

White Salmon City Council Meeting

A G E N D A

March 02, 2022 – 6:00 PM

Via Zoom Teleconference

Meeting ID: 857 6347 5844 Passcode: 317901

Call in Numbers:

669-900-6833

929-205-6099

301-715-8592

346-248-7799

253-215-8782

312-626-6799



We ask that the audience call in instead of videoing in or turn off your camera, so video does not show during the meeting to prevent disruption.

Thank you

I. Call to Order, Presentation of the Flag and Roll Call

II. Changes to the Agenda

III. Consent Agenda

A. Authorization to Hire Bond Counsel, USDA Rural Development - 14-Inch Main Line Replacement (\$12,000)

B. Authorization to Enter into Agreement for Interim Bank Financing - USDA Rural Development 14-Inch Main Line Replacement (\$500 Fee and 1.85% Interest)

C. Interlocal Agreement - Klickitat County, Distribution of STP Funding within Klickitat County

D. Approval of Meeting Minutes - February 16, 2022

E. Approval of Vouchers

IV. Public Comment

Any public in attendance at meeting will be provided an opportunity to make public comment of a general nature in the time allotted. No registration is required. Public comment can also be submitted via email to Jan Brending at janb@ci.white-salmon.wa.us by 5:00 p.m. on Wednesday, March 2. All written comments received by 5:00 p.m. will be read during the City Council meeting.

V. Presentations

A. Women's History Month

VI. Business Items

A. Latecomer Agreement - Seth and Claire Gilchrist (Documents to be provided on Monday)

1. Presentation and Discussion

2. Action

VII. Reports and Communications

- A. Department Heads
- B. Council Members
- C. Mayor

VIII. Executive Session (if needed)

IX. Adjournment

File Attachments for Item:

A. Authorization to Hire Bond Counsel, USDA Rural Development - 14-Inch Main Line Replacement (\$12,000)



CONSENT AGENDA MEMO

Needs Legal Review: Yes
Meeting Date: March 2, 2022
Agenda Item: Authorization to Hire Bond Counsel
Presented By: Jan Brending, Clerk Treasurer

Action Required

Authorization to hire K&L Gates as bond counsel for the amount of \$12,000 to assist the city in meeting the requirements of the city's USDA Rural Development loan for the 14-inch Transmission Main Replacement Phase I project

Proposed Motion

None unless pulled from consent agenda. If pulled from the consent agenda, then proposed motion is as follows:

Move to authorize hire K&L Gates as bond counsel for the amount of \$12,000 to assist the city in meeting the requirements of the city's USDA Rural Development loan for the 14-inch Transmission Main Replacement project.

Explanation of Issue

The city has been granted a \$2,333,000 loan for its 14-inch Transmission Main Replacement Phase I project. The loan will be secured by a revenue bond. Bond counsel will advise the city regarding any legal requirements, represent the city where necessary related to the bond and interim financing, prepare notices and other documents necessary for issuance of the bond and documents related to interim financing.

The city solicited proposals from legal firms providing bond counsel services and received the following quotes:

K&L Gates LLP	\$12,000
Foster Garvey PC	\$20,000

The city has worked with K&L Gates in regard to its last USDA Rural Development Loan.

Budget

The costs for bond counsel are included in the project budget.

Staff Recommendation

Staff recommends the city council authorize hiring K&L Gates as bond counsel to assist with meeting the requirements of the city's USDA Rural Development loan for the amount of \$12,000.

February 25, 2022

VIA EMAIL ONLY

Ms. Jan Brending
Clerk-Treasurer
City of White Salmon
P.O. Box 2139
White Salmon, WA 98672

Re: Request for proposals for bond counsel services

Dear Jan:

K&L Gates LLP (“K&L Gates”) values the bond counsel relationship we have shared over the past 26 years with the City of White Salmon, Washington (the “City”) and we were pleased to hear about the City’s current opportunity to improve the water system.

To that end, we are pleased to provide a quote for bond counsel services for your proposed 2022 Water Revenue Bond (USDA) in the amount of \$2,333,000. The fee is inclusive of all costs, would only be payable at closing, if and when you issue the Bond, and reflects the sizing of the Bond.

**Bond Counsel Fee for City of White Salmon,
Washington, Water Revenue Bond (USDA): \$12,000**

If useful, we would also be happy to refresh the documentation with our qualifications, present to the City, or participate in any other preliminary discussions that might be useful for your financing.

We welcome the opportunity to continue serving the City in connection with the City’s interim and permanent financing of water system upgrades provided by a loan from the United States Department of Agriculture, Rural Development (“USDA”) loan program.

We believe our team of attorneys, with their significant history of understanding the City and its financings, supported by the resources of the entire firm, continues to have the financing experience, legal capability, and depth to meet the City’s needs. Please contact us at 206.370.8190 (Scott) or 206.370.7801 (Cynthia) or using scott.mcjannet@klgates.com or cynthia.weed@klgates.com if you have questions or would like additional information. Thank you for your consideration.

Very truly yours,

K&L GATES LLP



Scott A. McJannet



Cynthia M. Weed

K&L GATES

Proposal to Provide Bond Counsel Legal Services to the City of White Salmon

July 2019

Scott A. McJannet

Cynthia M. Weed

K&L Gates LLP

925 Fourth Avenue, Suite 2900

Seattle, WA 98104

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(206) 370-7801 (Cynthia)

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Emails: scott.mcjannet@klgates.com

cynthia.weed@klgates.com

K&L GATES

July 12, 2019

VIA EMAIL ONLY

Ms. Jan Brending
Clerk-Treasurer
City of White Salmon
P.O. Box 2139
White Salmon, WA 98672

Re: Request for proposals for bond counsel services

Dear Jan:

K&L Gates LLP (“K&L Gates”) values the bond counsel relationship we have shared over the past 23 years with the City of White Salmon, Washington (the “City”) and we were pleased to hear about the City’s current opportunity to improve the water system. To that end, we are pleased to provide our qualifications and present this proposal for bond counsel services to the City and welcome the opportunity to continue serving the City in connection with the City’s interim and permanent financing of water system upgrades provided by a loan from the United States Department of Agriculture, Rural Development (“USDA”) loan program.

K&L Gates has worked to complete over 200 USDA financings for issuers in the Pacific Northwest, including the City’s 2015 USDA financing. Having served as bond counsel to the City since 1995, and as bond counsel to many other issuers in the Pacific Northwest for 100 years, we believe that we are highly qualified to provide these services. We have the City’s prior bond transcripts, and longstanding relationships with the USDA and local banks, which allows us to bring significant efficiencies to your financings. We are committed to providing experienced bond counsel services within your financing timelines and budget. Our bond counsel services set us apart from other professionals because of the following capabilities:

Cost. We are mindful of your need to manage legal costs, and are committed to cost not being an impediment to continuing our history with the City. We are proposing to charge for our services based on the proposed fixed bond counsel fee structure below, and not sending bills for hourly work without prior agreement with the City. It is rare for our bond counsel work to involve any hourly work. Our goal is to encourage clients to call early with questions, avoiding tax problems and other issues that can be addressed with prompt guidance.

A collaborative approach to the finance team. We focus on adding value to a bond transaction while maintaining efficient and productive relationships. We are proud to have

K&L GATES

served as bond counsel to many Washington municipalities of all sizes and types, and remain committed to providing high-quality, creative, and timely service.

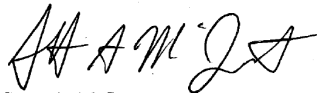
Abundant resources. A law firm can be a powerful ally. We offer the resources of a large full-service law firm, including practices in real property, administrative, bankruptcy, corporate securities, derivatives, banking, benefits (including ERISA), Securities and Exchange Commission regulatory, tax, energy, environmental and land use, school district, litigation, policy, and public procurement law. Our firm's professionals are well supported by an extensive law library, current technology and comprehensive services. All of these resources would be available to the City when and if needed.

A thoughtful approach to document preparation. Drawing on our broad experience as bond counsel to municipalities in Washington and throughout the Northwest, we draft straightforward bond documents that reflect best practices and provide maximum flexibility for our clients while being acceptable to rating agencies and the bond market. We understand the importance of allowing City officials adequate opportunity to review disclosure documents in compliance with federal securities laws, and to comment on the bond covenants and other terms. We plan document development to allow time for review and comment by all financing participants.

We believe the team of attorneys we propose to work with the City, supported by the resources of the entire firm, has the financing experience, legal capability, and depth to meet the City's needs. We would welcome the opportunity to meet with you to discuss our proposal. Please contact us at 206.370.8190 (Scott) or 206.370.7801 (Cynthia) or using scott.mcjannet@klgates.com or cynthia.weed@klgates.com if you have questions or would like additional information. Thank you for your consideration.

Very truly yours,

K&L GATES LLP



By

Scott A. McJannet



By

Cynthia M. Weed

Public Finance Experience

K&L Gates has unrivaled experience serving as bond counsel to cities and public entities in Washington, Alaska, and Idaho. All of our public finance attorneys are listed in *The Bond Buyer's Municipal Marketplace* (known as the “Red Book”) and are also members of the National Association of Bond Lawyers (“NABL”). We have served public sector clients in the Pacific Northwest since 1883.

In 2018, *U.S. News-Best Lawyers*® ranked our public finance practice as first-tier at both a national level and regional level (Seattle). In 2018, our work as bond counsel included \$1.8 billion in publicly sold bonds, ranking the firm 41st nationally by Thomson Reuters. Regionally, *The Bond Buyer 2018 Far West Yearend Review* ranked K&L Gates first in Alaska, third in Washington, and tenth in the Far West region for dollar volume of bond issues handled.

Our long history of working with cities, including the City of White Salmon since 1995, to achieve financing goals has helped us appreciate the unique environment in which cities work, and provides us with useful insight into programs, procedures and priorities of these cities. We currently represent approximately 50 cities and towns in Washington, including Burlington, Enumclaw, Everett, Ferndale, Gig Harbor, Hoquiam, Ilwaco, Kirkland, Lake Stevens, Lynden, Moses Lake, Mount Vernon, Port Angeles, Quincy, Roslyn, Sedro-Woolley, Sumner, Vancouver, Washougal, Westport, and Yelm. We also represent counties, school districts, public utility districts, port districts, state universities, and numerous special purpose districts and public entities in Washington.

We have the ability to provide bond counsel services for tax-exempt and taxable municipal bonds based on the following qualifications:

General Obligation Bonds. K&L Gates has extensive experience in the issuance of voted and non-voted general obligation bonds sold either by negotiated or competitive sale. We act as bond counsel for over 60 general obligation issues per year, which are sold to underwriters or are privately purchased by banks.

Revenue Bonds. We have prepared proceedings, provided opinions and drafted disclosure documents for municipal obligations secured by a variety of types of revenue, including water, sewer, stormwater, and electric revenue bonds, lease revenue bonds, housing bonds, revenue anticipation notes, and refundings of such obligations. We often make use of “springing” covenants to update bond documents and have developed wholly new mechanisms that have been acceptable to rating agencies and the bond market, including varying reserve requirements, combining pooled and separate reserves, preserving flexibility to add future liens, redefining additional bonds tests and rate covenants to accommodate variable rate obligations and derivatives, and maximizing flexibility to add or subtract revenue from the bondowners’ pledge.

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We have considerable experience with the United States Department of Agriculture, Rural Development (“USDA”) financings and good working relationships with USDA Community Program Specialists. Examples of our recent experience with USDA financings include (alphabetically):

Issuer	USDA Financings	Principal Amount
Ahsahka Water & Sewer District, ID	Water & Sewer Revenue Bonds, 2010	\$ 470,000
Avery Water and Sewer District Shoshone County ID	Water Revenue Bond, 2010	175,000
Cedar River Water and Sewer District, King County, WA	Water and Sewer Revenue Bond, 2005	510,500
City of Bonner’s Ferry, ID	Water Revenue Bond, 2011	1,000,000
City of Bonner’s Ferry, ID	Water Revenue Bond, 2009A and 2009B	2,000,000
City of Bovill, ID	Local Improvement District No. 1 Bond, 2009	268,132
City of Cle Elum, WA	Water and Sewer Revenue Bond, 2015	402,600
City of Hope, ID	Water Revenue Bond, 2009	425,000
City of Hoquiam, WA	Water and Sewer Revenue Bond, 2011	7,132,000
City of Kamiah, ID	Water Revenue Bond, 2013	2,100,000
City of Kooskia, ID	Water Revenue Bond, Series 2011	425,000
City of Lapwai, ID	Sewer Revenue Bonds, Series 2011A and 2011B	430,000
City of Lynden, WA	Water and Sewer Revenue Bond, 2007	6,082,700
City of Mabton, WA	Water Revenue Bond, 2016	92,000
City of McCleary, WA	Water Revenue Bond, 2010A & Water Revenue Bond, 2010B	334,000
City of McCleary, WA	Sewer Revenue Bond, 2005	2,700,000
City of Montesano, WA	Sewer Revenue Bond, 2008	1,300,000
City of Newport, OR	Water and Sewer Revenue Bond, 2013	208,000
City of Nezperce, ID	Sewer Revenue Bond, 2010	545,000
City of Plummer, ID	Sewer Revenue Bond, 2010 (Taxable Build America Bond – Direct Payment to Issuer) – USDA	5,000,000
City of Priest River, ID	Water Revenue Bond, 2012	3,680,000
City of Quincy, WA	Water and Sewer Revenue Bond, 2010	3,741,000
City of Raymond, WA	Sewer Revenue Bonds, 2012A and 2012B	17,614,000
City of Raymond, WA	Sewer Revenue Bond, 2015	780,000
City of Ruston, WA	Sewer Revenue Bond, 2013	4,120,178
City of Roslyn, WA	Revenue Bond Anticipation Note, 2013 (interim financing pending USDA Bond)	808,000
City of Wapato, WA	Water and Sewer Revenue Bond, 2007	825,000
City of Sandpoint, ID	Water Revenue Bond, Series 2012A	9,000,000
City of Sandpoint, ID	Water Revenue Bond, Series 2013B	8,000,000
City of Sedro-Woolley, WA	Limited Tax General Obligation Bond, 2008	2,925,000
City of Smelterville, ID	Sewer Revenue Bond, 2008	1,400,000

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Issuer	USDA Financings	Principal Amount
City of Soap Lake, WA	Sewer Revenue Bond, 2014	526,000
City of Westport, WA	Sewer Revenue Bonds, 2012A and 2012B	4,293,000
City of White Salmon, WA	Water Revenue Bond, 2015	405,000
Curlew Water and Sewer District, WA	Sewer Revenue Bonds, 2017	682,000
Deary Rural Fire Department, ID	General Obligation Bond, 2009	250,000
Grays Harbor County Water District No. 2, WA	Water Revenue Bonds, 2009	965,000
Hartstene Pointe Water-Sewer District, Mason County, WA	Water Revenue Bond, 2012	601,901
Hoodoo Water and Sewer District, Lahtah County, ID	Water Revenue Bond, 2008	150,000
Kingston-Cataldo Sewer District, Shoshone County, ID	Sewer Revenue Bond, 2012	784,000
Kittitas County Water District No. 2, WA	Water Revenue Bond, 2011	543,000
Little Blacktail Ranch Water District, ID	Local Improvement District No. 1 Bond, 2008	428,000
Malaga Water District, Chelan County, WA	Revenue Bond, 2008	440,000
Mason County Fire Protection District No. 6, WA	Limited Tax General Obligation Bond, 2012	39,400
Mason County, WA	Limited Tax General Obligation Bonds (Payable from Sewer Revenue), Series 2008A and Series 2008B	1,356,000
Na Kupa'a O Kuhio, a Hawaii nonprofit corporation	Promissory Note, 2008	1,323,525
Pine Ridge Water and Sewer District, Idaho County ID	Water Revenue Bonds, 2010A & 2010B	408,000
Santa Water and Sewer District, ID	Sewer Revenue Bond, 2014 (Taxable)	150,000
Town of Concrete, WA	Sewer Revenue Bonds, 2007A&B	1,682,000
Town of Concrete, WA	Sewer Revenue Bond, Series 2009	1,405,000
Town of Concrete, WA	Limited Tax General Obligation Bond, 2019	244,000
Town of Ione, WA	Water Revenue Bond, 2009	1,104,000
Town of Lacrosse, WA	Limited Tax General Obligation Bond, 2009	75,000
Town of Lind, WA	Water and Sewer Revenue Bond, 2013	275,000
Town of St. John, WA	Water Revenue Bond, 2011	1,250,000
Town of Waterville, WA	Water Revenue Bond Anticipation Note, 2007; Water Sewer Revenue Bond, 2008	610,000
Westside Fire District, ID	General Obligation Bond, 2009	600,000
Whatcom County Water District No. 7, WA	Water Revenue Bond, 2013	1,898,000
Williams Lake Sewer District No. 2, WA	Sewer Revenue Bond 2008A and 2008B	1,521,652

Bond Counsel Services

As bond counsel, we will provide the following services:

1. Advise the City concerning the legal requirements – under state and federal law-applicable to the issuance and sale of a revenue bond and any interim financing obligation.
2. Provide representation of Bond Counsel at all meetings held by the City during the period of issuance and sale of the proposed bond and/or the interim financing note when appropriate and when so directed.
3. Prepare the necessary proceedings, notices and other documents necessary for the authorization, issuance and sale of an interim financing note to a bank, if necessary.
4. Prepare the necessary proceedings, notices and other documents necessary for the authorization, issuance and sale of such bond. The bond transcript shall be prepared in advance of the bond issue as is required by USDA.
5. Provide such other legal guidance and assistance, supervision and consultation, conduct such proceedings and provide such opinions as may be appropriate.
6. Coordinate delivery and closing of an interim financing note and bond to the purchaser.
7. Coordinate delivery and closing of the bond to USDA.
8. Upon completion of all proceedings and upon our determination that all such proceedings, and the interim financing note are valid, provide to the purchaser our legal opinion approving the legality of all proceedings had for the authorization and issuance thereof and stating that interest on the note and the bond is exempt from federal income tax.
9. Assemble and prepare transcripts of all proceedings and documentation, in either bond paper form and/or in CD format, taken in connection with the issuance and sale of an interim financing note and the permanent financing bond to USDA.

Fees

USDA Loan, inclusive of interim financing. Our fee for the bond financing evidencing the USDA loan would be **\$12,000 (inclusive of costs)**. That amount includes **both** the interim financing for the City with a bank loan, and completion of the USDA bond financing. All fees would be payable from loan proceeds and would be paid only after the final closing with USDA (although the City has the option to pay from other available funds, if it wishes).

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References for Scott A. McJannet

<p>Mr. David Morrison Director, Financial Planning & Treasury Port of Tacoma One Sitcum Plaza Tacoma, WA 98421 (253) 428-8661 dmorrison@portoftacoma.com</p>	<p>Mr. David Rodenbach Finance Director City of Gig Harbor 3510 Grandview Street Gig Harbor, WA 98335 (253) 853-7610 rodenbachd@cityofgigharbor.net</p>
<p>Mr. Matt Skinner Associate Vice President for Finance and Administration Washington State University 442 French Administration Pullman, WA 99164 (509) 335-1836 skinnerm@wsu.edu</p>	<p>Mr. Jacob Kuper Chief Financial Officer Issaquah School District 565 N.W. Holly Street Issaquah, WA 98027 (425) 837-7000 kuperj@issaquah.wednet.edu</p>

References for Cynthia M. Weed

<p>Ms. Ilene Thomson Treasurer Yakima County 128 North Second Street Room 115 Yakima, WA 98901 (509) 574-2804 ilene.thomson@co.yakima.wa.us</p>	<p>Mr. David Ripp Chief Executive Officer Port of Camas-Washougal 24 South A Street Washougal, WA 98671 (360) 835-2196 ext. 102 david@portcw.com</p>
<p>Ms. Jerica Pascoe Finance Director City of Ellensburg 501 N. Anderson Street Ellensburg, WA 98926 (509) 962-7205 pascoe@ci.ellensburg.wa.us</p>	<p>Ms. Susy Haugen Finance Director/Treasurer City of Everett 2930 Wetmore Ave., Floors 9& 10 Everett, WA 98201 (425) 257-8612 shaugen@everettwa.gov</p>

Team



Scott McJannet
Seattle / 206.370.8190 / scott.mcjannet@klgates.com

After beginning his career at K&L Gates with corporate and litigation work, Scott focused his practice in the public finance group. Scott has experience in a wide range of the firm's representations as bond counsel, underwriter's counsel, and borrower's counsel. Scott has experience in drafting election proceedings, researching federal tax questions, analyzing statutory and regulatory issues, drafting legislation and lobbying efforts, managing public disclosure requests, analysis of Blue Sky laws, and drafting opinions of counsel. Prior to joining K&L Gates, Scott was the IT Director for Verity Credit Union, as well as serving as an engineering and program manager for DHL and several Seattle technology start-ups implementing mobile and Internet solutions for clients including Microsoft, BP, Frank Russell Company, McKinstry, Nortel Networks, and others.

J.D., Columbia Law School, 2009
B.A., University of Washington, 1994



Cynthia M. Weed
Seattle / 206.370.7801 / cynthia.weed@klgates.com

Cynthia practices in the public law and finance areas of the firm with a focus on structured finance and leasing. Since 1978, she has worked with cities, towns, school districts, counties, public universities, colleges, and other special districts (ports, water, sewer, and fire protection) in Washington, Alaska, Oregon, Montana, California, and Idaho on municipal financings which include general obligation bonds, revenue bonds, special assessment district financings, tax anticipation obligations, hospital debt, short-term obligations and industrial development bonds. She has worked on a majority of the private activity bonds issued in Washington since they were authorized by statute in 1981. More recently, she works with public agencies, such as the University of Washington, in utilizing 63-20 financing for public/private partnerships.

Cynthia has been a member of the National Association of Bond Lawyers since 1980, has been a member of the Board of Directors and also acted as Chairperson of the Bond Attorneys Workshop for the year 2000. She is a Fellow in the American College of Bond Counsel; she is the current Vice President of the College and also is a Board Member (serving a second term). She has been the Co-Chair of the College's Membership Selection Committee since 2009. She is also a member of the American Bar Association's Local Government Section. Most recently, she was named Seattle's Public Finance Lawyer of the Year for 2012 by *Best Lawyers*.

J.D., University of Missouri, 1978 (with distinction)
B.B.A., University of Wisconsin, 1969 (with senior high honors; Phi Beta Kappa)



Robert D. Starin

Seattle / 206.370.8376 / robert.starin@klgates.com

Rob's practice emphasizes federal, state and international tax issues. He is a third generation partner at our firm, has practiced in Seattle for 12 years, and is the lead attorney in the Seattle office for federal tax issues relating to municipal bonds. We are also linked to additional national practitioners so that our tax advice remains up-to-date and fully vetted by a broad range of sophisticated practitioners. Our public finance tax practitioners are part of the firm's broad tax department that includes 60 members who have experience in all federal, state, and local issues that could affect the City.

J.D., New York University School of Law, 1998 (cum laude)

L.L.M. (taxation), New York University School of Law, 1999

B.A., University of Washington, 1995 (cum laude)

File Attachments for Item:

B. Authorization to Enter into Agreement for Interim Bank Financing - USDA Rural Development
14-Inch Main Line Replacement (\$500 Fee and 1.85% Interest)



CONSENT AGENDA MEMO

Needs Legal Review: Yes
Meeting Date: March 2, 2022
Agenda Item: Authorization to Hire Bond Counsel
Presented By: Jan Brending, Clerk Treasurer

Action Required

Authorization for interim bank financing for the city's USDA Rural Development loan for the 14-inch Transmission Main Replacement Phase I project.

Proposed Motion

None unless pulled from consent agenda. If pulled from the consent agenda, then proposed motion is as follows:

Move to authorize using Cashmere Bank for interim bank financing for the city's USDA Rural Development loan for the 14-inch Transmission Main Replacement Phase I project providing for a fixed interest rate of 1.85% per annum and a fee of \$500.00.

Explanation of Issue

The city has been granted a \$2,333,000 loan for its 14-inch Transmission Main Replacement Phase I project. USDA Rural Development requires "interim bank financing" be used for loans over \$500,000. The city is required to use interim bank financing.

The city solicited quotes from banks that provide interim financing and received two quotes:

North Cascades Bank

- Fee of 0.25% of loan amount - \$5,832.50
- Fixed rate of 2.24% (currently (not to exceed 4.94% nor less than 2.24%))

Cashmere Valley Bank

- Fee of \$500.00
- Fixed rate of 1.85% per annum

The city has previously used North Cascades Bank for USDA loans. The City of Stevenson is currently using Cashmere Valley Bank.

Budget

The costs for interim bank financing is included in the project budget.

Staff Recommendation

Staff recommends the city council using Cashmere Valley Bank for interim bank financing with a fee of \$500.00 and fixed rate of 1.85% per annum.



CITY OF WHITE SALMON, WA
Term Sheet
USDA RD BOND ANTICIPATION NOTE
February 25, 2022

Thank you for the opportunity to provide a Term Sheet in support of the City of White Salmon, WA wastewater treatment facility project with the United States Department of Agriculture Rural Development (“RD”). Cashmere Valley Bank (the “Bank”) is pleased to propose the following terms of a note, subject to Bank credit approval:

- 1) **Borrower:** City of White Salmon, WA (the “City”)
- 2) **Summary:** A Water Revenue Bond Anticipation Note, 2022 (the “Note”) to finance a portion of the City’s 14-inch water main project (the “Project”) as would be more fully described in the RD Letter of Conditions (the “Letter of Conditions”). The credit facility would be available until December 1, 2023 or another date chosen by the District within the maximum allowed maturity provided by RD. It is anticipated that the Note would be repaid from the proceeds of a revenue bond sold to RD.
- 3) **Amount:** Approximately \$2,333,000
- 4) **Form:** Fully registered, non-rated, bank qualified tax-exempt note issued by the City and purchased by the Bank at private sale.
- 5) **Purpose:** To provide funding for preconstruction and construction activities related to the City’s Project.
- 6) **Note Terms:**
 - a) **Interest Rate:** The outstanding principal balance of the Note would bear interest at a fixed rate of 1.85% *per annum*. Interest would be calculated on the basis of 30/360 with 12 months consisting of 30 days each.
 - b) **Term:** The maturity of the Note is expected to be December 1, 2023. Alternatively, the City may choose another maturity date so long as it does not exceed RD’s maximum maturity for this interim financing bond anticipation note. All principal would be due at maturity. Interest would be due semiannually on June 1 and December 1, commencing June 1, 2022, or the first June 1 or December 1 after the first Loan Draw on the Note. Interest due may be paid from proceeds of a Draw as approved by RD.
 - c) **Draws:** Draws could be made on any business day in an amount greater than or equal to \$25,000. A draw request must be accompanied by an approval of the draw amount from an authorized representative of RD. Draw proceeds would be wire transferred to the City. For same day funding, draw requests would need to be received and confirmed by 11 AM.
 - d) **Transferability:** The Bank would hold the Note with no intent to sell or transfer. The Note may be transferred only in whole to a qualified investor.

- e) Security: The Note will be secured by a pledge to issue the Bond to RD and any other available funds of the City. The City would adopt an ordinance authorizing the Bond and fully describing the security for the Note.
- 7) Prepayment: The Note could be prepaid at any time without penalty.
- 8) Fees: The Bank would charge a fee of \$500.00 for this credit facility payable as a discount to the first draw. The Bank does not anticipate legal costs. The City would be responsible for all other costs of issuance including bond counsel charges.
- 9) Additional Terms: The Note documents would be prepared by bond counsel to the City, would be in the standard forms customarily required by the Bank for municipal funding, and would include additional terms and conditions not discussed above. At the date of closing of the Note, the financial condition and credit of the City and all other features of this transaction would be as represented to the Bank without material adverse change including the terms and status of the RD loans and grants, if any, as supported by the documentation supplied by the City to the Bank as of the closing date. In the event of adverse material changes in the credit worthiness of the City, including litigation involving or claims filed against the City, any future offers or commitments would terminate upon notice by the Bank. RD must concur with this agreement for interim financing. The Bank will receive an "I" Letter (approval of the Bank's offer to provide interim financing, which generally also indicates that RD has reviewed construction bids, and finds that the bids are within Project budget and from an acceptable contractor(s)) from RD. The Bank must receive a copy of the Operating Budget Form RD 442-7 or similar form as accepted by RD. Any future commitment would be non-assignable by the City. The City would designate the Note as a "qualified tax-exempt obligation" under section 265(b) (3) of the IRS Code for investment by financial institutions. The City would also be required to send the Bank an annual financial report for as long as the Note is outstanding.
- 10) Credit Approval: Upon notification to the Bank that the City wishes to accept the terms set forth herein, a commitment letter would be promptly prepared detailing accepted terms for acceptance by the City after due diligence and credit approval by the Bank. The Bank will need three years financial statements for the City. The Bank will need to satisfactorily review the final Letter of Conditions and Form RD 442-7 or similar form that supports the project. The Bank does not foresee requiring any additional documentation from the City except the noted financial statements and RD forms.

We have successfully provided numerous USDA RD interim construction transactions in Washington State. We are very familiar with the USDA RD/RUS process, procedures, documents, and requirements.

ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

File Attachments for Item:

C. Interlocal Agreement - Klickitat County, Distribution of STP Funding within Klickitat County



CONSENT AGENDA MEMO

Needs Legal Review: Yes
Meeting Date: March 2, 2022
Agenda Item: Interlocal Agreement with Klickitat County for Distribution of STP Funding within Klickitat County Appropriated under the Infrastructure Investment and Jobs Act
Presented By: Jan Brending, Clerk Treasurer

Action Required

Authorization for mayor to sign interlocal agreement with Klickitat County for Distribution of STP funding within Klickitat County.

Proposed Motion

None unless pulled from consent agenda. If pulled from the consent agenda, then proposed motion is as follows:

Move to authorize mayor to sign interlocal agreement with Klickitat County for Distribution of STP funding within Klickitat County.

Explanation of Issue

Expenditure of Surface Transportation Program (STP) funds must be administered by Washington Department of Transportation (WSDOT) or a "Certification Acceptance Agency." The interlocal agreement provides for how the funds are used by Klickitat County and then distributed to the city following the year after the county's receipt of the STP fund from WSDOT. The city will be receiving funds in 2022, an estimate of which is included in the city's current 2022 budget. interim bank financing is included in the project budget.

Staff Recommendation

Staff recommends the city council authorize mayor to sign interlocal agreement with Klickitat County for Distribution of STP funding within Klickitat County.

INTERLOCAL AGREEMENT

BETWEEN

Klickitat County and the City of White Salmon

For

The Distribution of Surface Transportation Program Funding Within Klickitat County Appropriated Under the Infrastructure Investment and Jobs Act (IIJA)

THIS AGREEMENT is made and entered into by and between Klickitat County (“County”) and City of White Salmon (“City”), and each are a party to this agreement.

WHEREAS, a legacy for users (IIJA), enacted November 15, 2021 as Public Law 117-59; and

WHEREAS, appropriations from the act fund the Surface Transportation Program (STP); and

WHEREAS, the expenditure of STP funds must be administered by WSDOT or a “Certification Acceptance Agency”; and

WHEREAS, the most efficient use of STP funds will be realized if Klickitat County continues to buy STP funds from each city municipality using county road funds.

NOW, THEREFORE, under the provisions and intent of the Interlocal Cooperation Act, RCW 39.34 and in consideration of the mutual benefits contained herein, the member municipality agree as follows:

SECTION I - DISTRIBUTION OF FUNDS

Funds shall be distributed to each incorporated city based on 25% by population and 75% by mileage. Population shall be determined by the most current publication of the Office of Financial Management, State of Washington. Mileage shall be based on the Major Collector classification as approved by WSDOT.

SECTION II - SALE/PURCHASE OF FUNDS

The City agrees to trade to County on a dollar for dollar basis their distributed amount. County agrees to accept the distribution and expend these funds in conformance with "Certification Acceptance" procedures. The funds traded to the City shall be expended only for purposes described in Section III.

SECTION III - USE OF FUNDS

The City agrees to expend traded funds for transportation improvement purposes only. The Cities highest priority shall be to use these funds to leverage and/or match other funding sources. This includes priority for transportation projects that serve more than one jurisdiction.

SECTION IV - PAYMENT TO CITIES

The payment to the City shall be made yearly following the County's receipt of the STP funds from WSDOT. The payment to cities will be a percentage of STP funds received by the County as shown by the following table.

AGENCY	POPULATION*	%	25%	07 MILES**	%	75%	TOTAL %
Bingen	685	3.39%	0.848%	0.000	0.00%	0.000%	0.848%
Goldendale	3745	18.54%	4.635%	2.530	1.19%	0.891%	5.525%
White Salmon	2,220	10.99%	2.748%	0.54	0.25%	0.190%	2.9376%
Klickitat Co.	13,550	67.08%	16.770%	210	98.56%	73.92%	90.689%
TOTALS	20,200	100.00%	25.000%	213.07	100.000%	75.000%	100.000%

*2020 Population as estimated by the Washington State Office of Financial Management

**Road miles based on Klickitat County Road Logs

SECTION V - ADVANCE TO CITIES

The City shall be allowed to petition the Board of County Commissioners for an advance payment expected to be received during a succeeding twelve-month period. Interest on the amount advanced will be accrued at the rate of 5.7%. The cities agree to return any portion of the advance plus accrued interest not eventually earned through this agreement.

SECTION VI - EFFECTIVE DATE AND DURATION

This agreement shall become effective immediately upon signature of all parties and shall remain in effect through the final expenditure of STP funds allocated under the Infrastructure Investment and Jobs Act program.

SECTION VII – ADMINISTRATION AND DISPUTE RESOLUTION

There shall be no separate legal entity created by this agreement. In the event of a dispute under this agreement the City and County shall attempt to resolve the matter informally. If the City and County are unable to resolve the matter informally the matter may be referred to non-binding mediation. Each party shall be responsible for their own costs and share the costs of the mediator equally.

In the event that any litigation should arise concerning the construction or interpretation of any of the terms of this agreement, the venue of such action shall be in the courts of the State of Washington in and for Klickitat County. The agreement shall be governed by the law of the State of Washington. Each party shall be responsible for its own attorney fees.

VIII – INDEPENDENT CONTRACTOR

Nothing herein shall be construed as creating the relationship of employer and employee, or principal and agent between City and County or any of the employees or agents of either party. City and County shall comply with all relevant Federal, State, and municipal laws, rules and regulations. Nothing in this agreement shall make an employee of City an employee of County or an employee of County an employee of City for any purpose.

IX- HOLD HARMLESS/INDEMNIFICATION

Each party agrees to indemnify, defend, save and hold harmless the other, its officials, employees and volunteers from any and all liability, demands, claims, causes of action, suits or judgments including costs, attorney fees and expenses, arising out of or resulting from the negligent acts, errors or omissions of the parties relating to or arising out or in connect with, or incident to, its negligent acts or omissions under this agreement.

City of White Salmon

Mayor

Date

Date: _____

BOARD OF COUNTY COMMISSIONERS
Klickitat County, Washington

ATTEST:

Clerk of the Board

Jacob Anderson, Chairman

Dan Christopher, Commissioner

In and for the County of Klickitat
State of Washington

David M. Sauter, Commissioner

APPROVED AS TO FORM:

David R. Quesnel
Klickitat County Prosecuting Attorney

File Attachments for Item:

D. Approval of Meeting Minutes - February 16, 2022



CITY OF WHITE SALMON
City Council Meeting – Wednesday, February 16, 2022
Via Zoom Teleconference
DRAFT

Council and Administrative Personnel Present

Council Members:

Ben Giant
Jason Hartmann
David Lindley
Ashley Post
Jim Ransier

Staff Present:

Pat Munyan, City Administrator
Jan Brending, Clerk Treasurer
Russ Avery, Public Works Operations
Manager
Bill Hunsaker, Fire Chief/Building Official
Brendan Conboy, Land Use Planner
Ken Woodrich, City Attorney

I. Call to Order and Roll Call

Jason Hartmann, Mayor Pro Temp called the meeting to order at 6:00 p.m. There were approximately 22 members of the public in attendance via teleconference.

II. Changes to the Agenda

There were no changes to the agenda.

III. Consent Agenda

- A. Proclamation 2022-02, Designating March 19, 2022 as Arbor Day
- B. Proclamation 2022-03, Declaring March 2022 as Red Cross Month
- C. Easement Amendment, Department of Natural Resources, Easement No. 50-086670, Klickitat County Parcel 04103400000100
- D. Service Agreement Renewal, Johnson Controls (\$1,835.74)
- E. Planned Equipment Maintenance Agreement, Cummins (\$19,072.10 plus sales tax)
- F. Approval of Meeting Minutes – December 8, 2021
- G. Approval of Meeting Minutes – January 5, 2022
- H. Approval of Meeting Minutes – January 19, 2022
- I. Approval of Meeting Minutes – January 27, 2022
- J. Approval of Meeting Minutes – February 2, 2022
- K. Approval of Vouchers

Vouchers audited and certified as required by RCW 42.24.080 and expense reimbursement claims as required by RCW 42.24.090 as of this 16th day of February 2022.

Type	Date	From	To	Amount
Claims	2/16/2022	EFT	EFT	8,109.51
	2/16/2022			172,541.71
			Claims Total	180,651.22
Payroll	2/18/2022	EFT	EFT	47,901.13
			Payroll Total	47,901.13
Manual Claims	2/8/2022	37835	37836	1,363.60
			Manual Total	1,363.60
			Total All Vouchers	229,915.95

Jim Ransier. Seconded by Ben Giant.

Motion to approve Consent Agenda as presented. CARRIED 5-0.

IV. Public Comment

Lisa Evans, Klickitat County said she lives on the outskirts of White Salmon. She thanked the city council for its process. Evans noted that a report she received from Copper West Realty showed a 31% increase in housing prices last year in Hood River. She said Hood River has strict short-term rental codes but there has been no clear correlation of regulating short-term rentals and lowering housing prices. Evans said it is interesting that tax dollars are producing more tax dollars that are then used to bring in more tourism and the need for overnight lodging. She said she hopes that a symbiotic relationship between the city and short-term rental owners can happen. Evans asked the council to keep fees low and regulations to a minimum.

V. Presentations

A. White Salmon Valley Pool Metropolitan Park District

Ben Briggs, Park District Commissioner; Steve Harris, Park District Commissioners; and Jeri Alcock, Rose City Philanthropy made a presentation regarding on the status of the new pool. Progress on the pool was shared including the steps the District has taken to get where they are at today. The price for the pool is estimated to be \$5.85 million. The District reviewed the actions needed to begin construction in the summer of 2022. The District said they are hoping that the City of White Salmon can support the project in several ways – writing a letter of support, providing funding possibly using some of the ARPA funds the city has received, and using the city’s water bill newsletter to provide updates. The District said they feel the City of White Salmon can provide the initial power to the funding campaign.

Council members thanked the District for the presentation.

David Lindley, Council Member asked if the city would be able to contribute funding to the pool.

Ken Woodrich, City Attorney said it could be accomplished through an interlocal agreement showing that the benefit to the residents of White Salmon is equivalent to the funding level.

Jan Brending, Clerk Treasurer said the Mayor is putting together proposals for the use of the ARPA funds which will first be reviewed by the Finance and Personnel Committee and then by the CityLAB Board and then will be presented to the city council.

Ben Giant, Council Member asked if there is a “go” or “no go” milestone and will the District be able to start construction without all the funding secured.

Steve Harris, District Commissioner said that he believes the District needs to have at least 80% of the project funded at the time it goes out to bid. He said the two largest funding sources should be determined by June. Harris said the District is also looking at the possibility of a two-phase contract with the first phase site and utility preparation and then the remainder of the construction for the second phase.

Jeri Alcock, Rose City Philanthropy said public funds are critical to the project and can be used as leverage.

B. Black History Month

The Council watched a CBS News video titled “Inside the National Museum of African-American History and Culture” in recognition of Black History Month.

VI. Business Items

A. Resolutions and Ordinances Related to Short-term Rentals

Jan Brending, Clerk Treasurer provided an overview of the six ordinances and one resolution related to short-term rentals that are before the city council for action. She noted that several changes were made to the proposed ordinances and sent to the city council. Brending said one of the changes is to Ordinance 2022-02-1093 Amending WSMC 5.02 Short-term Rentals includes a provision for repealing the short-term rental moratorium effective the effective date of the ordinance.

Brendan Conboy, Land Use Planner provided information on the costs to administer the program using two hours per week for the land use planner, two hours per week for the permit technician and one hour per week for the clerk treasurer. He also provided categorical information related to the 2021 short-term rentals permits including location in residential or commercial zones and whether the properties were owner-occupied or not.

The City Council and staff discussed the fees for short-term rentals including the application fee, short-term rental permit fee, and the short-term rental use fee (land use fee). Council members said they would be supportive of instead of an annual

application fee making it a one-time application fee considering the number of different fees and costs, including having to obtain a city business license.

The council discussed making the short-term rental application fee \$75 per application versus charging an application fee annually with the intent to have a one-time application fee.

Moved by Ben Giant. Seconded by Jim Ransier.

Motion to amend proposed Resolution 2022-02-537 Amending Resolution 2019-12-493 Establishing Fee for Short-term Rental Registration per WSMC 5.02.02 changing the “Short-term Rental Permit Application Fee” to \$75.00 per application.” CARRIED 5-0.

Jim Ransier, Council Member said he wanted to call out the amount of work, meetings attended, opportunities for public comment that has been provided throughout the process of updating the city’s codes related to short-term rentals. He said he feels the city has landed on something that is specific to the community of White Salmon.

1. **Ordinance 2022-02-1093, Amending White Salmon Municipal Code 5.02 Short-term Rentals and Repealing Short-term Rental Moratorium**

Moved by Jim Ransier. Seconded by Ben Giant.

Motion to adopt Ordinance 2022-02-1093, Amending White Salmon Municipal code 5.02 Short-term Rentals and Repealing Short-term Rental Moratorium. CARRIED 5-0.

2. **Ordinance 2022-02-1094, Amending White Salmon Municipal Code 17.08 Definitions**

Moved by Ashley Post. Seconded by David Lindley.

Motion to adopt Ordinance 2022-02-1094, Amending White Salmon Municipal Code 17.08 Definitions. CARRIED 5-0.

3. **Ordinance 2022-02-1095, Amending White Salmon Municipal Code 17.40 Conditional Use in Residential Districts**

Moved by David Lindley. Seconded by Jim Ransier.

Motion to adopt Ordinance 2022-02-1095, Amending White Salmon Municipal Code 17.40 Conditional Use in Residential Districts. CARRIED 5-0.

4. **Ordinance 2022-02-1096, Amending White Salmon Municipal Code 17.48 C General Commercial Districts**

Moved by Ben Giant. Seconded by Ashley Post.

Motion to adopt Ordinance 2022-02-1096, Amending White Salmon Municipal Code 17.48 C General Commercial Districts. CARRIED 5-0.

5. **Ordinance 2022-02-1097, Adopting White Salmon Municipal Code 17.57 Short-term Rentals, Hosted Homeshares and Vacation Home Rentals**

Moved by Jim Ransier. Seconded by Ben Giant.

Motion to adopt Ordinance 2022-02-1097, Adopting White Salmon Municipal Code 17.57 Short-term Rentals, Hosted Homeshares and Vacation Home Rentals. CARRIED 5-0.

6. **Ordinance 2022-02-1098, Amending White Salmon Municipal Code 3.36.010 Fees Imposed**

Moved by Ashley Post. Seconded by David Lindley.

Motion to adopt Ordinance 2022-02-1098, Amending White Salmon Municipal Code 3.36.010 Fees Imposed. CARRIED 5-0.

7. **Resolution 2022-02-537, Amending Resolution 2019-12-493 Establishing Fee for Short-term Rental Registration per White Salmon Municipal Code 5.02.020**

Moved by Ben Giant. Seconded by Jim Ransier.

Motion to adopt Resolution 2022-02-537, Amending Resolution 2019-12-493 Establishing Fee for Short-term Rental Registration per White Salmon Municipal Code 5.02.020 as amended. CARRIED 5-0.

VII. **Reports and Communications**

A. **Department Heads**

Jan Brending, Clerk Treasurer said the CityLAB Board will meet next week and the Personnel and Finance Committee will meet on the 28th. She said she will be presenting a budget amendment to the Personnel and Finance Committee along with the December and January budget reports. Brending noted that both the Clerk Treasurer position and the Police Clerk/Finance Clerk positions have been posted are open for applications. She said the illumination study for the roundabout has been completed and Washington Department of Transportation (WSDOT) now has the complete package for review.

Jim Ransier, Council Member asked if the city will be allowed to install parklets again this year.

Jan Brending, Clerk Treasurer said yes. She said an official request has to be submitted to WSDOT which include the start date after March 15.

Ken Woodrich, City Attorney noted that he has visited the National Museum of African-American History and Culture and it should not be missed if anyone makes a trip to Washington DC.

Bill Hunsaker, Fire Chief/Building Official said he is busy with seven new building permit applications that have come in since last Friday.

Russ Avery, Public Works Operations Manager said all of the holiday decorations have been taken down this week. He said the city purchased stop signs with LED lighting for the new four-way stop at Main and Spring Street.

Brendan Conboy, Land Use Planner said that a survey and some online mapping for the Transportation Plan project will be made available next week. He said he is working on some priority code cleanups that are necessary before starting on the zoning updates.

B. Council Members

David Lindley, Council Member said the Tree Board met on Monday and received an update on the DNR fuels reduction project. He said Bill Hunsaker will be doing some outreach to property owners in the proposed area to help move the project forward. Lindley said the Board discussed the DNR grant Underwood Conservation District intends to submit for addressing Tree of Heaven infestation in White Salmon. He noted that Bill Hunsaker was supportive of the project.

Bill Hunsaker, Fire Chief/Building Official said he thinks it is a good project but will also be a difficult process. He said the city has codes that had help support related to noxious weed.

David Lindley, Council Member said the Tree Board also discussed planting four trees in Rheingarten Park. He said Karen Black Jenkins and Jan Brending will be working together to get the bid out for that project.

Jason Hartmann, Council Member asked if irrigation will be provided for the new trees.

Jan Brending, Clerk Treasurer said Karen Black Jenkins is making sure the trees are located so that they are irrigated.

Jim Ransier, Council Member said next month is Women's History Month and said that if anyone has ideas for speakers to please contact him. He said the Community Development Committee will meet on the 28th.

Ashley Post, Council Member asked if the council needs to take any formal action to provide space in the utility newsletter for pool updates.

Jan Brending, Clerk Treasurer said no.

Ben Giant, Council Member said that he is glad to see the short-term rental codes will now be on the books. He said he appreciates all the work that went into preparing the codes.

Jason Hartmann, Council Member said the City Operations Committee met on Tuesday and discussed transportation. He encouraged everyone to watch the Jeff Speck presentation. Hartmann said the information presented by Jeff Speck will be rolled up into the transportation plan and some components may end up in the park plan.

VIII. Executive Session (if needed)

There was no Executive session

IX. Adjournment

The meeting adjourned at 7:51 p.m.

Marla Keethler, Mayor

Jan Brending, Clerk Treasurer