, discriminate against any person who is qualified and available to perform the work to which the employment relates.

INDEMNIFICATION/ HOLD HARMLESS: The Service Provider shall fully protect, defend, indemnify and hold the City, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or in connection with the performance of this Agreement, except for injuries and damages caused by the sole negligence of the City. The Service Provider's obligations under this section shall specifically include, but are not limited to, responsibility for claims, injuries, damages, losses and suits arising out of or in connection with the acts and omissions of Service Provider's employees, contractors, consultants and agents. Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Service Provider and the City, its officers, officials, employees, and volunteers, the Service Provider's liability hereunder shall be only to the extent of the Service Provider's negligence. It is further specifically and expressly understood that the indemnification provided herein constitutes the Service Provider's waiver of immunity under Industrial Insurance Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties. The provisions of this section shall survive the expiration or termination of this Agreement

INSURANCE: The Consultant shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees. Consultant's maintenance of insurance as required by the agreement shall not be construed to limit the liability of the Consultant to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy available at law or in equity.

- A. Minimum Amounts and Scope of Insurance: Consultant shall obtain insurance of the types and with the limits described below:
- i. Commercial General Liability insurance with limits no less than \$1,000,000 each occurrence, \$1,000,000 general aggregate. Commercial General Liability insurance shall be written on ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, independent contractors and personal injury and advertising injury. The City shall be named as an insured under the Consultant's Commercial General Liability insurance policy with respect to the work performed for the City.
 - ii. Workers' Compensation coverage as required by the Industrial Insurance laws of the State of

Washington.

- iii. Professional Liability with limits no less than \$1,000,000 per claim and \$1,000,000 policy aggregate limit. Professional Liability insurance shall be appropriate to the Consultant's profession.
- B. Other Insurance Provision: The Consultant's Commercial General Liability insurance policies are to contain or be endorsed to contain that they shall be primary insurance with respect to the City. Any Insurance, self-insurance, or insurance pool coverage maintained by the City shall be excess of the Consultant's insurance and shall not be contributed or combined with it.
- C. Verification of Coverage: Consultant shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the Consultant before commencement of the work. Certificates of coverage and endorsements as required by this section shall be delivered to the City within fifteen (15) days of execution of this Agreement.
- D. Notice of Cancellation: The Consultant shall provide the City with written notice of any policy cancellation, within two business days of their receipt of such notice.
- E. Failure to Maintain Insurance: Failure on the part of the Consultant to maintain the insurance as required shall constitute a material breach of contract, upon which the City may, after giving five business days' notice to the Consultant to correct the breach, immediately terminate the contract or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, with any sums so expended to be repaid to the City on demand, or at the sole discretion of the City, offset against funds due the Consultant from the City.

ENTIRE AGREEMENT: The written provisions and terms of this Agreement, together with all documents attached hereto, shall supersede all prior verbal statements of any officer or other representative of the City, and such statements shall not be effective or be construed as entering into or forming a part of, or altering in any manner whatsoever, this Agreement.

CITY'S RIGHT OF SUPERVISION, LIMITATION OF WORK PERFORMED BY SERVICE PROVIDER: Even though Service Provider works as an independent contractor in the performance of his duties under this Agreement, the work must meet the approval of the City and be subject to the City's general right of inspection and supervision to secure the satisfactory completion thereof. In the performance of work under this Agreement, Service Provider shall comply with all federal, state and municipal laws, ordinances, rules and regulations that are applicable to Service Provider's business, equipment, and personnel engaged in operations covered by this Agreement or accruing out of the performance of such operations.

WORK PERFORMED AT SERVICE PROVIDER'S RISK: Service Provider shall be responsible for the safety of its employees, agents and subcontractors in the performance of the work hereunder and shall take all protections reasonably necessary for that purpose. All work shall be done at Service Provider's own risk, and Service Provider shall be responsible for any loss of or damage to materials, tools, or other articles used or held for use in connection with the work.

OWNERSHIP OF PRODUCTS AND PREMISES SECURITY: All reports, plans, specifications, data maps, and documents produced by the Service Provider in the performance of services under this Agreement, whether in draft or final form and whether written, computerized, or in other form, shall be the property of the City. While working on the City's premises, the Service Provider agrees to observe and support the City's rules and policies relating to

maintaining physical security of the City's premises.

MODIFICATION: No waiver, alteration or modification of any of the provisions of this Agreement shall be binding unless in writing and signed by a duly authorized representative of the City and Service Provider.

ASSIGNMENT: Any assignment of this Agreement by Service Provider without the written consent of the City shall be void.

WRITTEN NOTICE: All communications regarding this Agreement shall be sent to the parties at the addresses listed below, unless notified to the contrary. Any written notice hereunder shall become effective as of the date of mailing by registered or certified mail and shall be deemed sufficiently given if sent to the addressee at the address stated in this Agreement or such other address as may be hereafter specified in writing.

NON-WAIVER OF BREACH: The failure of the City to insist upon strict performance of any of the covenants and agreements contained herein, or to exercise any option herein conferred in one or more instances shall not be construed to be a waiver or relinquishment of said covenants, agreements or options, and the same shall be and remain in full force and effect.

RESOLUTION OF DISPUTES, GOVERNING LAW: Should any dispute, misunderstanding or conflict arise as to the terms and conditions contained in this Agreement, the matter shall be referred to the City Manager, whose decision shall be final. In the event of any litigation arising out of this Agreement, the prevailing party shall be reimbursed for its reasonable attorney fees from the other party. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington.

PUBLIC RECORDS DISCLOSURE: Service Provider shall fully cooperate with and assist the City with respect to any request for public records received by the City and related to any public records generated, produced, created and/or possessed by Service Provider and related to the services performed under this Agreement. Upon written demand by the City, the Service Provider shall furnish the City with full and complete copies of any such records within five business days. Service Provider's failure to timely provide such records upon demand shall be deemed a breach of this Agreement. To the extent that the City incurs any monetary penalties, attorneys' fees, and/or any other expenses as a result of such breach, Service Provider shall fully indemnify and hold harmless the City as set forth in Section 8. For purposes of this section, the term "public records" shall have the same meaning as defined by Chapter 42.17 RCW and Chapter 42.56 RCW, as said chapters have been construed by Washington courts.

The City may, during the term of this Agreement, engage other independent contractors to perform the same or similar work that Service Provider performs hereunder.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year above written.

Mayor Dave Watterson
City of Tenino
149 Hodgden Street S,
Tenino, WA 98589
Phone: (360) 264-2368

Matt Russell, Owner
MJR FIRE CONSULTING LLC
405 143rd Ave SE, Tenino, WA 98589
Phone: (360) 556-7728

EXHIBIT A

Professional Service Agreement Building Code Services LLC

Effective Date: January 2, 2025

At the request and direction of the City of Tenino, the Service Provider shall perform the following services as required.

Description of work and hourly rates for said work.

-Site/civil plan review for fire apparatus access, turning radius, turn around provisions, hydrant locations, water supply requirements, FDC locations, etc. \$150 per hour one hour minimum.

-General Fire code review on all structures, tanks, pumps, bunkers, etc, for fire code compliance. \$150 per hour .5 hour minimum.

-In depth plan review for Fire sprinkler systems, Fire alarm systems, Hood suppression systems, Special hazard suppression systems, etc. \$150 per hour one hour minimum.

-Site inspections for code compliance during all phases of fire protection system construction and installation. \$150 per hour .5 hour minimum.

-Annual fire inspections for commercial businesses. \$150 per hour one hour minimum.

The consultation fee is \$150.00 per hour as applicable.

File Attachments for Item:

10. TIB Grant for Old 99 Grind Overlay

Recommended Action: Motion to approve TIB Grant for Old 99 Grind Overlay



Transportation Improvement Board (TIB) Consultant Agreement

TIB PROJECT NUMBER 2-W-977(003)-1	PROJECT PHASE (check one) <input checked="" type="checkbox"/> Design <input type="checkbox"/> Construction
PROJECT TITLE & WORK DESCRIPTION Grind and overlay 2,800 linear feet of 28-foot-wide paved roadway on Old Highway 99 SE from the westerly city limits to Huston Street S. The project will include performing a 2-inch grind and overlay and restriping of the existing roadway. The existing storm drainage will be retained.	
CONSULTANT NAME & ADDRESS Gibbs & Olson, Inc. PO Box 400 Longview, WA 98632	
AGREEMENT TYPE (check one)	
<input checked="" type="checkbox"/> LUMP SUM \$61,470.00 <input type="checkbox"/> COST PLUS FIXED FEE OVERHEAD PROGRESS PAYMENT RATE _____ % OVERHEAD COST METHOD <input type="checkbox"/> Actual Cost <input type="checkbox"/> Actual Cost Not To Exceed _____ % <input type="checkbox"/> Fixed Rate _____ % FIXED FEE \$ _____ <input type="checkbox"/> SPECIFIC RATES OF PAY <input type="checkbox"/> Negotiated Hourly Rate <input type="checkbox"/> Provisional Hourly Rate <input type="checkbox"/> COST PER UNIT WORK	
DBE PARTICIPATION <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No _____ %	WBE PARTICIPATION <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No _____ %
COMPLETION DATE August 29, 2025	MAXIMUM AMOUNT PAYABLE \$61,470

THIS AGREEMENT, made and entered into this _____ day of **January, 2025**, between the **City of Tenino**, Washington, hereinafter called the AGENCY, and the above organization hereinafter called the CONSULTANT. The Transportation Improvement Board hereinafter called the TIB, administers the following accounts: Urban Arterial Trust Account funds, Transportation Improvement Account funds, Small City Account funds, and City Hardship Assistance Account funds.

WITNESSETH THAT:

WHEREAS, the AGENCY desires to accomplish the above referenced project, with the aid of TIB funds in conformance with the rules and regulations promulgated by the TIB; and

WHEREAS, the AGENCY does not have sufficient staff to meet the required commitment and therefore deems it advisable and desirable to engage the assistance of a CONSULTANT to provide the necessary services for the PROJECT; and

WHEREAS, the CONSULTANT represents that he/she is in compliance with the Washington State Statutes relating to professional registration, if applicable, and has signified a willingness to furnish Consulting services to the AGENCY,

NOW THEREFORE, in consideration of the terms, conditions, covenants and performance contained herein, or attached and incorporated and made a part hereof, the parties hereto agree as follows:

I GENERAL DESCRIPTION OF WORK

The work under this AGREEMENT shall consist of the above described work and services as herein defined and necessary to accomplish the completed work for this PROJECT. The CONSULTANT shall furnish all services, labor and related equipment necessary to conduct and complete the work as designated elsewhere in this AGREEMENT.

II SCOPE OF WORK

The Scope of Work and project level of effort for this project is detailed in Exhibit B-1 attached hereto, and by this reference made a part of this AGREEMENT.



III GENERAL REQUIREMENTS

All aspects of coordination of the work of this AGREEMENT, with outside agencies, groups or individuals shall receive advance approval by the AGENCY. Necessary contacts and meetings with agencies, groups or individuals shall be coordinated through the AGENCY.

The CONSULTANT shall attend coordination, progress and presentation meetings with the AGENCY or such Federal, Community, State, City or County officials, groups or individuals as may be requested by the AGENCY. The AGENCY will provide the CONSULTANT sufficient notice prior to meetings requiring CONSULTANT participation. The minimum number of hours or days notice required shall be agreed to between the AGENCY and the CONSULTANT and shown in Exhibit B attached hereto and made part of this AGREEMENT. The CONSULTANT shall prepare a monthly progress report, in a form approved by the AGENCY, that will outline in written and graphical form the various phases and the order of performance of the work in sufficient detail so that the progress of the work can easily be evaluated. Goals for Disadvantaged Business Enterprises (DBE), Minority Business Enterprises (MBE), and Women-owned Business Enterprises (WBE) if required shall be shown in the heading of this Agreement.

The original copies of all reports, PS&E, and other data furnished to the CONSULTANT by the AGENCY shall be returned. All designs, drawings, specifications, documents, and other work products prepared by the CONSULTANT prior to completion or termination of this AGREEMENT are instruments of service for the PROJECT and are property of the AGENCY. Reuse by the AGENCY or by others acting through or on behalf of the AGENCY of any such instruments of service, not occurring as a part of this PROJECT, shall be without liability of legal exposure to the CONSULTANT.

IV TIME FOR BEGINNING AND COMPLETION

The CONSULTANT shall not begin any work under the terms of this AGREEMENT until authorized in writing by the AGENCY. All work under this AGREEMENT shall be completed by the date shown in the heading of this AGREEMENT under completion date.

The established completion time shall not be extended because of any delays attributable to the CONSULTANT, but may be extended by the AGENCY, in the event of a delay attributable to the AGENCY, or because of unavoidable delays caused by an act of GOD or governmental actions or other conditions beyond the control of the CONSULTANT. A prior supplemental agreement issued by the AGENCY is required to extend the established completion time.

V PAYMENT

The CONSULTANT shall be paid by the AGENCY for completed work and services rendered under this AGREEMENT as provided in Exhibit C attached hereto, and by this reference made part of this AGREEMENT. Such payment shall be full compensation for work performed or services rendered and for all labor, materials, supplies, equipment, and incidentals necessary to complete the work specified in Section II, Scope of Work.

VI SUBCONTRACTING

The AGENCY permits subcontracts for those items of work as shown in Exhibit G to this Agreement. Compensation for this subconsultant work shall be based on the cost factors shown on Exhibit G, attached hereto and by this reference made a part of this AGREEMENT.

The work of the subconsultant shall not exceed its maximum amount payable unless a prior written approval has been issued by the AGENCY.

All reimbursable direct labor, overhead, direct non-salary costs and fixed fee costs for the subconsultant shall be substantiated in the same manner as outlined in Section V. All subcontracts exceeding \$10,000 in cost shall contain all applicable provisions of this AGREEMENT.

The CONSULTANT shall not subcontract for the performance of any work under this AGREEMENT without prior written permission of the AGENCY. No permission for subcontracting shall create, between the AGENCY and subcontractor, any contract or any other relationship.

VII EMPLOYMENT

The CONSULTANT warrants that he/she has not employed or retained any company or person, other than a bona fide employee working solely for the CONSULTANT, to solicit or secure this contract, and that it has not paid or agreed to pay any company or person, other than a bona fide employee working solely for the CONSULTANT, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making of this contract. For breach or violation of this warrant, the AGENCY shall have the right to annul this AGREEMENT without liability, or in its discretion, to deduct from the AGREEMENT price or consideration or otherwise recover the full amount of such fee, commission, percentage, brokerage fee, gift, or contingent fee.

Any and all employees of the CONSULTANT or other persons while engaged in the performance of any work or services required of the CONSULTANT under this AGREEMENT, shall be considered employees of the CONSULTANT only and not of the AGENCY, and any and all claims that may or might arise under any Worker's Compensation Act on behalf of said employees or other persons while so engaged, and any and all claims made by a third party as a consequence of any act or omission on the part of the CONSULTANTs employees or other persons while so engaged on any of the work or services provided to be rendered herein, shall be the sole obligation and responsibility of the CONSULTANT.

The CONSULTANT shall not engage, on a full or part time basis, or other basis, during the period of the contract, any professional or technical personnel who are, or have been, at any time during the period of the contract, in the employ of the STATE, or the AGENCY, except regularly retired employees, without written consent of the public employer of such person.

VIII NONDISCRIMINATION

The CONSULTANT agrees not to discriminate against any client, employee or applicant for employment or for services because of race, creed, color, national origin, marital status, sex, age or handicap except for a bona fide occupational qualification with regard to, but not limited to the following: employment upgrading, demotion or transfer, recruitment or any recruitment advertising, layoffs or terminations, rates of pay or other forms of compensation, selection for training, rendition of services. The CONSULTANT understands and agrees that if it violates this provision, this AGREEMENT may be terminated by the AGENCY and further that the CONSULTANT shall be barred from performing any services for the AGENCY now or in the future unless a showing is made satisfactory to the AGENCY that discriminatory practices have terminated and that recurrence of such action is unlikely.

During the performance of this AGREEMENT, the CONSULTANT, for itself, its assignees, and successors in interest agrees as follows:

- A. **COMPLIANCE WITH REGULATIONS:** The CONSULTANT shall comply with the Regulations relative to nondiscrimination in the same manner as in Federally-assisted programs of the Department of Transportation, Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time, (hereinafter referred to as the Regulations), which are herein incorporated by reference and made a part of this AGREEMENT.



- B. **NONDISCRIMINATION:** The CONSULTANT, with regard to the work performed by it during the AGREEMENT, shall not discriminate on the grounds of race, creed, color, sex, age, marital status, national origin or handicap except for a bona fide occupational qualification in the selection and retention of subconsultants, including procurements of materials and leases of equipment. The CONSULTANT shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the Regulations, including employment practices when the contract covers a program set forth in Appendix II of the Regulations.
- C. **SOLICITATIONS FOR SUBCONSULTANTS, INCLUDING PROCUREMENTS OF MATERIALS AND EQUIPMENT:** In all solicitations either by competitive bidding or negotiation made by the CONSULTANT for work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subconsultant or supplier shall be notified by the CONSULTANT of the CONSULTANT's obligations under this AGREEMENT and the Regulations relative to nondiscrimination on the grounds of race, creed, color, sex, age, marital status, national origin and handicap.
- D. **INFORMATION AND REPORTS:** The CONSULTANT shall provide all information and reports required by the Regulations, or directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the AGENCY or TIB to be pertinent to ascertain compliance with such Regulations or directives. Where any information required of the CONSULTANT is in the exclusive possession of another who fails or refuses to furnish this information the CONSULTANT shall so certify to the AGENCY, or the TIB as appropriate, and shall set forth what efforts it has made to obtain the information.
- E. **SANCTIONS FOR NONCOMPLIANCE:** In the event of the CONSULTANT's noncompliance with the nondiscrimination provisions of this AGREEMENT, the AGENCY shall impose such sanctions as it or the Transportation Improvement Board may determine to be appropriate, including, but not limited to:
1. Withholding of payments to the CONSULTANT under the AGREEMENT until the CONSULTANT complies, and/or
 2. Cancellation, termination or suspension of the AGREEMENT, in whole or in part.
- F. **INCORPORATION OF PROVISIONS:** The CONSULTANT shall include the provisions of paragraphs (A) through (G) in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Regulations or directives issued pursuant thereto. The CONSULTANT shall take such action with respect to any subconsultant or procurement as the AGENCY or the Transportation Improvement Board may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that, in the event a CONSULTANT becomes involved in, or is threatened with, litigation with a subconsultant or supplier as a result of such direction, the CONSULTANT may request the AGENCY to enter into such litigation to protect the interests of the AGENCY, and in addition, the CONSULTANT may request the TIB to enter into such litigation to protect the interests of the TIB.
- G. **UNFAIR EMPLOYMENT PRACTICES:** The CONSULTANT shall comply with RCW 49.60.180 prohibiting unfair employment practices and the Executive Orders numbered E.O.70-01 and E.O.66-03 of the Governor of the State of Washington.

IX TERMINATION OF AGREEMENT

The right is reserved by the AGENCY to terminate this AGREEMENT at any time upon ten days written notice to the CONSULTANT.

In the event this AGREEMENT is terminated by the AGENCY other than for fault on the part of the CONSULTANT, a final payment shall be made to the CONSULTANT as shown in Exhibit F for the type of AGREEMENT used.

No payment shall be made for any work completed after ten days following receipt by the CONSULTANT of the Notice of Termination. If the accumulated payment made to the CONSULTANT prior to Notice of Termination exceeds the total amount that would be due computed as set forth herein above, then no final payment shall be due and the CONSULTANT shall immediately reimburse the AGENCY for any excess paid.

In the event the services of the CONSULTANT are terminated by the AGENCY for fault on the part of the CONSULTANT, the above formula for payment shall not apply. In such an event, the amount to be paid shall be determined by the AGENCY with consideration given to the actual costs incurred by the CONSULTANT in performing the work to the date of termination, the amount of work originally required which was satisfactorily completed to date of termination, whether that work is in a form or a type which is usable to the AGENCY at the time of termination; the cost to the AGENCY of employing another firm to complete the work required and the time which maybe required to do so, and other factors which affect the value to the AGENCY of the work performed at the time of termination. Under no circumstances shall payment made under this subsection exceed the amount which would have been made using the formula set forth in the previous paragraph.

If it is determined for any reason that the CONSULTANT was not in default or that the CONSULTANT's failure to perform is without it or its employees fault or negligence, the termination shall be deemed to be a termination for the convenience of the AGENCY in accordance with the provision of this AGREEMENT.

In the event of the death of any member, partner or officer of the CONSULTANT or any of its supervisory personnel assigned to the project, or, dissolution of the partnership, termination of the corporation, or disaffiliation of the principally involved employee, the surviving members of the CONSULTANT hereby agree to complete the work under the terms of this AGREEMENT, if requested to do so by the AGENCY. The subsection shall not be a bar to renegotiation of the AGREEMENT between the surviving members of the CONSULTANT and the AGENCY, if the AGENCY so chooses.

In the event of the death of any of the parties listed in the previous paragraph, should the surviving members of the CONSULTANT, with the AGENCY's concurrence, desire to terminate this AGREEMENT, payment shall be made as set forth in the second paragraph of this section.

In the event this AGREEMENT is terminated prior to completion, the original copies of all reports and other data, PS&E materials furnished to the CONSULTANT by the AGENCY and documents prepared by the CONSULTANT prior to said termination, shall become and remain the property of the AGENCY and may be used by it without restriction. Such unrestricted use, not occurring as a part of this PROJECT, shall be without liability or legal exposure to the CONSULTANT.

Payment for any part of the work by the AGENCY shall not constitute a waiver by the AGENCY of any remedies of any type it may have against the CONSULTANT for any breach of this AGREEMENT by the CONSULTANT, or for failure of the CONSULTANT to perform work required of it by the AGENCY. Forbearance of any rights under the AGREEMENT will not constitute waiver of entitlement to exercise those rights with respect to any future act or omission by the CONSULTANT.

X CHANGES OF WORK

The CONSULTANT shall make such changes and revisions in the complete work of this AGREEMENT as necessary to correct errors appearing therein, when required to do so by the AGENCY, without additional compensation thereof.



Should the AGENCY find it desirable for its own purposes to have previously satisfactorily completed work or parts thereof changed or revised, the CONSULTANT shall make such revisions as directed by the AGENCY. This work shall be considered as Extra Work and will be paid for as herein provided under Section XIV.

XI DISPUTES

Any dispute concerning questions of fact in connection with the work not disposed of by AGREEMENT between the CONSULTANT and the AGENCY shall be referred for determination to the Director of Public Works or AGENCY Engineer, whose decision in the matter shall be final and binding on the parties of this AGREEMENT, provided however, that if an action is brought challenging the Director of Public Works or AGENCY Engineer's decision, that decision shall be subject to the scope of judicial review provided under Washington Case Law.

XII VENUE, APPLICABLE LAW AND PERSONAL JURISDICTION

In the event that either party deems it necessary to institute legal action or proceedings to enforce any right or obligation under this AGREEMENT, the parties hereto agree that any such action shall be initiated in the Superior Court of the State of Washington, situated in the county the AGENCY is located in. The parties hereto agree that all questions shall be resolved by application of Washington law and that the parties to such action shall have the right of appeal from such decisions of the Superior court in accordance with the laws of the State of Washington. The CONSULTANT hereby consents to the personal jurisdiction of the Superior Court of the State of Washington, situated in the county the AGENCY is located in.

XIII LEGAL RELATIONS AND INSURANCE

The CONSULTANT shall comply with all Federal, State, and local laws and ordinances applicable to the work to be done under this AGREEMENT. This AGREEMENT shall be interpreted and construed in accord with the laws of Washington.

The CONSULTANT shall indemnify and hold the AGENCY and the STATE of Washington, and their officers and employees harmless from and shall process and defend at its own expense all claims, demands, or suits at law or equity arising in whole or in part from the CONSULTANT's negligence or breach of any of its obligations under this AGREEMENT; provided that nothing herein shall require a CONSULTANT to indemnify the AGENCY and the STATE against and hold harmless the AGENCY and the STATE from claims, demands or suits based solely upon the conduct of the AGENCY and the STATE, their agents, officers and employees and provided further that if the claims or suits are caused by or result from the concurrent negligence of (a) the CONSULTANT's agents or employees and (b) the AGENCY and the STATE, their agents, officers and employees, this indemnity provision with respect to (1) claims or suits based upon such negligence, (2) the costs to the AGENCY and the STATE of defending such claims and suits, etc. shall be valid and enforceable only to the extent of the CONSULTANT's negligence or the negligence of the CONSULTANT's agents or employees.

The CONSULTANT's relation to the AGENCY shall be at all times as an independent contractor.

The CONSULTANT specifically assumes potential liability for actions brought by the CONSULTANT's own employees against the AGENCY and, solely for the purpose of this indemnification and defense, the CONSULTANT specifically waives any immunity under the state industrial insurance law, Title 51 RCW. The CONSULTANT recognizes that this waiver was specifically entered into pursuant to the provisions of RCW 4.24.115 and was the subject of mutual negotiation.

Unless otherwise specified in the AGREEMENT, the AGENCY shall be responsible for administration of construction contracts, if any, on the project. Subject to the processing of an acceptable, supplemental agreement, the

CONSULTANT shall provide on-call assistance to the AGENCY during contract administration. By providing such assistance, the CONSULTANT shall assume no responsibility for: proper construction techniques, job site safety, or any construction contractor's failure to perform its work in accordance with the contract documents.

The CONSULTANT shall obtain and keep in force during the terms of the AGREEMENT, or as otherwise required, the following insurance with companies or through sources approved by the State Insurance Commissioner pursuant to RCW 48.

Insurance Coverage

A. Worker's compensation and employer's liability insurance as required by the STATE.

B. General commercial liability insurance in an amount not less than a single limit of one million and 00/100 Dollars (\$1,000,000.00) for bodily injury, including death and property damage per occurrence.

Excepting the Worker's Compensation insurance and any professional liability insurance secured by the CONSULTANT, the AGENCY will be named on all certificates of insurance as an additional insured. The CONSULTANT shall furnish the AGENCY with verification of insurance and endorsements required by this AGREEMENT. The AGENCY reserves the right to require complete, certified copies of all required insurance policies at any time.

All insurance shall be obtained from an insurance company authorized to do business in the State of Washington. The CONSULTANT shall submit a verification of insurance as outlined above within 14 days of the execution of this AGREEMENT to the AGENCY. No cancellation of the foregoing policies shall be effective without thirty (30) days prior notice to the AGENCY.

The CONSULTANT's professional liability to the AGENCY shall be limited to the amount payable under this AGREEMENT or one million dollars, whichever is the greater unless modified by Exhibit H. In no case shall the CONSULTANT's professional liability to third parties be limited in any way.

The AGENCY will pay no progress payments under Section V until the CONSULTANT has fully complied with this section. This remedy is not exclusive; and the AGENCY and the STATE may take such other action as is available to them under other provisions of this AGREEMENT, or otherwise in law.

XIV EXTRA WORK

- A. The AGENCY may at any time, by written order, make changes within the general scope of the AGREEMENT in the services to be performed.
- B. If any such change causes an increase or decrease in the estimated cost of, or the time required for, performance of any part of the work under this AGREEMENT, whether or not changed by the order, or otherwise affects any other terms and conditions of the AGREEMENT, the AGENCY shall make an equitable adjustment in the (1) maximum amount payable; (2) delivery or completion schedule, or both; and (3) other affected terms and shall modify the AGREEMENT accordingly.
- C. The CONSULTANT must submit any proposal for adjustment (hereafter referred to as proposal) under this clause within 30 days from the date of receipt of the written order. However, if the AGENCY decides that the facts justify it, the AGENCY may receive and act upon a proposal submitted before final payment of the AGREEMENT.
- D. Failure to agree to any adjustment shall be a dispute under the disputes clause. However nothing in this clause shall excuse the CONSULTANT from proceeding with the AGREEMENT as changed.



E. Notwithstanding the terms and condition of paragraphs (a) and (b) above, the maximum amount payable for this AGREEMENT, shall not be increased or considered to be increased except by specific written supplement to this AGREEMENT.

**XV
ENDORSEMENT OF PLANS**

The CONSULTANT shall place his endorsement on all plans, estimates or any other engineering data furnished by him.

**XVI
TIB AND AGENCY REVIEW**

The AGENCY and TIB shall have the right to participate in the review or examination of the work in progress.

**XVII
CERTIFICATION OF THE
CONSULTANT AND THE AGENCY**

Attached hereto as Exhibit A-1, are the Certifications of the Consultant and the Agency.

**XVIII
COMPLETE AGREEMENT**

This document and referenced attachments contains all covenants, stipulations and provisions agreed upon by the parties. No agent, or representative of either party has authority to make, and the parties shall not be bound by or be liable for, any statement, representation, promise or agreement not set forth herein. No changes, amendments, or modifications of the terms hereof shall be valid unless reduced to writing and signed by the parties as an amendment to this AGREEMENT.

**XIX
EXECUTION AND ACCEPTANCE**

This AGREEMENT may be simultaneously executed in several counterparts, each of which shall be deemed to be an original having identical legal effect. The CONSULTANT does hereby ratify and adopt all statements, representations, warranties, covenants, and agreements contained in the proposal, and the supporting materials submitted by the CONSULTANT, and does hereby accept the AGREEMENT and agrees to all of the terms and conditions thereof.

In witness whereof the parties hereto have executed this AGREEMENT as of the day and year first above written.

By Richard A. Gushman By _____

Consultant Richard A. Gushman, President - Gibbs & Olson, Inc. City of Tenino



EXHIBIT A-1
Certification of Consultant

Project No. 2-W-977(003)-1	City of Tenino
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I hereby certify that I am Richard A. Gushman a duly authorized representative of the firm of Gibbs & Olson, Inc. whose address is PO Box 400 Longview, WA 98632 and that neither I nor the above firm I here represent has:

- (a) Employed or retained for a commission, percentage, brokerage, contingent fee or other consideration, any firm or person (other than a bona fide employee working solely for me or the above CONSULTANT) to solicit or secure this contract.
- (b) Agreed, as an express or implied condition for obtaining this contract, to employ or retain the services of a firm or person in connection with carrying out the contract.
- (c) Paid, or agreed to pay, to any firm, organization or person (other than a bona fide employee working solely for me or the above CONSULTANT) any fee, contribution, donation or consideration of any kind for, or in connection with procuring or carrying out the contract; except as here expressly stated (if any):

I further certify that the firm I hereby represent is authorized to do business in the State of Washington and that the firm is in full compliance with requirements of the Board of Professional Registration.

I acknowledge that this certificate is to be available to the Transportation Improvement Board (TIB), in connection with this contract involving participation of TIB funds and is subject to applicable State and Federal laws, both criminal and civil.

January 6, 2025
Date

Richard A. Gushman
Signature

Certification of Agency Official

I hereby certify that I am the AGENCY Official of the City of Tenino, Washington and that the above consulting firm or his/her representative has not been required, directly or indirectly as an express or implied condition in connection with obtaining or carrying out this contract to:

- (a) Employ or retain, or agree to employ or retain, any firm or person, or
- (b) Pay or agree to pay to any firm, person or organization, any fee, contribution, donation or consideration of any kind, except as here expressly stated (if any).

I acknowledge that this certificate is to be available to the TIB, in connection with this contract involving participation of TIB funds and is subject to applicable State and Federal laws, both criminal and civil.

Date

Signature

**EXHIBIT B-1
SCOPE OF WORK
CITY OF TENINO
2025 OLD 99 GRIND & OVERLAY
TIB PROJECT NUMBER 2-W-977(003)-1**

PROJECT DESCRIPTION

The Agency proposes to grind and overlay 2,800 linear feet of 28 foot wide paved roadway on Old Highway 99 SE from the westerly city limits to Huston Street S. The project will include performing a 2-inch grind and overlay and restriping of the existing roadway. The existing storm drainage will be retained. Consultant understands that all work will occur within existing street right-of-way owned by the Agency.

The project is part of the Agency's currently adopted 6-year Transportation Improvement Plan and is being constructed to serve existing development.

ASSUMPTIONS

The following assumptions were utilized by Consultant in developing the scope of work and estimated budget:

- Survey work will be performed based on NAVD88 vertical datum and NAD83/2011 horizontal datum (Washington Plane Coordinate System-South Zone).
- Survey work will be performed in U.S. Survey Feet and prepared using 22" x 34" sheets.
- Plan orientation will be shown with North Arrow at the top.
- Consultant will call 811 Locates for the survey site, going through the two-week Design Information Request (DIR), followed by the Design Locate Request (DLR) process. Any additional locates requested, including private locates, will be deemed out of scope and billed at current rates.
- No structural engineering, foundation design, landscaping design, street lighting design, traffic signalization or offsite roadway design or striping is included in the scope of work.
- A Cultural Resource Survey is not required to be completed for the project.
- A geotechnical evaluation will not be performed.
- No permit applications, including a Department of Ecology Construction Stormwater Permit or Stormwater Pollution Prevention Plan (SWPPP), or fees are included in the scope of work and budget.
- Improvements to the City's water main or sanitary sewer will not be required and are not included in the scope of work and budget.
- Streetlighting is not included in the scope of work.
- The project is redevelopment and is exempt from stormwater detention and water quality, which is not included in the scope of work and budget.
- The project is funded through a TIB Small City Preservation Program grant.

SCOPE OF WORK

Task 1 - Project Management and Administration

Under this task the Consultant will:

- Provide project administration consisting of the following:
- Prepare monthly narrative progress reports and submit to the Agency.
- Conduct general correspondence with Agency during design to ensure project issues are communicated and to request input from Agency as appropriate.

Task 2 - Survey

Consultant will perform a topographic survey of the project site from westerly city limits to Huston Street S. Existing water, sanitary sewer, stormwater, electric, natural gas, telephone, cable and fiber optic utilities will be included in the topographic survey. Rim elevations will be obtained at each manhole and catch basin.

Consultant will mark the limits of utility locates and will call for utility locates prior to performing the topographic survey.

A. Coordinates, descriptions, and elevations of the following existing items:

- Existing monumentation.
- Centerline, features, and edges of existing roadways, sidewalks, pedestrian ramps, and parking lots or other asphalt or concrete paved surfaces.
- Adjacent public utilities serving the subject parcels or project area consisting of:
 - Sanitary sewer manhole locations, rim elevations, pipe sizes, material type and invert elevations,
 - Storm drain manholes, catch basins, lines, outfalls, ditches, ponds, and structures with invert details including pipe size and grate/rim elevations,
 - Water line valves, blow-offs, and fire hydrants,
 - Underground utilities to the extent of known and determinable information from utility locates. Surveyor will call in to 811 Utility Locate for the location of Public Utilities. Any on-site utility locating services requested will be considered out-of-scope and billed at time and materials.

B. Site grade elevations (i.e., site topography) with the elevations labeled on shot markers depicted across the site.

C. Buildings: the location of any buildings, structures, and/or improvements on the surveyed property observed in the process of conducting the fieldwork.

The following elements will be included on the existing conditions topographic survey map:

- Vertical datum used;
- North arrow;
- Map scale and graphic scale bar;
- Legend of symbols used;
- Licensee name and contact information the;
- Seal and signature of licensee.
- Statements of clarification for elements shown:
- Basis of elevations citing benchmark(s) used with elevation(s);
- Purpose or intended use of the topographic elements shown on the map;
- A description of the source of the contours;
- Labeling to determine contour interval(s);

- Description of project benchmarks established;
- Statement of elevations and contour accuracy;
- Statement on limitation of use;
- Source of boundary information and method(s) used to relate area mapped to said boundaries.
- Statements of clarification of utility information shown:
- Source of utility location;
- Statement of accuracy of utility depiction;
- A statement of the scope of work between the project owner and the licensee regarding the comprehensiveness, exclusions, and limits of the utility investigations leading to these utility depictions.

Consultant will prepare a topographic survey base map in AutoCAD Civil 3D 2022 format that incorporates all field collected information. The topographic base map will be provided to Client in both AutoCAD and .pdf. The .pdf copy will be sealed and signed by the Surveyor. The AutoCAD file will include description, coordinates and elevation of each data point and will be to scale. A 3D surface model will also be included in the AutoCAD file for Client use.

Consultant will utilize the topographic survey to prepare an AutoCAD base map of existing conditions for the project.

Task 3 - Prepare 90% Design Documents

Under this task the Consultant will:

- A. Research, evaluate and identify preliminary design criteria that will serve as the development strategy and standards for the design.
- B. Prepare 90% complete design drawings to show the general scope, extent and character of the construction work to be performed by a contractor. It is anticipated that construction requirements for the project can be shown on 13 drawing sheets (measuring 22" x 34") consisting of:
 - Cover sheet
 - Notes, Survey Control, Legend and Abbreviation sheet
 - Existing Conditions Plan
 - Alignment and Survey Control Plan sheet
 - Paving Plan and Detail Sheets (4)
 - Typical Roadway Sections sheet
 - Channelization and Signing Plan and Detail Sheets (4)
- C. Attend a web-based meeting with Agency to review preliminary drawings before proceeding to final design.
- D. Coordinate with Agency as appropriate.
- E. Provide Preliminary Design Phase Deliverables as follows:
 1. Monthly progress report.
 2. Monthly schedule update.
 3. Meeting notes from project meetings.

Task 4 - Prepare Final Design Documents

Under this task the Consultant will:

- A. Prepare final drawings to show the general scope, extent and character of the construction work to be by a contractor. The anticipated list of drawings is as listed under Task 2 above.
- B. Prepare the construction contract documents including technical specifications which will be prepared in conformance with Agency standards and the latest version of the WSDOT Standard Specifications and Special Provisions. It is anticipated the contract documents and specifications will be comprised of approximately 300 pages (8-1/2" x 11").
- C. It is anticipated that two progress meetings with the Agency will occur to review and discuss various aspects of the project as the work proceeds. It is assumed the progress meetings will be virtual, and time for travel is not included in the scope of work.
- D. Prepare for review and approval by Agency, its legal counsel and other advisors contract agreement forms, general conditions and supplementary conditions, and bid forms, invitations to bid and instructions to bidders, and assist in the preparation of other related documents.
- E. Provide technical criteria, written descriptions and data for Agency's use in filing applications for permits with or obtaining approvals of such governmental authorities as have jurisdiction to approve the design of the Project and assist Agency in consultations with appropriate authorities.
- F. Advise Agency of any adjustments to the latest opinion of probable Total Project Costs caused by change in general scope extent or character or design requirements of the Project or Construction Costs. Furnish to Agency a final opinion of probable Total Project Costs based on the completed design documents.
- G. Design Phase Engineering Deliverables include the following:
 1. Monthly progress reports.
 2. Meeting notes from project meetings.
 3. 90% complete Drawings and Specifications and opinions of construction cost.
 4. Final (100% complete) Drawings and Specifications.
 5. Drawings, specifications and opinions of cost will be provided to Agency in .pdf format.

Task 5 - Bid Ad and Award

Consultant will perform the following work under this task:

- A. Assist Agency in advertising the project for construction bids.
- B. Receive questions from prospective bidders and prepare appropriate responses.
- C. Issue an addendum, if required, to identify, clarify, amend or expand the Bidding Documents.
- D. Review the bids received, verify low bidder's state licensing, check references for low bidder, and prepare a letter to Agency consisting of the bid tabulation and the Consultant's recommendation regarding award of a construction contract.

Responses to bidder questions, the addendum, and the Consultant's letter of recommendation of award will be provided to the Agency in pdf format.

CONSTRUCTION PHASE ENGINEERING SERVICES

Construction Phase Services are not included in this Agreement. Construction Phase Services may be added by Agency and Consultant by amendment at a future date.

SCHEDULE

The preliminary schedule for this project is presented below. The schedule shows starting work on January 15, 2025. Any delay to the starting date will result in a day for day adjustment to the listed schedule milestones.

- Field Survey & Base Map Preparation by February 19, 2025
- Prepare 50% Design Documents by March 21, 2025
- Prepare 100% Design Documents by April 25, 2025
- Bid Advertisement by May 15, 2025
- Bid Opening by May 29, 2025



EXHIBIT C-1 Payment (Lump Sum)

A. Lump Sum Agreement

Payment for all consulting services for this project shall be on the basis of a lump sum amount as shown in the heading of this AGREEMENT.

The maximum amount payable, by the AGENCY to the CONSULTANT under this AGREEMENT, shall not exceed the amount shown in the heading of this AGREEMENT as maximum amount payable unless a supplemental agreement has been negotiated and executed by the AGENCY prior to incurring any costs in excess of the maximum amount payable.

B. Monthly Progress Payments

Partial payments may be made upon request of the CONSULTANT to cover the percentage of work completed and are not to be more frequent than one (1) per month.

C. Final Payment

Final payment of any balance due the CONSULTANT of the gross amount earned will be made promptly upon its verification by the AGENCY after the completion of the work under this AGREEMENT contingent upon receipt of all PS&E, plans, maps notes, reports, and other related documents which are required to be furnished under the AGREEMENT. Acceptance of such final payment by the CONSULTANT shall constitute a release of all claims for payment which the CONSULTANT may have against the AGENCY unless such claims are specifically reserved in writing and transmitted to the AGENCY by the CONSULTANT prior to its acceptance. Said final payment shall not, however, be a bar to any claims the AGENCY may have against the CONSULTANT or to any remedies the AGENCY may pursue with respect to such claims.

D. Inspection of Cost Records

The CONSULTANT and his/her subconsultants shall keep available for inspection by representatives of the AGENCY and/or the TIB for a period of three years after final payment the cost records and accounts pertaining to this AGREEMENT and all items related to or bearing upon these records with the following exception: if any litigation, claim, or audit arising out of, in connection with, or related to this contract is initiated before the expiration of the three-year period, the cost records and accounts shall be retained until such litigation, claim or audit involving the records is completed.

EXHIBIT D-1
Consultant Fee Determination Summary Sheet
(Lump Sum, Cost Plus Fixed Fee, Cost per Unit of Work)

Prepared by Gibbs & Olson, Inc.				Date January 8, 2025	
Project 2025 Old Highway 99 Overlay					
Direct Salary Cost (DSC)					
Classification	Man Hours		Rate		Cost
Principal	4	x	\$87.50	=	\$350.00
Engineer VI	16	x	\$70.00	=	\$1,120.00
Engineer IV	40	x	\$63.00	=	\$2,520.00
Engineer III	88	X	\$50.00		\$4,400.00
Engineer I	150	x	\$32.00	=	\$4,800.00
CAD Designer	24	x	\$37.00	=	\$888.00
Administrative Assistant	8	x	\$30.25	=	\$242.00
Sr. Land Surveyor	12	x	\$57.50	=	\$690.00
Land Surveyor	32	x	\$45.50	=	\$1,456.00
1 Man Survey Crew	10	X	\$35.00		\$350.00
2 Man Survey Crew	40	X	\$70.00	=	\$2,800.00
TOTAL DSC					\$19,616.00
OVERHEAD (OH Cost including Salary Additives)					
OH Rate x DSC or 162.03% x \$19,616.00					\$31,783.80
FIXED FEE (FF)					
FF Rate x DSC or 30% x \$19,616.00					\$5,884.80
REIMBURSABLES - Itemized					
Mileage					\$500.00
GPS Equipmt - \$35/Hr/Unit x 2 Units x 40 Hrs/Unit					\$2,800.00
Reproduction					\$250.00
Misc. Expenses					635.40
SUBCONSULTANT COST (See Exhibit G)					\$0.00
GRAND TOTAL					\$61,470.00

EXHIBIT E-1
GIBBS & OLSON, INC.
Indirect Cost Rate Schedule
For the Year Ended December 31, 2023

Description	Financial Stmt Amount
Direct Labor Base	<u>\$1,294,151</u>
Indirect Costs	
Fringe Benefits:	
Paid Time Off	\$150,066
Holiday	64,611
Payroll Taxes	182,958
Retirement	139,950
Trust Expenses	2
Group Insurance	165,889
Bonuses	139,369
Total Fringe Benefits	<u>\$842,845</u>
General Overhead Expenses:	
Salaries (Administrative)	\$192,017
Salaries (Office)	250,910
Salaries (Ind Overtime premium)	30,819
Salaries (Bid & Proposal Admin)	73,718
Salaries (Bid & Proposal Office)	46,460
Salaries (CL Dev-Direct Selling)	70,770
Salaries (Marketing/PR)	24,038
Salaries (Unallowable)	804
Other Benefits	21,715
Office Supplies	6,283
Repairs & Maintenance	4,134
Office Rent	116,580
Utilities	3,548
Postage	1,447
Publications	1,009
Prof Registration & Dues	5,892
Business Licenses & Fees	990
Technology	63,572
Education	12,036
Prof & Other Insurance	50,673
Depreciation	91,728
Professional Fees	42,618
Business Taxes	111,405
Travel & Lodging	33,110
Travel & Lodging Recovery	(29,188)
Misc Field Expense	16,899
Equipment Rental	2,230
Reproduction	5,525
Reproduction Recovery	(4,606)
Telephone	19,216
Recruiting/HR	0
Misc Expense Recovery GPS	(63,839)
Loss on Asset Dispositions	616
Life Insurance	4,365
Meals	8,339
Donations	9,402
Lobbying Dues	704
Business Development	24,363
Bank Fees - Financing	12
Bad Debt	3,761
Total General Overhead	<u>\$1,254,076</u>
Total Indirect Costs & Overhead	<u>\$2,096,921</u>
Indirect Cost Rate	162.03%



EXHIBIT F-1
Payment Upon Termination of Agreement
by the Agency Other than for Fault of the Consultant
(Refer to Agreement, Section IX)

Lump Sum Contracts

A final payment shall be made to the CONSULTANT which when added to any payments previously made shall total the same percentage of the Lump Sum Amount as the work completed at the time of termination is to the total work required for the PROJECT. In addition, the CONSULTANT shall be paid for any authorized extra work completed.

Cost Plus Fixed Fee Contracts

A final payment shall be made to the CONSULTANT which when added to any payments previously made, shall total the actual costs plus the same percentage of the fixed fee as the work completed at the time of termination is to the total work required for the PROJECT. In addition, the CONSULTANT shall be paid for any authorized extra work completed.

Specific Rates of Pay Contracts

A final payment shall be made to the CONSULTANT for actual hours charged at the time of termination of this AGREEMENT plus and direct nonsalary costs incurred at the time of termination of this AGREEMENT.

Cost Per Unit of Work Contracts

A final payment shall be made to the CONSULTANT for actual units of work completed at the time of termination of this AGREEMENT.

File Attachments for Item:

11. Tenino Food Bank Solar Plus Storage Clean Energy Grants 2024

Recommended Action: Motion to Approve Tenino Food Bank Solar Plus Storage Clean Energy Grants 2024



Interagency Agreement with

City of Tenino

through

Clean Energy Grants 2024
Low Income Community Solar

Contract Number:

24-92502-005

For

Tenino Food Bank Solar Plus Storage

Dated: Sunday, September 1, 2024

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Face Sheet

Contract Number: 24-92502-005

Energy Division, Energy Programs in Communities Low Income Community Solar

1. Grantee City of Tenino PO BOX 4019 TENINO, WA 98589		2. Grantee Doing Business As (as applicable) N/A	
3. Grantee Representative Jen Scharber Project Manager (360) 264-2368 jscharber@cityoftenino.org		4. COMMERCE Representative Paul Larsen Program Manager 360-725-2748 paul.larsen@commerce.wa.gov P.O. Box 42525 1011 Plum St Olympia, WA 98504-2525 	
5. Contract Amount \$562,170.00	6. Funding Source Federal: State: X Other: N/A:	7. Start Date 09/01/2024	8. End Date 09/30/2026
9. Federal Funds (as applicable) N/A		Federal Agency: N/A ALN N/A 	
10. Tax ID # XXXXXXXXXXXXX	11. SWV # SWV0001495-00	12. UBI # 343000396	13. UEI # N/A
14. Contract Purpose To install a 16.4kW DC solar array and a 40kWh battery storage unit to provide uninterrupted power and electricity savings to the City of Tenino's food bank.			
COMMERCE, defined as the Department of Commerce, and the Grantee, as defined above, acknowledge and accept the terms of this Contract and Attachments and have executed this Contract on the date below and warrant they are authorized to bind their respective agencies. The rights and obligations of both parties to this Contract are governed by this Contract and the following documents incorporated by reference: Grantee Terms and Conditions including Attachment "A" – Scope of Work, Attachment "B" – Budget, Attachment "C" – Proviso			
FOR GRANTEE _____ Dave Watterson, Mayor _____ Date		FOR COMMERCE _____ Michael Furze, Assistant Director, Energy Division _____ Date APPROVED AS TO FORM ONLY BY ASSISTANT ATTORNEY GENERAL APPROVAL ON FILE	

DECLARATIONS

The Washington State Department of Commerce (Commerce) has been appropriated funds by the Washington State Legislature to provide grants to promote Washington's commitment to equitable, clean energy development.

CLIENT INFORMATION

Legal Name: City of Tenino
Agreement Number: **24-92502-005**
Award Year: 2024
State Wide Vendor Number: SWV0001495-00

PROJECT INFORMATION

Project Title: **TCSC Food Warehouse Solar Plus Storage**
Project Address: **748 Sussex Ave W.**
Project City: Tenino
Project State: **WA**
Project Zip Code: 98589

GRANT INFORMATION

Grant Amount: \$562,170.00
Non-State Match (1:X) **N/A**
Type of Match Accepted: **N/A**
Earliest Date for Reimbursement: 09/01/2024
Time of Performance: 09/01/2024 – 09/30/2026

Program Specific Terms and Conditions

As identified herein, notwithstanding General & Specific Terms and Conditions SECTIONS, the following Program Specific Terms and Conditions take precedence over any similarly referenced Special or General Terms and Conditions:

1. **BILLING AND COMPENSATION FOR PERFORMANCE BASED CONTRACT (Replaces Special Terms and Conditions #4 Billing Procedures and Payment)**

COMMERCE will pay Contractor not more often than monthly upon acceptance of services provided and receipt of properly completed invoices for completed milestones, which shall be submitted to the Representative for COMMERCE.

The Contractor shall provide the Representative of COMMERCE a signed electronic Invoice A19 form that includes the contract number referenced on the declarations page.

The invoices shall describe and document, to COMMERCE's satisfaction, a description of the work performed and the milestone number(s) achieved.

The Contractor is required to maintain documentation to support invoiced costs and cost share obligations. The Contractor shall make these documents available to COMMERCE if requested.

COMMERCE will pay Contractor the amounts set forth in Attachment B upon full completion of each milestone. Upon full completion of each Milestone, Contractor will provide an invoice and any required supporting documentation to the Representative of COMMERCE. Except as may be agreed by COMMERCE in its discretion, COMMERCE shall only be obligated to make payments upon demonstration of completion of all Deliverables within a given Milestone.

However, it is acknowledged that in the event one or two Deliverables of a Milestone is unduly delayed (more than 3 months) due to circumstances outside Contractor's control, COMMERCE may, in its sole discretion, reasonably negotiate with Contractor regarding paying for those Deliverables of such Milestones that are completed.

Payment shall be considered timely if made by COMMERCE within thirty (30) calendar days after receipt of properly completed invoices. Payment shall be sent to the address designated by the Contractor.

COMMERCE may, in its sole discretion, terminate the Contract or withhold payments claimed by the Contractor for services rendered if the Contractor fails to satisfactorily comply with any term or condition of this Contract.

No payments in advance or in anticipation of services or supplies to be provided under this Agreement shall be made by COMMERCE.

Invoices and End of Fiscal Year

Invoices are due on the 20th of the month following the provision of services.

Final invoices for a state fiscal year may be due sooner than the 20th and Commerce will provide notification of the end of fiscal year due date.

The contractor must invoice for all expenses from the beginning of the contract through June 30, regardless of the contract start and end date.

Duplication of Billed Costs

The Contractor shall not bill COMMERCE for services performed under this Agreement, and COMMERCE shall not pay the Contractor, if the Contractor is entitled to payment or has been or will be paid by any other source, including grants, for that service.

Disallowed Costs

The Contractor is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its subcontractors.

2. SUBCONTRACTING (Replaces General Terms and Conditions #15 Subcontracting)

The Contractor may only subcontract work contemplated under this Contract if it provides written notification to COMMERCE of any subcontractors who will be performing work under this Grant Agreement. The written notice must provide the names and address of the subcontractor with a brief description of which tasks within the Contractor Scope of Work (Attachment A) that will be undertaken by the subcontractor(s).

The Contractor shall maintain written procedures related to subcontracting, as well as copies of all subcontracts and records related to subcontracts. For cause, COMMERCE in writing may: (a) require the Contractor to amend its subcontracting procedures as they relate to this Contract; (b) prohibit the Contractor from subcontracting with a particular person or entity; or (c) require the Contractor to rescind or amend a subcontract.

Every subcontract shall bind the Subcontractor to follow all applicable terms of this Contract. The Contractor is responsible to COMMERCE if the Subcontractor fails to comply with any applicable term or condition of this Contract. The Contractor shall appropriately monitor the activities of the Subcontractor to assure fiscal conditions of this Contract.

In no event shall the existence of a subcontract operate to release or reduce the liability of the Contractor to COMMERCE for any breach in the performance of the Contractor's duties. Every subcontract shall include a term that COMMERCE and the State of Washington are not liable for claims or damages arising from a Subcontractor's performance of the subcontract.

All reference to the Contractor under this clause shall also include Contractor's employees, agents or subcontractors.

3. PREVAILING WAGE LAW

The Contractor certifies that all contractors and subcontractors performing work on the Project shall comply with state Prevailing Wages on Public Works, Chapter 39.12 RCW, as applicable to the Project funded by this Agreement, including but not limited to the filing of the "Statement of Intent to Pay Prevailing Wages" and "Affidavit of Wages Paid" as required by RCW 39.12.040. The Contractor shall maintain records sufficient to evidence compliance with Chapter 39.12 RCW, and shall make such records available for COMMERCE's review upon request

4. HISTORICAL OR CULTURAL ARTIFACTS

Prior to approval and disbursement of any funds awarded under this Contract, Contractor shall complete the requirements of Governor's Executive Order 21-02, where applicable, or Contractor shall complete a review under Section 106 of the National Historic Preservation Act, if applicable.

Contractor agrees that the Contractor is legally and financially responsible for compliance with all laws, regulations, and agreements related to the preservation of historical or cultural resources and agrees to hold harmless COMMERCE and the state of Washington in relation to any claim related

to such historical or cultural resources discovered, disturbed, or damaged as a result of the project funded by this Contract.

In addition to the requirements set forth in this Contract, Contractor shall, in accordance with Governor's Executive Order 21-02 coordinate with Commerce and the Washington State Department of Archaeology and Historic Preservation ("DAHP"), including any recommended consultation with any affected tribe(s), during Project design and prior to construction to determine the existence of any tribal cultural resources affected by Project. Contractor agrees to avoid, minimize, or mitigate impacts to the cultural resource as a continuing prerequisite to receipt of funds under this Contract.

The Contractor agrees that, unless the Contractor is proceeding under an approved historical and cultural monitoring plan or other memorandum of agreement, if historical or cultural artifacts are discovered during construction, the Contractor shall immediately stop construction and notify the local historical preservation officer and the state's historical preservation officer at DAHP, and the Commerce Representative identified on the Face Sheet. If human remains are uncovered, the Contractor shall report the presence and location of the remains to the coroner and local enforcement

Immediately, then contact DAHP and the concerned tribe's cultural staff or committee.

The Contractor shall require this provision to be contained in all subcontracts for work or services related to the Scope of Work attached hereto.

In addition to the requirements set forth in this Contract, Contractor agrees to comply with RCW 27.44 regarding Indian Graves and Records; RCW 27.53 regarding Archaeological Sites and Resources; RCW 68.60 regarding Abandoned and Historic Cemeteries and Historic Graves; and WAC 25-48 regarding Archaeological Excavation and Removal Permit.

Completion of the requirements of Section 106 of the National Historic Preservation Act shall substitute for completion of Governor's Executive Order 21-02.

In the event that the Contractor finds it necessary to amend the Scope of Work the Contractor may be required to re-comply with Governor's Executive Order 21-02 or Section 106 of the National Historic Preservation Act

5. ACKNOWLEDGMENT OF CLIMATE COMMITMENT ACT FUNDING

If this Agreement is funded in whole or in part by the Climate Commitment Act, Grantee agrees that any website, announcement, press release, and/or publication (written, visual, or sound) used for media-related activities, publicity, and public outreach issued by or on behalf of Grantee which reference programs or projects funded in whole or in part with Washington's Climate Commitment Act (CCA) funds under this Grant, shall contain the following statement:

"The [PROGRAM NAME / GRANT / ETC.] is supported with funding from Washington's Climate Commitment Act. The CCA supports Washington's climate action efforts by putting cap-and-invest dollars to work reducing climate pollution, creating jobs, and improving public health. Information about the CCA is available at www.climate.wa.gov."

The Grantee agrees to ensure coordinated Climate Commitment Act branding on work completed by or on behalf of the Grantee. The CCA logo must be used in the following circumstances, consistent with the branding guidelines posted at [CCA brand toolkit](#), including:

- A. Any project related website or webpage that includes logos from other funding partners;
- B. Any publication materials that include logos from other funding partners;
- C. Any on-site signage including pre-during Construction signage and permanent signage at completed project sites; and
- D. Any equipment purchased with CCA funding through a generally visible decal.

Special Terms and Conditions

1. AUTHORITY

COMMERCE and Contractor enter into this Contract pursuant to the authority granted by Chapter 39.34 RCW.

2. CONTRACT MANAGEMENT

The Representative for each of the parties shall be responsible for and shall be the contact person for all communications and billings regarding the performance of this Contract.

The Representative for COMMERCE and their contact information are identified on the Face Sheet of this Contract.

The Representative for the Contractor and their contact information are identified on the Face Sheet of this Contract.

3. COMPENSATION

COMMERCE shall pay an amount not to exceed \$562,170.00, for the performance of all things necessary for or incidental to the performance of work under this Contract as set forth in the Scope of Work.

EXPENSES

~~Contractor shall receive reimbursement for travel and other expenses as identified below or as authorized in advance by COMMERCE as reimbursable. The maximum amount to be paid to the Contractor for authorized expenses shall not exceed \$0, which amount is included in the Contract total above.~~

~~Such expenses may include airfare (economy or coach class only), other transportation expenses, and lodging and subsistence necessary during periods of required travel. Contractor shall receive compensation for travel expenses at current state travel reimbursement rates.~~

4. BILLING PROCEDURES AND PAYMENT (Replaced by Program Specific Terms and Conditions #1 Billing and Compensation for Performance Based Contract)

~~COMMERCE will pay Contractor upon acceptance of services provided and receipt of properly completed invoices, which shall be submitted to the Representative for COMMERCE not more often than monthly nor less than quarterly.~~

~~The invoices shall describe and document, to COMMERCE's satisfaction, a description of the work performed, the progress of the project, and fees. The invoice shall include the Contract Number _____. If expenses are invoiced, provide a detailed breakdown of each type. A receipt must accompany any single expenses in the amount of \$50.00 or more in order to receive reimbursement. Payment shall be considered timely if made by COMMERCE within thirty (30) calendar days after receipt of properly completed invoices. Payment shall be sent to the address designated by the Contractor.~~

~~COMMERCE may, in its sole discretion, terminate the Contract or withhold payments claimed by the Contractor for services rendered if the Contractor fails to satisfactorily comply with any term or condition of this Contract.~~

~~No payments in advance or in anticipation of services or supplies to be provided under this Agreement shall be made by COMMERCE.~~

Invoices and End of Fiscal Year

~~Invoices are due on the 20th of the month following the provision of services.~~

~~Final invoices for a state fiscal year may be due sooner than the 20th and Commerce will provide notification of the end of fiscal year due date. The Contractor must invoice for all expenses from the beginning of the contract through June 30, regardless of the contract start and end date.~~

~~Duplication of Billed Costs~~

~~The Contractor shall not bill COMMERCE for services performed under this Agreement, and COMMERCE shall not pay the Contractor, if the Contractor is entitled to payment or has been or will be paid by any other source, including grants, for that service.~~

~~Disallowed Costs~~

~~The Contractor is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its subcontractors.~~

~~COMMERCE may, in its sole discretion, withhold ten percent (10%) from each payment until acceptance by COMMERCE of the final report (or completion of the project, etc.).~~

5. SUBCONTRACTOR DATA COLLECTION

Contractor will submit reports, in a form and format to be provided by Commerce and at intervals as agreed by the parties, regarding work under this Contract performed by subcontractors and the portion of Contract funds expended for work performed by subcontractors, including but not necessarily limited to minority-owned, woman-owned, and veteran-owned business subcontractors. "Subcontractors" shall mean subcontractors of any tier.

6. INSURANCE

Each party certifies that it is self-insured under the State's or local government self-insurance liability program, and shall be responsible for losses for which it is found liable.

7. FRAUD AND OTHER LOSS REPORTING

Contractor shall report in writing all known or suspected fraud or other loss of any funds or other property furnished under this Contract immediately or as soon as practicable to the Commerce Representative identified on the Face Sheet.

8. ORDER OF PRECEDENCE

In the event of an inconsistency in this Contract, the inconsistency shall be resolved by giving precedence in the following order:

- Applicable federal and state of Washington statutes and regulations
- Attachment D – Proviso
- Program Specific Terms and Conditions
- Special Terms and Conditions
- General Terms and Conditions
- Attachment A – Scope of Work
- Attachment B – Budget
- Attachment C – Reporting

General Terms and Conditions

1. DEFINITIONS

As used throughout this Contract, the following terms shall have the meaning set forth below:

- A. "Authorized Representative" shall mean the Director and/or the designee authorized in writing to act on the Director's behalf.
- B. "COMMERCE" shall mean the Washington Department of Commerce.
- C. "Contract" or "Agreement" or "Grant" means the entire written agreement between COMMERCE and the Contractor, including any Attachments, documents, or materials incorporated by reference. E-mail or Facsimile transmission of a signed copy of this contract shall be the same as delivery of an original.
- D. "Contractor" or "Grantee" shall mean the entity identified on the face sheet performing service(s) under this Contract, and shall include all employees and agents of the Contractor.
- E. "Personal Information" shall mean information identifiable to any person, including, but not limited to, information that relates to a person's name, health, finances, education, business, use or receipt of governmental services or other activities, addresses, telephone numbers, social security numbers, driver license numbers, other identifying numbers, and any financial identifiers, and "Protected Health Information" under the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA).
- F. "State" shall mean the state of Washington.
- G. "Subcontractor" shall mean one not in the employment of the Contractor, who is performing all or part of those services under this Contract under a separate contract with the Contractor. The terms "subcontractor" and "subcontractors" mean subcontractor(s) in any tier.

2. ALL WRITINGS CONTAINED HEREIN

This Contract contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this Contract shall be deemed to exist or to bind any of the parties hereto.

3. AMENDMENTS

This Contract may be amended by mutual agreement of the parties. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind each of the parties.

4. ASSIGNMENT

Neither this Contract, work thereunder, nor any claim arising under this Contract, shall be transferred or assigned by the Contractor without prior written consent of COMMERCE.

5. CONFIDENTIALITY AND SAFEGUARDING OF INFORMATION

- A. "Confidential Information" as used in this section includes:
 - i. All material provided to the Contractor by COMMERCE that is designated as "confidential" by COMMERCE;
 - ii. All material produced by the Contractor that is designated as "confidential" by COMMERCE; and
 - iii. All Personal Information in the possession of the Contractor that may not be disclosed under state or federal law.

- B.** The Contractor shall comply with all state and federal laws related to the use, sharing, transfer, sale, or disclosure of Confidential Information. The Contractor shall use Confidential Information solely for the purposes of this Contract and shall not use, share, transfer, sell or disclose any Confidential Information to any third party except with the prior written consent of COMMERCE or as may be required by law.

The Contractor shall take all necessary steps to assure that Confidential Information is safeguarded to prevent unauthorized use, sharing, transfer, sale or disclosure of Confidential Information or violation of any state or federal laws related thereto. Upon request, the Contractor shall provide COMMERCE with its policies and procedures on confidentiality. COMMERCE may require changes to such policies and procedures as they apply to this Contract whenever COMMERCE reasonably determines that changes are necessary to prevent unauthorized disclosures.

The Contractor shall make the changes within the time period specified by COMMERCE. Upon request, the Contractor shall immediately return to COMMERCE any Confidential Information that COMMERCE reasonably determines has not been adequately protected by the Contractor against unauthorized disclosure.

- C.** Unauthorized Use or Disclosure. The Contractor shall notify COMMERCE within five (5) working days of any unauthorized use or disclosure of any confidential information, and shall take necessary steps to mitigate the harmful effects of such use or disclosure.

6. COPYRIGHT

Unless otherwise provided, all Materials produced under this Contract shall be considered "works for hire" as defined by the U.S. Copyright Act and shall be owned by COMMERCE. COMMERCE shall be considered the author of such Materials. In the event the Materials are not considered "works for hire" under the U.S. Copyright laws, the Contractor hereby irrevocably assigns all right, title, and interest in all Materials, including all intellectual property rights, moral rights, and rights of publicity to COMMERCE effective from the moment of creation of such Materials.

"Materials" means all items in any format and includes, but is not limited to, data, reports, documents, pamphlets, advertisements, books, magazines, surveys, studies, computer programs, films, tapes, and/or sound reproductions. "Ownership" includes the right to copyright, patent, register and the ability to transfer these rights.

For Materials that are delivered under the Contract, but that incorporate pre-existing materials not produced under the Contract, the Contractor hereby grants to COMMERCE a nonexclusive, royalty-free, irrevocable license (with rights to sublicense to others) in such Materials to translate, reproduce, distribute, prepare derivative works, publicly perform, and publicly display. The Contractor warrants and represents that the Contractor has all rights and permissions, including intellectual property rights, moral rights and rights of publicity, necessary to grant such a license to COMMERCE.

The Contractor shall exert all reasonable effort to advise COMMERCE, at the time of delivery of Materials furnished under this Contract, of all known or potential invasions of privacy contained therein and of any portion of such document which was not produced in the performance of this Contract. The Contractor shall provide COMMERCE with prompt written notice of each notice or claim of infringement received by the Contractor with respect to any Materials delivered under this Contract. COMMERCE shall have the right to modify or remove any restrictive markings placed upon the Materials by the Contractor.

7. DISPUTES

In the event that a dispute arises under this Agreement, it shall be determined by a Dispute Board in the following manner: Each party to this Agreement shall appoint one member to the Dispute Board. The members so appointed shall jointly appoint an additional member to the Dispute Board. The Dispute Board shall review the facts, Agreement terms and applicable statutes and rules and make a determination of the dispute. The Dispute Board shall thereafter decide the dispute with the majority prevailing. The determination of the Dispute Board shall be final and binding on the parties hereto. As

an alternative to this process, either of the parties may request intervention by the Governor, as provided by RCW 43.17.330, in which event the Governor's process will control.

8. GOVERNING LAW AND VENUE

This Contract shall be construed and interpreted in accordance with the laws of the state of Washington, and the venue of any action brought hereunder shall be in the Superior Court for Thurston County.

9. INDEMNIFICATION

Each party shall be solely responsible for the acts of its employees, officers, and agents.

10. LICENSING, ACCREDITATION AND REGISTRATION

The Contractor shall comply with all applicable local, state, and federal licensing, accreditation and registration requirements or standards necessary for the performance of this Contract.

11. RECAPTURE

In the event that the Contractor fails to perform this Contract in accordance with state laws, federal laws, and/or the provisions of this Contract, COMMERCE reserves the right to recapture funds in an amount to compensate COMMERCE for the noncompliance in addition to any other remedies available at law or in equity.

Repayment by the Contractor of funds under this recapture provision shall occur within the time period specified by COMMERCE. In the alternative, COMMERCE may recapture such funds from payments due under this Contract.

12. RECORDS MAINTENANCE

The Contractor shall maintain books, records, documents, data and other evidence relating to this contract and performance of the services described herein, including but not limited to accounting procedures and practices that sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this contract.

The Contractor shall retain such records for a period of six years following the date of final payment. At no additional cost, these records, including materials generated under the contract, shall be subject at all reasonable times to inspection, review or audit by COMMERCE, personnel duly authorized by COMMERCE, the Office of the State Auditor, and federal and state officials so authorized by law, regulation or agreement.

If any litigation, claim or audit is started before the expiration of the six (6) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.

13. SAVINGS

In the event funding from state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this Contract and prior to normal completion, COMMERCE may suspend or terminate the Contract under the "Termination for Convenience" clause, without the ten calendar day notice requirement. In lieu of termination, the Contract may be amended to reflect the new funding limitations and conditions.

14. SEVERABILITY

The provisions of this contract are intended to be severable. If any term or provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the contract.

15. SUBCONTRACTING (Replaced by Program Specific Terms and Conditions #2 Subcontracting)

~~The Contractor may only subcontract work contemplated under this Contract if it obtains the prior written approval of COMMERCE.~~

~~If COMMERCE approves subcontracting, the Contractor shall maintain written procedures related to subcontracting, as well as copies of all subcontracts and records related to subcontracts. For cause, COMMERCE in writing may: (a) require the Contractor to amend its subcontracting procedures as they relate to this Contract; (b) prohibit the Contractor from subcontracting with a particular person or entity; or (c) require the Contractor to rescind or amend a subcontract.~~

~~Every subcontract shall bind the Subcontractor to follow all applicable terms of this Contract. The Contractor is responsible to COMMERCE if the Subcontractor fails to comply with any applicable term or condition of this Contract. The Contractor shall appropriately monitor the activities of the Subcontractor to assure fiscal conditions of this Contract. In no event shall the existence of a subcontract operate to release or reduce the liability of the Contractor to COMMERCE for any breach in the performance of the Contractor's duties.~~

~~Every subcontract shall include a term that COMMERCE and the State of Washington are not liable for claims or damages arising from a Subcontractor's performance of the subcontract.~~

16. **SURVIVAL**

The terms, conditions, and warranties contained in this Contract that by their sense and context are intended to survive the completion of the performance, cancellation or termination of this Contract shall so survive.

17. **TERMINATION FOR CAUSE**

In the event COMMERCE determines the Contractor has failed to comply with the conditions of this contract in a timely manner, COMMERCE has the right to suspend or terminate this contract. Before suspending or terminating the contract, COMMERCE shall notify the Contractor in writing of the need to take corrective action. If corrective action is not taken within 30 calendar days, the contract may be terminated or suspended.

In the event of termination or suspension, the Contractor shall be liable for damages as authorized by law including, but not limited to, any cost difference between the original contract and the replacement or cover contract and all administrative costs directly related to the replacement contract, e.g., cost of the competitive bidding, mailing, advertising and staff time.

COMMERCE reserves the right to suspend all or part of the contract, withhold further payments, or prohibit the Contractor from incurring additional obligations of funds during investigation of the alleged compliance breach and pending corrective action by the Contractor or a decision by COMMERCE to terminate the contract. A termination shall be deemed a "Termination for Convenience" if it is determined that the Contractor: (1) was not in default; or (2) failure to perform was outside of his or her control, fault or negligence.

The rights and remedies of COMMERCE provided in this contract are not exclusive and are, in addition to any other rights and remedies, provided by law.

18. **TERMINATION FOR CONVENIENCE**

Except as otherwise provided in this Contract, COMMERCE may, by ten (10) business days' written notice, beginning on the second day after the mailing, terminate this Contract, in whole or in part. If this Contract is so terminated, COMMERCE shall be liable only for payment required under the terms of this Contract for services rendered or goods delivered prior to the effective date of termination.

19. **TERMINATION PROCEDURES**

Upon termination of this contract, COMMERCE, in addition to any other rights provided in this contract, may require the Contractor to deliver to COMMERCE any property specifically produced or acquired for the performance of such part of this contract as has been terminated. The provisions of the "Treatment of Assets" clause shall apply in such property transfer.

COMMERCE shall pay to the Contractor the agreed upon price, if separately stated, for completed work and services accepted by COMMERCE, and the amount agreed upon by the Contractor and COMMERCE for (i) completed work and services for which no separate price is stated, (ii) partially completed work and services, (iii) other property or services that are accepted by COMMERCE, and (iv) the protection and preservation of property, unless the termination is for default, in which case the

Authorized Representative shall determine the extent of the liability of COMMERCE. Failure to agree with such determination shall be a dispute within the meaning of the "Disputes" clause of this contract. COMMERCE may withhold from any amounts due the Contractor such sum as the Authorized Representative determines to be necessary to protect COMMERCE against potential loss or liability.

The rights and remedies of COMMERCE provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

After receipt of a notice of termination, and except as otherwise directed by the Authorized Representative, the Contractor shall:

- A. Stop work under the contract on the date, and to the extent specified, in the notice;
- B. Place no further orders or subcontracts for materials, services, or facilities except as may be necessary for completion of such portion of the work under the contract that is not terminated;
- C. Assign to COMMERCE, in the manner, at the times, and to the extent directed by the Authorized Representative, all of the rights, title, and interest of the Contractor under the orders and subcontracts so terminated, in which case COMMERCE has the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts;
- D. Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of the Authorized Representative to the extent the Authorized Representative may require, which approval or ratification shall be final for all the purposes of this clause;
- E. Transfer title to COMMERCE and deliver in the manner, at the times, and to the extent directed by the Authorized Representative any property which, if the contract had been completed, would have been required to be furnished to COMMERCE;
- F. Complete performance of such part of the work as shall not have been terminated by the Authorized Representative; and
- G. Take such action as may be necessary, or as the Authorized Representative may direct, for the protection and preservation of the property related to this contract, which is in the possession of the Contractor and in which COMMERCE has or may acquire an interest.

20. TREATMENT OF ASSETS

Title to all property furnished by COMMERCE shall remain in COMMERCE. Title to all property furnished by the Contractor, for the cost of which the Contractor is entitled to be reimbursed as a direct item of cost under this contract, shall pass to and vest in COMMERCE upon delivery of such property by the Contractor. Title to other property, the cost of which is reimbursable to the Contractor under this contract, shall pass to and vest in COMMERCE upon (i) issuance for use of such property in the performance of this contract, or (ii) commencement of use of such property in the performance of this contract, or (iii) reimbursement of the cost thereof by COMMERCE in whole or in part, whichever first occurs.

- A. Any property of COMMERCE furnished to the Contractor shall, unless otherwise provided herein or approved by COMMERCE, be used only for the performance of this contract.
- B. The Contractor shall be responsible for any loss or damage to property of COMMERCE that results from the negligence of the Contractor or which results from the failure on the part of the Contractor to maintain and administer that property in accordance with sound management practices.
- C. If any COMMERCE property is lost, destroyed or damaged, the Contractor shall immediately notify COMMERCE and shall take all reasonable steps to protect the property from further damage.

- D. The Contractor shall surrender to COMMERCE all property of COMMERCE prior to settlement upon completion, termination or cancellation of this contract.
- E. All reference to the Contractor under this clause shall also include Contractor's employees, agents or Subcontractors.

21. **WAIVER**

Waiver of any default or breach shall not be deemed to be a waiver of any subsequent default or breach. Any waiver shall not be construed to be a modification of the terms of this Contract unless stated to be such in writing and signed by Authorized Representative of COMMERCE.

Attachment A: Scope of Work

Scope of Work: Solar Plus Battery Energy Storage System (S+BESS)

Project Name: Tenino Food Bank Solar Plus Storage

Site Address: 748 Sussex Avenue West, Tenino WA, 98589

Serving electric utility: Puget Sound Energy

Minimum System Size

Solar array size (kW DC): 16.4	Battery energy storage system power rating (kw): 15
Solar array size (kW AC): 15	Battery energy storage system energy capacity (kWh): 40

Mounting Type

<input type="checkbox"/> Ground	<input checked="" type="checkbox"/> Roof	<input type="checkbox"/> Canopy
---------------------------------	--	---------------------------------

Major Components: List major equipment to be installed across all project sites.

Quantity	Make and Model	Equipment
		Solar modules
		Inverters
		Module level power electronics
		Batteries
		Racking

Permits Required

<input checked="" type="checkbox"/> Electrical	<input type="checkbox"/> Building	<input type="checkbox"/> Land use
<input type="checkbox"/> SEPA	<input type="checkbox"/> NEPA	<input type="checkbox"/> Other (please specify): Click or tap here to enter text.

Project Summary: This project is a combination of a 16.4kW DC rooftop array and a 40kwh battery energy storage system at the City of Tenino Food Bank. The design will support the cities food storage and distribution infrastructure by providing a sustainable, resilient power source during short and extended outages. The Food Bank provides food for families in need through the cities Energy Food Assistance Program including through drive-up services and food deliveries.

The system will be designed with PV modules warrantied for a minimum of 25 years, inverters warrantied for a minimum of 10 years, and batteries warrantied for a minimum of 5 years. The project owner will maintain the system and train personnel to maintain and effectively operate the system in the event of an outage during the equipment's lifetime, in accordance with the operations and maintenance (O&M) manuals and warranty requirements of the equipment installed. If described in the original funding application, facilities will remain open to the public or vulnerable populations during outages for the life of

the equipment. Exceptions to these conditions may be granted by Commerce in writing on a case-by-case basis. If the system is enrolled in a demand response, grid services, or similar program with a utility or other third party, the system must maintain resilience functions as described in the original funding application and Commerce must approve any related program agreements in writing.

The scope of work includes:

- **Project Development, Design, and Contracting**
 - Project development and design work to ensure the project is ready for construction.
 - Grantee will define a project schedule which identifies all project roles and stakeholders, and which of these parties (grantee or sub-contractor) will be responsible for key deliverables such as:
 - Permitting plan (when/what permits will be pulled)
 - Electrical diagram for the system
 - Space requirements/measurements
 - Structural engineering (if required due to flat roof construction, high wind load, etc.)
 - Electrical load analysis
 - Environmental assessment
 - DAHP compliance
 - Safety plan and/or contingencies for traffic control
 - Select an installer for the project using the process described in their application
 - The solar system and BESS must meet all applicable industry standards and codes including, but not limited to:
 - UL 1741
 - International Building Code
 - International Fire Code
 - National Electric Code
 - Community engagement, outreach, and education as described in the application
- **Procurement**
 - Procure all equipment to complete the project. Equipment must be compliant with IEEE Standard 1547 unless Commerce grants an exception in writing.
 - Obtain a warranty certificate from the contractor
 - Equipment data sheets – compliance with the following is required unless Commerce grants an exception in writing:
 - Inverter-based systems must comply with IEEE 1547, UL 1741, and the interconnection agreement.
 - Non-inverter-based systems must comply with IEEE 1547 and the interconnection agreement
 - Apply for utility interconnection and secure agreement, including any fees
- **Equipment Delivery, Installation, and Construction**
 - Complete site preparation and restoration activities related to mounting type as required to complete the project, including staging of equipment, trenching, roof preparation, concrete pads, fencing, and gravel or other surfacing as needed for safety, code requirements, access, or to prevent vandalism of the equipment. Other site work other than restoring the disturbed areas to pre-construction conditions is not included in this scope.
 - Provide and install electrical gear and feeders required to connect the solar system and BESS to existing electrical service, including critical loads panels, transformer upgrades, and other necessary electrical changes identified in the original funding application.
 - Supply and install a solar array including the equipment listed above
 - Supply and install BESS including equipment listed above
 - Install all equipment necessary to enable the solar system and BESS to safely operate independently of the electric grid in an outage

- Any electrical and control system integration with other generators. Purchase and installation of generators other than the solar generator described above are not included in this scope
- Procure and set up monitoring software
- Pass inspections and pay associated fees
- Any changes to the equipment listed above must be approved by Commerce in writing

- **Systems Integration and Commissioning**
 - Pass inspections by all relevant regulators
 - Commission solar PV system and verify all system components are properly designed, installed, and optimized
 - Test the fully functional system and confirm whole system operation follows design intent as described in the application
 - Test control system that allows the system to operate independently of the grid in an outage
 - Receive operations and maintenance (O&M) manual and complete training from subcontractor on equipment and controls

- **Analytics and Monitoring**
 - Collect a minimum of 1 year of information on the performance of the system and its impact on clean energy production and community resilience
 - Report measurement and verification results
 - Communicate the project narrative with a Fact Sheet based on the Commerce-provided template and at least one other mode of story-telling
 - Tax credit records or confirmation a tax credit was not utilized

Attachment B: Budget

All funding is subject to continued legislative authorization and re-appropriation where applicable.

Mile stone	Deliverable	Deliverable Description	Expected Completion Date	Percent of Grant	Amount of Grant
A: Project Development, Design and Contracting			Month - Year	15%	\$84,325
	Project schedule (Gantt required if battery size is more than 1,000 kWh or grant amount is over \$1,400,000)	Up-to-date project schedule (Gantt chart format required based on size) showing the interdependencies between design, procurement, delivery, installation and commissioning activities.			
	Contracting	Subcontract for each subcontractor			
	Design	Electrical diagram, structural analysis (if installing on flat roof), solar resource analysis, load analysis (if being utilized for backup power)			
B: Procurement			Month - Year	65%	\$365,411
	Procure major equipment and services needed for installation	Copy of paid equipment invoice(s)			
	Warranty Certificate	Certification of equipment warranty			
	Apply for utility interconnection	Copy of interconnection application to serving utility.			
C: Equipment Delivery, Installation and Construction			Month - Year	15%	\$84,325
	Secure permits	Copies of all permits required by local AHJs.			
	All major equipment and materials delivered to site	Bill of Materials (BOM) showing delivery of all major equipment from scope of work to project site.			
	All equipment installed	Photos showing all major equipment from scope of work installed.			
	Inspections by AHJs passed	Letter, document or email from AHJ reporting passed inspections.			

D: Systems Integration and Commissioning			Month - Year	4%	\$22,487
	Permission to operate and go live	Document, letter, or email from utility confirming system is ready to operate. Energize system.			
	Operations and Maintenance (O&M) manual and owner training	Subcontractor-provided O&M manual for system and document, letter, or email confirming subcontractor provided operation and maintenance training to system owner.			
	Full functional system testing	System Acceptance Test (SAT) report describing results of tested outage scenarios. Tests must confirm that whole system operation follows design intent and meets community building's requirements.			
E: Analytics and Monitoring			Month - Year	1%	\$5,622
	Provide resilience and performance data to analytics team	Collect 1 year of information on performance of system and impact on community resilience			
	Resilience report	Summary of information demonstrating value, use, and impact of solar plus storage system over performance period.			
	Tax Credit Records	Tax credit records or confirmation a tax credit was not utilized			
	Story telling	Complete Commerce-provided Fact Sheet and at least one other mode of project narrative communication.			
Totals:				100%	\$562,170.00

Attachment C: Reporting

The Contractor must provide quarterly written reports and/or host a regular quarterly video and/or phone call with COMMERCE for project update purposes. Phone contact should cover current status of the project and any barriers that are potentially affecting the project schedule.

The Contractor shall provide a quarterly report to COMMERCE, no later than 15 days after the end of each quarter. The report form will be provided by Commerce. The report should describe the project activity that occurred during the quarter, including but not limited to:

1. A narrative summarizing project activities, risks and issues mitigated, and lessons learned;
2. The project milestones met to date and anticipated in the subsequent quarter (such as through a project Gantt Chart schedule provided quarterly in Microsoft Project format showing actual progress to date along with the baseline schedule developed at project kickoff etc.); and,
3. Any additional metrics required from the capital budget proviso, legislature, governor's office, or COMMERCE.
4. Quarterly updated invoice projection sheet for grant expenditures. Commerce will provide the invoice projection sheet;

A final report and fact sheet will be submitted to Commerce. Commerce will provide the fact sheet template and may request the fact sheet be updated as conditions warrant.

Quarterly Report Due Dates:

Quarter 1: April 15th

Quarter 2: July 15th

Quarter 3: October 15th

Quarter 4: January 15th

Attachment D: Proviso

2023-2025 CAPITAL BUDGET

ENGROSSED SUBSTITUTE SENATE BILL 5949 Chapter 375, Laws of 2024

NEW SECTION. Sec. 1020. A new section is added to 2023 c 474

2023-25 Community Solar (40000621)

The appropriation in this section is subject to the following conditions and limitations:

- (1) The appropriation in this section is provided solely for a grant program to provide solar and battery storage community solar projects for public assistance organizations serving low-income communities. Eligible uses of the amounts provided in this subsection include, but are not limited to, planning and predevelopment work with vulnerable, highly impacted, and rural communities
- (2) The department may:
 - (a) Provide information to applicants about available clean energy tax credits and incentives, including elective pay, that may be applicable to the project for which state funding is being sought;
 - (b) Inquire, as part of the application, which tax credits and incentives the applicant plans to seek for the project;
 - (c) Prioritize projects seeking any applicable clean energy tax credits and incentives when developing and applying competitive criteria for selecting recipients under this section; and
 - (d) Consider the availability of any federal tax credits or other federal or nonfederal grants or incentives that the applicant may benefit from in review of the application.
- (3) Funding awards made under this section may not exceed 100 percent of the cost of the project.
- (4) Priority must be given to projects sited on "preferred sites" such as rooftops, structures, existing impervious surfaces, landfills, brownfields, previously developed sites, irrigation canals and ponds, storm water collection ponds, industrial areas, dual-use solar projects that ensure ongoing agricultural operations, and other sites that do not displace critical habitat or productive farmland
- (5) For the purposes of this subsection "low-income" has the same meaning as provided in RCW 19.405.020 and "community solar project" means a solar energy system that: Has a direct current nameplate capacity that is greater than 12 kilowatts but no greater than 1,000 kilowatts; and has, at minimum, either two subscribers or one low-income service provider subscriber.
- (6) Up to three percent of the appropriation in this section is for the department to administer the grant program.

Appropriation:

Climate Commitment Account—State. \$6,000,000

File Attachments for Item:

12. EV Charging station Bid Award

Recommended Action: Motion to approve EV Charging station Bid Award

NOTICE OF AWARD

Dated January 15, 2025

TO: Travers Electric, Inc
(BIDDER)

ADDRESS: 122 Sturdevant Road, Chehalis, WA 98532

PROJECT: City of Tenino – Ag Park EV Charging Stations

OWNER’s CONTRACT NO. _____

CONTRACT FOR: City of Tenino – AG Park EV Charging Stations

You are notified that your Bid dated January 8, 2025 for the above Contract has been considered. You are the apparent Successful Bidder and have been awarded a contract for Four EV charging stations

(Indicate total Work, alternates or sections or Work awarded)

The Contract Price of your contract is One Hundred ninety six thousand, two hundred seventeen dollars and ninety-four cents (\$196,217.94) including sales tax.

Three (3) copies of each of the proposed Contract Documents accompany this Notice of Award.

You must comply with the following conditions precedent within fifteen days of the date of this Notice of Award, that is by January 31, 2025:

1. You must deliver to the OWNER three (3) fully executed counterparts of the Agreement including all the Contract Documents.
2. You must deliver with the executed Agreement, the Contract Security (Bonds) as specified in the Instructions to Bidders (paragraph 18), General Conditions (paragraph 5.1) and Supplementary Conditions (paragraph SC-5.1).
3. (List other conditions precedents).
a. _____

b. _____

Failure to comply with these conditions within the time specified will entitle OWNER to consider your bid in default, to annul this Notice of Award and to declare your Bid Security forfeited.

Within ten days after you comply with the above conditions, OWNER will return to you one fully signed counterpart of the Agreement with the Contract Documents attached.

City of Tenino

 (OWNER)

By: _____
 (AUTHORIZED SIGNATURE)

 (TITLE)

ACCEPTANCE OF AWARD

 (CONTRACTOR)

By: _____
 (AUTHORIZED SIGNATURE)

 (TITLE)

 (DATE)



Memorandum

To: Jen Scharber- City of Tenino
From: Michael Marshall, PE
Date: January 10, 2025
Re: Ag Park EV Chargers Contract Award Recommendation

The City advertised for bids for the Ag Park EV Chargers Project on December 11, 2024 to supply and install four EV chargers at the Ag Park. The City opened eight bids that were submitted on January 8, 2025 at 1:30 PM. The bids ranged from \$196,217.94 to \$272,916.00 including sales tax. The bid tabulation is attached.

The low bid was offered by Travers Electric.

Travers Electric's bid is the low bid submitted and is properly filled out including signatures and is deemed to be responsive. There was a minor oversight in putting 2024 instead of 2025 on the notary signature block for the Non Collusion Affidavit form. Travers Electric has submitted a revised form with the year filled in correctly and the city attorney and I agree that this is minor informality which can be waived.

I have verified that Travers Electric is in good standing with the state of Washington. I have also checked their references which were all good. Travers is currently working on all of the electrical work at the site including both buildings and the site work contract and are doing a great job.

We recommend that the City award the contract for Ag Park EV Chargers Project to Travers Electric.

File Attachments for Item:

13. Resolution 2025-01 Surplus of Service Weapon

RESOLUTION NO. 2025-01

**A RESOLUTION OF THE CITY OF TENINO, WASHINGTON,
DECLARING CERTAIN CITY WEAPON AND BADGE TO BE SURPLUS
AND OF NO FURTHER USE TO THE CITY AND AUTHORIZING THE
SALE AND DISPOSITION THEREOF.**

WHEREAS, the city of Tenino, Washington, is authorized, pursuant to Washington Laws, to dispose of a weapon and Badge owned by the city by sale; and

WHEREAS, the city Council of the city of Tenino, Washington, considers the described Weapon and Badge below, owned by the city to be surplus and of no further use to the city; and

WHEREAS, the City Council of the city of Tenino, Washington, considers the sale of the described weapon and Badge below, to be in the best interest of the citizens and patrons of the city; now, therefore,

**THE CITY COUNCIL OF THE CITY OF TENINO, WASHINGTON, DO
RESOLVE AS FOLLOWS:**

Section 1. The city of Tenino, Washington, does declare the following described Weapon and Badge surplus and of no further use to the city:

GLOCK 17 Generation 5 MOS Serial Number BKFH757
Badge for 5 Paul 6

Section 2. The Mayor of the city of Tenino, Washington, shall be, and he hereby is, authorized to sell said weapon and Badge in a commercially-reasonable manner as determined by the Mayor or his designee.

ADOPTED by the City Council of the city of Tenino, Washington, and **APPROVED** by its Mayor, at a regularly scheduled open public meeting thereof this 14th day of January, 2025.

Dave Watterson, Mayor

Attest:

Jen Scharber, City Clerk/Treasurer

Approved as to form:

Brent Dille, Attorney