



CITY OF BLACK DIAMOND
December 17, 2009 Meeting Agenda
25510 Lawson St., Black Diamond, Washington

7:00 P.M. – CALL TO ORDER, FLAG SALUTE, ROLL CALL

PUBLIC COMMENTS: Persons wishing to address the City Council regarding items of new business are encouraged to do so at this time. When recognized by the Mayor, please come to the podium and clearly state your name and address. Please limit your comments to 3 minutes. If you desire a formal agenda placement, please contact the City Clerk at 253-631-0351. Thank you for attending this evening.

PUBLIC HEARINGS:

- 1.) AB09-143** – Ordinance Authorizing Pass-Through Sewer Rate Increase
from Soos Creek
(Council action may follow public hearing)

Ms. Miller

APPOINTMENTS, PRESENTATIONS, ANNOUNCEMENTS:

Recognition of outgoing Councilmembers

UNFINISHED BUSINESS: None

NEW BUSINESS:

- | | |
|---|-----------------|
| 15.) AB09-154 – Resolution Authorizing Conservation Easement | Mr. Pilcher |
| 2.) AB09-144 – Ordinance Authorizing 2009 Budget Amendment | Ms. Miller |
| 3.) AB09-145 – Ordinance Adopting 2010 Budget | Ms. Miller |
| 4.) AB09-146 – Ordinance Authorizing Water Comprehensive Plan | Mr. Boettcher |
| 5.) AB09-147 – Ordinance Adopting Puget Sound Energy Franchise | Mr. Boettcher |
| 6.) AB09-148 – Resolution Authorizing Supplement to Hammond
Collier Wade Livingston Contract | Mr. Boettcher |
| 7.) AB09-149 – Resolution Authorizing Official Newspaper 2010 | Ms. Martinez |
| 8.) AB09-150 – Resolution Authorizing Public Safety Testing Contract | Chief Kiblinger |
| 9.) AB09-151 – Resolution Authorizing Memorandum of Understanding
with Olympic Environmental Services | Mr. Nix |
| 10.) AB09-152 – Ordinance Accepting East Annexation Area | Mr. Pilcher |
| 11.) AB09-153 – Ordinance Accepting South Annexation Area | Mr. Pilcher |

DEPARTMENT REPORTS:

Police – Chief Kiblinger

MAYOR’S REPORT:

COUNCIL REPORTS:

ATTORNEY REPORT:

PUBLIC COMMENTS:

CONSENT AGENDA:

12.) Payroll Checks – November 2009 No.16626 through No.16731 (voided checks No.16612, No.16631 through No.16656) in the amount of \$288,173.62

13.) Claim Checks – December 17, 2009 No.34939 through No.34990 (voided checks No. 34948 through No.34990, No.34898 voided and re-issued with No.34944) in the amount of \$80,657.02

14.) Minutes – Special Council Meeting of November 21, 2009 and December 1, 2009, Council Meeting of December 3, 2009 and Workstudy Notes of December 3, 2009

EXECUTIVE SESSION: To discuss Potential Litigation pursuant to RCW 42.30.110(1)(i) and to review the performance of a public employee pursuant to RCW 42.30.110(1)(g)

ADJOURNMENT:

CITY COUNCIL AGENDA BILL

City of Black Diamond
Post Office Box 599
Black Diamond, WA 98010

ITEM INFORMATION			
SUBJECT: PUBLIC HEARING Ordinance No. 09-926, authorizing the pass-through 2010 Sewer Rate Increase for Soos Creek Water & Sewer District	Agenda Date: December 17, 2009		AB09-143
	Department/Committee/Individual	Created	Reviewed
	Mayor Howard Botts		
	City Administrator –		
	Interim City Attorney – Yvonne Ward		
	City Clerk – Brenda L. Martinez		X
	Finance – May Miller	X	
	Public Works – Seth Boettcher		
	Police – Jamey Kiblinger		
Cost Impact:	Court – Kaaren Woods		
Fund Source:			
Timeline: Effective January 1, 2010			
Attachments: Ordinance No. 09-926, Soos Creek letter, Exhibit A-rate analysis			
<p>SUMMARY STATEMENT:</p> <p>The public hearing will review the proposed pass-through 2010 Sewer Rate increase's from Soos Creek Water & Sewer District. The Metro and City portion of the rates are not proposed to increase in 2010.</p> <p>The Soos Creek Water & Sewer District portion of the pass-through rate is proposed to increase from \$3.73 per month to \$3.87 per month. The .14 cent increase is approximately 3.8% of their portion of the rate. The overage charge for use over 750 cubic feet is increasing from \$4.13 to \$4.27 per month.</p> <p>The Metro portion of the rate of \$31.90 will remain the same as it was in 2009 and the City portion of the rate of \$15.29 per month will also remain the same. Residents who have been approved under the Lifeline Program will receive a discount on the city share of the sewer rate as shown in the City fee schedule. The 2010 total residential rate (except those approved for Lifeline) is \$51.06 per month. The proposed rate increases will be effective January 1, 2010 and be reflected in the utility bills that are mailed out toward the end of January 2010.</p>			
COMMITTEE REVIEW AND RECOMMENDATION:			
<p>RECOMMENDED ACTION: MOTION to adopt Ordinance 09-926, authorizing to increase the sewer rates for the Soos Creek pass-through rate increases effective January 1, 2010.</p>			
RECORD OF COUNCIL ACTION			
Meeting Date	Action	Vote	
December 17, 2009			

ORDINANCE NO. 09-926

**AN ORDINANCE OF THE CITY OF BLACK DIAMOND,
KING COUNTY, WASHINGTON, AMENDING SECTION
13.24.010 OF THE BLACK DIAMOND MUNICIPAL CODE
RELATING TO SEWER RATES**

WHEREAS, the City is in need of increasing its revenue by the imposition of new sewer rates in order to meet current obligations to the Soos Creek Water and Sewer District;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND,
KING COUNTY, WASHINGTON, ORDAINS AS FOLLOWS:**

Section 1. Section 13.24.010 of the Black Diamond Municipal Code is hereby amended to read as follows:

13.24.010 Monthly Rates Designated. Effective January 1, 2010 sewer service charges shall be as follows:

A. For residential customers served by a single meter to the residence, \$51.06;

B. For residential customers served by a single meter who have been approved under the Lifeline Utility Program, will receive a discount on the city share of the sewer rate as shown in the City fee schedule.

C. For all other users, including but not limited to commercial users, multi-family residences and mobile home parks, served by a single water meter, \$51.06 per month for the first unit, plus \$10.00 for each additional unit served by that water meter, plus \$4.27 for each 100 cubic feet of water consumed per month in excess of 750 cubic feet. For purposes of this section, the word "unit" shall be defined as any dwelling unit, home, condominium, mobile home, manufactured home or location at which business is conducted.

D. Any user subject to an overage charge may apply to the City for installation of a separate meter to monitor water usage solely for irrigation and landscaping purposes. The individual or entity requesting such a meter shall pay the City for the cost of the meter and cost of installation. Water consumed for these purposes shall not be subject to the overage charge.

E. For purposes of this chapter home occupations shall not be considered a second use.

F. Federal, State and local taxes, where applicable, shall be added to the sums as set forth above.

Section 2. This Ordinance shall be in full force and effect five days after its passage, approval, posting and publication as provided by law. A summary of this Ordinance may be published in lieu of publishing the Ordinance in its entirety.

Section 3. If any provision of this Ordinance is determined to be invalid or unenforceable for any reason, the remaining provisions of this Ordinance shall remain in force and effect.

Introduced the 17th day of December, 2009.

Passed by a majority of the City Council at a meeting held on the 17th day of December, 2009.

Mayor Howard Botts

Attest:

Brenda L. Martinez, City Clerk

APPROVED AS TO FORM:

Yvonne Ward, City Attorney

Published: _____

Posted: _____

Effective Date: _____

SOOS CREEK WATER & SEWER DISTRICT

14616 S.E. 192nd St. • P.O. Box 58039 • Renton, WA 98058-1039 • Phone (253) 630-9900 • Fax (253) 630-5289

October 28, 2009

CERTIFIED MAIL

Ms. Brenda Martinez, CMC
Assistant City Administrator/City Clerk
City of Black Diamond
P. O. Box 599
Black Diamond, WA 98010

RE: 2010 Residential Equivalent Unit Rates

Dear Brenda:

The monthly Residential Equivalent Unit rate for the year 2010 will be \$3.87 per R.E.U., effective January 1, 2010. This represents a 3.8% increase over the 2009 rate.

If you have any questions, please call.

Sincerely,



Ron Speer
District Manager

RS:lks

Exhibit A

CITY OF BLACK DIAMOND, WASHINGTON Base Monthly Sewer Rate Analysis 2008-2010

	Base monthly rate 2008	2009 Increase	Base monthly rates 2009	2010 Proposed Increase	2010 Proposed Rates	
Combined monthly rate	27.95	3.95	31.90	0.00	31.90	
King County Metro	3.59	0.14	3.73	0.14	3.87	3.80%
Soos Creek Water & Sewer D.	15.29	0.00	15.29	0.00	15.29	
Black Diamond portion	0.003	46.83	4.09	50.92	0.14	51.06

Lifeline rates for the city share will remain at 50% or \$7.65 a month

The Metro and city portion of the rate will remain the same.

CITY COUNCIL AGENDA BILL

City of Black Diamond
Post Office Box 599
Black Diamond, WA 98010

ITEM INFORMATION			
SUBJECT: Ordinance 09-927, amending the 2009 Budget Ordinance No. 08-888, 09-907 and 09-921 to reflect changes in Revenues and Expenditures	Agenda Date: December 17, 2009 AB09-144		
	Department/Committee/Individual	Created	Reviewed
	Mayor Howard Botts		
	City Administrator –		
	Interim City Attorney –Yvonne Ward		
	City Clerk – Brenda L. Martinez		X
	Finance – May Miller	X	
	Public Works – Seth Boettcher		
	Police – Jamey Kiblinger		
	Court – Kaaren Woods		
Cost Impact: \$313,286	Community Develop.- Steve Pilcher		
Fund Source: \$313,286	Economic Develop.- Andy Williamson		
Timeline:			
Attachments: Ordinance 09-927 and Exhibit A			
SUMMARY STATEMENT: <p>Washington State Law requires that municipal budgets be amended by the City Council when expenditures are higher or lower than budgeted amounts, or when budget authority is exhausted from any particular fund at mid-year and/or year-end. This is a housekeeping budget change totaling \$313,286.</p> <p>The General Fund revenue and expenditures are increased, a total of \$313,286 which included \$122,429 for reimbursable expenditures and revenue for contracts approved by Council for YarrowBays Environmental Impact Statements and Master Plan Developments. A budget change is also included for the YarrowBay Annexation reimbursable legal costs of \$15,000 and \$128,211 of reimbursable costs and revenue for the Morgan Kame Gravel Environmental Impact Statement.</p> <p>The balance of the budget change is for technical housekeeping changes to provide budgets for the contract or vacation leave pay-outs for the City Administrators, Planner and Court Administrator. The budget also includes \$10,000 for additional 2009 legal costs and a correction of the Natural Resources salaries and benefits that were under budgeted in 2009. These increased General Fund expenditures are covered by increases in revenue from Electric Utility Tax, Sales Tax and State Shared revenues for the amounts expected to be received during 2009 plus savings from reductions in Building Permitting and Code Enforcement expenditures. The General Fund includes the technical reduction of the Hearing Examiner revenue and expenditures that were not utilized in 2009.</p> <p>The Criminal Justice Fund provides budgets for grants of revenue of \$9,646 received from Wal-Mart, King County and donations for the K-9 and Dare Programs.</p> <p>The Street, Water, Wastewater and Stormwater Funds include \$66,800 of budget changes needed</p>			

to cover the costs of supplies, postage, street lights, sand and salt, and legal costs for Soos Creek. These expenditures are covered by reductions of fund balance in each fund.

COMMITTEE REVIEW AND RECOMMENDATION:

RECOMMENDED ACTION: **MOTION to adopt Ordinance No. 09-927, amending the 2009 Budget Ordinance No. 08-888, 09-907 and 09-921 to reflect changes in revenues and expenditures.**

RECORD OF COUNCIL ACTION

<i>Meeting Date</i>	<i>Action</i>	<i>Vote</i>
December 17, 2009		

ORDINANCE NO. 09-927

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, KING COUNTY, WASHINGTON, AMENDING THE BUDGET FOR CALENDAR YEAR 2009 AS ADOPTED BY ORDINANCE 08-888, AND AMENDED BY ORDINANCE 09-907 AND 09-921 BY MEANS OF APPROPRIATIONS, ADJUSTMENTS AND TRANSFERS WITHIN VARIOUS FUNDS IN ACCOUNTS IN THE 2009 BUDGET

WHEREAS, the amounts of dollars actually received within the accounts of various funds in the 2009 budget vary from the amounts set forth in Ordinance No. 08-888 and budget changes of ordinance 09-907 and 09-921; and

WHEREAS, it is necessary to make adjustments to those accounts and/or funds by means of appropriation adjustments and transfers to the 2009 Budget;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, KING COUNTY, WASHINGTON, ORDAINS AS FOLLOWS:

Section 1. Ordinances 08-888, 09-907, and 09-921 are hereby amended with the following additions and reductions:

Fund #	Fund Title	Budget Change
Fund 001	General Fund	303,640
Fund 101	Street Fund	0
Fund 122	Criminal Justice Fund	9,646
Fund 401	Water Fund	0
Fund 407	Wastewater Fund	0
Fund 410	Stormwater Fund	0
Total		313,286

Section 2. This Ordinance shall be in full force and effect five days after its passage, approval, posting and publication in summary form as provided by law.

Introduced this 17th day of December, 2009.

Passed by a majority of the City Council at a meeting held on the 17th day of December, 2009.

Mayor Howard Botts

Attest:

Brenda L. Martinez, City Clerk

APPROVED AS TO FORM:

Yvonne Ward, City Attorney

Published: _____

Posted: _____

Effective Date: _____

**City of Black Diamond, Washington
December 2009 Budget Adjustment Summary**

Exhibit A

A. Estimated Expenditures by Fund

		<i>Ordinance 08-888 Budget</i>	<i>Change 09-907 Budget</i>	<i>Change 09-921 Budget</i>	<i>Change 09-927 Budget</i>	<i>Total Budget</i>
Fund #	Fund Title	2009	2009	2009	2009	2009
Fund 001	General Fund	5,069,461	1,305,489	43,011	303,640	6,721,601
Fund 002	Fire Equipment Reserve Fund	56,843	240	(400)		56,683
Fund 101	Street Fund	585,635	(21,550)	(21,224)		542,861
Fund 102	Street Equipment Reserve Fund	164,500	725	(1,300)		163,925
Fund 104	REET I	988,664	8,090	(24,072)		972,682
Fund 105	REET 2	1,155,939	8,207	(26,044)		1,138,102
Fund 122	Criminal Justice	130,550	105,461	(20,000)	9,646	225,657
Fund 310	General Govt CIP Fund	523,200	367,306	(80,000)		810,506
Fund 320	Street CIP Fund	1,895,000	540,885	(1,839,929)		595,956
Fund 401	Water Fund	1,474,455	37,782	(89,431)		1,422,806
Fund 402	Water Supply Facility Fund	1,402,000	85,588	(1,146,483)		341,105
Fund 404	Water Capital Fund	702,000	150,425	(19,000)		833,425
Fund 407	Wastewater Fund	818,009	(7,885)	(2,000)		808,124
Fund 408	Wastewater Capital Fund	1,665,400	(278,786)	(288,000)		1,098,614
Fund 410	Stormwater Fund	401,052	9,110	50,000		460,162
Total		17,032,708	2,311,087	(3,464,872)	313,286	16,192,209

City of Black Diamond, Washington
December Budget Change 2009

Fund Title			<i>Res or Ord # or Type of Change</i>	<i>Revenue</i>	<i>Expenses</i>
001	General Fund				
	Electric Utility extra month revenue		Increase Revenue	13,000	
	Sales Taxes from \$224,000 to \$244,000		Increase Revenue	20,000	
	State shared revenue \$55,000 to \$85,000		Increase Revenue	30,000	
	Hearing Examiner Refund from \$25,000 to 0		Reduce Expense	(25,000)	
	City Administrator Contract Payout		Contract Payout		89,000
	City Administrator Vacation & Leave Payout		Leave Payout		5,000
	Court Administrator Vacation & Leave Payout		Leave Payout		2,800
	Planner Vacation and Leave Payout		Leave Payout		5,000
	Hearing Examiner Exp Reduction from \$25,000 to 0		Reduction		(25,000)
	Code Enforcement Expense reduction from \$25,000 to \$20,000		Reduction		(5,000)
	Building and Planning Inspections Expense Red from \$40,000 to \$15,000		Reduction		(25,000)
	Additional Contract Legal costs		Increase Expense		10,000
	Correct 2009 Budget for Natural Resources Salaries & Benefits		Increase Expense		6,660
One Time					
YB	Parametrix	EIS	Res 09-639		72,225
YB	Pacwest	MPD	Res 09-624		25,980
YB	Parametrix	MPD	Res 09-625		24,224
YB	Legal	Annexation			15,000
YB	YarrowBay Reimbursement	EIS		72,225	
YB	YarrowBay Reimbursement	MPD		25,980	
YB	YarrowBay Reimbursement	MPD		24,224	
YB	YarrowBay Reimbursement	Annexation		15,000	
Morgan Kame EIS Costs					100,000
	Morgan Kame EIS Reimbursement			128,211	
	Increase Ending Fund Balance				2,751
Total General Fund				303,640	303,640
101	Street Fund				
	Street Light Expense				5,000
	Sand and Salt Expense				2,000
	Supplies Expense				3,000
	Legal Expense				2,800
	Reduce Ending Fund Balance				(12,800)
Total Street Fund				0	0

City of Black Diamond, Washington
December Budget Change 2009

Fund Title		Res or Ord # or Type of Change	Revenue	Expenses
122	Criminal Justice Fund			
	K-9 Grant-Walmart		1,000	1,000
	K-9 Grant-King County		1,475	1,475
	k-9 Donation		2,571	2,571
	Dare Grant-Walmart		2,500	2,500
	Dare-Court Revenue		2,100	2,100
	Total Street Fund		9,646	9,646
401	Water Fund			
	Supplies Expense			2,000
	Caustic Expense			2,000
	Postage Expense			2,000
	Copier and General Supplies Expense			6,000
	Electricity Expense			9,000
	Reduce Ending Fund Balance			(21,000)
	Total Water Fund		0	0
407	Wastewater Fund			
	Supplies Expense			7,000
	Soos Creek Payment			4,000
	Legal - Soos Creek/King County Expnese			10,000
	Postage Expense			2,000
	Insurance Expense			2,000
	Reduce Ending Fund Balance			(25,000)
	Total Wastewater Fund		0	0
410	Stormwater Fund			
	Supplies Expense			6,000
	Postage Expense			2,000
	Reduce Ending Fund Balance			(8,000)
	Total Stormwater Fund		0	0
Total Budget Change			313,286	313,286

CITY COUNCIL AGENDA BILL

City of Black Diamond
Post Office Box 599
Black Diamond, WA 98010

ITEM INFORMATION			
SUBJECT: Ordinance No. 09-928, adopting the 2010 Budget	Agenda Date: December 17, 2009		AB09-145
	Department/Committee/Individual	Created	Reviewed
	Mayor Howard Botts		
	City Administrator –		
	Interim City Attorney – Yvonne Ward		
	City Clerk – Brenda L. Martinez		X
	Finance – May Miller	X	
	Public Works – Seth Boettcher		
	Police – Chief Kiblinger		
Cost Impact:	Court – Kaaren Woods		
Fund Source: All Funds	Commander Miller		
Timeline: 2010 Budget	Economic Devel – Andy Williamson		
Attachments: Ordinance No. 09-928, Exhibit A – 2010 Salary Schedule, Proposed 2010 Budget			
SUMMARY STATEMENT: <p>Per State guidelines, the City of Black diamond held a public Hearing on the 2010 Budget on November 19, 2009 and December 3, 2009 and Council workshops on October 5, 2009, October 22, 2009, October 29, 2009 and November 5, 2009. The Mayor of Black Diamond used the Council and public's input to prepare a balanced budget for 2010.</p> <p>The ordinance adopting the 2010 budget with the 2010 salary schedule is attached, along with the Proposed 2010 Budget for your reference.</p>			
COMMITTEE REVIEW AND RECOMMENDATION: 			
RECOMMENDED ACTION: MOTION to adopt Ordinance No. 09-928, adopting the 2010 Budget.			
RECORD OF COUNCIL ACTION			
Meeting Date	Action	Vote	
December 17, 2009			

ORDINANCE NO. 09-928

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, KING COUNTY, WASHINGTON, ADOPTING THE BUDGET FOR CALENDAR YEAR 2010

WHEREAS, the Preliminary Operating Budget was submitted to the City Council by the Mayor on November 5, 2009; and

WHEREAS, the City Council held public hearings on November 19, 2009, and December 3, 2009 and Workshop's on October 5, 2009, October 22, 2009, October 29, 2009, November 5, 2009 and November 10, 2009; and

WHEREAS, a copy of the Budget was on file with the City Clerk for examination by the public during the time it was being considered by the City Council;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, KING COUNTY, WASHINGTON, ORDAINS AS FOLLOWS:

Section 1. The annual budget of the City of Black Diamond for the 2010 calendar year, a copy of which is on file with the City Clerk, is hereby adopted by reference as the annual budget for the City of Black Diamond for calendar year 2010.

Section 2. The total estimated revenue from all sources and expenditures by fund as set forth in the 2010 budget document adopted by reference, are as follows:

Fund #	Fund Name	Estimated Revenues	Estimated Expenses
001	General Fund	4,894,127	4,894,127
002	Fire Equipment Reserve Fund	57,383	57,383
101	Street Fund	505,639	505,639
102	Street Eq Reserve	205,125	205,125
104	REET 1	703,282	703,282
105	REET 2	852,902	852,902
122	Criminal Justice Fund	181,450	181,450
310	General Govt Capital Improvement Fund	420,000	420,000
320	Street Capital Improvement Fund	1,760,043	1,760,043
401	Water Fund	1,409,241	1,409,241
402	Water Supply Facility Fund	18,778	18,778
404	Water Reserve	666,925	666,925
407	Wastewater Fund	787,713	787,713
408	Wastewater Reserve	996,514	996,514
410	Stormwater Fund	414,102	414,102
Totals		13,873,224	13,873,224

Section 3. This Ordinance shall include the 2010 Salary Schedule as shown in the attachment as Exhibit A.

Section 4. This Ordinance shall be in full force and effect five days after its passage, approval, posting and publication in summary form as provided by law.

Introduced the 17th day of December, 2009.

Passed by a majority of the City Council at a meeting held on the 17th day of December, 2009.

Mayor Howard Botts

Attest:

Brenda L. Martinez, City Clerk

APPROVED AS TO FORM:

Yvonne Ward, City Attorney

Published: _____

Posted: _____

Effective Date: _____



City of Black Diamond Final Budget 2010

2010 Salary Schedule

Exhibit A

City of Black Diamond, Washington

2010 Salary Schedule	Level 1	Level 2	Level 3	Level 4	5 & On
City Administrator	9,161	9,459	9,913	10,271	10,634
Assistant City Administrator	7,875	8,269	8,663	9,056	9,450
Court Administrator	5,775	6,038	6,300	6,563	6,825
Interim Court Administrator	5,200				
Court Clerk	3,150	3,413	3,675	3,938	4,200
Economic Development Director	7,350	7,744	8,138	8,531	8,925
Stewardship Director	7,350	7,744	8,138	8,531	8,925
City Attorney	8,000	8,400	8,820	9,261	9,724
City Clerk	7,350	7,744	8,138	8,531	8,925
Deputy City Clerk	4,410	4,719	5,027	5,336	5,644
Finance Director	7,350	7,744	8,138	8,531	8,925
Deputy Finance Director	6,500	6,875	7,250	7,625	8,000
Utility Clerk	3,150	3,413	3,675	3,938	4,200
Senior Accountant 75% (hourly)	25.28	26.55	27.87	29.27	30.73
Accountant 1 Journey (hourly)	16.28	17.09	17.94	18.84	19.78
Administrative Assistant 2	3,150	3,413	3,675	3,938	4,200
Administrative Assistant 1	2,310	2,494	2,678	2,861	3,045
Information Services Manager	6,825	7,219	7,613	8,006	8,400
Police Chief	9,458	9,781	10,106	10,430	10,804
Police Commander	7,860	8,122	8,384	8,646	8,948
Police Sergeant	7,367	7,781			
Police Officer	4,476	5,016	5,557	6,098	6,611
Police Records Coordinator	4,410	4,719	5,027	5,336	5,644
Police Clerk 62.5% (hourly)	14.75	16.18	17.61	18.61	20.45
Facilities Equipment Coordinator	4,410	4,719	5,027	5,336	5,644
Human Resources Director	7,350	7,744	8,138	8,531	8,925
Community Development Director	7,350	7,744	8,138	8,531	8,925
Permit Technician Supervisor	5,775	6,038	6,300	6,563	6,825
Permit Technician	4,410	4,719	5,027	5,336	5,644
Compliance Officer	4,410	4,719	5,027	5,336	5,644
Senior Planner	5,249	5,511	5,787	6,076	6,380
Planner	4,410	4,719	5,027	5,336	5,644
Associate Planner	4,394	4,614	4,845	5,087	5,341
Assistant Planner	4,099	4,304	4,519	4,745	4,982
Building Official	6,825	7,219	7,613	8,006	8,400
Parks Department Director	7,350	7,744	8,138	8,531	8,925
Public Works Director	7,350	7,744	8,138	8,531	8,925
Utilities Supervisor	6,825	7,219	7,613	8,006	8,400
Public Utilities Operator	4,620	4,700	4,792	4,884	4,976
Utility Worker	3,257	3,572	3,887	4,202	4,538
Utility Worker Seasonal (hourly)	12.98				

City of Black Diamond

2010 Proposed Final Budget



Aerial view of Black Diamond

December 17, 2009



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December 15, 2009

To: Black Diamond City Council
Black Diamond City Residents

From: Howard Botts, Mayor

Dear Honorable Black Diamond City Council Members and Citizens:

I am pleased to transmit to you a balanced budget for the City of Black Diamond for 2010. Due to the economic problems, balancing the 2010 budget was very difficult. Our primary goal was to preserve essential core services, especially Public Safety and Public Works.

The General Fund was especially difficult to balance because of declining revenues due to the economic condition. Sales tax revenue for 2010 was budgeted very conservatively with no increase. Property Tax is our largest General Fund source of revenue that supports public safety. The Proposition 1 voted Public Safety lid lift would have provided an additional \$210,000 in property taxes for 2010 but the lid lift was defeated by 11 votes. This was not certified until November 24, which caused a short time frame to determine additional cuts and prepare a balanced budget for the public hearing. The council can resubmit a failed levy for a vote in either May of 2010 and/or in the fall of 2010. Funds are included in the 2010 Budget to cover the cost of a special election.

The 2010 General Fund Budgeted expenditures are \$4,354,190, a decrease of \$1,530,434 from last year's adjusted budget. The majority of the decrease is due to not re-budgeting 2009 expenditures for YarrowBay for their Environmental Impact Study (EIS), as well as other YarrowBay budgets for design updates that are completed. Although the YarrowBay portion of the budget declined in 2010, the budget does include the conversion of the Master Planned Development (MPD) contract planner to a $\frac{3}{4}$ time staff planner position to continue the MPD work for the Villages and Lawson Hills.

The remainder of General Fund expense reductions are due to decreases that all departments made to their budgets, as well as eliminating all non-union step increases for \$38,222 in total savings, continuing the non-union 5.1% wage deduction (equal to 13 furlough days) for a \$93,388 saving for the General Fund (including \$52,796 from funding positions), freezing the city share of health benefit costs at the 2009 level for General Fund Savings of \$42,919 (this is the 2010 increased costs that will be picked up by the employees), and increasing the allocation to other funds by \$16,389. Even with these cuts the budget was still not in balance and required further difficult decisions to bring the General Fund into balance.

The additional balancing items included freezing the vacant Police Commander position and the vacant Police Officer position, laying off the City Planner and reducing the Court Administrator pay and Court Clerk to a 75% position. The final \$87,000 of reduction will be covered by a combination of future expenditure savings or revenue increases during 2010. These were difficult decisions that strived to maintain core services with the least impact. The General Fund Budget also includes the use of \$46,611 from the beginning fund balance.

The City operates three utilities of Wastewater (sewer), Water and Stormwater. The Stormwater utility was adopted in 2009, and provides funding to be in compliance with state and federal mandates. These utilities are the City's most basic and reliable core services to citizens. The Water, Wastewater and Stormwater operating budget are hold the line budgets with only very modest increases for electric utility costs, miscellaneous supplies and allocations some additional part time hours. The Wastewater Fund includes a minor pass through Soos Creek rate increase.

The Wastewater City rate and Metro rate are not budgeted to increase in 2010. The Stormwater revenue includes the base increase from \$10.00 a month to \$11.50 as approved by council last year. The Wastewater budget includes 12 months of revenue in 2010 as opposed to 11 months of revenue in 2009. The water revenue is currently budgeted with no rate increase but the Public Works committee will need to review the Water Operating and Capital budgets in 2010 to determine if any Water rate increase is needed during 2010.

Even though the operating budget has decreased this year, several capital projects are included in the budget for next year. The first project is for Railroad Avenue improvement which will be paid for with a \$967,943 State TIB Grant. The project design and water improvements were completed in 2009 and the project is currently out to bid.

The second project is the Morgan Street Sidewalks which will be funded by \$533,600 Federal CDBG Grant and State TIB Grants. These are major projects for the city and we are lucky to have grant funding available to improve Black Diamond.

Other capital projects included in the 2010 Budget are funds for design engineering for the boat launch project, funds for signage for the city, funds for picnic tables & benches for the skate park. The Water Fund will continue installing the new meters and the Wastewater Fund will begin work on infiltration and inflow reduction, the Stormwater Fund includes budget complete the storm improvements needed on the Railroad Project and continue the Federal NPDES implementation.

Despite the difficult economy, Black Diamond has accomplished many noteworthy projects during 2009. A major milestone was passed when the moratorium on master planned developments and subdivisions was lifted in 2009, and the council adopted the updated Comp Plan, design standards and other important regulations that position Black Diamond for future growth while maintaining our rural character. This will poise the City for the future master plan development.

A Jennifer Dunn Federal Grant provided \$240,000 for the In City Forest Water Line improvement which replaced 1,500 feet of old asbestos water supply line. New play equipment was installed at Eagle Creek Park. A King County Conservation District Grant of \$30,000 plus a \$50,000 King County Grant were used to install Parking Pavers and make other improvements at the Boat Launch.

Staff were also able to implement new business license/permitting software, and financial and payroll software in 2009. A trails plan was developed and 166 new water meters were installed during 2009. The City also began issuing passports and implemented use of credit cards for customers to pay city utilities bills, permits, police and court fines, and other City services.

The Police Department secured over \$50,000 in grants to help pay for equipment, Marine overtime, the K 9 and Dare Programs. This fall over 100 people attended American Night Out and the Police Baked Potato Fund raiser which raised \$1,780 for the K-9 program.

I remain impressed by the hard work of our staff and the support of Council and the citizens. I want to thank everyone for their diligent work over the past year and especially thank the citizens for their patience and support.



Mayor Howard Botts



City of Black Diamond Final Budget 2010

History of Black Diamond, Washington

Black Diamond incorporated in 1959 so the year 2009 marked our 50th anniversary as a city! However, our history goes back much farther. Black Diamond was first established as a community in the late 1880s for the mining of coal. At the turn of the century the town was a major exporter of coal in the region. The Pacific Coast Coal Company in Black Diamond became the largest coal mining operation on the West Coast. Some historic buildings retain their original locations.

A rich history surrounds the City of Black Diamond from the famous Black Diamond Bakery to the Black Diamond Museum of History.

Black Diamond offers a warm and friendly rural, small town atmosphere with spectacular mountain views. The city is nestled in the foothills within miles of the beautiful Green River Gorge and Flaming Geyser Park.

The City is on the verge of growth. At 4,180 citizens, population projections may reach above 20,000 in the next 20 years. Over the past several years, major annexations have increased the population and acreage of Black Diamond. The annexation of the Lake Sawyer area in 1998 doubled the number of citizens. Recent annexations in the City's urban growth area have increased the city's size by approximately 1,600 acres.

Unlike other communities, the city has stood firm to its vision and growth strategies as identified with the community and captured in the 1996 Comprehensive Plan. As the final pieces fall into place, Black Diamond is in the position to allow growth to occur in a well-planned, environmentally sensitive manner that protects the rural character of our community.

Form of Government

The City is a "Code City" as described under Title 35A in the Revised Code of Washington. Black Diamond operates under a strong mayor form of government with five elected council members serving staggered four-year terms. The mayor serves as the chief administrative officer of the city and has hired a city administrator to assist in day-to-day operations. The Council acts as the legislative body. When the City reaches a population of 5,000 state law requires expansion to a seven-member council. The City is served by Congressional District 8 and Legislative Districts 47 and 5.

Budget Process

Budgeting is an essential element of the financial planning, control and evaluation process of government. The planning process involves determining the types and levels of services to be provided by the various departments, programs and functions.



City of Black Diamond Final Budget 2010

The City of Black Diamond budgets annually on the calendar year beginning January 1 and ending December 31. Budget adjustments are limited by state law (35A.33.120). Allocations are made based on a fund structure, limiting uses outside of each fund. Funds are segregated to carry on specific objectives. Funds are budgeted on a cash basis in accordance with the Revised Code of Washington, RCW 35.33. Appropriations in the budget constitute maximum expenditure authorizations during the year and cannot be legally exceeded until subsequently amended by the City Council.



Black Diamond Labor Days 2009



City of Black Diamond Final Budget 2010

How Black Diamond serves the Community

The City of Black Diamond strives to provide a safe and enjoyable environment for residents, businesses and visitors alike. Foremost, safety is a priority in Black Diamond. Our City's police, and Fire District 44's fire and emergency service employees are both dedicated and top notch. City employees provide other important services such as road maintenance, community development, code enforcement, a municipal court and water utility services, stormwater management and wastewater utility billing. Utility and maintenance workers also maintain our local parks and the cemetery.

Black Diamond has an active local community center and unique historical museum operated by nonprofits but which receive limited financial assistance from the City. Support staff keep everything in the City running smoothly, and the City Council and Mayor work together to respond to citizen concerns and to carefully direct the future of Black Diamond. The City has a bi-monthly newsletter that is packed with important community information, and our website at www.ci.blackdiamond.wa.us is another great resource for information. Public hearings and City Council meetings are held regularly and are open to the public. Everyone is encouraged to attend and participate.

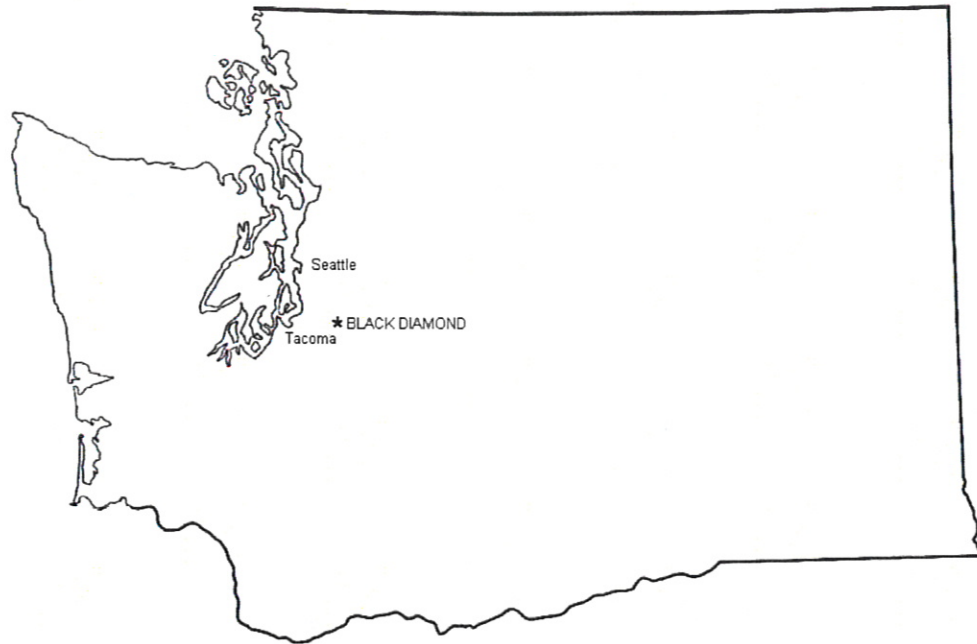


Black Diamond Skatepark



City of Black Diamond Final Budget 2010

Washington State



Black Diamond is located at 47°19'4"N 122°0'53"W 47.31778°N 122.01472°W. The City has a total area of 5.9 square miles, of which, 5.4 square miles of it is land and 0.5 square miles is water, primarily Lake Sawyer.

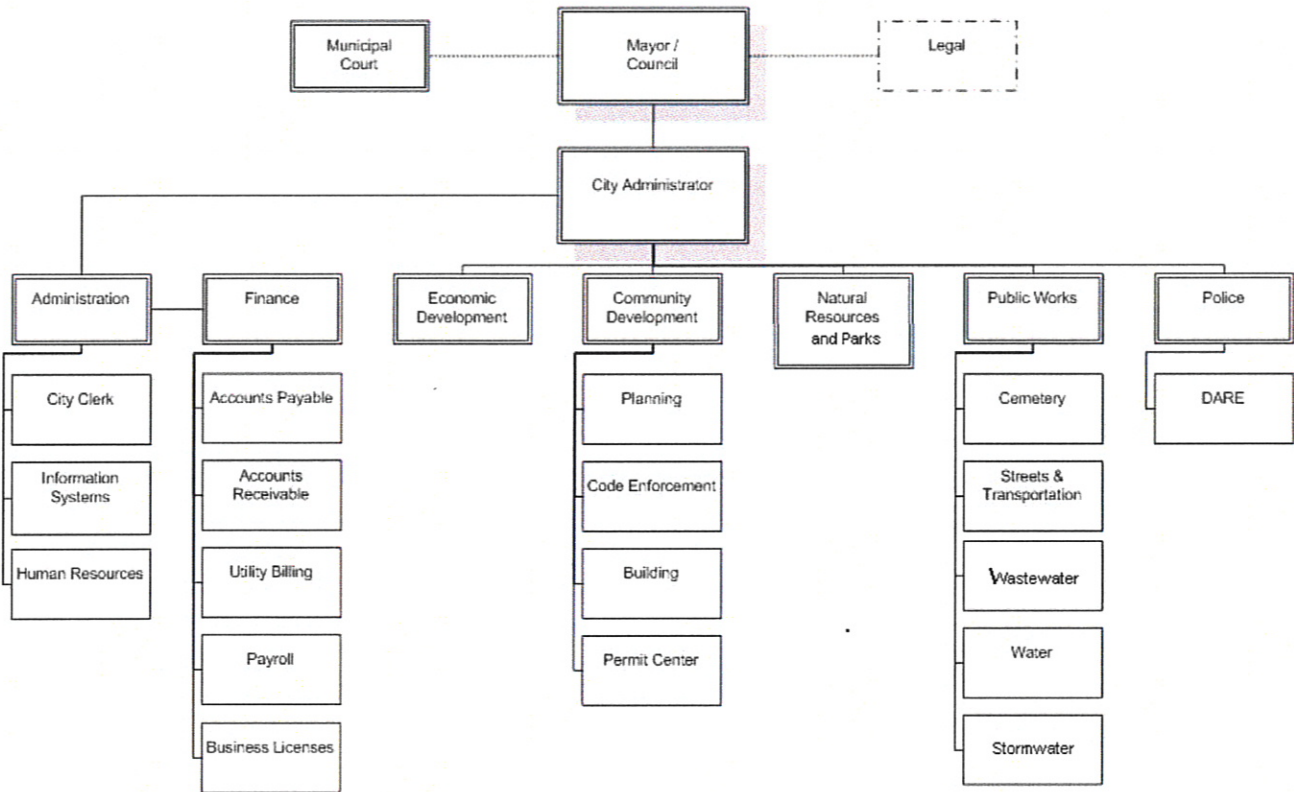


Black Diamond Historical Museum



City of Black Diamond Final Budget 2010

City of Black Diamond Departmental Organization (Divisions)





City of Black Diamond Final Budget 2010

Black Diamond Vision Statement

In the year 2010, Black Diamond will be a beautiful, friendly community based on a rich historic heritage and exceptional natural setting, and with a small-town atmosphere. Forested areas and open space remain, while development maintains a healthy balance of moderate growth and economic viability.

The economic base will be a mix of retail, industrial/business park, office, tourist, and local cottage industries. Residential development will be a mix of types, sizes and densities, clustered to preserve maximum open space and to access a system of trails/bikeways/greenbelts which connect housing, shopping, employment and recreation areas with nearby regional parks and recreational facilities.

Citizens actively participate in an effective and open government decision-making process that reflects community values. There will be good cooperation among nearby jurisdictions, and adequate public services and environmental protection to provide a safe and healthy quality of life for all citizens, from children to seniors.

"Rural by Design" The term "Rural by Design" has been used frequently in newspaper articles and public meetings when discussing coming development in Black Diamond. Some time ago our City adopted a guide to development that will take place in the near future. These are the key elements of Rural by Design as envisioned by our citizens:

- **Provide for a mix of uses** (Residential, Community Retail, Commercial, Business Park, Mixed Uses, Civic/Schools)
- **Compact Form** (Use of tools such as clustering)
- **Opportunities for Casual Socializing** (Neighborhood design, House design, Commercial areas, Parks)
- **Accessible Civic Spaces** (Parks, City Facilities, Trails, Community Center, Schools)
- **Sense of Community** (Respect for local history, design)

Additional Key Elements Guiding the City

- Preservation and enhancements of physical characteristics
- Protection of surface and groundwater (for fish and people)
- Conservation of water and other resources
- Preservation and enhancement of open spaces and views of Mt. Rainier
- Provision of employment uses
- Improvement of the City's fiscal performance
- Timely provision of necessary facilities and infrastructure
- Development of a coordinated system of pedestrian oriented facilities including trails and bicycle paths
- "Growth should pay for growth" – Existing citizens should not bear the burden of developers

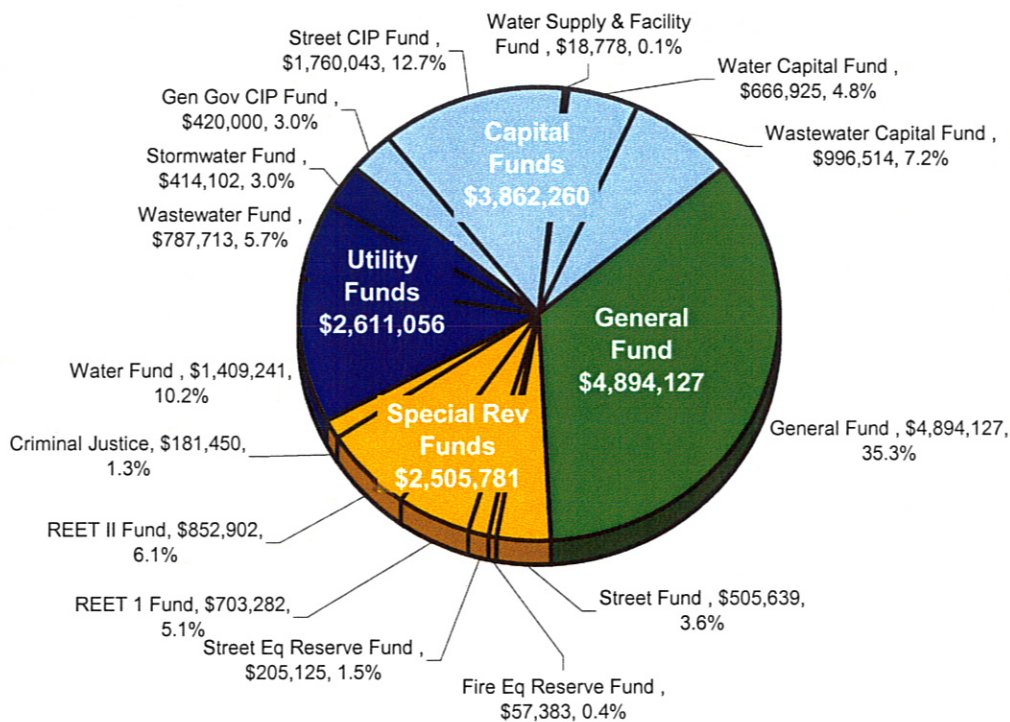
Budget Summary



All Funds Budget Summary - Combined Operating Statement

Fund	2010 Revenues	2010 Expenses	Inc (Dec) in Fund Balance	Beginning Fund Balance	Ending Fund Balance	Total Uses
General Fund 001	4,307,579	4,354,190	-46,611	586,548	539,937	4,894,127
Special Revenue Funds						
Street Fund 101	113,498	179,686	-66,188	392,141	325,953	505,639
Fire Equipment Reserve Fund 002	700		700	56,683	57,383	57,383
Street Equipment Reserve Fund 102	41,200		41,200	163,925	205,125	205,125
REET Fund 1 104	39,800	260,000	-220,200	663,482	443,282	703,282
REET Fund 2 105	39,800	323,500	-283,700	813,102	529,402	852,902
Criminal Justice 122	92,450	134,458	-42,008	89,000	46,992	181,450
Utility Funds						0
Water Fund 401	1,283,475	1,297,466	-13,991	125,766	111,775	1,409,241
Wastewater Fund 407	676,048	704,602	-28,554	111,665	83,111	787,713
Stormwater Fund 410	322,398	353,530	-31,132	91,704	60,572	414,102
Capital Funds						0
General Government CIP Fund 310	420,000	420,000	0			420,000
Street CIP Fund 320	1,760,043	1,760,043	0			1,760,043
Water Supply and Facility Fund 402	300	0	300	18,478	18,778	18,778
Water Capital Fund 404	15,000	225,000	-210,000	651,925	441,925	666,925
Wastewater Capital Fund 408	91,600	120,000	-28,400	904,914	876,514	996,514
Grand Total All Funds	9,203,891	10,132,475	-928,584	4,669,333	3,740,749	13,873,224

Grand Total All Funds \$13,873,224



2010 Employee Allocations by Funding Source

Positions	Full Time Equivalent (FTE)	Funding Agreement	General Fund	Criminal Justice	Street Fund	Water Fund	Sewer Fund	Storm Water Fund
Municipal Court								
Court Administrator	1.0		1.00					
Court Clerk	0.8		0.75					
Total Court	1.75		1.75					
Administration								
City Administrator	1.0	0.30	0.40		0.03	0.09	0.09	0.09
City Clerk/Asst City Administrator	1.0	1.00						
Admin Assistant 1	1.0		0.10			0.3	0.3	0.3
Total Administration	3.0	1.30	0.5		0.0	0.4	0.4	0.4
City Clerk								
Deputy City Clerk	1.0		0.60		0.04	0.12	0.12	0.12
Total City Clerk	1.0		0.6		0.0	0.1	0.1	0.1
Finance Department								
Finance Director	1.0	1.00						
Deputy Finance Director	1.0	1.00						
Senior Accountant	0.75		0.45		0.03	0.09	0.09	0.09
Total Finance	2.75	2.00	0.45		0.03	0.09	0.09	0.09
Information Services								
Information Services Manager	1.0	1.00						
Total Information Services	1.0	1.00						
Police Department								
Police Chief	1.0		1.00					
<i>Commander (1 unfunded position)</i>								
Sergeant	2.0		2.00					
<i>Police Officer (1 unfunded position)</i>	7.0		6.00	1.00				
Police Records Coordinator	1.0		1.00					
Police Clerk	0.63		0.63					
Total Police Department	11.63		10.63	1.00				
Community Development								
Community Development Dir	1.0	1.00						
MPD Planner	0.75	0.75						
Permit Technician Supervisor	1.0	1.00						
Permit Tech	1.0	1.00						
Total Community Development	3.75	3.75						
Economic Development								
Econ Development Director	1.0	1.00						
Total Economic Development	1.0	1.00						
Facilities Department								
Facilities Equipment Coordinator	1.0	1.00						
Total Facilities	1.0	1.00						
Stewardship								
Stewardship Director	1.0	1.00						
Total Stewardship	1.0	1.00						
Public Works								
Public Works Director	1.0	1.00						
Utilities Supervisor	1.0		0.10		0.15	0.25	0.25	0.25
Utility Worker	1.0		0.10		0.15	0.25	0.25	0.25
Utilities Operator	1.0		0.10		0.15	0.25	0.25	0.25
Seasonal Help for Parks	0.4		0.04		0.06	0.1	0.1	0.1
Total Public Works	4.4	1.00	0.34		0.51	0.85	0.85	0.85
Grand Total Budget Positions	32.28	12.05	14.27	1.00	0.61	1.45	1.45	1.45

The Mayor and City Council are supported by the General Fund



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General Fund





City of Black Diamond Final Budget 2010

General Fund Summary

	2009 Budget	2010 Budget	Chg \$ 2009- 2010	Change %
REVENUE				
Taxes	1,709,363	1,759,399	50,036	2.9%
Business License, Cable Franchise Fees and Misc.	83,300	83,800	500	0.6%
Land Use and Permitting Fees	167,040	87,000	(80,040)	-47.9%
Intergovernmental Revenue	240,169	233,566	(6,603)	-2.7%
Charges for Service	188,502	204,027	15,525	8.2%
Court Fines and Fees	213,000	165,000	(48,000)	-22.5%
Miscellaneous Revenue	140,272	116,300	(23,972)	-17.1%
Subtotal Operating Revenue	2,741,646	2,649,092	(92,554)	-3.4%
YarrowBay Funding Agreement	1,582,473	1,487,520	(94,953)	-6.0%
Master Plan Dev and Environ Impact Statement EIS	1,137,783	170,967	(966,816)	-85.0%
Beginning Fund Balance	962,659	586,548	(376,111)	-39.1%
Total General Fund Sources	6,424,561	4,894,127	(1,530,434)	-23.8%
EXPENDITURES				
Executive	14,832	14,434	(398)	-2.7%
Legislative	12,827	12,592	(235)	-1.8%
Administration	286,402	255,382	(31,020)	-10.8%
City Clerk	81,598	71,765	(9,833)	-12.1%
Finance	288,075	257,330	(30,745)	-10.7%
Information Services	143,294	136,169	(7,125)	-5.0%
Capital Facilities	94,336	93,613	(723)	-0.8%
Legal	99,772	100,600	828	0.8%
Municipal Court	298,636	236,395	(62,241)	-20.8%
Police Department	1,753,700	1,484,463	(269,237)	-15.4%
Fire Department	459,540	461,240	1,700	0.4%
Community Development	509,343	391,408	(117,935)	-23.2%
Natural Resources	163,825	160,139	(3,686)	-2.2%
Economic Development	149,317	137,365	(11,952)	-8.0%
Parks	54,553	58,326	3,773	6.9%
Cemetery	15,800	15,123	(677)	-4.3%
Central Services and Employee Recognition	30,482	31,879	1,397	4.6%
Studies, Funding and Deposits	1,270,368	435,967	(834,401)	-65.7%
Ending Fund Balance	697,861	539,937	-157,924	-22.6%
Total General Fund Expenditures	6,424,561	4,894,127	(1,530,434)	-23.8%



City of Black Diamond Final Budget 2010

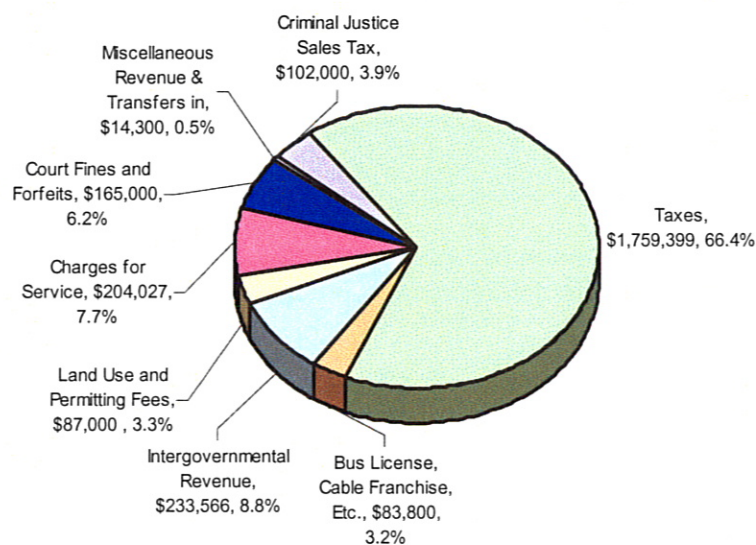
2010 General Fund Revenue Sources

Total General Fund revenue sources are estimated at \$4,894,127 for 2010. The following chart reflects the 2010 General Operating Revenue budget of \$2,649,092. This is a decrease of \$92,554 or 3.4% from 2009's Amended Budget. A graph on the last page of this section includes all General Fund revenue sources.

General Fund Sources - Summary							
	2008 Budget	2008 Actual	2009 Budget*	2009 Est. Year End	2010 Proposed	Bdgt Chg 2009- 2010	Bdgt Chg %
Taxes	1,691,886	1,714,302	1,709,363	1,736,513	1,759,399	50,036	2.9%
Business licenses, Cable Franchise Fees and Misc.	78,800	79,778	83,300	82,300	83,800	500	0.6%
Land Use and Permitting Fees	145,150	73,684	167,040	92,000	87,000	(80,040)	-47.9%
Intergovernmental Revenue	453,058	417,555	240,169	244,209	233,566	(6,603)	-2.7%
Charges for Service	165,276	98,231	188,502	187,527	204,027	15,525	8.2%
Court Fines and Forfeits	168,100	163,854	213,000	187,000	165,000	(48,000)	-22.5%
Miscellaneous Revenue & Transfers in	65,100	53,612	140,272	141,272	116,300	(23,972)	-17.1%
Total Operating Revenue	2,767,370	2,601,016	2,741,646	2,670,821	2,649,092	(92,554)	-3.4%
Funding Agreement	2,917,340	2,257,851	1,582,473	1,575,873	1,487,520	(94,953)	-6.0%
Transfer and one time only Revenue	885,112	237,631	1,137,783	1,286,783	170,967	(966,816)	-85.0%
Total Revenue	6,569,822	5,096,498	5,461,902	5,533,477	4,307,579	(1,154,323)	-21.1%
Beginning Fund Balance YarrowBay			404,901	404,901	274,136	(130,765)	-32.3%
Beginning Fund Balance	334,709	1,312,414	557,758		312,412	(245,346)	-44.0%
Total General Fund Sources	6,904,531	6,408,912	6,424,561	5,938,378	4,894,127	(1,530,434)	-23.8%

*Amended Budget

2010 General Fund Operating Revenue



Total GF Operating Revenue \$2,649,092



City of Black Diamond Final Budget 2010

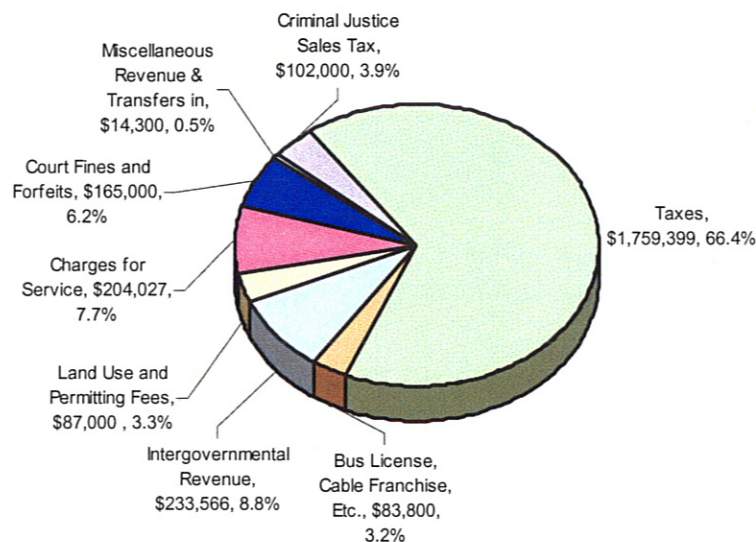
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*Amended Budget

2010 General Fund Operating Revenue



Total GF Operating Revenue \$2,649,092



City of Black Diamond Final Budget 2010

General Fund Revenue, Cont

Property Tax

Property taxes make up 56.6% of General Fund tax revenue and are expected to generate \$996,899 in revenue for the City in 2010, which is \$18,238 from the 2009 budget. All revenues from property tax go directly to the General Fund in support public safety for police, fire protection and emergency services.

Sales Tax

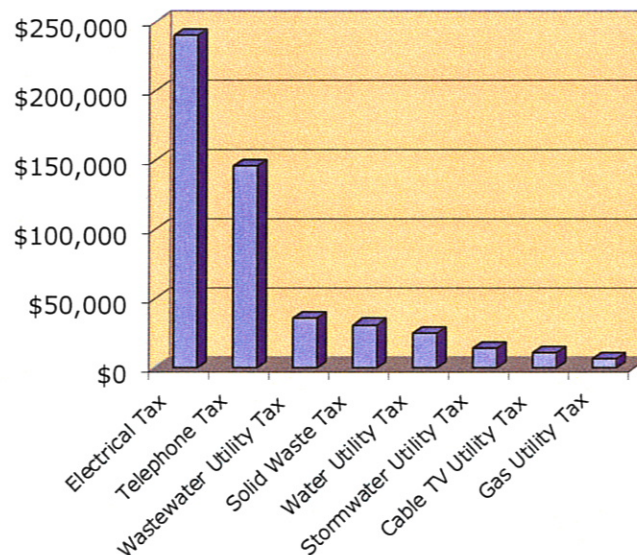
Sales tax for the 2010 Budget is \$250,000 or 14.2% of tax revenue. For every \$100 spent in Black Diamond, \$8.60 is collected by the State and is shared by various jurisdictions including our City, Washington State, King County and Criminal Justice programs. Black Diamond receives a bit less than 10 percent of that total.

Black Diamond's sales tax revenues are dependent on retail sales of products and services sold in Black Diamond, as well as tax on new construction. In July 2009 a new law went into effect (Sales Tax Streamlining) that shifts sales tax to the delivered destination. Sales tax revenue for 2010 is conservatively estimated at \$250,000, the same expected level for 2009.

Utility Tax

Utility taxes for Black Diamond are \$510,350 or 29% of General Fund taxes. Black Diamond levies a 6% tax on all public and private utilities such as electric, natural gas, water, sewer, storm water, telephone, and 5% on cable services. The modest increase is related to increased sales of telephone services, digital TV services as well as the base stormwater increase due to 12 months collection in 2010, with only 11 months in 2009.

Utility Tax Revenue 2010





City of Black Diamond Final Budget 2010

General Fund Revenue, Cont

Gambling Tax

The City of Black Diamond levies taxes on gambling activities as allowed by the State of Washington. Currently, the City receives gambling taxes on activities such as pull-tabs and amusement devices. Receipts from this tax are anticipated to be \$2,150 in 2010.

Business Licenses, Cable Franchise Fees and Gun Permits

Business license, gun permit and fingerprinting fee revenue helps cover the cost of administration, inspection and other services for those occupations, trades and activities regulated by the City. Revenue is also collected from the franchise agreement with the cable company.

General Fund Sources							
	2008 Budget	2008 Actual	2009 Budget	2009 Est. Year End	2010 Proposed	Bdgt Chg 2009- 2010	Bdgt Chg %
Business Licenses, Cable Franchise Fees and Misc.							
Business and Occupation Licenses	30,000	27,419	27,800	27,000	27,000	(800)	-2.9%
Cable Franchise Fees	48,000	50,722	53,500	54,000	55,500	2,000	3.7%
Gun Permits and Fingerprinting	800	1,637	2,000	1,300	1,300	(700)	-35.0%
TOTAL BUS LIC, CABLE FRANCHISE AND MISC	78,800	79,778	83,300	82,300	83,800	500	0.6%

Land Use and Permitting Fees

These revenues include fees related to land use and construction activities such as plan checks and land use fees, and building, mechanical and plumbing permits. Decreased building activity resulted in a 47.9% decrease in revenue in 2010.

General Fund Sources							
	2008 Budget	2008 Actual	2009 Budget	2009 Est. Year End	2010 Proposed	Bdgt Chg 2009- 2010	Bdgt Chg %
Land Use and Permitting Fees							
Land Use	19,500	7,480	36,800	11,000	11,000	(25,800)	-70.1%
Plan Check Fees	35,000	21,676	33,400	18,000	17,000	(16,400)	-49.1%
Building and other Permits	76,150	38,928	61,840	32,000	32,000	(29,840)	-48.3%
Hearing Examiner			25,000	25,000	25,000		
Deposits	14,500	5,600	10,000	6,000	2,000	(8,000)	-80.0%
TOTAL LAND USE & PERMITTING	145,150	73,684	167,040	92,000	87,000	(80,040)	-47.9%



City of Black Diamond Final Budget 2010

General Fund Revenue, Cont

Intergovernmental Revenue

Intergovernmental revenue includes grants, entitlements, shared revenues and payments for goods and services provided to the City from the State or other governmental entities. They include per capita distributed revenues such as liquor excise and profit taxes and state and federal grants. The estimate for revenue in this are in 2010 is \$233,566.

The City does receive local government assistance funds approved by the passage of ESSB 6050. This legislation is intended to provide ongoing financial assistance to cities and counties that have a low tax base and are having difficulty providing basic services. These funds are created by diverting small a portion of the real estate excise tax from the Public Works Trust Fund. Since these taxes have declined significantly this year, HB5511 was passed in 2009 to partially replace the deficit.

General Fund Sources							
	2008 Budget	2008 Actual	2009 Budget	2009 Est. Year End	2010 Proposed	Bdgt Chg 2009- 2010	Bdgt Chg %
Intergovernmental Revenue							
Fire District 17	185,935	185,936					
King County EMS BLS Contract	70,413	70,413	53,104	53,100	52,838	(266)	-0.5%
Local City Assistance	90,000	69,606	55,000	61,940	85,578	30,578	55.6%
Vessel Regis. Boat Safety	23,000	20,474	23,229		23,250	21	0.1%
Recycle Grants	18,435	18,838	18,791	18,900	18,900	109	0.6%
Liquor Board Tax	20,166	19,831	21,000	20,000	20,000	(1,000)	-4.8%
Liquor Board Profits	30,354	27,846	29,000	31,000	31,000	2,000	6.9%
Other Grants and Intergov.	14,755	4,612	40,045	59,269	2,000	(38,045)	-95.0%
TOTAL INTERGOVERNMENTAL REV	453,058	417,555	240,169	244,209	233,566	(6,603)	-2.7%

Charges for Service

This revenue category includes charges and fees for various services the City performs such as traffic and marine schools, passport services, records services, copies, maps and publications, as well as charges for the Black Diamond Cemetery and Lake Sawyer parking fees. The Central Service allocation includes street, water, sewer and stormwater portion of cost for copier, postage, paper, plotter maintenance, supplies, permitting system maintenance and supplies. A new passport service is expected to bring \$3,000 to the City in 2010.

General Fund Sources							
	2008 Budget	2008 Actual	2009 Budget	2009 Est. Year End	2010 Proposed	Bdgt Chg 2009- 2010	Bdgt Chg %
Charges for Service							
Home Monitor and DUI Rev	1,000	755	3,000	4,500	4,500	1,500	50.0%
Lake Sawyer Parking Fees	22,000	18,943	22,000	26,000	25,000	3,000	13.6%
Cemetery Fees	9,800	8,608	10,800	2,000	3,500	(7,300)	-67.6%
Other Charges for Service	23,800	22,128	12,041	2,000	12,000	(41)	-0.3%
Police Traffic School	45,000	17,500	74,926	62,000	65,000	(9,926)	-13.2%
Central Services Reimbursements	60,676	30,298	62,735	91,027	91,027	28,292	45.1%
Passport Services	3,000		3,000		3,000		
TOTAL CHARGES FOR SERVICE REV	165,276	98,231	188,502	187,527	204,027	15,525	8.2%



City of Black Diamond Final Budget 2010

General Fund Revenue, Cont

Court Fines and Forfeitures

This represents the City's portion of fines and forfeits collected on citations and other Municipal Court fees. This is always a difficult area to budget as these revenues are based on citations issued, court decisions and of course the defendant's ability to pay. In 2009 the city began accepting credit cards for collection of fines. The current high unemployment may be affecting the collection of fines.

General Fund Sources							
	2008 Budget	2008 Actual	2009 Budget	2009 Est. Year End	2010 Proposed	Bdgt Chg 2009- 2010	Bdgt Chg %
Court Fines and Forfeits							
Court Traffic Fees and Infractions	109,300	117,287	151,500	100,802	107,800	(43,700)	-28.8%
Court Non Traffic Fees and Infractions	12,600	4,806	4,800	4,900	5,200	400	8.3%
Court Correction, Admin and Other Fees	46,200	41,761	56,700	51,030	52,000	(4,700)	-8.3%
TOTAL COURT FINES AND FORFEITS	168,100	163,854	213,000	187,000	165,000	(48,000)	-22.5%

Miscellaneous Revenue

Miscellaneous revenue includes interest on investments and property and sales tax proceeds prior to their distribution, as well as the sale of surplus equipment and other miscellaneous revenue sources. Interest income is down 37.6% due to reduced interest rates.

General Fund Sources							
	2008 Budget	2008 Actual	2009 Budget	2009 Est. Year End	2010 Proposed	Bdgt Chg 2009- 2010	Bdgt Chg %
Miscellaneous Revenue							
Sale of JAG Land			13,296	13,296		(13,296)	-100.0%
Sale of Surplus Equipment	21,000	2,470	12,000	13,021	3,000	(9,000)	-75.0%
Interest	42,500	40,434	8,500	7,000	5,300	(3,200)	-37.6%
Other Miscellaneous	1,600	10,708	4,253	6,000	6,000	1,747	41.1%
TOTAL MISCELLANEOUS REVENUE	65,100	53,612	38,049	39,317	14,300	(10,453)	-27.5%
Transfers in			102,223	102,223	102,000	(223)	-0.2%
Total General Fund Operating Rev	2,767,370	2,601,016	2,741,646	2,671,089	2,649,092	(92,554)	-3.4%



City of Black Diamond Final Budget 2010

General Fund Revenue, Cont

Funding Agreement and Other Revenue

The Budget for Funding Agreement of ongoing costs for 2010 is \$1,487,520 plus \$170,967 for other one time type of revenues as well as funding for a 75% planner. The chart below reflects total 2010 General Fund operating revenue plus the ongoing Funding Agreement revenue for staff, maintenance and operation and legal fees.

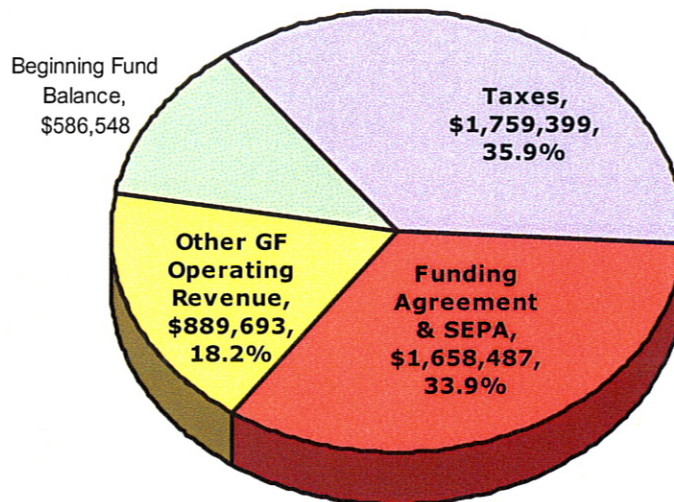
General Fund Sources							
	2008 Budget	2008 Actual	2009 Budget	2009 Est. Year End	2010 Proposed	Bdgt Chg 2009- 2010	Bdgt Chg %
Funding and Other Revenue							
Funding Agreement							
Staff	1,344,548	1,100,779	1,187,023	1,223,698	1,222,520	35,497	3.0%
Maintenance and Operations	180,000	158,875	180,000	180,000	180,000		
Legal	310,900	313,902	116,225	41,225	75,000	(41,225)	-35.5%
Facilities, Furniture and Software	547,892	343,702	99,225	88,600	10,000	(89,225)	-89.9%
Consultants	458,000	340,593		42,350			
Training, Misc and Interfund Loans	76,000						
Subtotal Funding Agreement	2,917,340	2,257,851	1,582,473	1,575,873	1,487,520	(94,953)	-6.0%
Deposits and Studies	775,112	159,299	72,606	72,606	10,000	(62,606)	-86.2%
Legal for SEPA	110,000	78,332	110,000	107,607	80,000	(30,000)	
Annexation Review, Deposits			669,347	770,740		(669,347)	-100.0%
Mstr Planned Dev-Lawson Fees & Reim			82,500	107,500	23,506	(58,994)	-71.5%
Mstr Planned Dev-Villages Fees & Reim			203,330	228,330	32,461	(170,869)	-84.0%
Mstr Planned Dev-Misc Reimbursement					25,000	25,000	
Subtotal Other Revenue	885,112	237,631	1,137,783	1,286,783	170,967	(966,816)	-85.0%
TOTAL FUNDING AND OTHER REV	3,802,452	2,495,482	2,720,256	2,862,656	1,658,487	(1,061,769)	-39.0%



City of Black Diamond Final Budget 2010

General Fund Sources							
	2008 Budget	2008 Actual	2009 Budget	2009 Est. Year End	2010 Proposed	Bdgt Chg 2009- 2010	Bdgt Chg %
General Fund Revenue							
Subtotal General Fund Rev	6,569,822	5,096,498	5,461,902	5,533,745	4,307,579	(1,154,323)	-21.1%
Beginning Fund Balance	334,709	1,312,414	962,659		586,548	(376,111)	-39.1%
GRAND TOTAL GEN FUND SOURCES	6,904,531	6,408,912	6,424,561	5,533,745	4,894,127	(1,530,434)	-23.8%

2010 Total General Fund Sources \$4,894,127



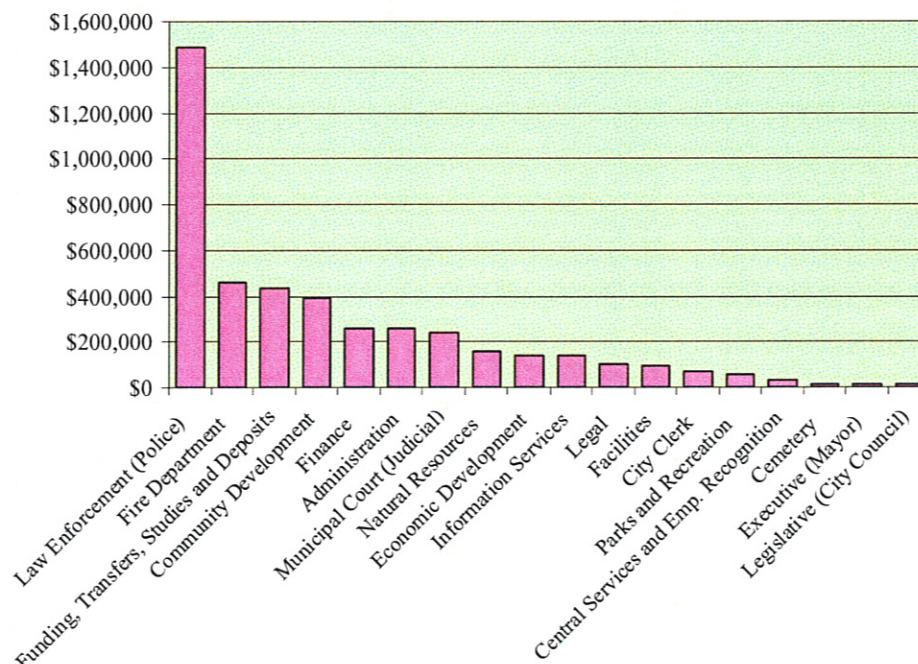


City of Black Diamond Final Budget 2010

General Fund Expenditure Summary

TOTAL GENERAL FUND	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
Legislative (City Council)	\$12,755	\$12,103	\$12,827	\$5,655	\$12,592	(235)
Municipal Court (Judicial)	288,861	239,182	298,636	213,280	236,395	(62,241)
Executive (Mayor)	14,409	14,188	14,832	10,027	14,434	(398)
Administration	322,495	304,030	286,402	209,180	255,382	(31,020)
City Clerk	81,064	42,525	81,598	55,890	71,765	(9,833)
Finance	256,105	237,161	288,075	199,851	257,330	(30,745)
Information Services	144,511	106,648	143,294	97,023	136,169	(7,125)
Legal	141,100	124,391	99,772	65,831	100,600	828
Facilities	87,284	87,763	94,336	70,133	93,613	(723)
Law Enforcement (Police)	1,660,994	1,562,823	1,753,700	1,237,587	1,484,463	(269,237)
Natural Resources	166,628	114,334	163,825	125,835	160,139	(3,686)
Community Development	505,888	385,495	509,343	317,948	391,408	(117,935)
Economic Development	140,108	140,951	149,317	103,336	137,365	(11,952)
Parks and Recreation	73,173	62,066	54,553	39,446	58,326	3,773
Cemetery	17,320	12,794	15,800	10,269	15,123	(677)
Fire Department	633,173	632,225	459,540	208,137	461,240	1,700
Central Services and Emp. Recognition	61,579	42,849	30,482	111,175	31,879	1,397
Subtotal Operations	4,607,447	4,121,528	4,456,332	3,080,602	3,918,223	(538,109)
Funding, Transfers, Studies and Deposits	2,373,084	1,480,749	1,270,368	1,051,577	435,967	(834,401)
General Fund Total	\$6,980,531	\$5,602,277	\$5,726,700	\$4,132,180	\$4,354,190	(1,372,510)

2010 General Fund Expenditure Summary





City of Black Diamond Final Budget 2010

General Fund Expenditure Summary

	2008 Budget	2008 Actual	2009 Budget	2010 Budget	Chg \$ 2009- 2010	Change %
EXPENDITURES						
Public Safety						
Public Defender	45,000	40,609	39,000	48,000	9,000	23.1%
Municipal Court	288,861	239,182	298,636	236,395	(62,241)	-20.8%
Police Department	1,660,994	1,562,673	1,753,700	1,484,463	(269,237)	-15.4%
Fire Department	633,173	632,225	459,540	461,240	1,700	0.4%
Total Public Safety	2,628,028	2,474,689	2,550,876	2,230,098	(320,778)	-12.58%
Maintenance of Buildings and Grounds						
Information Services	144,511	106,648	143,294	136,169	(7,125)	-5.0%
Capital Facilities	87,284	87,763	94,336	93,613	(723)	-0.8%
Parks	73,173	62,066	54,553	58,326	3,773	6.9%
Cemetery	17,320	12,794	15,800	15,123	(677)	-4.3%
Central Services and Emp Recognition	61,579	42,849	30,482	31,879	1,397	4.6%
Facilities M & O	659,788	489,683	262,725	190,000	(72,725)	-27.7%
Total Maintenance of Buildings and Grounds	1,043,655	801,803	601,190	525,110	(76,080)	-12.7%
Development of Community						
Community Development	505,888	385,495	509,343	391,408	(117,935)	-23.2%
Natural Resources	166,628	114,334	163,825	160,139	(3,686)	-2.2%
Economic Development	140,108	140,951	149,317	137,365	(11,952)	-8.0%
Total Development of Community	812,624	640,780	822,485	688,912	(133,573)	-16.2%
Core Staff						
Executive Mayor	14,409	14,188	14,832	14,434	(398)	-2.7%
Legislative Council	12,755	12,103	12,827	12,592	(235)	-1.8%
Administration	322,495	304,030	286,402	255,382	(31,020)	-10.8%
City Clerk	81,064	42,545	81,598	71,765	(9,833)	-12.1%
Finance	256,105	237,161	288,075	257,330	(30,745)	-10.7%
Legal General	96,100	83,782	60,772	52,600	(8,172)	-13.4%
Total Core Staff	782,928	693,809	744,506	664,103	(80,403)	-10.8%
Total Operating General Fund	5,267,235	4,611,081	4,719,057	4,108,223	(610,834)	-12.9%
MPD Annexation and EIS	1,165,452	530,228	975,068	235,967	(739,101)	-75.8%
Studies, Deposits, Transfers & Other	199,636	157,281		10,000	10,000	
YB Consultants	348,208	303,557	32,575		(32,575)	-100.0%
Total General Fund	6,980,531	5,602,147	5,726,700	4,354,190	(1,372,510)	-24.0%



City of Black Diamond Final Budget 2010

General Fund Net Operating Expenditures

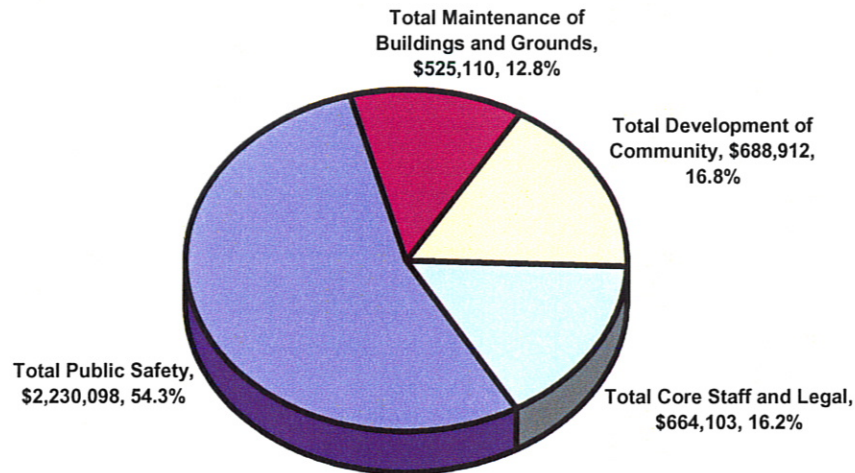
	2010 Budget	Less Funding Agreement	Net Expenditures
EXPENDITURES			
Public Safety			
Public Defender	48,000		48,000
Municipal Court	236,395		236,395
Police Department	1,484,463		1,484,463
Fire Department	461,240		461,240
Total Public Safety	2,230,098		2,230,098
Maintenance of Buildings, Grounds and Equipment			
Information Services	136,169	127,870	8,299
Parks	58,326	13,398	44,928
Cemetery	15,123		15,123
Central Services and Emp Recognition	31,879		31,879
Capital Facilities	93,613	89,495	4,118
Facilities M & O	190,000	190,000	0
Total Maintenance of Buildings and Grounds	525,110	420,763	104,347
Development of Community			
Community Development	391,408	321,994	69,414
Natural Resources	160,139	130,714	29,425
Economic Development	137,365	129,566	7,799
Total Development of Community	688,912	582,274	106,638
Core Staff			
Executive Mayor	14,434		14,434
Legislative Council	12,592		12,592
Administration	255,382	186,084	69,298
City Clerk	71,765		71,765
Finance	257,330	223,399	33,931
Legal	52,600		52,600
Total Core Staff and Legal	664,103	409,483	254,620
Total Operating General Fund	4,108,223	1,412,520	2,695,703



City of Black Diamond Final Budget 2010

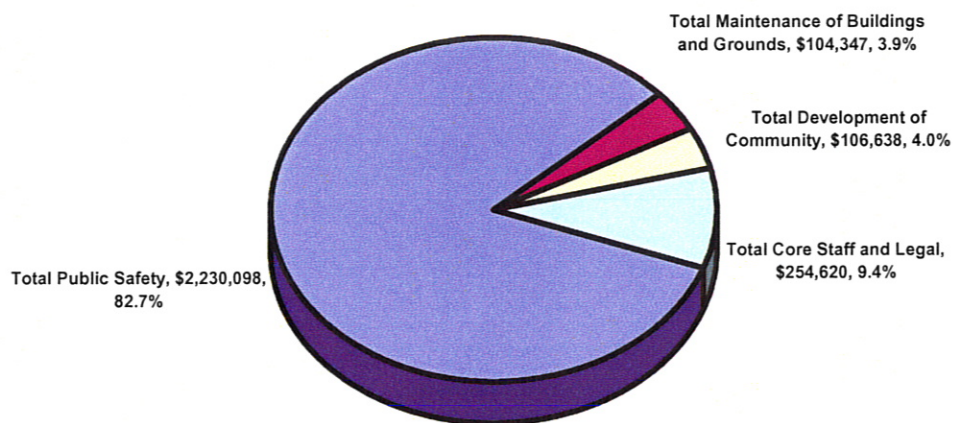
2010 General Fund Operating Expenditures

Total 4,108,223



2010 General Fund Net Operating Expenditures

Total \$2,695,703





City of Black Diamond Final Budget 2010

Legislative Department

This section of the General Fund operating budget provides funding for the legislative branch of the City government. The department consists of five Councilmembers who are elected to serve four-year terms at large, and represent all Black Diamond residents.

The City Council accomplishes City business during regular meetings and workstudies each month. Councilmembers also serve on Council Committees which meet on an as-needed basis. Council duties include approving the annual budget, authorizing inter-local agreements and contracts and deliberating on and passing ordinances and resolutions to set City policies. Four Councilmembers receive a stipend of \$160 per month, with the Mayor Pro Tem receiving \$200 per month.

LEGISLATIVE DEPARTMENT	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
Wages and Benefits	\$11,105	\$10,904	\$10,977	\$5,443	\$10,892	(85)
Telephone and Postage	150	81	150			(150)
Meals, Mileage and Lodging	350	123	600	52	600	
Training and Memberships	1,050	980	1,000	160	1,000	
Miscellaneous	100	14	100		100	
Legislative Total	\$12,755	\$12,103	\$12,827	\$5,655	\$12,592	(235)



City of Black Diamond Final Budget 2010

Executive Department

This General Fund department contains the Mayor's budget. The Mayor is the Chief Executive Officer of Black Diamond and is directly elected by popular vote by the citizens of Black Diamond for a four-year term. Mayoral duties include overseeing City administration, presiding over all meetings of the Council, signing and enforcing all ordinances, appointing and removing appointed officials, signing contracts entered into by the City, and representing the City in meetings and events held outside of Black Diamond.

The Mayor is paid a stipend of \$1,000 per month. Other costs associated with the Mayor include communications, travel, training and other miscellaneous expenses.

EXECUTIVE (MAYOR)	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
Wages and Benefits	\$13,009	\$12,961	\$13,022	\$9,728	\$12,974	(48)
Telephone and Postage	500	456	500	0	0	(500)
Meals, Mileage and Lodging	400	379	510	140	510	0
Training and Workshops	450	350	750	150	750	0
Miscellaneous and Operating Supplies	50	41	50	9	200	150
Executive Total	\$14,409	\$14,188	\$14,832	\$10,027	\$14,434	(398)



City of Black Diamond Final Budget 2010

City Administration

Administration is part of the General Fund operating budget and provides funding for the overall management of the City of Black Diamond. This budget holds salary and benefits for 70% of the City Administrator and 100% of the Assistant City Administrator. Additional expenses for training, office supplies, etc., for the Assistant City Administrator are in the City Clerk's budget.

In 2010 the City Administrator is allocated 30% to the utilities, 40% to the General Fund and 30% to the YarrowBay funding agreement. The Assistant position is 100% funded through the funding agreement.

ADMINISTRATION DEPARTMENT	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
Wages and Benefits	\$303,995	\$296,941	\$283,390	\$205,438	\$256,267	(27,123)
Furlough (10 day 2009, 13 day 2010)	0	0	-10,347	0	-10,818	(471)
Office and Operating Supplies	3,500	1,046	650	689	300	(350)
Professional Services	2,500	0	0	0	0	0
Telephone and Postage	2,000	1,131	2,000	54	100	(1,900)
Meals, Mileage and Lodging	1,000	837	2,000	1,031	1,800	(200)
Training, Dues and Memberships	6,600	1,629	5,512	1,969	5,100	(412)
Insurance	2,500	2,447	2,447	2,533	2,533	86
Miscellaneous	400	0	750	10	100	(650)
Administration Total	\$322,495	\$304,030	\$286,402	\$211,725	\$255,382	(31,020)

Positions:

1.0 City Administrator: 40% General Fund, 30% Funding Agreement, 30% Utility Allocation

1.0 Assistant City Administrator: 100% Funding Agreement

2.0



City of Black Diamond Final Budget 2010

City Clerk Department

The City Clerk Department is responsible for managing the City's official records, including retention, archival and destruction, and processing all requests for public records; oversight of Council meetings, including agenda development and transcribing the official minutes; providing legal notices to the public regarding City business; coordinating elections; maintaining personnel files, interpretation of personnel policies and procedures, supporting the recruiting process and also maintaining and developing the City's website.

This department includes the Assistant City Administrator/City Clerk and the Deputy City Clerk. The Deputy City Clerk is allocated 60% to the General Fund and 40% to Public Works funds. This budget reflects only the General Fund salary and benefits for the Deputy City Clerk, with the Assistant City Administrator/City Clerk salary and benefits being budgeted in Administration. Also reflected in this budget are expenses for training, office supplies, and other expenditures for both positions.

CITY CLERK	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
Wages and Benefits	\$62,014	\$25,633	58,269	42,126	50,078	(8,191)
Furlough (10 day 2009, 13 day 2010)			-1,633		-1,930	(297)
Office and Operating Supplies	2,000	1,888	2,000	185	500	(1,500)
Telephone and Postage	1,200	15		2		
Code Update	3,000	3,656	6,500	1,138	5,000	(1,500)
Voter Registration Costs	5,000	4,614	9,700	5,724	6,000	(3,700)
Election Costs		1,960	500		6,000	5,500
Printing and Binding	1,000					
Records Management Grant				3,409		
Professional Services	500	156				
Meals, Mileage and Lodging	750	440	2,000	63	1,800	(200)
Training and Memberships	1,500	769	1,686	925	1,500	(186)
Repairs and Miscellaneous	700	57		143		
Insurance	400	377	376	317	317	(59)
Advertising	3,000	2,960	2,200	1,858	2,500	300
City Clerk Total	\$81,064	\$42,525	\$81,598	\$55,890	\$71,765	(9,833)

Positions:

1.0 Deputy City Clerk: 60% General Fund, 40% Utility Allocation
1.0



City of Black Diamond Final Budget 2010

Finance Department

The Finance Department is responsible for safeguarding the City's assets by insuring maximum utilization of revenues, providing financial support to City departments and recording and reporting accurate and timely financial information to the State, elected officials and to the citizens of Black Diamond.

This Department provides the services of financial planning and reporting, accounting, accounts receivable, accounts payable, utility billing, payroll processing, cost accounting, business licensing, utility tax collections, cash and investment management and debt service. Finance prepares the Annual Budget, the Comprehensive Annual Financial Report, Capital Improvement Program, reports and monthly financial updates.

This department has a Finance Director and a Deputy Finance Director supported by the YarrowBay funding agreement and a part time (75%) Senior Accountant position. The ¾ time position is allocated 60% to the General Fund and 40% to Public Works funds.

FINANCE DEPARTMENT	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
Wages and Benefits	\$247,155	\$229,175	\$281,505	\$196,278	\$260,862	(20,643)
Furlough (10 day 2009, 13 day 2010)	0	0	-9,483	0	-12,039	(2,556)
Office and Operating Supplies	2,100	2,060	2,500	148	700	(1,800)
Professional Services incl State Audit	1,000	1,213	6,450	1,938	2,600	(3,850)
Telephone and Postage	1,000	301	300	17	100	(200)
Meals, Mileage and Lodging	950	930	1,200	585	1,200	0
Training and Memberships	900	740	2,920	860	2,540	(380)
Printing, Binding and Misc.	700	532	300	25	100	(200)
Insurance	2,200	2,175	2,383	1,267	1,267	(1,116)
Advertising	100	34	0	0	0	0
Finance Total	\$256,105	\$237,161	\$288,075	\$201,118	\$257,330	(30,745)

Positions:

- 1.0 Finance Director: 100% Funding
- 1.0 Deputy Finance Director: 100% Funding
- .75 Senior Accountant: 60% General Fund, 40% Utility Allocation
- 2.75



City of Black Diamond Final Budget 2010

Information Services

The City of Black Diamond's Information Services Department is responsible for the procurement, administration and maintenance of the informational systems used by all of the City's departments. This department also provides on-line information for the public via the City website and databases.

This department has one full-time regular employee funded through the YarrowBay funding agreement.

INFORMATION SERVICES DEPT	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
Wages and Benefits	\$124,011	\$80,955	\$134,015	\$96,866	\$133,594	(421)
Furlough (10 day 2009, 13 day 2010)	0	0	-4,252	0	-5,725	(1,473)
Office Supplies and Minor Equip.	500	182	1,250	113	550	(700)
Professional Services	15,000	24,387	7,000	0	3,000	(4,000)
Telephone and Postage	500	22	0	43	400	400
Meals, Mileage and Lodging	1,600	0	1,600	0	800	(800)
Training and Memberships	1,400	15	2,094	0	2,100	6
Insurance	1,100	1,087	1,087	950	950	(137)
Repairs and Miscellaneous	400	0	500	0	500	0
Information Services Total	\$144,511	\$106,648	\$143,294	\$97,973	\$136,169	(7,125)

Position:

1.0 Information Services Manager: 100% Funding



City of Black Diamond Final Budget 2010

Capital Facilities Department

The City of Black Diamond's Capital Facilities Department is responsible for the long term planning of the City's building and equipment needs and to handle the daily needs of all departments in repair, replacement and installation of fixtures, furniture and equipment.

The Capital Facilities Department has one full time regular employee supported by the YarrowBay funding agreement.

FACILITIES DEPARTMENT	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
Wages and Benefits	\$87,284	\$87,763	\$93,322	\$67,574	\$93,247	(75)
Furlough (10 day 2009, 13 day 2010)			(3,050)		(3,751)	(701)
Office and Operating Supplies			3,100	1,964	2,650	(450)
Vehicle Maintenance				390	400	400
Insurance			544		317	(227)
Training			420	55	100	(320)
Rentals					500	500
Advertising				150	150	150
Facilities Total	\$87,284	\$87,763	\$94,336	\$70,133	\$93,613	(723)

Position:

1.0 Facilities Coordinator: 100% Funding Agreement



City of Black Diamond Final Budget 2010

Legal Department

The Legal Department represents the office of the City Attorney. The City Attorney provides Black Diamond with representation on a myriad of issues, including but not limited to providing legal analysis on civil issues, property acquisitions, land use issues, comprehensive plan issues and personnel matters.

The workload of the City Attorney generally includes providing civil legal service, preparing and review of ordinances and other legal documents to which the City is a party, maintaining up-to-date legal research materials including pending and adopted state legislation with municipal impact.

The General legal services are allocated 60% to the General Fund and 40% to Public Works funds. The budget for prosecution is a contracted service.

LEGAL DEPARTMENT	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
Legal Services General	\$57,500	\$58,029	\$40,000	\$23,940	\$45,600	5,600
Legal Services Employment	6,500	5,887	5,000		3,000	(2,000)
Civil Service	500	945	500			(500)
Prosecuting Attorney	45,000	40,609	39,000	28,000	48,000	9,000
Legal - Police Contract	10,000	6,539	3,461	2,883	3,000	(461)
Legal - Lawsuits	20,000	7,377				
Legal Other	1,600	5,005	11,811	11,008	1,000	(10,811)
Legal Total	\$141,100	\$124,391	\$99,772	\$65,831	\$100,600	828



City of Black Diamond Final Budget 2010

Municipal Court

The Black Diamond Municipal Court is a court of limited jurisdiction, managing a caseload of approximately 1,500 to 2,400 cases each year. These cases involve infractions, misdemeanors and gross misdemeanors. Other matters such as felony cases are filed and disposed of in King County Superior Court.

Court is in session, and is open to the public the 2nd, 3rd and 4th Wednesday of each month. The Court office is open Monday through Friday from 8:30 a.m. to 5:00 p.m.

Budget for the Court includes a full time Court Administrator, one ¾ part time Court Clerk, and contracted services provided by a Judge and Public Defender. Prosecution costs are budgeted in the Legal Department.

MUNICIPAL COURT	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
Wages and Benefits	\$168,616	\$147,595	\$182,148	\$131,435	135,090	(47,058)
Furlough (10 day 2009, 13 day 2010)			(5,436)		-5,000	436
Court Overtime	1,000		1,000			(1,000)
Office and Operating Supplies	4,000	4,686	3,200	1,765	2,500	(700)
Professional Services - Judge	50,000	42,282	45,000	26,144	40,000	(5,000)
Professional Services - Protem Judge	2,400	1,275	2,000	2,445	2,000	
Court Intrepreter	2,000	2,946	2,000	5,679	4,000	2,000
Other Professional Services		1,709		597	1,000	1,000
Witness, Jury Fees	1,500	800	1,500	2,118	1,500	
Video Conferencing	14,000					
Telephone and Postage	6,300	4,209	5,000	2,819	5,000	
Meals, Mileage and Lodging	800	988	800	204	200	(600)
Training and Memberships	3,500	1,335	2,500	1,062	1,000	(1,500)
Advertising	1,000	25				
Insurance	1,360	1,359	2,596		1,855	(741)
Printing, Binding and Forms	3,000	1,527	5,000	1,850	3,500	(1,500)
Shredding, Alarms and Misc	2,000	1,217	1,500	1,250	1,750	250
Merchant Card Fees				621	1,000	1,000
Court Furniture and Capital Outlay	3,041	1,646	1,395	88		(1,395)
Police Security Overtime	10,344	10,361	20,000	15,555	18,000	(2,000)
Public Defender	14,000	15,223	28,433	19,648	23,000	(5,433)
Municipal Court Total	\$288,861	\$239,182	\$298,636	\$213,280	\$236,395	(62,241)

Positions:

1.0 Court Administrator: 100% General Fund

.75 Court Clerk: 100% General Fund

1.75



City of Black Diamond Final Budget 2010

Police Department

The Black Diamond Police Department is currently operating with a Chief of Police, a patrol Sergeant, and nine patrol officers. We have one full time records manager and a part time records clerk. Due to budget constraints this year, the Commander's position was frozen.

The Black Diamond Police Department strives to maintain the trust and confidence of our citizens through proactive policing and demonstration of our core values.

LAW ENFORCEMENT SUMMARY	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
Police Operating	\$1,266,819	\$1,203,056	\$1,492,448	\$1,074,250	\$1,259,878	(232,570)
Police Communications	97,500	101,577	108,573	83,222	114,385	5,812
Police Capital Projects	76,711	81,349	20,904	3,329		(20,904)
Prisoners and Detention	41,091	36,676	53,296	35,235	41,000	(12,296)
Police Building Costs	25,500	22,998	24,300	16,283	22,550	(1,750)
Police Marine	145,373	112,517	53,579	24,968	40,550	(13,029)
Civil Service	8,000	4,650	600	300	6,100	5,500
Law Enforcement Total	\$1,660,994	\$1,562,823	\$1,753,700	\$1,237,587	\$1,484,463	(269,237)

POLICE OPERATING	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
Wages and Benefits	\$1,126,579	\$1,024,297	\$1,435,640	\$988,033	\$1,241,098	(194,542)
Reductions if Levy Fails					-\$87,484	(87,484)
\$200 month cut 09 & Furlough			-31,360		-11,582	19,778
Overtime	30,000	101,536	27,000	68,361	45,000	18,000
Overtime and Benefit Reimbursement		-42,824	-51,074	-37,204	-46,000	5,074
Office and Operating Supplies	15,000	21,487	22,959	17,549	19,550	(3,409)
Fuel	30,000	33,124	36,000	14,160	30,000	(6,000)
Firearms	15,840	11,506			15,000	15,000
Traffic Safety Equipment	2,500	1,310		4,941		
Professional Services	10,500	8,916	6,000	6,029		(6,000)
Lodging, Meals and Mileage	2,500	1,630	4,000	157	4,000	
Insurance	20,900	20,831	23,783		30,836	7,053
Advertising and Miscellaneous	800	706	1,400	304	900	(500)
Repairs and Maintenance	8,000	17,438	10,300	8,264	8,300	(2,000)
Training and Memberships	3,700	2,397	6,800	1,919	9,000	2,200
Printing	500	702	1,000	1,537	700	(300)
Merchant Fee Card Services				201	560	560
Police Operating Total	\$1,266,819	\$1,203,056	\$1,492,448	\$1,074,250	\$1,259,878	(232,570)



City of Black Diamond Final Budget 2010

Police Department, Cont.

POLICE COMMUNICATIONS	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
Valley Comm Dispatch	\$65,150	\$69,347	\$74,498	\$53,260	\$74,500	2
Valley Comm MDT's	2,700	2,609	2,340	1,440	2,340	
King County 800 MHZ Radio	10,600	10,540	11,345	9,795	11,345	
Other Access Charges	1,150	1,513	1,600	1,447	1,600	
Postage and Telephone	9,700	9,643	11,150	11,420	16,600	5,450
WSP Access	3,000	2,789	2,640	1,320	2,500	(140)
King County I NET	4,200	4,125	4,500	3,375	4,500	
Radio Maintenance and Repair	1,000	1,013	500	1,165	1,000	500
Police Communications Total	\$97,500	\$101,577	\$108,573	\$83,222	\$114,385	5,812

POLICE MARINE	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
Wages and Benefits	\$88,912	\$50,613	\$43,314	\$23,489	\$34,000	(9,314)
Office and Operating Supplies	1,350	1,814	6,640	1,479	3,250	(3,390)
Vehicle Maintenance	800	1,875	1,200		1,000	(200)
Training	200	453	300		300	
Lodging, Meals and Mileage	1,000	1,135	1,725		1,800	75
Marine Boat	53,111	56,440				
Advertising		188	400		200	(200)
Police Marine Total	\$145,373	\$112,517	\$53,579	\$24,968	\$40,550	(13,029)

CIVIL SERVICE	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
Testing Fees	\$8,000	\$4,650	\$600	\$300	\$3,000	\$2,400
Cost of Tests					600	600
Civil Service Training					1,000	1,000
Civil Service Legal					1,500	1,500
Civil Service Total	\$8,000	\$4,650	\$600	\$300	\$6,100	5,500

PRISONERS AND DETENTION	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
Jail Costs	\$40,841	\$36,420	\$53,296	\$33,405	\$40,000	(13,296)
Electronic Monitoring Costs	250			1,084		
Medical Costs for Incarcerated		256		496	1,000	1,000
Miscellaneous				250		
Prisoners and Detention Total	\$41,091	\$36,676	\$53,296	\$35,235	\$41,000	(12,296)



City of Black Diamond Final Budget 2010

Police Department, Cont.

POLICE BUILDING COSTS	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
Maintenance Supplies	\$1,000	\$823	\$1,000	\$830	\$1,000	
Custodial Cost	6,000	6,526	7,200	4,414	6,000	(1,200)
Utilities	12,000	11,965	15,000	10,195	14,450	(550)
Building Repairs	4,500	2,369	500	384	500	
Building Alarm Security	2,000	1,315	600	460	600	
Police Buildings Total	\$25,500	\$22,998	\$24,300	\$16,283	\$22,550	(1,750)

POLICE CAPITAL COSTS	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
Furniture	\$500	\$1,180	\$500			(500)
Vehicles	76,211	76,303				
CTED Grant Equipment			9,999			(9,999)
Technology (computers/equipment)		3,866				
Traffic Safety Equipment			10,405	3,329		(10,405)
Police Capital Total	\$76,711	\$81,349	\$20,904	\$3,329		(20,904)

Positions:

- 1.0 Police Chief: 100% General Fund
- 2.0 Sergeant Positions: 100% General Fund
- 7.0 Police Officers: 100% General Fund, Criminal Justice Fund transfer in \$100,000
- 1.0 Police Records Coordinator
- .63 Police Clerk
- 11.63

Police Commander and one Police Officer position are frozen and unfilled.



City of Black Diamond Final Budget 2010

Fire Department

The City of Black Diamond contracts with Mountain View/Black Diamond Fire Department, King County Fire District No. 44, for fire services. The department's responsibilities include providing staff 24 hours a day, seven days a week in Black Diamond and providing rescue, firefighting, fire prevention, emergency medical services, disaster services and public education activities to citizens. Fire Investigation Services are contracted through the King County Sheriff's Department.

FIRE DEPARTMENT	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
Fire District Professional Services	\$631,373	\$631,373	\$457,540	\$202,963	\$457,540	
Fire Investigations	1,800		2,000	1,788	1,700	(300)
Utilities		69		503	653	653
Miscellaneous		784		398	1,347	1,347
Capital Outlay				2,485		
Fire Department Total	\$633,173	\$632,225	\$459,540	\$208,137	\$461,240	1,700



City of Black Diamond Final Budget 2010

Community Development Department

The Community Development section of the operating budget provides funding for the City's long-range planning and land use and building permitting functions. The Department also provides staffing to the City Planning Commission and performs code enforcement activities to address nuisances, code violations, and other issues.

This section includes three full time employees; a Director, Permit Supervisor, Permit Technician and one contract employee serving as the Business Official/Code Enforcement Officer.

Most of the employee salary and benefits are paid by the funding agreement with YarrowBay except for building plan review and inspection services, funded through application fees. Code enforcement activities of approximately two days per week are funded through the YarrowBay funding agreement. The remainder of expenses such as training, memberships, office supplies, and allocated costs are General Fund expenditures. The Community Development Administration budget is allocated to the respective divisions of Code, Planning, Building and Permitting.

COMMUNITY DEVELOPMENT SUMMARY	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
Administration	\$118,392	\$104,461	\$130,959	\$98,583	\$0	(130,959)
Planning	95,042	91,942	98,575	66,800	89,311	(9,264)
Permitting	236,454	155,342	228,559	141,161	236,514	7,955
Code Enforcement	50,000	32,507	25,600	16,013	40,583	14,983
Hearing Examiner	6,000	1,242	25,000	0	25,000	0
Planning Commission	0	0	650	0	0	(650)
Comm. Development Total	\$505,888	\$385,495	\$509,343	\$322,557	\$391,408	(117,935)

COMM. DEV ADMINISTRATION	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
Wages and Benefits	\$114,032	\$99,717	\$130,725	\$95,653	\$129,609	(1,116)
Furlough (10 day 2009, 13 day 2010)	0	0	-4,720	0	-5,827	(1,107)
Office and Operating Supplies	1,450	2,024	1,850	335	2,360	510
Professional Services	0	0	2,000	29	0	(2,000)
Communications	500	191	0	21	100	100
Lodging Meals and Mileage	250	80	250	58	1,300	1,050
Insurance	1,360	1,360	816	1,944	1,944	1,128
Training and Memberships	700	1,090	-62	465	1,550	1,612
Misc. and Cost Allocation	100	0	100	78	-131,036	(131,136)
CD Administration Total	\$118,392	\$104,461	\$130,959	\$98,583	\$0	(130,959)



City of Black Diamond Final Budget 2010

Community Development Department, Cont.

COMM. DEV PLANNING	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
Wages and Benefits	\$85,682	\$87,422	\$88,280	\$63,730		(88,280)
Furlough (10 day 2009, 13 day 2010)	0	0	-3,104	0		3,104
Office and Operating Supplies	1,450	1,630	2,530	517		(2,530)
Professional Services	4,500	623	2,000	709		(2,000)
Communications	500	615	1,200	0		(1,200)
Lodging Meals and Mileage	750	72	1,200	32		(1,200)
Insurance	560	544	544	317	317	(227)
Training and Memberships	1,000	320	2,825	650		(2,825)
Misc, Printing and Binding	600	716	3,100	846	1,200	(1,900)
Cost Allocation	0	0	0	0	87,794	87,794
CD Planning Total	\$95,042	\$91,942	\$98,575	\$66,800	\$89,311	(9,264)

COMM. DEV PERMITTING	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
Wages and Benefits	\$162,594	\$126,706	176,984	127,606	175,720	(1,264)
Furlough (10 day 2009, 13 day 2010)			-5,739		-7,509	(1,770)
Office and Operating Supplies		3,077	2,700	619	1,800	(900)
Permit Inspections	72,000	23,410	46,500	9,410	20,600	(25,900)
Software Maintenance					8,000	8,000
Communications			2,400	33	500	(1,900)
Lodging Meals and Mileage	250	400	1,000	483	1,000	
Advertising			2,400	165	500	(1,900)
Insurance	1,360	1,359	1,567		2,243	676
Training and Memberships	250	390	747	565	900	153
Cost Allocation					32,760	32,760
CD Permitting Total	\$236,454	\$155,342	\$228,559	\$138,880	\$236,514	7,955

Positions:

- 1.0 Community Development Director: 100% Funding Agreement
- 1.0 Permit Technician Supervisor: 100% Funding Agreement
- 1.0 Permit Technician: 100% Funding Agreement
- 3.0



City of Black Diamond Final Budget 2010

Natural Resources Department

The City of Black Diamond's Natural Resources Department manages the purchase, restoration and maintenance of the City's natural resources and providing guidance in balancing the protection of the environment and a strong, vibrant economy. Inherent to the Natural Resources Department is significant overlap with the City of Black Diamond's Parks, Recreation and Open Space Program. The Natural Resources Department has and will continue to provide back-up in the development of the City's Comprehensive Parks, Recreation and Open Space Plan as components to this program fall under the responsibilities of this Department.

Natural Resource Department responsibilities involve management of the City's Transfer of Development Rights (TDR's) Program and to help ensure the quality of life that residents of Black Diamond have come to expect. Environmental sensitivity is also part of the City's vision for the future. The Natural Resources Director is the single full time employee in this department, and is supported by the funding agreement with YarrowBay.

NATURAL RESOURCES	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
Wages and Benefits	\$121,168	\$78,433	\$138,051	\$100,850	\$136,721	(1,330)
Furlough (10 day 2009, 13 day 2010)			(4,575)		(6,007)	(1,432)
Office and Operating Supplies	500	1,389	2,000	384	1,250	(750)
Professional Services	1,250	2,134	500	585	500	
Telephone and Postage	500					
Meals, Mileage and Lodging	1,200		890		500	(390)
Training	1,150		1,150	254	750	(400)
Miscellaneous and Memberships	550	611	300	192	150	(150)
Printing and Binding	500		500	435	500	
Maintenance and Repair				465		
Puget Sound Clean Air Assessment	2,000	2,016	2,187	2,187	2,190	3
WIRA 9 Membership	3,700	4,427	3,735	2,733	3,735	
Water Stewardship Quality	5,300					
Recycling Program Grant	18,000	17,838	18,000	17,751	18,900	900
Envir. Prot. MKT Gravel Ops	10,000	6,399				
Insurance	810	1,087	1,087		950	
Natural Resources Total	\$166,628	\$114,334	\$163,825	\$125,835	\$160,139	(3,549)

Position:

1.0 Stewardship/Parks Director 100% Funding Agreement



City of Black Diamond Final Budget 2010

Economic Development Department

The City of Black Diamond's Economic Development Department provides a bridge between private and public sectors to assist with the economic growth of the community in areas of job creation and retention through recruitment and expansion of businesses and developments.

Economic Development Department responsibilities involve implementing strategies that will aid in business attraction. The goal is to increase the job base while maintaining the current jobs in Black Diamond, and to develop and maintain economic development related data and databases necessary for business recruitment.

Economic Development also has the primary responsibility to develop and enhance partnerships with agencies, utilities, transportation, and other economic development allies. This department also manages land acquisitions and project planning for City owned development projects.

The Economic Development Director is the single full time employee in this department and is supported by the YarrowBay funding agreement.

ECONOMIC DEVELOPMENT	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
Wages and Benefits	\$132,248	\$131,124	\$143,371	\$99,906	\$135,380	(7,991)
Furlough (10 day 2009, 13 day 2010)	0	0	-4,539	0	-5,815	(1,276)
Office and Operating Supplies	1,000	1,279	1,350	741	1,150	(200)
Professional Services	2,000	0	2,000	0	0	(2,000)
Telephone and Postage	500	285	1,000	0	1,000	0
Meals, Mileage and Lodging	1,350	5,573	2,000	1,101	1,900	(100)
Training and Memberships	1,450	1,604	2,648	1,552	2,350	(298)
Insurance	1,110	1,087	1,087	950	950	(137)
Miscellaneous	450	0	400	56	450	50
Economic Development Total	\$140,108	\$140,951	\$149,317	\$104,305	\$137,365	(11,952)

Positions:

1.0 Economic Development Director: 100% Funding Agreement



City of Black Diamond Final Budget 2010

Parks and Recreation Department

The City of Black Diamond's Park Department provides maintenance of the three active parks including the Eagle Creek Park that provides a basketball court and benches, a BMX track, a boat launch facility on Lake Sawyer and the downtown park that provides tennis courts, picnicking, and a skate board facility. In addition to the active parks the City has two passive parks including the Union Stump historical marker and the Coal Car Triangle historical marker. The City also has a 168 acre undeveloped park at the south end of Lake Sawyer. In total the City has 173.5 acres of park property.

The Public Works crew and seasonal summer help maintain the city park areas. They are allocated 8% to this area. This amounts to a 32% FTE allocation to Parks.

PARKS AND RECREATION DEPT	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
Wages and Benefits	\$45,273	\$36,539	\$35,106	\$25,802	\$34,469	(637)
Furlough (10 day 2009, 13 day 2010)	0	0	-4,341	0	-633	3,708
Museum Electric & Ins. Costs	3,200	3,703	5,000	5,963	6,592	1,592
Portable Restrooms	2,500	2,242	2,500	1,797	2,500	0
Office and Operating Supplies	5,000	6,403	5,822	2,744	2,150	(3,672)
Communications	0	448	600	261	700	100
Professional Services	4,000	3,028	1,600	2,724	2,800	1,200
Utilities	100	614	1,000	1,964	2,690	1,690
Insurance	6,100	6,104	5,266	4,708	4,708	(558)
Repairs and Maintenance	2,000	1,096	1,000	613	1,500	500
Merchant Fees and Miscellaneous	0	439	500	503	850	350
Capital Outlay	5,000	1,450	500	0	0	(500)
Parks and Recreation Total	\$73,173	\$62,066	\$54,553	\$47,079	\$58,326	3,773

Positions:

.32 Park Department: 32% of a full time equivalent employee allocated to the General Fund

.32



City of Black Diamond Final Budget 2010

Cemetery Department

The City of Black Diamond's Cemetery Department provides operations and maintenance of the cemetery. This involves coordinating burials, sale of cemetery plots, providing physical burial services and maintaining the cemetery grounds. The burial fees cover the costs associated with the burial.

The City mows and trims the cemetery once a week during the heavy grass growing months and once every two weeks for the drier months during the growing season. The Cemetery Department has .18% of a full time employee dedicated to the cemetery functions. This is allocated among the utility employees, seasonal help and partially to City Hall's front counter assistant. The Cemetery is supported by the General Fund.

CEMETERY DEPARTMENT	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
Wages and Benefits	\$13,100	\$11,501	\$13,450	\$9,792	\$13,420	(30)
Furlough (10 day 2009, 13 day 2010)	0	0	-1,188	0	-269	919
Telephone and Postage	0	57	0	65	0	0
Office and Operating Supplies	1,350	750	1,500	239	1,350	(150)
Insurance	1,700	0	838	332	332	(506)
Utilities	0	44	0	76	140	140
Repairs and Maintenance	1,000	266	1,000	89	0	(1,000)
Tax and Miscellaneous	170	177	200	6	150	(50)
Cemetery Total	\$17,320	\$12,794	\$15,800	\$10,599	\$15,123	(677)

Positions:

.18 Cemetery Department: 18% of a full time equivalent employee allocated to the General Fund
 .18



City of Black Diamond Final Budget 2010

Central Services and Employee Recognition

Central Services and Employee Recognition budget captures shared costs for various departments, including office and operating supplies, copier costs, postage, utilities, custodial services and building insurance.

Costs that benefit a variety of departments are paid from Central Services and then allocated through cost allocations. Employee recognition budget includes employee and elected official recognition, awards and an annual banquet.

CENTRAL SERVICES AND EMPLOYEE RECOGNITION	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
Office and Operating Supplies	\$6,850	\$6,244	\$3,671	\$3,713	\$4,750	1,079
Telephone and Postage	7,200	5,590	3,000	3,302	4,000	1,000
Utilities	1,200	992	200	97	200	0
Custodial	500	214	0	0	0	0
Memberships	6,275	6,161	5,450	5,941	6,700	1,250
Copier Maintenance	5,400	4,744	1,000	0	0	(1,000)
Insurance	9,500	9,476	4,661	4,469	4,469	(192)
Professional Services	5,200	180	0	0	0	0
Software Maintenance	7,040	1,686	4,500	2,010	4,500	0
Printing and Miscellaneous	6,914	4,676	2,000	2,855	2,400	400
Lodging, Meals and Mileage	400	212	0	0	0	0
Vehicle Repairs and Maintenance	1,100	361	0	35	0	0
Employee Recognition Program	500	743	3,500	9	1,500	(2,000)
Council Retreat	2,500	399	1,500	0	1,000	(500)
King County Mental Health	1,000	954	1,000	722	960	(40)
Merchant Fees	0	0	0	406	1,400	1,400
Central Svcs and Emp Recog. Total	\$61,579	\$42,633	\$30,482	\$23,557	\$31,879	1,397

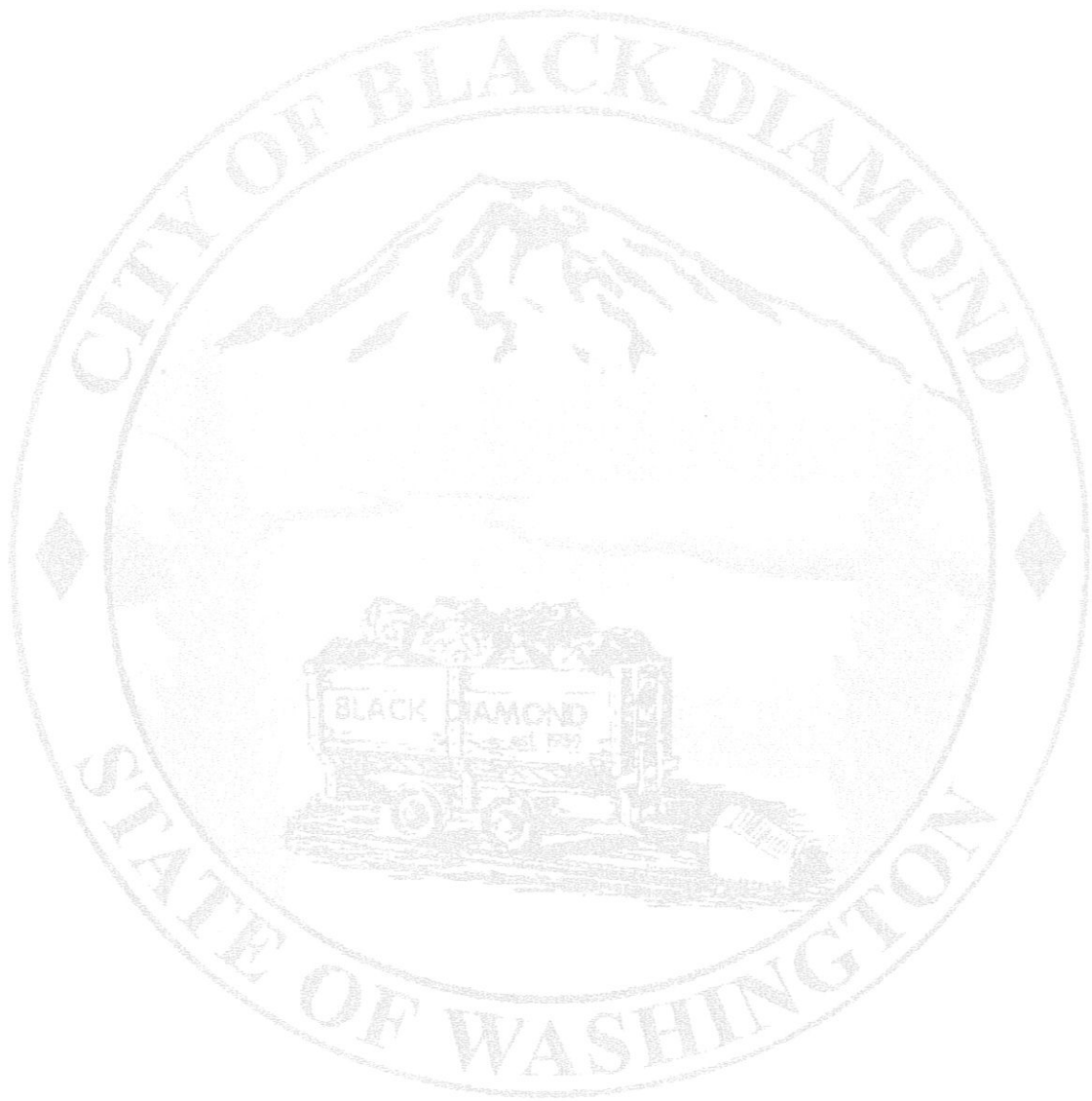


City of Black Diamond Final Budget 2010

Funding Agreement, Studies, Deposits and Interfund Transfers

This area of the General Fund budget includes one time only cost, transfers, deposits, studies, maintenance and legal costs and the Funding Agreement. The MPD expenses include the addition of a 75% planning position.

FUNDING, STUDIES, DEPOSITS, TRANSFERS AND OTHER MISC	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
FUNDING						
Maintenance	\$180,000	\$180,000	\$180,000	\$114,874	\$180,000	
Legal	310,000	310,206	116,225	34,714	75,000	(41,225)
Computer Software and Maintenance	227,500	130,258	82,725	80,144	10,000	(72,725)
Facility Move and Equipment	252,288	179,425				
Total Funding	969,788	799,889	378,950	229,732	265,000	(113,950)
OTHER						
Other Transfers	29,000	29,000				
Loan for Equipment	113,636	75,000				
Deposits and Studies	20,000	14,956		6,906	10,000	10,000
MPD Annexation and EIS	855,452	220,022	858,843	790,070	160,967	(697,876)
YarrowBay Consultants	348,208	303,557	32,575	24,869		(32,575)
Capital Outlay Previous Yr	37,000	37,645				
Interest Previous Yr		680				
Total Other	1,403,296	680,860	891,418	821,845	170,967	(720,451)
FUNDING AND OTHER TOTAL	\$2,373,084	\$1,480,749	\$1,270,368	\$1,051,577	\$435,967	(834,401)



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Special Revenue Funds





City of Black Diamond Final Budget 2010

Fire Equipment Reserve Fund 002

The Fire Equipment Reserve Fund was established when Black Diamond had a Fire Department. Black Diamond currently contracts with Fire District 44 for fire service. Under that contract Fire District 44 is responsible for equipment replacement. Black Diamond is however responsible for engines, one aid car, one brush truck and two support vehicles. This reserve fund can be used to offset future fire vehicle replacements.

FIRE EQUIPMENT RESERVE FUND	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
REVENUE						
Investment Interest	\$0	\$1,568	\$600	\$353	\$700	100
Beginning Cash and Investments	0	54,515	56,083	0	56,683	600
Total Fire Equipment Reserve Sources	0	56,083	56,683	353	57,383	700

FIRE EQUIPMENT RESERVE FUND	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
EXPENDITURES						
Ending Cash and Investments Reserved	0	56,083	56,683	0	57,383	700
Ending Cash and Investments Unreserved						
Total Fire Equipment Reserve Uses	\$0	\$56,083	\$56,683	\$0	\$57,383	700



City of Black Diamond Final Budget 2010

Street Fund 101

The Street Department is responsible for maintaining and upgrading public streets and sidewalks, street lighting, traffic control signs, signals and pavement markings to provide the public with a convenient and safe street system in Black Diamond.

OPERATING REVENUE STREET DEPARTMENT	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
Street Gas Tax	\$104,318	\$94,332	\$85,000	\$66,702	\$85,000	
Licenses and Permits	8,500	2,500	4,000	6,190	4,200	200
Street Operating Revenue Total	\$112,818	\$96,832	\$89,000	\$72,892	\$89,200	200

OTHER REVENUE STREET DEPARTMENT	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
Interest	\$15,000	\$14,248	\$4,200	\$2,799	\$4,200	
Grants and Other		8,010		-6		
Funding Reimbursement	35,874	9,678	21,211	9,800	20,098	(1,113)
Total Other Street Revenue	50,874	31,936	25,411	12,593	24,298	(1,113)
Total Street Revenue	163,692	128,768	114,411	85,485	113,498	(913)
Beginning Cash and Investments	151,000	569,674	428,450		392,141	(36,309)
Total Street Fund Sources	\$314,692	\$698,442	\$542,861	\$85,485	\$505,639	(37,222)

OPERATING EXPENDITURES STREET DEPARTMENT	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
Wages and Benefits	\$74,782	\$49,626	\$75,097	\$53,715	\$63,244	(11,853)
Furlough for Director and Spt			-1,581		-1,743	(162)
Operating Supplies	13,750	3,391	12,800	5,613	10,980	(1,820)
Street Lighting	24,500	24,609	24,500	20,162	30,913	6,413
Street Striping	4,500	4,631	7,500	5,785	7,500	
Traffic Signal Maintenance	3,500	3,855	3,500	2,095	3,500	
Repairs and Maintenance	6,000	20,243	3,500	2,975	5,000	1,500
Street Sweeping	1,500	1,417	1,500	1,661	1,500	
Legal and Other Professional Service	2,500	188	2,380	2,760	9,120	6,740
Transportation Plan	5,000	700	5,600	5,900	5,000	(600)
Utilities including Communications	2,600	3,076	3,750	1,676	4,105	355
Misc, Training and Meals	1,500	438	1,700	325	1,700	
Insurance	1,600	2,654	2,664	1,677	1,677	(987)
Allocations		108	6,275	7,533	7,190	915
Street EXP Department Total	\$141,732	\$114,936	\$149,185	\$111,878	\$149,686	501



City of Black Diamond Final Budget 2010

Street Fund 101, Cont.

OTHER EXPENDITURES STREET DEPARTMENT	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
Transfer Out to Projects	\$158,500	\$158,500	\$15,447		\$30,000	14,553
Subtotal Other Expenses	158,500	158,500	15,447		30,000	14,553
Total Street Expenses	300,232	273,436	164,632	111,878	179,686	15,054
Ending Cash and Investments	14,460	425,006	378,229		325,953	(52,276)
Street Other Uses Total	\$314,692	\$698,442	\$542,861	\$111,878	\$505,639	(37,222)

Allocations of utility workers and support to the Street Fund total .61 of a full time employee.

City of Black Diamond, Washington

Street Fund

1-Dec-09

	2008 Street Budget	2008 Street Actual	2009 Str Budget	2009 Estimate Actual	2010 Budget
Street Gas Tax	104,318	94,332	85,000	85,000	85,000
St/Sidewalk cut/Curb var	0	1,000	1,000	1,000	700
Right of way permit	8,500	1,500	3,000	3,000	3,500
Charges for service		250			
Operating Revenue	112,818	97,082	89,000	89,000	89,200
prev Storm Clean up Grant	0	7,760			
Yarrow Bay-Seth Reimb	35,874	9,677	21,211	21,211	20,098
Investment Interest	15,000	14,248	4,200	4,200	4,200
Subtotal Other Rev	50,874	31,685	25,411	25,411	24,298
Total Revenue	163,692	128,767	114,411	114,411	113,498
Beginning C&I Bal-unres	151,000	569,674	428,450	428,450	392,141
			0	0	0
Total Sources	314,692	698,441	542,861	542,861	505,639
Sal & Bene- Staff	63,855	40,309	73,065	61,065	61,212
Sal & Bene-Seth (see Rev)	9,677	9,677	2,032	2,032	2,032
Furlough days			(1,581)	(1,581)	(1,743)
Total Sal & Bene	73,532	49,986	73,516	61,516	61,501
Roadside Mtc Sup	10,000	7,924	4,500	2,900	3,500
Sup, Copies, Postage			1,913	1,913	1,913
Operating Uniforms & sup	750	917	1,300	650	1,080
Street Signs	1,000	0	2,000	1,900	2,000
Sand & salt				1,300	1,500
Fuel	2,500	2,219	4,000	1,000	1,900
Tools	2,000	364	1,000	800	1,000
Total Supplies	16,250	11,424	14,713	10,463	12,893
Insurance	1,600	2,654	2,664	1,677	1,677
Telephone/Postage	1,350	312	1,250	600	1,500
Prof Services-Trans plan	7,000	739	5,600	6,000	5,000
Traffic signal Mtc	3,500	3,855	3,500	2,800	3,500
Street Lights	24,500	24,500	24,500	29,000	29,000
Street striping	4,500	4,670	7,500	7,700	7,500
Street Sweeping & Cleaning	1,500	1,417	1,500	2,215	1,500
Travel, memberships, training	500		1,500	1,200	1,500
Advertising	500	15	100	100	100
Vehicle & Shop Mtc & Misc	4,500	11,992	3,600	1,500	5,100
Utilities	2,500	2,780	2,500	1,000	2,605
Legal costs			1,380	4,140	9,120
Audit costs		157	1,000	1,000	0
Cost Alloc- Adm		434	4,362	4,362	7,190
Total Services & chgs	51,950	53,525	60,956	63,294	75,292
Total Operating Exp	141,732	114,935	149,185	135,273	149,686
Transfer out-CIP St Pres	30,000	30,000	0		20,000
Trans out RR Grant Mtg	107,500	107,500			
Trans out-RR CIP	13,500	13,500			
Transfer for Equipment-CIP	7,500	7,500	10,000	10,000	10,000
Transfer out Ginder Creek			5,447	5,447	
Subtotal Other Exp	158,500	158,500	15,447	15,447	30,000
Total Expenditures	300,232	273,435	164,632	150,720	179,686
Total Ending Cash & Inv	14,460	425,006	378,229	392,141	325,953
Total Uses	314,692	698,441	542,861	542,861	505,639
net shortfall/surplus	0	0	0	0	0



City of Black Diamond Preliminary Budget 2010

Street Equipment Reserve Fund 102

The Street Equipment Reserve Fund was established to collect funds from Street, Water, Wastewater and Stormwater for future shared equipment replacement. Some examples are vehicles and slope mower replacements.

STREET EQUIPMENT RESERVE FUND	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
REVENUE						
Transfer in Water Capital	\$7,500	\$7,500	\$10,000	\$0	\$10,000	0
Transfer in Wastewater Capital	7,500	7,500	10,000	0	10,000	0
Transfer in Stormwater Capital	0	0	10,000	0	10,000	0
Transfer in Street Fund	7,500	7,500	10,000	0	10,000	0
Interest	0	2,096	1,200	771	1,200	0
Subtotal Revenue	22,500	24,596	41,200	771	41,200	
Beginning Cash and Investments	0	98,129	122,725	0	163,925	41,200
Total Street Equipment Reserve Sources	\$22,500	\$122,725	\$163,925	\$771	\$205,125	41,200

STREET EQUIPMENT RESERVE FUND	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
EXPENDITURES						
Ending Cash and Investments Reserved	22,500	122,725	163,925	0	205,125	41,200
Ending Cash and Investments Unreserved						
Total Street Equipment Reserve Uses	\$22,500	\$122,725	\$163,925	\$0	\$205,125	41,200



City of Black Diamond Final Budget 2010

Real Estate Excise Tax 1 (REET 1) - 104 Fund

The Real Estate Excise Tax is authorized by RCW 8245.010 and can be used for capital projects. Cities must use these funds as long as they are identified in a capital improvement plan. Specifically, one quarter percent of the real estate excise tax is collected then transferred to Fund 310 to be used for general government capital projects.

REAL ESTATE EXCISE TAX 1	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
REVENUE						
Real Estate Excise Tax 1	80,000	56,019	30,000	30,229	30,000	
Investment Interest	32,000	27,071	9,800	6,327	9,800	
Subtotal Revenue	112,000	83,090	39,800	36,556	39,800	
Beginning Cash and Investments	1,126,792	988,292	932,882		663,482	(269,400)
Total REET 1 Revenue Sources	\$1,238,792	\$1,071,382	\$972,682	\$36,556	\$703,282	(269,400)

REAL ESTATE EXCISE TAX 1	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
EXPENDITURES						
Transfer out to General Govt Capital Fund	138,500	138,500	309,200	183,200	260,000	(49,200)
Ending Cash and Investments	1,100,292	932,882	663,482		443,282	(220,200)
Total REET 1 Operating Uses	\$1,238,792	\$1,071,382	\$972,682	\$183,200	\$703,282	(269,400)



City of Black Diamond Final Budget 2010

Real Estate Excise Tax 2 (REET 2) - 105 fund

The Real Estate Excise Tax is authorized by RCW 8245.010 and can be used for capital projects. This part of the real estate excise tax may only be levied by cities that plan under the Growth Management Act.

Specifically, one quarter percent of the real estate excise tax is to be used for public works projects for planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets, roads, highways, sidewalks, street and road lighting systems, traffic signals, bridges, domestic water systems, storm and sanitary sewer systems, planning, construction, reconstruction, repair, rehabilitation, or improvement of parks.

REAL ESTATE EXCISE TAX 2	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
REVENUE						
Real Estate Excise Tax 2	80,000	55,149	30,000	30,229	30,000	
Investment Interest	35,000	28,058	10,300	6,743	9,800	-500
Subtotal Revenue	115,000	83,207	40,300	36,971	39,800	-500
Beginning Cash and Investments	1,014,596	1,014,595	1,097,802		813,102	(284,700)
Total REET 2 Revenue Sources	\$1,129,596	\$1,097,802	\$1,138,102	\$36,971	\$852,902	(285,200)

REAL ESTATE EXCISE TAX 2	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
EXPENDITURES						
Transfer out to Public Works Capital Fund			325,000	210,000	323,500	(1,500)
Ending Cash and Investments	1,129,596	1,097,802	813,102		529,402	(283,700)
Total REET 2 Operating Uses	\$1,129,596	\$1,097,802	\$1,138,102	\$210,000	\$852,902	(285,200)



City of Black Diamond Final Budget 2010

Criminal Justice Fund 122

The Criminal Justice Fund was established to account for the financial resources to be used for programs relating to Criminal Justice activity. Financial resources primarily come from the State through RCW 82.14.330 that is based on per-capita data and crime rates. Monies are to be used for Criminal Justice activities through innovative law enforcement programs.

Criminal Justice revenue includes criminal justice tax money, state shared revenue (former Community Trade and Economic Development or CTED funds), criminal justice population revenue, revenue from the sale of seized property from non-drug felony cases and small grants. These monies are determined by the State each year. The Criminal Justice Fund primarily supports one full time officer assigned to Criminal Justice. Additional funds are used for special training, the Police K9 (dog) program, our policy and procedure manual, training and some communication costs.

CRIMINAL JUSTICE FUND	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
REVENUE						
Local Criminal Justice Funds	\$101,000	\$98,024	\$83,000	\$62,250	\$83,000	0
Criminal Justice Population	1,000	1,186	1,000	1,317	1,000	0
Special Programs	3,200	3,650	3,800	2,546	4,200	400
Grants and Donations	2,100	6,305	250	8,113	3,250	3,000
Confiscated and Forfeited	2,000	4,326	1,500	544	0	-1,500
Interest and Misc	1,118	2,613	1,000	735	1,000	0
Subtotal Revenue	110,418	116,104	90,550	75,504	92,450	1,900
Beginning Cash and Investments	17,000	73,788	125,461	0	89,000	(36,461)
Total Criminal Justice Sources	\$127,418	\$189,891	\$216,011	\$75,504	\$181,450	(34,561)

CRIMINAL JUSTICE FUND	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
EXPENDITURES						
Wages and Benefits	78,105	31,141	0	0	0	0
Operating Supplies	1,750	808	1,000	8	1,950	950
Communications	4,600	4,592	3,300	869	1,000	(2,300)
Lodging, Meals and Mileage	500	0	0	148	2,500	2,500
Training and Building Rental	11,273	13,123	9,434	6,487	12,591	3,157
K-9 Program	3,000	4,683	4,879	5,991	6,150	1,271
Dare Program	0	0	0	2,749	2,000	2,000
Capital Outlay	21,340	0	0	0	0	0
Lexipol	5,950	5,950	5,950	2,450	5,950	0
Insurance	900	815	815	317	317	(498)
Investigations	0	3,318	0	0	0	0
Transfer out to General Fund	0	0	102,223	76,500	102,000	(223)
Subtotal CJ Expenses	127,418	64,430	127,601	95,520	134,458	6,857
Ending Cash and Investments	0	125,461	88,410	0	46,992	(41,418)
Total Criminal Justice Fund Uses	\$127,418	\$189,891	\$216,011	\$95,520	\$181,450	(34,561)



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Capital Funds





City of Black Diamond Final Budget 2010

General Government Capital Fund 310

Black Diamond adopted the first 2008 – 2013 Capital Improvement Plan in 2008. The Capital plan for 2009 – 2014 is the yearly update and coincides with this budget document. Capital projects for 2010 are found in funds 310 and 320. This is the General Government portion of the Capital plan for year 2010. For more detail on these projects please refer to the Capital Improvement Plan.

GENERAL GOVERNMENT CAPITAL PROJECTS 310	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
REVENUE						
Transfer in From REET 1 & Gen Fund	\$167,500	\$167,500	\$309,200	\$120,000	\$260,000	(49,200)
Trans REET 1 Transpor Update & Imp Fee Study					80,000	80,000
Grant Funding	50,000		124,000	77,000	52,000	(72,000)
Funding Agreement					10,000	10,000
King County Parks Tax Levy	9,350	7,904	8,000	4,611	8,000	
Loan from Wastewater	200,000	200,000				
Investment Interest and Misc		133			10,000	10,000
Subtotal Revenue	426,850	375,537	441,200	201,611	420,000	-21,200
Beginning Cash and Investments	988,292	988,292	369,306			(369,306)
Total General Government Capital Sources	\$1,415,142	\$1,363,829	\$810,506	\$201,611	\$420,000	(390,506)

GENERAL GOVERNMENT CAPITAL PROJECTS 310	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
EXPENDITURES						
City Building Upgrades	90,000		60,000	26,292	35,000	(25,000)
Energy Audit on Museum					10,000	10,000
Signage for the City					57,000	57,000
Boat Launch Project	79,000	3,663	105,337	88,490	55,000	(50,337)
Trails Project	9,350		25,904	10,020	8,000	(17,904)
Union Stump Upgrades			5,000	4,183		(5,000)
Grant Matching			50,000		50,000	
Eagle Creek Upgrades			20,000	17,688		(20,000)
Park Mowers and Equipment			8,200	6,125		(8,200)
Police Car Replacement			80,000	80,000		(80,000)
Police Fire Arms			30,000	25,441		(30,000)
Police Technology	245,000		262,000	225,359	12,000	(250,000)
Gen Govt Tech			40,000		21,000	(19,000)
Tree City USA					15,000	15,000
Vision Software					10,000	10,000
Court Technology	3,500	2,568	15,025	11,002		(15,025)
Trans. Update and Impact Fee Study					80,000	
Skatepark Improvements			25,000		25,000	
Transfer to move REET	988,292	988,292				
Loan Payment to Wastewater Reserves			49,000		42,000	(7,000)
Ending Cash and Investments		369,306	35,040			(35,040)
Total General Government Capital Uses	\$1,415,142	\$1,363,829	\$810,506	\$494,599	\$420,000	(390,506)

Note: See Capital Improvement Program 2009 - 2014 for more detail on these projects



City of Black Diamond Final Budget 2010

Public Works Capital Projects Fund 320

Black Diamond adopted the first 2008 – 2013 Capital Improvement Plan in 2008. The Capital plan for 2009 – 2014 is the yearly update and coincides with this budget document. Capital projects for 2010 are found in funds 310 and 320. This is the Public Works portion of the Capital plan for year 2010. For more detail on these projects please refer to the Capital Improvement Plan.

STREET CAPITAL PROJECTS 320	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
REVENUE						
Transfer in From REET 2			\$325,000	\$210,000	\$323,500	(1,500)
Transfer in From Street Fund	151,000	151,000	5,447		20,000	14,553
Transfer in Water Capital Reserves	20,000	20,000				
Grants	1,062,799	94,856	157,000	61,329	1,366,543	1,209,543
Interest		1,020		383		
Public Works Loan					50,000	50,000
Subtotal Revenue	1,233,799	266,876	487,447	271,712	1,760,043	1,272,596
Beginning Cash and Investments	1,014,596	1,014,595	108,509			(108,509)
Total Street Capital Sources	\$2,248,395	\$1,281,472	\$595,956	\$271,712	\$1,760,043	1,164,087

STREET CAPITAL PROJECTS 320	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
EXPENDITURES						
Road Repairs	30,000		30,000	1,981	20,000	(10,000)
Railroad Ave Project	1,108,943	63,511	443,509	339,353	1,065,043	621,534
Morgan Street Sidewalk Project			70,000	8,460	510,000	440,000
Prior Year Budgeted Projects	94,856	94,856	52,447	27,447		(52,447)
233rd Ave Street Repair					35,000	35,000
Roberts Drive Project					50,000	50,000
Transport Impact Fee Study Trnsfr to 310					80,000	80,000
Transfers REET (to close)	1,014,596	1,014,595		56,440		
Ending Cash and Investments		108,509				
Total Street Capital Uses	\$2,248,395	\$1,281,471	\$595,956	\$433,681	\$1,760,043	1,164,087

Note: See Capital Improvement Program 2009 - 2014 for more detail on these projects



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Utility Funds





City of Black Diamond Final Budget 2010

Water Department 401

The Water Department provides clean, safe and reliable drinking water to the residents of Black Diamond. This Department is responsible to efficiently plan, design, construct and maintain the water system to ensure and provide a safe and dependable water supply for our water customers and for the Fire Department.

Monthly billing for the water utility is used to pay for the monitoring, testing, pumping, maintenance and replacement of the existing water system. Of the Public Works employees, 25% of their time is charged here, and additional allocations to provide for utility administration bring the total full time equivalent employees to 1.45.

WATER FUND	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
OPERATING REVENUE						
User Charges	\$325,500	\$294,233	\$394,750	\$296,362	\$395,000	250
Total Water Fund Operating Sources	\$325,500	\$294,233	\$394,750	\$296,362	\$395,000	250

WATER FUND	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
OTHER REVENUE						
YarrowBay PW Reimbursement	\$37,415	\$16,130	\$35,352	\$16,334	\$33,498	(1,854)
Late Charges/Name Changes	8,000	10,153	9,500	10,172	13,860	4,360
Meters - Installation Charges	27,000	28,916	3,670	5,690	100	(3,570)
Investment Interest	5,000	5,013	1,100	803	1,100	
Connection Charges	12,000	6,476				
Transfer from Water Capital Fund	253,900	50,000	125,000	125,000	125,000	
BD Partner and Palmer Debt Reimb.	853,114	829,242	715,652	715,651	714,917	(735)
Subtotal Other Revenue	1,196,429	945,930	890,274	873,650	888,475	(1,799)
Total Water Fund Revenue	1,521,929	1,240,163	1,285,024	1,170,012	1,283,475	(1,549)
Beginning Cash on Hand	50,000	312,198	137,782		125,766	
Total Water Fund Sources	\$1,571,929	\$1,552,362	\$1,422,806	\$1,170,012	\$1,409,241	(14,395)



City of Black Diamond Final Budget 2010

Water Department 401, Cont.

WATER FUND	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
OPERATING EXPENDITURES						
Wages and Benefits	166,126	135,201	150,111	107,281	152,989	2,878
Furlough for Support and Director			(3,348)		(3,607)	(259)
Supplies and Fuel	15,750	9,097	6,800	6,994	15,038	8,238
Caustic	10,000	9,488	8,800	10,492	12,000	3,200
New Hookup Meters	5,000	5,060				
Insurance	28,000	21,940	21,972	22,174	23,526	1,554
Water Rights & Professional Services	25,250	8,721	4,250	487	3,250	(1,000)
Water Testing	3,000	2,601	3,300	688	1,000	(2,300)
Health Department Permit		1,573	1,600	1,608	1,700	100
Repairs and Miscellaneous	8,500	7,911	7,748	8,060	11,000	3,252
Travel, Memberships and Training	2,750	128	2,000	1,153	1,900	(100)
Electricity	22,140	22,619	25,000	26,387	37,000	12,000
Utilities				724	1,000	1,000
Legal Services			4,140	2,760	13,680	9,540
Audit		1,101	5,000	296		(5,000)
Cost Allocation	11,500	11,506	18,820	4,106	21,570	2,750
Taxes - City Utility	23,500	20,000	29,400	17,105	23,700	(5,700)
Taxes - State Utility	21,500	13,593	17,150	11,465	15,500	(1,650)
Total Water Fund Operating Uses	\$343,016	\$270,537	\$302,743	\$221,780	\$331,246	28,503

WATER FUND	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
OTHER EXPENDITURES						
Transfer for Equipment	7,500	7,500			10,000	10,000
Transfer for Projects	20,000	20,000				
Debt Services	1,140,097	1,116,543	959,491	959,477	956,220	(3,271)
Subtotal Other Expenditures	1,167,597	1,144,043	959,491	959,477	966,220	6,729
Total Water Expenditures	1,510,613	1,414,580	1,262,234	1,181,257	1,297,466	35,232
Ending Cash and Investments	61,316	137,782	160,572		111,775	
Total Water Fund Other Uses	\$1,571,929	\$1,552,362	\$1,422,806	\$1,186,468	\$1,409,241	(13,565)



City of Black Diamond Final Budget 2010

Water Supply and Facility Fund 402

The Capital Improvement Plan includes water related projects including the Springs Project. The Springs Project will be funded by developer contributions, thus is budgeted in its own fund here. This project will prepare capacity and transmission in preparation for City growth, and is further detailed in the Capital Improvement Plan this year.

WATER SUPPLY & FACILITY FUND	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
REVENUE						
Developer and Private Contribution	439,104	65,595	10,000	0	0	-10,000
Investment Interest	16,000	1,986	2,000	355	300	-1,700
Subtotal Revenue	455,104	67,581	12,000	355	300	-11,700
Beginning Cash and Investments	0	135,702	89,105	0	18,478	(70,627)
Total Water Supply & Facility Fund	\$455,104	\$203,283	\$101,105	\$355	\$18,778	(82,327)

WATER SUPPLY & FACILITY FUND	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
EXPENDITURES						
Springs Project	300,000	0	0	1,800	0	0
Water Rate Study	15,580	11,544	2,688	1,809	0	-2,688
Prior Projects & WSFFA Easement Appraisal	139,524	102,634	75,000	71,327	0	-75,000
Subtotal Expenses	455,104	114,178	77,688	74,936	0	-77,688
Ending Cash and Investments	0	89,105	23,417	0	18,778	(4,639)
Total Water Supply & Facility Fund	\$455,104	\$203,283	\$101,105	\$74,936	\$18,778	(82,327)



City of Black Diamond Final Budget 2010

Water Capital Fund 404

As part of the six year Capital Improvement Program Black Diamond adopts each year, Water related projects are included. This section includes the budget for those Water Capital projects identified in the CIP for 2010.

WATER CAPITAL FUND	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
REVENUE						
Investment Interest	16,000	23,459	8,000	4,891	15,000	7,000
Study Reimbursements	25,000					
Dunn Grant for In City Forest Water Line			240,000	225,083		-240,000
Total Revenue	41,000	23,459	248,000	229,974	15,000	-233,000
Beginning Cash and Investments	376,511	872,780	825,425		651,925	(173,500)
Total Water Capital Fund	\$417,511	\$896,239	\$1,073,425	\$229,974	\$666,925	(406,500)

WATER CAPITAL FUND	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
EXPENDITURES						
Transfer to Equipment Reserve			10,000			(10,000)
Water System & Comp Plan	73,135	20,814	52,321	14,465		(52,321)
Water Design Study	45,973		45,973			(45,973)
In City Forest Water Line			240,000	225,083		(240,000)
Meter Replacement Project			55,000	47,723	100,000	45,000
Transfer out to Water	253,900	50,000	125,000	125,000	125,000	
Total Expenditures	373,008	70,814	528,294	412,271	225,000	(303,294)
Ending Cash and Investments	44,503	825,425	545,131		441,925	
Total Water Capital Fund	\$417,511	\$896,239	\$1,073,425	\$412,271	\$666,925	(406,500)

**City of Black Diamond
Water Fund Analysis
1-Dec-09**

	2009 Wtr Est Act	2009 Cap Est Act	2009 Tot Wtr Est Act	2010 Wtr Budget	2010 Cap Budget	2010 Tot Budget
REVENUE						
User Charges	395,000		395,000	395,000		395,000
Surcharge @ 2.30 per cust	3,200		3,200			
Rate Increase-0%						0
Late Charges/name changes	13,860		13,860	13,860		13,860
Operating Revenue	\$398,200	\$0	\$398,200	\$408,860	\$0	\$408,860
Other Revenue						
Yarrow Bay PW Reimb-34,460	32,668		32,668	33,498		33,498
Meters-Instal & Misc Chg	100	0	100	100		100
Investment Interest	1,000	6,500	7,500	1,100	15,000	16,100
Connection Charges	0	0	0			
Transfer from Water Capital Fd	125,000			125,000		100,000
Transfer from Water Capital Fd	\$158,768	\$6,500	\$165,268	\$159,698	\$15,000	\$174,698
Subtotal Other Rev	\$556,968	\$6,500	\$563,468	\$568,558	\$15,000	\$583,558
Beg Bal-Reserved	\$75,686	\$250,000	\$325,686	\$78,790	\$250,000	\$328,790
Beg C&I Bal-unreserved	62,096	575,425	637,521	46,976	401,925	448,901
Total Fund Balance	\$137,782	\$825,425	\$963,207	\$125,766	\$651,925	\$777,691
Total Sources	\$694,750	\$831,925	\$1,526,675	\$694,324	\$666,925	\$1,361,249
EXPENSES						
Salary and Benefits-Direct	150,339		150,339	152,989		152,989
Furlough Days	(3,348)		(3,348)	(3,607)		-3,607
Total Sal & Bene	146,991	0	146,991	149,382	0	149,382
Supplies/Uniforms/Safety	7,000		7,000	6,500		6,500
Sup,Copies, Post, Sys Mtc	5,738		5,738	5,738		5,738
Caustic	12,000		12,000	12,000		12,000
Fuel	2,000		2,000	2,000		2,000
Small tools	600		600	800		800
Total Supplies	27,338	0	27,338	27,038	0	27,038
Insurance	22,930		22,930	23,526		23,526
Telephone/DSL/Radios/Ad	2,500		2,500	2,500		2,500
Professional Services	300		300	3,000		3,000
Water Testing	1,000		1,000	1,000		1,000
Health Dept Permit	1,608		1,608	1,700		1,700
Repairs & Mtc.	6,000		6,000	6,000		6,000
Travel, memberships, training	2,000		2,000	1,900		1,900
Electricity/Gas	35,181		35,181	37,000		37,000
Wtr, Swr. Drg. Garb	1,000		1,000	1,000		1,000
Legal Svs	4,140		4,140	13,680		13,680
Postage/Printing	2,300		2,300	2,500		2,500
Advertising	250		250	250		250
Audit	4,750		4,750	0		0
Cost Alloc	18,820		18,820	21,570		21,570
Taxes Utility	22,800		22,800	23,700		23,700
Taxes B&O	15,250		15,250	15,500		15,500
Total Services & Charges	140,829	0	140,829	154,826	0	154,826
Operating Costs	\$315,158	\$0	\$315,158	\$331,246	\$0	\$331,246
Other Expenses			0			0
Transfer for Equipment-CIP	10,000		10,000	10,000		10,000
Debt Services	959,477		959,477	956,220		956,220
Debt Svs-Deve payment	-715,651		-715,651	-714,917		-714,917
Debt Services-Pay off Rev Bnd			0			0
Meter Replacement program		55,000	55,000		100,000	100,000
Water System Plan-Carry ov						
Water Design - Carry over						
Water Rights			0			0
Trf from Cap to Op Debt Svs		125,000			125,000	
Subtotal Other Exp	\$253,826	\$180,000	\$308,826	\$251,303	\$225,000	\$476,303
Total Expenses	\$568,984	\$180,000	\$623,984	\$582,549	\$225,000	\$807,549
Reserved C&I Balance	78,790	250,000	328,790	81,023	250,000	331,023
Unreserved C&I Balance	46,976	401,925	448,901	30,752	191,925	222,677
Total Ending Cash & Invest.	\$125,766	\$651,925	\$777,691	\$111,775	\$441,925	\$553,700
Total Uses	\$694,750	\$831,925	\$1,526,675	\$694,324	\$666,925	\$1,361,249
net shortfall/surplus	\$0	\$0	\$0	\$0	\$0	\$0



City of Black Diamond Final Budget 2010

City of Black Diamond

Water Debt Analysis

Issue Date	Issue Amount	Type	Purpose	Maturity Date	12/31/2009 debt owed	2010 Principal	2010 Interest	2010 Debt Svs	2010				Developer Reimb	Total Debt Service
									Water Operating	Water Capt Res	Total Water			
1995	200,000	PWTF	Wtr Repair	2015	63,899	10,651	3,195	13,846	10,651		10,651	0		10,651
2006	180,000	PWTF	Cor Contrl	2022	146,250	11,250	732	11,982	11,250		11,250	0		11,250
2005	3,407,063 2,040,757	PWTF	Tac 500mg Pump Fac, Res & lines	2024	4,432,317	295,500	22,162	317,662	116,952	100,000	216,952	102,187		317,662
	5,447,820													
2004	11,334,510	Tac Water	Tac Wtr 1	2013	2,250,920	562,730	50,000	612,730	0			612,730		612,730
Totals	17,162,330				6,893,386	880,131	76,089	956,220	138,853	100,000	238,853	714,917		952,293
Total net Water fund 2010 Debt Service									\$138,853	\$100,000	\$238,853			

*Black diamond hold a letter of credit from Palmer Coking for their balance owing of \$1,539,885 of PWTF Loan. Fifteen payments of \$102,659.

**Black Diamond holds a letter of credit from BD Partners for the \$2,250,920 balance owing To Tacoma Water. Four Payments of Princpal & Interest.



City of Black Diamond Final Budget 2010

Wastewater Department 407

The Wastewater Department provides for the maintenance and replacement of the sewer collection system, customer billing and payment collection. Also this Department provides contract administration for Soos Creek Water and Sewer and King County for transmission and treatment of sewage from Black Diamond. Of the utility crew, 25% of their time is charged to this department. With the addition of some allocation of administrative support, the full time equivalent employees in Wastewater total 1.45.

WASTEWATER FUND	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
OPERATING REVENUE						
User Charges	\$589,360	\$550,349	\$596,657	\$440,108	\$589,500	(7,157)
Total Wastewater Fund Operating Sources	\$589,360	\$550,349	\$596,657	\$440,108	\$589,500	(9,657)

WASTEWATER FUND	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
OTHER REVENUE						
YarrowBay PW Reimbursement	\$74,830	\$32,259	\$35,352	\$16,334	\$33,498	(1,854)
Investment Interest	16,000	5,212	1,600	1,042	1,650	50
Connection Charges	12,600	2,250				
Miscellaneous	132,664	101,585	2,400	1,210	1,400	-1,000
Subtotal Other Revenue	236,094	141,306	39,352	18,586	36,548	-2,804
Transfer in Wastewater Capital					50,000	50,000
Total Wastewater Fund Rev	825,454	691,655	636,009	458,694	676,048	
Beginning Cash on Hand	87,998	229,663	172,115		111,665	(60,450)
Total Wastewater Fund Sources	\$913,452	\$921,318	\$808,124	\$458,694	\$787,713	(20,411)



City of Black Diamond Final Budget 2010

Wastewater Department 407, Cont.

WASTEWATER FUND	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
OPERATING EXPENDITURES						
Wages and Benefits	137,169	113,111	150,108	106,658	152,989	2,881
Furlough for Director and Support			(3,348)		(3,607)	(259)
Operating Supplies	3,250	4,187	2,300	886	7,738	5,438
Safety Supplies and Uniforms	2,500	129	2,300	152	760	(1,540)
Fuel	2,500	2,969	2,000	1,480	2,000	
Tools	2,000	238	1,000		1,000	
Insurance	7,700	7,759	7,791	9,578	9,578	1,787
Professional Services	4,500	5,214	7,000	741	1,500	(5,500)
Repairs and Miscellaneous	22,750	8,849	6,000	1,131	1,500	(4,500)
Travel, Memberships and Training	100		1,500	98	1,200	(300)
Utilities	3,400	5,792	3,600	6,178	8,700	5,100
Legal Services	20,000	22,875	4,140	8,825	13,680	9,540
Advertising and Miscellaneous	350	34				
Cost Allocation	15,000	10,640	18,820	4,106	21,570	2,750
Taxes - City Utility	33,500	33,108	36,447	23,024	35,400	(1,047)
Taxes - Excise	13,000	3,211	3,800	3,865	5,200	1,400
Subtotal Operating Expenses	267,719	218,115	243,458	166,722	259,208	15,750
Metro	393,000	371,125	377,449	312,142	377,500	51
Soos Creek	45,672	42,217	41,926	38,328	47,894	5,968
Total Wastewater Fund Operating Uses	\$706,391	\$631,457	\$662,833	\$517,192	\$684,602	21,769

WASTEWATER FUND	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
OTHER EXPENDITURES						
Transfer Out for Projects	10,500	10,500	5,000		20,000	10,000
Drainage Expenses Prior Years	159,171	90,336				
Studies	20,390	16,910				
Subtotal Other Expenditures	190,061	117,746	5,000		20,000	10,000
Total Wastewater Fund Expenses	896,452	749,203	667,833	517,192	704,602	
Ending Cash and Investments	17,000	172,115	140,291		83,111	(57,180)
Total Wastewater Fund Other Uses	\$913,452	\$921,318	\$808,124	\$517,192	\$787,713	(20,411)



City of Black Diamond Final Budget 2010

Wastewater Capital Fund 408

As part of the six year Capital Improvement Program Black Diamond adopts each year, Wastewater related projects are included. This section includes the budget for those Wastewater Capital projects identified in the CIP for 2010.

WASTEWATER CAPITAL FUND	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
REVENUE						
Wastewater Utility Funding	\$3,000	\$3,000	\$5,000		\$10,000	5,000
Investment Interest	\$50,000	\$44,359	\$10,000	\$6,197	\$9,000	(1,000)
Loan Repayment	\$76,000	\$75,000	\$62,400		\$72,600	10,200
Subtotal Revenue	129,000	122,359	77,400	6,197	91,600	14,200
Beginning Cash on Hand	477,564	1,373,855	1,021,214		904,914	(116,300)
Total Wastewater Capital Sources	\$606,564	\$1,496,214	\$1,098,614	\$6,197	\$996,514	(102,100)

WASTEWATER CAPITAL FUND	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
EXPENSES						
Preserving Wastewater Treatment Plant			\$10,000		\$20,000	10,000
Infiltration and Inflo Reduction	10,000		10,000		50,000	40,000
Replace Old Lawson Lift Station			50,000			(50,000)
Morganville Lift Station Project						
Manhole Rehabilitation	10,000					
Legal Services Soos Creek	30,000					
Transfer out to Wstwtr & Equ Res	130,564	100,000	10,000		50,000	40,000
Sewer Comp Plan			111,100	50,358		(111,100)
Loan to Other Funds	376,000	375,000	50,000	50,000		(50,000)
Subtotal Expendures	556,564	475,000	241,100	100,358	120,000	(121,100)
Ending Cash and Investments	50,000	1,021,214	857,514		876,514	19,000
Total Wastewater Capital Fund Sources	\$606,564	\$1,496,214	\$1,098,614	\$100,358	\$996,514	(102,100)

**City of Black Diamond
Wastewater Fund Analysis
12/01/2009**

	2009 Oper Est Act	2009 Capt Res Est Act	2009 Op & Cap Est Act	2010 Op Budget	2010 Capt Res Budget	2010 Op & Cap Est Budget
REVENUE						
User Charges	587,000		587,000	589,500		589,500
Operating Revenue	\$587,000	\$0	\$587,000	\$589,500	\$0	\$589,500
Other Revenues						
Misc Reimb	1,400		1,400	1,400		1,400
Yarrow Bay PW Dir Reimb	32,668		32,668	33,498		33,498
Investment Interest	1,400	9,000	10,400	1,650	9,000	10,650
Connection Charges			0			0
Transfer from Op Fund			0		10,000	10,000
Transfer from Cap or Op			0	50,000		50,000
GF Loan repayment			0			0
Storm Loan repayment		20,400	20,400		42,000	42,000
CIP Police Loan repmt		20,400	20,400		30,600	30,600
Deve Payment			0			0
Subtotal Other Rev	\$35,468	\$49,800	\$85,268	\$86,548	\$91,600	178,148
Total Revenue	\$622,468	\$49,800	\$672,268	\$676,048	\$91,600	767,648
Beg C&I Bal-unres	\$172,115	\$721,214	893,329	\$52,507	\$704,914	757,421
Beg C&I Bal-Res		300,000	300,000	\$59,158	200,000	259,158
Total Beg C&I	\$172,115	\$1,021,214	\$1,193,329	\$111,665	\$904,914	\$1,016,579
Total Sources	\$794,583	\$1,071,014	\$1,865,597	\$787,713	\$996,514	\$1,784,227
EXPENSES						
Salary and Bene-Direct	150,108		150,108	152,989		152,989
Furlough days	(3,348)		(3,348)	(3,607)		(3,607)
Total Salaries & Benefits	146,760	0	146,760	149,382	0	149,382
Supplies	1,200		1,200	2,000		2,000
Sup, Copies, Post, sys mtc	5,738		5,738	5,738		5,738
Safety Sup & Uniforms	500		500	760		760
Fuel	2,000		2,000	2,000		2,000
Tools	500		500	1,000		1,000
Total Supplies	9,938	0	9,938	11,498	0	11,498
Insurance	7,791		7,791	9,578		9,578
Professional Services	1,000		1,000	1,500		1,500
Repairs & Mtc.	1,500		1,500	1,500		1,500
Travel, memberships, trg	1,000		1,000	1,200		1,200
Electricity & Gas	2,200		2,200	2,200		2,200
Utilities	1,500		1,500	1,500		1,500
Telephone & Postage	5,000		5,000	5,000		5,000
Legal Svs	4,140		4,140	13,680		13,680
Audit	4,775		4,775	0		0
Cost Alloc	18,820		18,820	21,570		21,570
Taxes Utility	35,400		35,400	35,400		35,400
Taxes B&O	5,200		5,200	5,200		5,200
Total Services & Charges	88,326	0	88,326	98,328	0	98,328
Sub total exp.	\$245,024	\$0	\$245,024	\$259,208	\$0	\$259,208
King County Metro	\$377,500		377,500	\$377,500		377,500
Soos Creek	\$45,394		45,394	\$47,894		47,894
Total Pmt for Swr Treat	\$422,894		422,894	\$422,894		422,894
Total Operating Exp	\$667,918	\$0	\$667,918	\$684,602	\$0	\$684,602
Other Expenses						
KC Metro Prior Year			0			0
Trf for Equipment-CIP	10,000		10,000	10,000		10,000
Repl Lawson Swr Lift St			0			0
Deve Lift Stat Repl West			0			0
Trf out Sewer Oper			0		50,000	50,000
Pres Treatment Plant	5,000	5,000	10,000	10,000	20,000	30,000
Manhole Rehab			0			0
Inf & Inflow Reduction			0		50,000	50,000
Morganville Lift Sta Imp			0			0
Sewer Comp Plan		111,100	111,100			0
Stormwater Expenses			0			0
Loan for Police SW			0			0
Loan to Stormwater Fund		50,000	50,000			0
Loan for Gen Fd			0			0
Subtotal Other Exp	\$15,000	\$166,100	\$181,100	\$20,000	\$120,000	\$140,000
Total Expenses	\$682,918	\$166,100	\$849,018	\$704,602	\$120,000	\$824,602
Reserved C&I Balance	\$59,158	200,000	259,158	\$61,928	200,000	261,928
Unreserved C&I Balance	\$52,507	704,914	757,421	\$21,183	676,514	697,697
Total End Cash & Invest.	\$111,665	\$904,914	\$1,016,579	\$83,111	\$876,514	\$959,625
Total Uses	\$794,583	\$1,071,014	\$1,865,597	\$787,713	\$996,514	\$1,784,227
net shortfall/surplus	\$0	\$0	\$0	\$0	\$0	\$0

After 2010, CIP fund still owes Sewer Capt Res Fund \$160,000 and Drainage owes \$130,000 in principal.



City of Black Diamond Final Budget 2010

Stormwater Fund 410

The Stormwater Department protects the natural environment from the impacts of stormwater run off by properly maintaining the City stormwater system and implementing the City's Stormwater Management Plan.

Twenty five percent of the Public Works staff expenses are covered by the Stormwater utility. Additional personnel costs are allocated to the administration of the utilities in the City, for a full time equivalent of 1.45 employees charged to Stormwater. The fuel, tools, professional services, training, and general service cost allocation are distributed equitably between the Public Works funds. The King County Water Quality expenditure is for monitoring and testing as required by the Department of Ecology for Lake Sawyer.

STORMWATER FUND	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
OPERATING REVENUE						
User Charges			\$217,500	\$153,092	\$238,400	20,900
Total Stormwater Fund Operating Sources			\$217,500	\$153,092	\$238,400	20,900

STORMWATER FUND	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
OTHER REVENUE						
YarrowBay PW Reimbursement			\$35,352	\$16,334	\$33,498	(1,854)
Investment Interest		606	200	230	500	300
Grants	75,000		125,000	75,000	50,000	(75,000)
Loan from Wastewater Reserve	100,000	100,000	50,000	50,000		(50,000)
Subtotal Other Revenue	175,000	100,606	210,552	141,564	83,998	(126,554)
Total Stormwater Revenue	175,000	100,606	428,052	294,655	322,398	(105,654)
Beginning Cash on Hand			32,110		91,704	59,594
Total Stormwater Fund Sources	\$175,000	\$100,606	\$460,162	\$294,655	\$414,102	(46,060)



City of Black Diamond Final Budget 2010

Stormwater Fund 410, Cont.

STORMWATER FUND	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
OPERATING EXPENDITURES						
Wages and Benefits			149,920	106,658	152,989	3,069
Furlough for Director and Support Staff			(3,348)		(3,607)	(259)
Operating Supplies			3,500	3,016	9,788	6,288
Safety Supplies and Uniforms				122	150	150
KC Water Quality Lake Sawyer			6,000	203	6,000	
Repairs and Miscellaneous			8,937	1,195	4,100	(4,837)
Travel, Memberships and Training			1,500	713	1,300	(200)
Utilities including Communications			2,300	3,407	5,000	2,700
Legal Services & Audit			9,160	2,760	9,120	(40)
WA Storm Permit			1,765	1,823	2,000	235
Cost Allocation			18,820	4,106	21,570	2,750
Taxes - City Utility			11,452	8,280	14,520	3,068
Total Stormwater Fund Operating Uses			\$210,006	\$137,495	\$222,930	12,924

STORMWATER FUND	2008 Budget	2008 Actual	2009 Budget	2009 Thru Sept	2010 Prelim Budget	09-10 Budget Change
OTHER EXPENDITURES						
Debt & Interest Repayment to Wstwr Res.			20,400		30,600	10,200
NPDES Professional Services		781	50,000		50,000	
Pac West Professional Services	145,390	64,316	81,074	63,614		(81,074)
Roberts Road Storm Drain Improvements					40,000	40,000
Stormwater Management Program		3,398		8,466		
Contingency Professional Services	29,610					
Transfer to Equipment Reserve					10,000	10,000
Total Stormwater Fund Other Uses	\$175,000	\$68,495	\$151,474	\$72,080	\$130,600	(20,874)
Total Stormwater Expenses	\$175,000	\$68,495	\$361,480	\$209,575	\$353,530	(7,950)
Ending Cash and Investments		32,110	98,682		60,572	(38,110)
Total Stormwater Fund Uses	\$175,000	\$100,606	\$460,162	\$209,575	\$414,102	(46,890)

City of Black Diamond, Washington
Drainage Fund Analysis

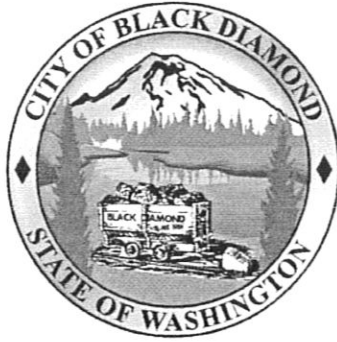
1-Dec-10

	Original \$13 ERU 2500	Adj Base @ 3000 ERU'S	2009 Est Actual	2010 Budget
Ramp-up rates using 3000 ERU's 2009 11mo, 2010 & 2011 12 mo				
REVENUE				
1755 ERU's @ 11 mo. @ \$10	319,176	217,500	217,500	
1755 ERU's @ 12 mo. @ \$11.50				242,000
Low Income Discount			(3,300)	(3,600)
Operating Revenue	319,176	217,500	214,200	238,400
Other Revenue				
DOE-grant	75,000	75,000	75,000	50,000
Loan from Sewer Reserve		50,000	50,000	
Yarrow Bay-PW Dir Reimb	35,352	35,352	33,584	33,498
Investment Interest	500	200	300	500
Storm Impact fees				
Transfer from Capital Fd				
Subtotal Other Rev	110,852	160,552	158,884	83,998
Total Revenue	430,028	378,052	373,084	322,398
Beginning C&I Bal-unres	31,305	32,110	32,110	91,704
Beginning C&I Bal-Res	0	0	0	0
Total Beginning C&I	31,305	32,110	32,110	91,704
Total Sources	430,028	410,162	405,194	414,102
EXPENDITURES				
Sal & Bene-	150,402	149,920	149,920	152,989
Furlough Days		(3,348)	(3,348)	(3,607)
Total Salaries & Benefits	150,402	146,572	146,572	149,382
Supplies & Safety Equip/Unif	1,000	1,000	1,400	1,550
Sup, Copy, Post, Sys Mtc			5,138	5,738
Fuel	2,000	2,000	2,000	2,000
Tools	500	500	500	500
Total Supplies	3,500	3,500	9,038	9,788
Insurance	2,647	2,647	2,594	2,750
Professional Services	2,765	2,765	0	0
Repairs & Mtc.	2,000	2,000	1,500	1,500
KC Wtr Qual-Lk Sawyer	6,000	6,000	6,000	6,000
Travel, memberships, training	1,500	1,500	1,000	1,300
Tele, DSL, Radio, Post			2,500	3,500
Wa State Storm Permit	1,000	1,000	2,000	2,000
Utilities	2,300	2,300	1,400	1,500
Legal Svs	4,140	4,140	4,140	9,120
Audit	5,000	5,000	5,000	0
Cost Alloc- Administration	18,820	18,820	18,820	21,570
Utility Tax	18,452	11,452	11,452	14,520
Total Service & Charges	64,624	57,624	56,406	63,760
Total Operating Exp	218,526	207,696	212,016	222,930
Other Expenditures				
PacWest-Permit				
PW Comp PI/NPDES -Pac West	81,074	81,074	81,074	
Transfer for Equipment-CIP	10,000			10,000
Debt repayment-100,000	20,400	20,400	20,400	20,400
Debt Repayment-50,000				10,200
Replace or repair culvert	26,000			
NPDES Permit/Rent Vactor				
Roberts Road-Storm Improv.				40,000
DOE Grant Expenditures				50,000
Subtotal Other Exp	137,474	101,474	101,474	130,600
Total Expenditures	356,000	309,170	313,490	353,530
Reserved C&I Balance	52,126	52,126	53,004	55,732
Unreserved C&I Balance	21,902	48,866	38,700	4,840
Total Ending Cash & Invest.	74,028	100,992	91,704	60,572
Total Uses	430,028	410,162	405,194	414,102
net shortfall/surplus	74 0	0	0	0

Glossary, Supplemental Information and Salary Schedule

Black Diamond City Hall 24301 Roberts Drive





City of Black Diamond Financial Management Policies 2009

Background and Purpose

Financial policies provide guidelines for City of Black Diamond's leaders to ensure sound decision-making that safeguards core services while moving the community forward to achieve its vision. Good financial management ensures the City is able to withstand economic fluctuations, maintain focus on the entire financial picture, and adjust to the changing service needs of the community of Black Diamond.

This policy incorporates past financial practices in defining the current policies to be used by the City to meet its obligations and operate in a financially prudent manner. These policies have been established to provide general fiscal guidelines and are intended to provide sound direction in the management of the City's financial affairs.

Operating Budget Policies

General budget policies ensure service levels are reasonable and attainable and that budget documents detailing revenues and expenditures accurately reflect Council and community goals. The City of Black Diamond budget procedures are in compliance with the Revised Code of Washington, Chapter 35A.33. The City budgets annually on the calendar year beginning January 1st and Ending December 31st. The City Council shall adopt the budget by Ordinance at the fund level. Amendments to the budget that change fund totals will be adopted by the Council through an Ordinance, which is usually done mid-year and year-end.

Citizen Involvement

Citizen involvement shall be encouraged in the budget decision-making process through public hearings and study sessions.

Service Level Determinations

The City Council will establish municipal service levels and priorities for the upcoming year to guide staff in developing goals, objectives and budget proposals.

Conservative Budgeting

The City will use a conservative budgeting approach and accepted analytical techniques including trending, per capita estimates of intergovernmental revenue and sales and property tax estimates based on prior year revenues adjusted for reasonable known growth factors. All positions will be budgeted for a full year.

Maintenance of Facilities and Equipment

Adequate maintenance and replacement of the City's facilities, equipment and technology will be provided for in either the operating or capital budget. As practicable, these expenses will be forecasted in an equipment replacement fund in the operating budget.

Sustainable Revenue Sources

Ongoing operating program costs will not exceed the amount of ongoing revenue to finance those costs. The ongoing revenue will be identified along with new program costs. Cash balances in excess of the amount required to maintain strategic reserves will be used to fund one-time or non-recurring costs. In the event a fund has an emergency or economic downturn, resources from reserves may be used provided that they are replaced within the next five years.

Cost Recovery

All taxpayers should not pay for a service that benefits only certain individuals. Therefore, fees will be established where possible to recover costs of such services or programs. Fees for services will be reviewed and adjusted as necessary and at least once a year. Based on Council direction, general taxpayer revenues may be used to subsidize all or a portion of the cost of services.

Fund Balance Reserve Policies

Adequate fund balance and reserve levels help mitigate short-term emergencies and the effect of fluctuations in the economy, as well as assist in the financial strength of the City's bond ratings.

Operating Fund Balance Reserves

The City's goal is to achieve a 10% reserve of anticipated expenditures in the General Fund Balance over the next five years or more. The reserve will be used to meet seasonal cash flow demands, provide a financial cushion in an economic downturn and meet emergency needs. In the event that the fund balance falls below that amount, the City will work to restore the balance with cost reductions, rate increases and other measures within five fiscal years.

Contingency Reserve Fund

A Contingency Reserve Fund may also be maintained in accordance with state law (RCW 35.A.33.145) to meet any municipal extent that could have not been reasonably known at the time of adopting the annual budget. The target balance may be consistent with state law at \$.375 per \$1,000 of assessed valuation, or approximately \$220,000 for Black Diamond as of 2008.

Utility Operating Policies

City utilities are enterprise funds and therefore need to maintain a revenue and expense structure that allows them to be self-supporting with adequate revenue that pays for maintenance, operations, debt service and capital costs. Adequate reserves, rate analyses and budgetary policies steer the utilities toward ongoing self-sufficiency.

Utility Rates and Fees

As enterprise funds, all utilities will be self-supporting through rates, connection charges and other fees. As practical, smaller utility increases will be considered more frequently, to avoid large jump in rate payer bills. Revenue will pay maintenance, operation, debt service and provide funds for capital repairs and improvements. Rates and fees will be reviewed at least biennially and adjusted to adequately reflect the cost of services. Every five years a detailed rate analysis will take place to ensure financial solvency of the utilities.

Utility Fund Reserves

All utilities will be operated in a manner to ensure an ending annual reserved fund balance in an amount equal to 90 days of annual operational appropriations. In the event that the fund balance falls below that amount or a new utility is formed, the City will work to restore the balance to that level with cost reductions, rate increases and other measures within five fiscal years. The City may use reserves to “smooth” rate increases over a period of years and avoid large jumps in ratepayer bills.

Debt Management Policies

The City will maintain adequate available debt capacity to ensure funding for major, high priority projects.

The City of Black Diamond is an infrequent issuer of debt. Debt is primarily used to finance large capital investments. Various state laws limit the City’s debt capacity. General obligation debt, backed by the full faith and credit of the City, is limited to 2.5% of the value of all taxable property within the City. That percentage includes councilmanic or non-voted debt (1.5% of property values) and Local Option Capital Asset Lending – a financing contract with the Office of the State Treasurer (39.94 RCW). Revenue bonds rely on a funding source, such as utility revenues, for debt repayment.

Interfund Loans

The City will use interfund borrowing when such borrowing is cost effective, thereby eliminating the administrative cost of borrowing when adequate funds are available internally within the City's own resources. The City will not charge interest for such interfund loans that are repaid within six months. For loans beyond six months, the City will set a reasonable timeline for repayment of between one and five years and use the State's Local Government Investment Pool (LGIP) rate.

Interfund loans are permitted to cover cash flow for capital projects, where federal or state grants are approved, but there is a timing issue between city expenditures and the actual reimbursement by the granting agencies. Interfund loans shall be approved by Council with a resolution.

Bond Rating

The City will strive to obtain the best bond rating possible to produce the lowest possible interest rate on each bond sale.

Cash Management and Investment Policies
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At any one time the City may have several million dollars in various funds that are not needed until some point in the future for operations, capital purchases or the repayment of debt. By placing these revenues in State's Local Government Investment Pool (LGIP) until the funds are needed, the City is able to earn interest that in turn serves as a revenue source to reduce costs to the community. Cash and investment policies reduce the City's investment risk.

Cash Sufficiency

The City will at all times maintain sufficient cash on hand to meet reasonably expected expenditures for the operating period.

Investment Goals

The City's idle cash will be invested on a continuous basis to maximize income. Priority will be given to legality of investment practices, the safety of the asset, followed by liquidity in case a need arises where the City needs access to the funds, followed by yield or return.

Allocation of Investment Income

Where permitted, the City will pool its cash resources for investment purposes. Investment income will be re-allocated to the participating funds as much as practical.

Alternative Financing Schemes and Derivative Products

The City of Black Diamond shall not utilize alternative financing schemes or derivative products to avoid restrictions imposed by law or to utilize tax loop holes.

Capital Projects and Planning Policies

The City of Black Diamond owns considerable assets in roads, a sewer system, water system, storm water system, parks, buildings, equipment and other capital. The preservation, maintenance and future improvement of these facilities are a primary responsibility of the City. Capital items are defined as those projects and purchases costing more than \$5,000 and lasting three or more years.

Capital Improvement Plan

A Capital Improvement Program (CIP) is a flexible, multi-year plan containing the City's planned capital improvement projects and the recommended financing methods for funding projects. All funds and departments are brought together in a single consolidated plan for an overall view of the City's capital improvement needs. The plan includes the capital facilities element of the City of Black Diamond Comprehensive Plan required by the Growth Management Act and other capital projects that may not fit into the capital facilities category.

Capital projects typically apply to: 1) one-time costs for acquisition, construction, improvement, replacement or renovation of land, structures and major equipment; 2) expenditures which take place over two or more years; 3) funding with debt because of significant costs to be shared by current and future beneficiaries; and 4) systematic acquisition or repair and maintenance over an extended period of time.

Capital Improvement Plan (CIP) Participation

Citizen participation in the Capital Improvement Program is a priority for the City. Among the activities which shall be conducted to address the need are the following:

- a) The Capital Improvement Plan shall be provided to the City Council in a timely manner to allow time for the Council members to review the proposal with constituents before it is considered for adoption
- b) Council study sessions on the Capital Improvement Plan will occur during the budget deliberations and shall be open to the public and advertised sufficiently in advance of the meetings to allow for the attendance of interested citizens.
- c) Prior to the adoption of the budget and Capital Improvement Plan, the City Council shall hold noticed public hearings to provide opportunities for citizens to express their opinions on the proposed plan.

All projects included in the Capital Improvement Plan shall be consistent with the City's Comprehensive Plan.

Internal Consistency

The CIP will be consistent with the Capital Facilities Element of the Comprehensive Plan covering transportation, water, sewer, stormwater, parks, recreation and general government facilities.

Funding Sources

City staff will analyze funding sources for all proposed capital improvement projects, including grant opportunities. Under Washington law, the City can only expend revenues from the Real Estate Excise Tax (REET) for capital items. Real estate excise tax of one-quarter of one percent on the sale of real property is currently dedicated to general government capital improvements and a second one-quarter of one percent is allocated to public works projects. Both allocations may be changed by the Council. These designated revenues are collected in the Special Revenue Funds and then transferred to the appropriate funds for expenditures of debt service or capital projects as budgeted. Each REET fund has established a targeted reserve of \$200,000 to \$250,000 to cover an emergency or economic downturn.

Relationship Between Operating Budget and Capital Improvement Plan

The Capital Improvement Plan, as distinguished from the Operating Budget, is a multi-year financial plan for the acquisition, expansion, or rehabilitation of infrastructure, capital assets, or productive capacity of City services. Only those projects scheduled during the first year of the plan are adopted as part of the City's annual budget. Additionally, projects to be funded by bonds or "alternative funding" are budgeted when the funding is secured.

Accounting, Financial Reporting and Auditing Policies
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The City was incorporated in 1959, and operates under the laws of the State of Washington applicable to a Non-Charter code City classification adopted in 1990 with a Mayor-Council form of government. The City is a general-purpose governmental entity that provides general government services including law enforcement, fire, street improvement, parks and general administrative services. In addition the City owns and operates a water, sewer and drainage system.

Accounting and Budgeting System

The City of Black Diamond will establish and maintain a high standard of accounting practices. Accounting and budgeting systems will at all times conform to the State of Washington Budgeting Accounting Reporting System (BARS) and federal and state regulations. Cities with populations under 25,000 are classified as category 2 cities and use the allowed accounting. The accounting is single-entry, cash basis accounting, which is a departure from generally accepted accounting principles (GAAP). The city uses the revenue and expenditure classifications contained in the Budgeting, Accounting and Reporting System (BARS) manual. The manual is prescribed by the State Auditor's Office under the authority of Washington State Law, Chapter 43.09 RCW.

Financial Reporting

Reporting frequency—Monthly budget and actual reports will go to all departments. Quarterly reports, as a minimum frequency, will be presented to the City Council.

Annual Report-Will be completed by April 30th and will be distributed to the City Council, departments and the State Auditor's Office.

Reporting Improvements-The City will strive to continue to make improvements in its financial reporting so that information available to the public, the City's governing bodies and other city departments is clear and the best available for sound financial decisions.

Accounting System-A comprehensive accounting system will be maintained to provide all financial information necessary to effectively operate the City.

Full Disclosure-All public reports will contain full and complete disclosure of all material matters.

Audit Policy

The City will assist the State Auditor's Office in whatever way possible in conjunction with the preparation of the audit every two years and will implement modifications identified by the State Auditor to improve the City's internal controls and financial practices.

RESOLUTION NO. 09-589

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, KING COUNTY, WASHINGTON, AUTHORIZING THE MAYOR TO SIGN THE FIRST AMENDMENT TO THE CITY OF BLACK DIAMOND STAFF AND FACILITIES FUNDING AGREEMENT WITH YARROW BAY COMMUNITIES

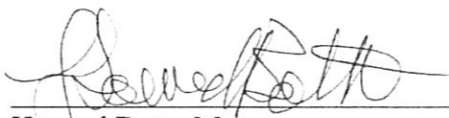
WHEREAS, the City entered into the Staff and Facilities Funding Agreement dated the 29th day of June, 2007; and

WHEREAS, the City wishes to pursue Economic Development Activities for community and economic development purposes. Yarrow Bay recognizes that these efforts are of value to Yarrow Bay because they will reduce the City's dependence upon funding from the Agreement; and


WHEREAS, The City and Yarrow Bay wish to increase the frequency of Yarrow Bay's payments under the Agreement from quarterly to monthly and agree to specify a minimum Working Capital Balance that must be available to the City to cover Supplemental Costs not requested through Net Monthly Core City Cost estimates; now, therefore

BE IT RESOLVED that the City Council hereby authorizes the Mayor to execute the First Amendment to the City of Black Diamond Staff and Facilities Funding Agreement, substantially in the form attached hereto.

ADOPTED by the City Council at an open meeting on the 16th day of April, 2009.


Howard Botts, Mayor

Attest:


Brenda L. Streepy, City Clerk

FIRST AMENDMENT TO
CITY OF BLACK DIAMOND STAFF AND FACILITIES FUNDING AGREEMENT

1. Date and Parties.

This First Amendment to City of Black Diamond Staff and Facilities Funding Agreement is dated the 16 day of April, 2009 and is entered into by and between BD Lawson Partners, LP and BD Village Partners, LP and the City of Black Diamond, a Washington municipal corporation.

2. Definitions. All definitions set forth in the City Of Black Diamond Staff and Facilities Funding Agreement dated the 29th day of June, 2007 ("Agreement"), as approved by City Resolution 07-451 are incorporated herein by reference. The following definitions are added to Agreement paragraph 2.

"Economic Development Activities" shall mean activities the purpose of which is to encourage or advance the City's independent economic development. Economic Development Activities include, but are not limited to, citywide marketing, advertising and other collateral materials and associated distribution, dues and memberships, mapping of available properties, economic development seminars, conferences, training, and the creation of an economic development plan and implementing action items from that plan for the City.

"First Amendment" shall mean this First Amendment to City of Black Diamond Staff and Facilities Funding Agreement.

"Net Monthly Core City Cost Amount" shall mean the City's estimate of Supplemental Costs (as amended by this First Amendment) for the calendar month to be funded.

"Miscellaneous Expenses" shall include training, travel and other expenses for community development staff that are pre-approved in writing by Yarrow Bay and are not already funded pursuant to the Agreement terms.

"Supplemental Costs" shall mean all expenditures addressed in the Agreement and the First Addendum that are beyond the financial obligations that the City could impose upon Yarrow Bay under City regulations existing as of the Agreement Date and the date of the First Amendment. Supplemental Cost include the costs of funding the Core City Staff, the City Code Consultants, the Facilities Costs, the Legal Costs, the amounts that Yarrow Bay has paid the City prior to the Agreement Date for the City Code Consultants, Miscellaneous Expenses, Economic Development Activities, and for the salary and benefits of the City's former Community Development Director.

First Amendment to Staff and Facilities Funding Agreement
Page 1 of 4



City



Yarrow Bay

“Working Capital Reserve” shall mean the amount of funding advanced by Yarrow Bay under the Agreement that is not specifically advanced to cover costs identified in the Net Monthly Core City Costs estimates. Working Capital shall be available to fund Supplement Costs not funded through prior estimates.

3. General Recitals.

A. The City wishes to pursue Economic Development Activities for community and economic development purposes. Yarrow Bay recognizes that these efforts are of value to Yarrow Bay because they will reduce the City’s dependence upon funding from the Agreement. In order to increase budgeting accuracy and provide for the future funding of pre-approved Economic Development Activities, the City and Yarrow Bay wish to add two new funding categories to the Agreement through this First Amendment,

B. The City and Yarrow Bay wish to increase the frequency of Yarrow Bay’s payments under the Agreement from quarterly to monthly and agree to specify a minimum Working Capital Balance that must be available to the City to cover Supplemental Costs not requested through Net Monthly Core City Cost estimates.

4. New Funding Categories.

A. Economic Development

Yarrow Bay shall pay the costs of pre-approved City Economic Development Activities pursuant to the following procedure. Prior to incurring any costs for Economic Development Activities, the City shall provide Yarrow Bay with written notification of the proposed activity or activities and the actual costs thereof. Where actual costs are not available, the City shall notify Yarrow Bay of estimated costs and shall provide Yarrow Bay with the basis, including documentation where available, for its estimate. Upon such notification, Yarrow Bay shall promptly review the proposed Economic Development Activities and provide the City with written notification if the proposed Economic Development Activity is approved, partially approved or disapproved. If approved or partially approved Yarrow Bay shall pay the actual or estimated costs of such activities, up to the approved amount, as set forth in Paragraph 4(C) below. The Parties acknowledge that Yarrow Bay’s approval of payment of costs for Economic Development Activities is in Yarrow Bay’s complete discretion.

B. Miscellaneous Expenses

Yarrow Bay shall pay the costs of Miscellaneous Expenses pursuant to the following procedure. Prior to incurring any Miscellaneous Expenses, the City shall provide Yarrow Bay with written notification of the proposed activity or activities and


City


Yarrow Bay

the actual costs thereof. Where actual costs are not available, the City shall notify Yarrow Bay of estimated costs and shall provide Yarrow Bay with the basis, including documentation where available, for its estimate. Upon such notification, Yarrow Bay shall promptly review the proposed Miscellaneous Expense and provide the City with written notification if the proposed Miscellaneous Expense is approved, partially approved or disapproved. If approved or partially approved Yarrow Bay shall pay the actual or estimated costs of such activities, up to the approved amount, as set forth in Paragraph 4(C) below. The Parties acknowledge that Yarrow Bay's approval of payment of costs for Miscellaneous Expenses is in Yarrow Bay's complete discretion.

C. Amended Payment Procedure

Paragraph 4(E) of the Agreement shall be eliminated in its entirety and replaced with the following:

E. Payment Procedure. Yarrow Bay shall advance funds to the City on a monthly basis to pay Supplemental Costs pursuant to the following mechanism. The City shall provide Yarrow Bay with an estimate of the Net Monthly Core City Cost Amount for the month beginning in approximately 50 calendar days (the "Estimate"). Five working days before the start of the calendar month for which the Estimate applies, Yarrow Bay will deposit with the City funds in amount equal to the Estimate, less any credit for unexpended funds or debit for over-expenditures for the previous calendar month. By way of example, by the 10th day of March, the City will provide Yarrow Bay an Estimate for the month of May. Five days prior to the end of April, Yarrow Bay will deposit with the City funds equal to the Estimate for May, as submitted by the City in March. The minimum amount of working capital held by the City under the terms of the Agreement during any month will be \$150,000. At any time, should the City find itself with less than \$150,000 to cover Supplemental Costs, the City may make an immediate request of Yarrow Bay to deposit with the City amounts necessary to restore the working capital balance to \$150,000, within five working days of receipt of written notice.

5. Indemnity and Hold Harmless.

When the City imposes the surcharge referenced in Agreement paragraph 4 (M), Yarrow Bay agrees to pay the City's costs and attorney's fees associated with defending any challenge to the legality of the surcharge, and Yarrow Bay shall indemnify and hold the City harmless from any monetary judgment or award that results directly or indirectly from that challenge.

6. Agreement in Full Force and Effect.

First Amendment to Staff and Facilities Funding Agreement
Page 3 of 4

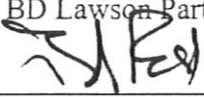

City


Yarrow Bay

The Agreement, except as expressly modified by the First Amendment terms, shall remain in full force and effect. The First Amendment terms are hereby incorporated into the Agreement. The First Amendment and the Agreement shall, to the fullest extent possible, be interpreted to be consistent. Provided, however, in case of conflict between the Agreement terms, and the First Amendment, the First Amendment provisions shall control.

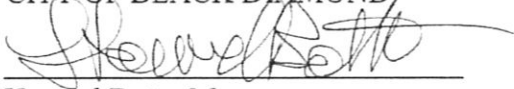
YARROW BAY COMMUNITIES

For BD Lawson Partners, LP and BD Village Partners, LP



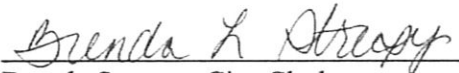
By: Brian Ross
Title: Managing Partner

CITY OF BLACK DIAMOND



Howard Botts, Mayor

Attest:



Brenda Streepy, City Clerk

RESOLUTION NO. 07-451

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
BLACK DIAMOND, KING COUNTY, WASHINGTON
AUTHORIZING THE MAYOR TO EXECUTE THE CITY OF
BLACK DIAMOND STAFF AND FACILITIES FUNDING
AGREEMENT BETWEEN BLACK DIAMOND LAWSON
PARTNERS LP, BLACK DIAMOND VILLAGE PARTNERS LP,
AND THE CITY OF BLACK DIAMOND


WHEREAS, the City has diligently pursued implementing the vision for Black Diamond, as embodied in the Black Diamond Urban Growth Area Agreement ("BDUGAA"), by adopting numerous ordinances and resolutions and executing various ; and

WHEREAS, the City currently doesn't have the financial resources to increase its staffing and provide necessary facilities and equipment to effectively and efficiently handle core city administrative services; and

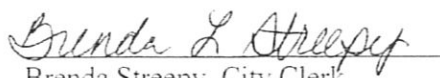
WHEREAS, Black Diamond Lawson Partners, LP and Black Diamond Village Partners, LP are desirous of financially assisting the City so that the City will have the ability to provide core City services; now, therefore

BE IT RESOLVED that the Mayor is hereby authorized to execute duplicate originals of the document entitled City of Black Diamond Staff and Facilities Funding Agreement that is attached hereto as Exhibit A ("Agreement") if, and only if, prior to 5 P.M. on June 29, 2007 he receives duplicate originals of the Agreement that have been executed by the other parties to the Agreement.

ADOPTED by the City Council at an open public meeting held on the 21st day of June, 2007.


Howard Botts, Mayor

Attest:


Brenda Streepy, City Clerk

CITY OF BLACK DIAMOND STAFF AND FACILITIES FUNDING AGREEMENT

1. Date and Parties.

29th This City of Black Diamond Staff and Facilities Funding Agreement is dated the day of June, 2007 and is entered into by and between BD Lawson Partners, LP and BD Village Partners, LP and the City of Black Diamond, a Washington municipal corporation.

2. Definitions.

"Agreement" shall mean this City of Black Diamond Staff and Facilities Funding Agreement.

"Agreement Date" shall mean June 29, 2007.

"Agreement Term" shall mean the period of time between the Agreement Date and either 1) the execution of one or more MPD Development Agreements between the Parties or the City and a third party that provide for funding of the then-unfunded Supplemental Costs and adequate security for their payment; 2) the determination, after peer review of the economic analyses outlined in paragraph 4 (K), that the Supplemental Costs subsidy is no longer needed; or 3) Yarrow Bay's termination of its funding under this Agreement pursuant to paragraph 4 (J) after the City's default of its Processing obligations.

"BDUGAA" shall mean the Black Diamond Urban Growth Area Agreement dated December 31, 1996.

"Benefited Non-Contributing Parties" shall mean legal entities that benefit from the staffing and facilities provided by this Agreement, but that have not contributed to the expenditures required to provide such staffing and facilities.

"City" shall mean the City of Black Diamond, a Washington municipal corporation.

"City Code Consultants" shall mean consultants to finish various City regulations needed for the City to lift the current development moratorium.

"Core City Staff" shall mean City staff positions necessary to rectify the staffing deficiencies referenced in paragraph 3 (E) and as further detailed in paragraph 4 (A) below.

City Staff Funding Agreement

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Exhibit A to Resolution Number 07- 451

"Default Amount" shall mean the amount required to cure any Yarrow Bay default under this Agreement.

"Default Notice" shall mean a written notice sent from the City to Yarrow Bay in the event that Yarrow Bay does not make any payment or deposit required under this Agreement. The Default Notice shall contain a concise explanation of the alleged default and, if applicable, the Default Amount.

"EIS" shall mean Environmental Impact Statement.

"Legal Costs" shall mean the costs of legal work that will be done to prepare and implement this Agreement, including, but without limitation, assisting the City Administrator in reviewing City Code Consultants' work product, preparing and reviewing documents related to the implementation of the various parts of this Agreement, updating and finalizing City Code additions and revisions needed for the City to lift the current moratorium on development, preparing form documents to assist in the processing of land development applications, updating the City Municipal Code, and dealing with the legal issues related to the expansion of the Core City Staff and the facilities needed for such staff.

"Facilities Costs" shall mean the costs detailed in paragraph 4 (D) below.

"Letter of Credit" shall mean an irrevocable letter of credit in a form and from a financial institution acceptable to the City.

"MPD" shall mean Master Plan Development.

"Net Core City Cost Amount" shall mean the City's estimate of Supplemental Costs for the following calendar quarter, less any credit for unexpended funds, or debit for over-expenditures, for the previous calendar quarter.

"Parties" shall mean Yarrow Bay and the City, collectively.

"Process" or "Processing" shall mean completion of all the City's obligations under the City MPD Ordinance, codified at chapter 18.93 of the City's Municipal Code, that are conditions precedent to the City Council decisions on Yarrow Bay's MPD applications, and the City Council making its oral decision on the application. Processing does not include any appeals brought against the City Council's decisions on Yarrow Bay's MPD applications.

"Supplemental Costs" shall mean all expenditures addressed in this Agreement that are beyond the financial obligations that the City could impose upon Yarrow Bay under City regulations existing as of the Agreement Date. Supplemental Costs include

Exhibit A to Resolution Number 07- 451

the costs of funding the Core City Staff, the City Code Consultants, the Facilities Costs, the Legal Costs, the amounts that Yarrow Bay has paid the City prior to the Agreement Date for the City Code Consultants and for the salary and benefits of the City's former Community Development Director.

"Vision" shall mean the City's vision of economically viable smart urban growth, creating a sense of community through wise land use planning and implementation, while, at the same time preserving and enhancing integrated open space and riparian corridors that protect the Lake Sawyer watershed and provide wildlife and pedestrian corridors throughout the City.

"Yarrow Bay" shall mean BD Lawson Partners, LP and BD Village Partners, LP, collectively.

3. General Recitals.

A. The City, King County and others were parties to the Black Diamond Urban Growth Area Agreement dated December 31, 1996. Yarrow Bay owns or controls all properties that were subject to the BDUGAA.

B. Consistent with the BDUGAA, the City has amended, or is in the processing of amending its Comprehensive Plan and other regulations, including its Master Plan Development Ordinance and Transfer of Development Rights Ordinance, to facilitate accomplishing the Vision.

C. The Parties share the Vision and want to bring it into reality as soon as possible. The Parties realize that the limited number of large land owners, the amount of undeveloped properties within the City, the scenic beauty and related natural amenities in and around the City, and the BDUGAA and related implementation efforts made to date have created a unique opportunity not available to other cities and citizens in the State of Washington.

D. Yarrow Bay has acquired interests in large amounts of property in the City in the belief that if the Vision can be successfully implemented it not only will be a model of successful environmentally friendly development in an urban setting, but will be economically successful as well.

E. The Parties recognize that the City is currently significantly understaffed in its core functions, making it impossible for the City to effectively and efficiently handle its current workload, let alone the increased workload for all City staff, including the staff charged with the responsibility for processing MPD applications, that will result from applications that Yarrow Bay will be submitting. This preexisting understaffing has been exacerbated by the recent loss of key City staff. The Parties also acknowledge the recommendations of experts, including the 2005 studies by Nesbitt Planning and

Management, that the City must significantly expand its staff and staff facilities in order for the City to effectively function, regardless of the anticipated increase in development permit application activity.

F. The Parties acknowledge that the City does not have the legal authority to require Yarrow Bay to fund the Supplemental Costs set forth in this Agreement. However, Yarrow Bay acknowledges that there is adequate consideration for this Agreement because a properly staffed City government will allow for the expeditious completion of the remaining City regulations necessary to assure the Vision is properly implemented, and will allow for the City to operate efficiently and effectively so that Yarrow Bay's development applications can be processed without the delay that would be caused by understaffing and inadequate staff resources and facilities.

G. Increasing City staff will also be of great benefit to the City's existing and future citizens because the City will be able to provide quality municipal services for all citizens, including small and large property owners who cannot currently proceed with development consistent with the Vision due to lack of sufficient City staff, equipment and capital facilities.

H. The purposes of this Agreement are to provide funding for Core City Staff, City Code Consultants, related support facilities, equipment expenses, and Legal Costs through contributions by Yarrow Bay until such time as the City can independently provide funding for the Supplemental Costs, and to provide a mechanism, to the extent authorized by law, for Yarrow Bay to receive reimbursement for the funding of Supplemental Costs from Benefited Non-Contributing Parties. Because the City's MPD Ordinance requires that Yarrow Bay's proposed MPDs will produce revenue for the City, the Parties expect that the need for funding under this Agreement will be reduced over time, and ultimately eliminated.

4. Yarrow Bay's Commitment to Fund City Staff and Support Facilities.

A. Core City Staff

Subject to the provisions of this Agreement, Yarrow Bay commits to fund the Core City Staff, including the salary and benefit costs of each Core City Staff person, up to a maximum \$2,000,000 per year. The City shall determine the positions that will be included within the Core City Staff, but it shall include at least the following: 1) not less than six (6) executive level staff members; and 2) the staff necessary to allow the executive level staff members to expeditiously handle the tasks assigned to them by the Mayor, through the City Administrator. The Core City Staff may participate in Processing development applications submitted by Yarrow Bay and others, and will direct and assist other staff who will process development applications submitted by Yarrow Bay and others. In reliance upon the funding contemplated by this Agreement

Exhibit A to Resolution Number 07- 451

the City may choose to offer multiyear employment contracts to some or all of the Core City Staff.

The Parties acknowledge that the City will determine the method and manner of hiring the Core City Staff, and will be solely responsible for hiring and firing decisions and compensation amounts. The City shall regularly (at least monthly) advise Yarrow Bay on hiring efforts, including compensation and benefits to be paid to Core City Staff, so that Yarrow Bay can honor its commitment to provide funding.

B. City Code Consultants

The Parties acknowledge that the completion of City development regulations and other City Code amendments will require the use of City Code Consultants. Yarrow Bay commits to pay the costs of the City Code Consultants pursuant to the following procedure. Prior to entering into any contract with a City Code Consultant, the City shall notify Yarrow Bay of the contract amount. Upon such notification, Yarrow Bay shall promptly negotiate with the City in good faith to pay the contract amount, and the Parties shall memorialize each payment through an amendment to this Agreement.

C. Legal Costs

Yarrow Bay shall pay the Legal Costs, as said term is defined above, incurred by the City to date, and up to an additional \$450,000 over the Agreement Term, upon invoice for the same from the City. The City shall be responsible for all Legal Costs beyond that amount.

D. Furniture, Equipment, and Office Space

The Parties acknowledge that there is a need for furniture, equipment and temporary office space related to the Core City Staff. Yarrow Bay commits to pay the City's Cost, up to \$15,000 per month, to lease or purchase, install, and maintain temporary or permanent buildings, such as modular structures or metal structures (that could later be converted to City shops and garages), to provide good temporary working space for Core City Staff. Yarrow Bay also commits to pay an agreed upon sum for furniture, fixtures and equipment related thereto. The City will be responsible for all expenditures beyond \$15,000 per month.

It is anticipated that at some time during the Agreement Term the City may construct permanent facilities to house the Core City Staff. Yarrow Bay shall: 1) pay to the City, within 21 days after the time the lowest responsible bidder for constructing the facility is determined, the anticipated construction costs for the facilities related to City staff reviewing and/or processing Yarrow Bay's development applications; or 2) once the permanent facilities are constructed, pay the City the fair market rental rate each month for the facilities used by the City staff reviewing and/or processing Yarrow Bay's

development applications, for the length of time that Yarrow Bay has an MPD application pending and/or an MPD permit being implemented. The choice to pay construction cost or market rate rent shall be in Yarrow Bay's sole discretion. However, the choice shall be made, in writing, at least 10 days before the construction contract is awarded. If the City has constructed other permanent facilities, such as the metal structures detailed above, to provide temporary offices, Yarrow Bay will receive a credit for those structures if they can be converted to serve other City uses, e.g., shops and garages.

E. Payment Procedure

Yarrow Bay shall advance funds to the City on a calendar quarter basis to pay Supplemental Costs pursuant to the following mechanism. Within 10 days of the Agreement Date, the City will provide Yarrow Bay with the unreimbursed expenditures for Supplemental Costs through June 30, 2007. Yarrow Bay shall pay said sum to the City within 40 days of the Agreement Date. Within 30 days of the Agreement Date the City will provide its estimate of Supplemental Costs for the calendar quarter commencing on July 1, 2007. Yarrow Bay will deposit with the City funds for that calendar quarter within 30 days of receiving the City's estimate. By July 30, 2007, and within 15 days after the start of each calendar quarter thereafter, for the remainder of the Agreement Term, the City will provide Yarrow Bay with the Net Core City Cost Amount. Thirty days before the beginning of each following calendar quarter, for the remainder of the Agreement Term, Yarrow Bay will deposit with the City the Net Core City Cost Amount.

F. Accounting

Within 30 days of the end of each calendar quarter for which Yarrow Bay has made a deposit with the City pursuant to the terms of the previous paragraph, the City shall provide Yarrow Bay with an accounting showing actual Supplemental Costs paid by the City in the prior fiscal quarter, broken down by Supplemental costs for each staff position, facilities costs, equipment costs, City Code Consultant costs, Legal Costs, and any other expenditures for which Yarrow Bay is obligated to make pursuant to the Agreement, all according to generally accepted accounting principles for municipal corporations in the State of Washington. The difference between the City-estimated Supplemental Costs and actual Supplemental Costs shall either be a debit or credit toward the following quarter's deposit required by the previous paragraph.

G. Security

Since the City will be making irrevocable commitments in hiring personnel and consultants, and will be committed to provide furniture, fixtures, equipment, and office space for said employees and consultants, Yarrow Bay will provide as security a combination of a Letter of Credit of two million dollars (\$2,000,000.00) by July 10, 2007 and a first position deed of trust to the City on property within the City that is owned by

Yarrow Bay and has a current fair market value of at least eight million dollars (\$8,000,000.00) no later than July 29, 2007, to assure that the obligations created by this Agreement are timely met. This security does not relieve Yarrow Bay from liability for the full amount of the obligations hereunder if they exceed the security value. The City may record the deed of trust on or after the Agreement Date. Yarrow Bay may substitute other property for some or all of the property that is the subject of the security deed of trust. Any such substitution will be subject to the City's approval, which shall not be unreasonably withheld as long as the substitute property has substantially equivalent developable acreage to the original property. The required amount of the Letter of Credit and/or deed of trust security provided by Yarrow Bay will be reduced by the amount of the Supplemental Costs funded and secured with like security under one or more MPD Development Agreements entered into by the Parties, or the City and a subsequent purchaser of property that is subject to one or more of such agreements.

H. Default

If Yarrow Bay does not timely make any payment or deposit required hereunder, then the City shall send Yarrow Bay a Default Notice. Yarrow Bay shall have seven (7) days after receiving the Default Notice to cure its default by making the required payment or a deposit of the Default Amount. If the default is not cured within the seven day period, then the City shall have the right, without further notice, to make demand upon the Letter of Credit for the Default Amount. Yarrow Bay shall then replenish the Letter of Credit back to its full \$2,000,000 amount within 60 days from the City's demand. If the City does not receive notice that the full amount of the Letter of Credit has been reinstated within 60 days from the City's demand, then the City may make demand for the full amount of the Letter of Credit, and said amount shall be held by the City as a deposit for Supplemental Costs, and other Yarrow Bay financial obligations set forth in the Agreement for the remainder of the Agreement Term. If the balance in the deposit account drops below \$1,000,000, then the City may begin foreclosure proceedings against the property that is the subject of the Deed of Trust, with the City impounding, at sale, the full sale amount, up to \$8,000,000, to be held as a deposit for Supplemental Costs, and other Yarrow Bay financial obligations set forth in the Agreement for the remainder of the Agreement Term. The City will provide a quarterly accounting for all payments made toward Yarrow Bay obligations set forth in the Agreement in the same manner as required for payments made by Yarrow Bay pursuant to Paragraph 4(F) above. The provisions of this paragraph notwithstanding, the City may also cease processing any pending Yarrow Bay applications until such time as the default is cured, or all monies are collected from the security, so that the City has monies on deposit to pay for the application processing costs.

I. Funding Commitments Non-Duplicative

The commitment to funding set forth in the Agreement is in addition to, but shall not be duplicative of, any financial obligations created by City codes such as the MPD

Code that are related to the filing and processing of a land use application by Yarrow Bay, or any other applicant. While the Parties recognize that the Core City Staff will participate in the processing of Yarrow Bay development applications, Yarrow Bay will not be charged for this time; provided, however, that pursuant to the City MPD Ordinance Yarrow Bay will pay the full cost of staff hired specifically to review and process MPD applications. For example, when Yarrow Bay is required under the City Code to pay a fee to the City related to the filing and processing of a land use application, Yarrow Bay shall only pay the City a base administrative charge and such other amounts as are required by the City Code that are not otherwise provided for in the Agreement.

J. Yarrow Bay Development

Given the current inadequate City staffing, the parties to this Agreement recognize that Yarrow Bay will benefit directly from expanded staff and support facilities, because expanded City staff will be able to expedite completing the Vision implementation regulations, and provide a support structure for timely review and processing of Yarrow Bay's Master Plans. As partial consideration for Yarrow Bay funding Core City Staff and facilities, to expedite economic and fiscal benefits to the City, and to facilitate the transfer of funding obligations from the Agreement to Yarrow Bay's MPD Development Agreement(s), the City intends to Process, as defined above, each Yarrow Bay's MPD application within 24 months from the latter of: 1) the date a notice of complete MPD application is submitted and 2) 6 months after the Agreement is executed by all Parties and Yarrow Bay has provided the security referenced in Paragraph 3 (G) and the Deed of Trust referenced therein has been recorded.. The 24 month time line does not include the following: 1) any time which the processing of the MPD application is delayed because of the City having to wait for further information relevant to the MPD Processing reasonably requested from the Yarrow Bay team; 2) any time during which an appeal is pending; and 3) the environmental review period. Provided, however, the City commits to continuing its Processing efforts during the "excluded" time periods on those portions of the application(s), if any, that are unaffected by the reasons for the delay. If the City does not Process Yarrow Bay's MPD applications within the above referenced 24 months, less excluded periods, and if Yarrow Bay has timely paid all of its financial commitments, then Yarrow Bay shall have the option, on 60 days written notice to the City, to terminate funding of the Supplemental Costs. Provided, the termination of funding shall not apply to those Supplemental Costs for which the City entered contractual obligations to pay the same prior to the date the notice to terminate was given and to the extent the payments for said Supplemental Costs are due within 5 years of the date the notice to terminate was given.

Pursuant to Section 18.98.070 of the Black Diamond Municipal Code, the Parties agree to prepare EISs for Yarrow Bay's proposed MPDs prior to or concurrent with Yarrow Bay's submittal of MPD applications.

K. Reduction of Necessary Funding under Agreement: Termination of Agreement

The City shall work in good faith and use reasonable best efforts to periodically review its fiscal condition and policies so that Yarrow Bay funding for Supplemental Costs can be reduced by other funding sources. The City agrees, to the extent staff is available, to apply for grants that could be used to contribute to Supplemental Costs, and shall use any funds awarded under such grants to pay Supplemental Costs. The City, if funding is provided by Yarrow Bay or one of its successors in interest, shall cause an economic analysis to be prepared by qualified independent consultants, and subjected to peer review, to determine if the City's normal general fund receipts from sales tax, property tax and any other regularly occurring tax sources, now have a sufficient base line so as to reduce or eliminate the need for continued subsidy of Supplemental Costs by Yarrow Bay and/or its successors in interest. These economic analyses shall occur biannually, with the first analysis to be done in calendar year 2012.

Yarrow Bay's commitment to fund Supplemental Costs under this Agreement shall end when: 1) the Parties, or the City and a successor in interest to Yarrow Bay, or the City and a third party, execute MPD Development Agreements that provide funding for the then-unfunded Supplemental Costs and any other obligations remaining hereunder, and provide adequate security for the payment of said costs and obligations; or 2) when it is determined, after peer review of the economic analyses outlined in this paragraph, that the Supplemental Cost subsidy is no longer needed; or 3) Yarrow Bay terminates the Supplemental Costs funding pursuant to paragraph 4 (J) in the event that the City defaults on its Processing obligations.

L. No Special Treatment

As a matter of law, Yarrow Bay acknowledges that the City has legal and ethical obligations to implement its plans and to enforce its regulations objectively, without regard to the fact that Yarrow Bay is providing funding for Core City Staff, City Code Consultants, Legal Costs, and facilities costs. Yarrow Bay understands that this Agreement does not entitle Yarrow Bay to any special treatment, other than the City commitments set forth herein.

M. Reimbursement

The City will take actions so that Yarrow Bay can recover the Supplemental Costs by adding a surcharge, to the extent allowed by law, to all impact fees, latecomer's agreements, and all other financial obligations that are created by City codes, and to all fees charged for the following land use applications and permits submitted by Benefited Non-Contributing Parties: MPD Applications, multifamily dwelling unit building permits, subdivisions, multiple short plats, commercial/industrial site plans, and single family home construction permits if more than one is submitted in a 12 month period,

This surcharge, designed to amortize Supplemental Costs, shall be equivalent to the Benefited Non-Contributing Party's pro-rata fair share of the Supplemental Costs. The surcharge shall include administrative fees for the City's costs in establishing and processing the surcharge, and for Yarrow Bay's costs associated with this Agreement. The amount of this surcharge actually collected from the Benefited Non-Contributing Parties, minus the City's administrative fee, shall be issued as a credit against Yarrow Bay's quarterly payments during the term of this Agreement, or shall be issued as a credit against development-related fees and costs owed from Yarrow Bay to the City after the term of this Agreement. In the event that a third party who is benefited by this Agreement contributes to the Supplemental Costs, that party shall not be reimbursed for any of its contributions until Yarrow Bay has been reimbursed for all of its contributions prior to the third party's contribution date. After that point, Yarrow Bay and any third party contributing to Supplemental Costs shall be reimbursed pro-rata according to their monetary contributions. The City will not collect the surcharge under the terms of this Agreement after the earlier of: 1) the date when Yarrow Bay has been fully repaid for all Supplemental Costs it has paid under this Agreement, or 2) the end of the vesting term specified in the final MPD Development Agreement between the Parties.

5. Miscellaneous.

A. Amendments

Any Party may request changes to this Agreement. Proposed changes that are agreed upon by all Parties will be incorporated by written amendments to this Agreement.

B. Integration

The Parties agree that this Agreement is the complete expression of the terms hereto and any oral representations or understandings not incorporated herein are excluded. Waiver of any default will not be deemed to be a waiver of any subsequent default. Waiver or breach of any provision of the Agreement will not be deemed to be a waiver of any other or subsequent breach and will not be construed to be a modification of the terms of the Agreement unless stated to be such through written approval by the Party charged with so waiving or modifying the terms of the Agreement, which written approval will be attached to the original Agreement.

C. Negotiation and Drafting

The Parties hereby acknowledge that this Agreement has been reached as a result of arms length negotiations with each Party represented by counsel. No presumption shall arise as a result of one Party or the other having drafted all or any portion of this Agreement.

D. Counterparts

This Agreement may be executed by the Parties in counterparts, each of which, when executed shall be deemed an original instrument and binding against the Party signing thereon.

E. Severability

If any section, sentence, clause, or portion of this Agreement is declared unlawful or unconstitutional for any reason, the remainder of this Agreement shall continue in full force and effect.

F. Authority to Sign

Each Party represents and warrants to the others that the individuals signing below have full power, authority and legal right to execute and deliver this Agreement and thereby to legally bind the Party on whose behalf such person signed.

G. Binding Effect on Subsequent Parties

This Agreement shall bind and inure to the benefit of the Parties and their respective receivers, trustees, insurers, successors, subrogees, transferees and assigns.

H. Notice

Any demand, request or notice which either party hereto desires or may be required to make or deliver to the other shall be in writing and shall be deemed given when personally delivered, or successfully transmitted by facsimile transmission, or when actually received after being deposited in the United States Mail in registered or certified form, return receipt requested, addressed as follows

To the City: Rick Luther, City Administrator
City of Black Diamond
25510 Lawson St.
PO Box 599
Black Diamond, WA 98010
Facsimile: (360) 886-2592

Loren Combs
McGavick Graves
1102 Broadway, Suite 500
Tacoma, WA 98401
Facsimile: (253) 627-2247

Exhibit A to Resolution Number 07- 451

To Yarrow Bay: Brian Ross
Yarrow Bay Group
825 5th Ave., Suite 202
Kirkland, WA 98033
Facsimile: (425) 202-3694

John Hempelmann
Cairncross & Hempelmann, P.S.
524 Second Avenue, Suite 500
Seattle, Washington 98104-2323
Facsimile: (206) 587-2308

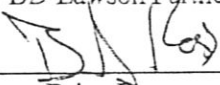
I. Choice of Law, Jurisdiction, and Venue.

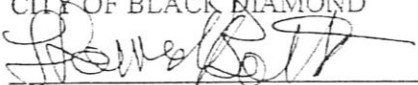
This Agreement shall be interpreted, construed, and enforced according to the laws of the State of Washington. If any action is brought by any of the Parties to enforce provisions of this Agreement, the Parties agree that the exclusive jurisdiction and venue of any lawsuit arising from such action will be the Superior Court of Washington for King County.

J. Mediation, Attorneys' Fees and Costs


In the event of any dispute concerning this Agreement, the parties agree to submit their dispute to a mutually-agreed mediator before seeking recourse from any court. In the event that mediation fails to resolve the dispute, the substantially prevailing Party shall be entitled to receive its attorneys' fees and costs at trial, at any alternative dispute resolution proceeding, and on appeal.

YARROW BAY COMMUNITIES
For BD Lawson Partners, LP and BD Village Partners, LP


By: Brian Ross
Title: Managing Partner

CITY OF BLACK DIAMOND

Howard Botts, Mayor

Attest:


Brenda Streepy, City Clerk/Treasurer
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**CITY OF BLACK DIAMOND
2010 BUDGET CALENDAR**

INTERNAL DATE	STATE LAW LIMITATIONS	BUDGET PREPARATION STEPS
August 3	None	Finance formulates message to accompany department budget requests
August 4	September 14	Departmental budget requests distributed
August 28	None	Salary and Benefits projections for 2010
August 28	September 28	Department request estimates to be filed with Finance
August 28	October 1	Revenue projection for all funds; estimate of General Fund ending balance for December 31, 2009
September 21	October 1	Finance submits to CAO the proposed preliminary budget setting forth the complete financial program
September 24	None	Finance provides expenditure budgets for October 1 Council packet
October 1 (Workstudy)	October 5	CAO provides Council with current info on revenue from all sources as adopted in 2009 budget, and provides them with the proposed preliminary budget setting forth the proposed General Fund revenue
October 22 (Workstudy)	None	Mayor, Finance and Department heads review General Fund expenditures budgets with Council
October 29 (Workstudy)	None	Council reviews Public Works budgets for revenues and expenditures for all Public Works budgets, including street, water, wastewater, stormwater and all associated funds. Also reviews overall budget.
November 3 and November 10	November 3 and November 10	City Clerk publishes Notice of Public Hearings on 2010 budget once a week for two consecutive weeks and publishes filing of preliminary budget
November 5 (Workstudy)	None	City Council workstudy to review proposed 2010 budget for revenues and expenditures for all funds, including projects from CIP
November 19	November 20	Copies of Preliminary Budget made available to public
November 19 (Regular Mtg.)	November 19	City Council holds public hearing on revenue sources and expenditures for the upcoming budget year including possible increases in property tax revenue
November 19 (Regular Mtg.)	November 19	Property tax public hearing
November 19 (Regular Mtg.)	November 19	City Council adopts preliminary property tax levy for 2010 budget (possibly hold 2 nd in December due to delays in information from the County – Must be done by November 30.
December 3 (Regular Mtg.)	December 3	City Council holds final public hearing on 2010 budget
December 3 or 17, (Regular Mtgs.)	December 3 or 17	City Council adopts Final 2010 budget and transmits to the State Auditor's Office



City of Black Diamond Final Budget 2010

Glossary of Budget Related Terms

Accrual Basis of Accounting - Method of accounting in which transactions are recognized at the time they are incurred, as opposed to when cash is received or spent.

Ad Valorem Tax (also known as "Property Tax") - A tax on property itself, levied on the assessed value of the property.

Adopted Budget - The original budget approved by the City Council for a given fiscal year.

Amended Budget - The original budget plus or minus any adjustments approved during the fiscal year by the City Council.

Appropriation - An authorization from a governing body to make expenditures for a specific purpose.

Assessed Valuation - The total value of real estate and personal property as determined by tax assessors which is used as a basis for levying taxes.

Best Practice - The method used by an entity that excels at doing a particular activity. These are the measures against which the county benchmarks its current processes for performing the activity.

Bond - A written promise to pay a specific sum of money plus interest within a specific period of time. Bonds are a major source of revenue for construction or major renovations.

Budget - A proposed plan for raising and spending money for specified programs, functions, activities, or objectives during a fiscal year.

Budget Calendar - The schedule around which the budget is developed. This schedule must include certain statutory dates, ultimately ending with the adoption of a budget ordinance by the City Council..

Budget Ordinance - The official enactment by the City Council making appropriations and establishing a tax rate for the budget year. Appropriations shall be made by department, function, or project and will include the presentation of revenue estimates by major source.

Capital Improvement Plan (CIP) - A multi-year plan of major construction or renovation projects. This plan includes the projected annual expenses and available revenues for each project. The plan is adjusted annually and approved by the City council.



City of Black Diamond Final Budget 2010

Glossary of Budget Related Terms, cont.

Capital Outlay - Expenses associated with the acquisition, construction, improvement, replacement, or renovation of land, structures and improvements thereon. This includes equipment and physical property, other than land and buildings, having a useful life of more than three years.

Cash Basis of Accounting - Method of accounting in which transactions are recognized at the time cash is received or spent.

Debt Service - Payments of interest and principal on an obligation resulting from the issuance of bonds.

Fund - A separate fiscal and accounting entity, with its own set of accounts and having its own cash and other resources, liabilities, equities or fund balance, revenues and expenditures.

GAAP - An acronym meaning "Generally Accepted Accounting Principals", which refer to a set of standard accounting rules and procedures used by governmental agencies to account for the receipt and expenditure of funds.

General Fund - Transactions very general in nature and not required to be accounted for in another fund. This is the primary operating fund for the City.

General Obligation Bonds - Bonds issued by the government, usually requiring voter approval, that are backed by the government's full faith and credit.

Property Tax (also known as "Ad Valorem Tax") - A tax on property itself, levied on the assessed value of the property.

Revenue - Receipts that increase the City's net worth or net financial resources.

State Shared Revenue - The proceeds from State taxes that are shared with cities, with the distribution being determined by some formula, depending on the type of tax.



City of Black Diamond Final Budget 2010

2010 Salary Schedule

City of Black Diamond, Washington

2010 Salary Schedule	Level 1	Level 2	Level 3	Level 4	5 & On
City Administrator	9,161	9,459	9,913	10,271	10,634
Assistant City Administrator	7,875	8,269	8,663	9,056	9,450
Court Administrator	5,775	6,038	6,300	6,563	6,825
Interim Court Administrator	5,200				
Court Clerk	3,150	3,413	3,675	3,938	4,200
Economic Development Director	7,350	7,744	8,138	8,531	8,925
Stewardship Director	7,350	7,744	8,138	8,531	8,925
City Attorney	8,000	8,400	8,820	9,261	9,724
City Clerk	7,350	7,744	8,138	8,531	8,925
Deputy City Clerk	4,410	4,719	5,027	5,336	5,644
Finance Director	7,350	7,744	8,138	8,531	8,925
Deputy Finance Director	6,500	6,875	7,250	7,625	8,000
Utility Clerk	3,150	3,413	3,675	3,938	4,200
Senior Accountant 75% (hourly)	25.28	26.55	27.87	29.27	30.73
Accountant 1 Journey (hourly)	16.28	17.09	17.94	18.84	19.78
Administrative Assistant 2	3,150	3,413	3,675	3,938	4,200
Administrative Assistant 1	2,310	2,494	2,678	2,861	3,045
Information Services Manager	6,825	7,219	7,613	8,006	8,400
Police Chief	9,458	9,781	10,106	10,430	10,804
Police Commander	7,860	8,122	8,384	8,646	8,948
Police Sergeant	7,367	7,781			
Police Officer	4,476	5,016	5,557	6,098	6,611
Police Records Coordinator	4,410	4,719	5,027	5,336	5,644
Police Clerk 62.5% (hourly)	14.75	16.18	17.61	18.61	20.45
Facilities Equipment Coordinator	4,410	4,719	5,027	5,336	5,644
Human Resources Director	7,350	7,744	8,138	8,531	8,925
Community Development Director	7,350	7,744	8,138	8,531	8,925
Permit Technician Supervisor	5,775	6,038	6,300	6,563	6,825
Permit Technician	4,410	4,719	5,027	5,336	5,644
Compliance Officer	4,410	4,719	5,027	5,336	5,644
Senior Planner	5,249	5,511	5,787	6,076	6,380
Planner	4,410	4,719	5,027	5,336	5,644
Associate Planner	4,394	4,614	4,845	5,087	5,341
Assistant Planner	4,099	4,304	4,519	4,745	4,982
Building Official	6,825	7,219	7,613	8,006	8,400
Parks Department Director	7,350	7,744	8,138	8,531	8,925
Public Works Director	7,350	7,744	8,138	8,531	8,925
Utilities Supervisor	6,825	7,219	7,613	8,006	8,400
Public Utilities Operator	4,620	4,700	4,792	4,884	4,976
Utility Worker	3,257	3,572	3,887	4,202	4,538
Utility Worker Seasonal (hourly)	12.98				

CITY COUNCIL AGENDA BILL

City of Black Diamond
Post Office Box 599
Black Diamond, WA 98010

ITEM INFORMATION			
SUBJECT: Ordinance No. 09-929, adopting the 2009 Water System Comprehensive Plan	Agenda Date: December 17, 2009		AB09-146
	Department/Committee/Individual	Created	Reviewed
	Mayor Howard Botts		
	City Administrator –		
	Interim City Attorney – Yvonne Ward		
	City Clerk – Brenda L. Martinez		X
	Finance – May Miller		
	Public Works – Seth Boettcher	X	
	Economic Devel. – Andy Williamson		
Cost Impact Publication - \$3000	Police – Jamey Kiblinger		
Fund Source: Capital Funds	Court – Kaaren Woods		
Timeline:			
Attachments: Ordinance No. 09-929, Dept. of Health Approval, Table of Contents to the Water Comprehensive Plan, Public and Council Involvement Record, Notes and Response from September 17 Hearing, Current Code 13.08.010			
SUMMARY STATEMENT: <p>The City has hired PacWest to update the Water Comprehensive Plan according to the State Department of Health regulations. PacWest has completed the Water comprehensive Plan, submitted to and responded to staff comments, submitted it to the Department of Health for review, addressed or answered the comments from other parties and the Department of Health, amended the comprehensive plan to reflect the most current land use planning, resubmitted the plan to the Department of Health and has now received Department of Health approval.</p> <p>The Council also held a public hearing on September 17, 2009 and the comments are responded to in the attached public hearing response document.</p> <p>Staff recommends approval of the Water Comprehensive Plan to provide the guidance for the water utility over the next five to six years.</p>			
COMMITTEE REVIEW AND RECOMMENDATION: Various items have been discussed at various times.			
RECOMMENDED ACTION: MOTION to adopt Ordinance No. 09-929, adopting the 2009 City of Black Diamond Water System Comprehensive Plan.			
RECORD OF COUNCIL ACTION			
Meeting Date	Action	Vote	
December 17, 2009			

ORDINANCE NO. 09-929

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF
BLACK DIAMOND, KING COUNTY, WASHINGTON
AMENDING SECTION 13.08.010 OF THE BLACK
DIAMOND MUNICIPAL CODE REGARDING THE
COMPREHENSIVE WATER SYSTEM PLAN**

WHEREAS, the City of Black Diamond owns and operates a public drinking water system within the State of Washington; and

WHEREAS, in July 2001 the City adopted a Comprehensive Water System Plan; and

WHEREAS, State law require the operators of water system to develop and maintain a current Water System Plan and the existence of such a plan is necessary to ensure that future improvement are planned and scheduled in the manner necessary to protect the public health and safety; and

WHEREAS, the City hired PacWest Engineering, LLC to update the Water Comprehensive planning for the City of Black Diamond in keeping with the Department of Health regulations; and

WHEREAS, PacWest has completed the plan update, addressed and answered comments, coordinated Department Health review, amended the plan to meet the most current land use decisions; and

WHEREAS, the City staff, the Public Works Committee of the Council, the public and the full council has had opportunity to review, provide comment, and/or provide input into the development of the water comprehensive plan; and

WHEREAS, a formal public hearing was held by the council on September 17, 2009; and

WHEREAS, King County has determined that our Water Comprehensive Plan is consistent with county planning policies and expects to approve Black Diamond's Water Comprehensive Plan in the near future; and

WHEREAS, the Department of Health has approved the City of Black Diamond's Water Comprehensive Plan on July 24, 2009;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, HEREBY ORDAINS AS FOLLOWS:

Section 1. Section 13.08.010 of the Black Diamond Municipal Code is amended to read as follows:

13.08.010 Adopted.

The City of Black Diamond Water System Comprehensive Plan prepared by PacWest Engineering, LLC dated May 2009 is adopted and incorporated by reference.

Section 2. Effective Date. This Ordinance shall be in full force and effect five (5) days after its passage, approval, posting and publication as provided by law. A summary of this Ordinance may be published in lieu of publishing the Ordinance in its entirety.

Section 3. Severability. Each and every provision of this Ordinance shall be deemed severable. If any provision of this Ordinance should be deemed to be unconstitutional or otherwise contrary to the law by a Court of competent jurisdiction, it shall not affect the validity of the remaining sections so long as the intent of the Ordinance can be fulfilled without the illegal section.

Introduced on the 17th day of December, 2009.

Passed by the City Council on the 17th day of December, 2009.

CITY OF BLACK DIAMOND:

Howard Botts, Mayor

Attest:

Brenda L. Martinez, City Clerk

APPROVED AS TO FORM:

Yvonne Ward, Interim City Attorney

Published: _____

Posted: _____

Effective Date: _____



STATE OF WASHINGTON

DEPARTMENT OF HEALTH

20435 72nd Ave. S., Suite 200, K17-12 • Kent, Washington 98032 -2358

July 24, 2009

Dan Dalsanto
City of Black Diamond
PO Box 599
Black Diamond Wa 98010

RE: City of Black Diamond, ID# 07220
King County
Water System Plan – Approval
Submittal #:08-0613

Dear Mr. Dalsanto:

The City of Black Diamond Water System Plan (WSP), received by the Office of Drinking Water (ODW) on July 19, 2008, with revisions submitted on June 4, 2009, has been reviewed and in accordance with the provisions of WAC 246-290-100, is hereby **APPROVED**.

Approval of this WSP is valid as it relates to current standards outlined in Washington Administrative Code (WAC) 246-290 revised July 2008, WAC 246-293 revised September 1997, and RCW 70.116, and is subject to the qualifications herein. Future revisions in the rules and statutes may be more stringent and require facility modification or corrective action. An approved update of this WSP is required on or before July 24, 2015, unless ODW requests an update or plan amendment pursuant to WAC 246-290-100(9).

APPROVED NUMBER OF CONNECTIONS

The analysis provided in this WSP shows the water system has sufficient capacity to meet the growth projections during this planning period. The City of Black Diamond water system can support an “**unspecified**” designation for its approved number of connections. A specific number of approved connections will not be applied at this time. Development may occur in compliance with the schedule and information provided in this WSP. This designation may be rescinded (and replaced with a specified number of approved connections) if ODW determines that the WSP is no longer representative of system activities.

LOCAL GOVERNMENT CONSISTENCY

This document meets local government consistency requirements for WSP approval pursuant to RCW 90.03.386 and RCW 43.20.



WATER RESOURCES

This approval does not provide any guarantee and should not be considered to provide any guarantee concerning legal use of water or any subsequent water right decisions by the Department of Ecology.

SERVICE AREA AND DUTY TO SERVE

Pursuant to RCW 90.03.386(2), the service area identified in this WSP service area map may now represent expanded "place of use" for this system's water rights. Changes in service area should be made through a WSP amendment.

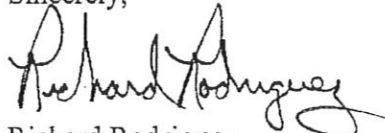
The City of Black Diamond has a duty to provide new water service within its retail service area. This WSP includes service policies to describe how your system plans to provide new service within your retail service area.

CONSTRUCTION WAIVERS

Standard Construction Specifications for distribution main extensions in this WSP are approved. Consistent with WAC 246-290-125(2), this system may proceed with the installation of distribution main extensions provided this system completes and keeps on file the enclosed construction completion report form in accordance with WAC 246-290-125(2) and WAC 246-290-120(5) and makes it available for review upon request by ODW.

We recognize the significant effort and resource commitment involved in the preparation of this WSP. Thank you for your cooperation.

Sincerely,



Richard Rodriguez
Regional Planner
Northwest Drinking Water Operations
(253) 395-6771



Derek Pell, PE
Assistant Regional Office Manager
Northwest Drinking Water Operations
(253) 395-6764

cc: Steve Hirschey, King County UTRC
Seattle King County Health Dept.
Andy Dunn, Department of Ecology, NWRO
Christine Smith, P.E., PacWest Engineering

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Public and Council Involvement Record

1. May 2007; Initial authorization to have PacWest update the water comprehensive plan by Resolution 0744
2. Winter/Spring 2008; The Water Comprehensive Plan was reviewed and discussed at several Public Works Committee meetings.
3. April 2008; Distribution of Draft Water Comprehensive Plans to all Council members before the May workshop
4. April and May, 2008, the draft water comp plan was reviewed by Tacoma Water, Covington and Soos Creek.
5. May 1, 2008; Workshop to review the Draft Water Comprehensive Plan and receive direction on some policy issues
6. June 5th 2008; the amended Draft Water Comprehensive Plan was approved to be sent to the Department of Health for their review
7. October 16th, 2008; With more detailed information from Yarrow Bay, changes in the land use plan for Villages, and changes in population forecasts an update of portions of the water comp plan were needed. The City authorized PacWest to amend the water comp plan to reflect the changed conditions.
8. March 2009; The water comprehensive plan went through the SEPA process.
9. March 2009; Copies of the draft water comprehensive plan were distributed to surrounding jurisdictions of interest.
10. In May the water comprehensive plan was resubmitted to the Department of Health after addressing the Health Department comments and comments from other agencies.
11. On July 24th, 2009, the Department of Health approved the Black Diamond Water Comprehensive Plan update.
12. September 17th, 2009; The Black Diamond City Council held a public hearing taking public testimony related to the pending water comprehensive plan.

Response to comments submitted at the hearing

Written comments by Craig Goodwin

City of Black Diamond

Water System Comprehensive Plan

Comments – Black Diamond Citizens Committee United

September 17, 2009

A. Underlying Principle – New development should pay for itself!

- This is consistent with the city's MPD Ordinance requiring fiscal balance from new development.
- Current rate payers should not have to pay to support those benefiting from growth.

Yes. This is precisely the direction given to PacWest in the development of the water comprehensive plan and reflected in UGA policy 2 – 32. Council and this comp plan and Craig Goodwin agree. Further the City's adopted overall comprehensive plan states clearly that development should pay for itself in policy U2 on page 2-17 and objective CF-4 on page 8-5.

B. The current draft Comp Plan identifies 36 projects totaling \$1,930,000 that are to be paid for by current and new rate payers through water facility charges and usage fees.

- We should ask ourselves the question – would we be doing these projects if we were not faced with major new development and growth?
 - Replacing existing asbestos pipe, looping, increasing pipe size in many cases from 4 inch diameter to 12 inch diameter will certainly improve service and increase fire flow to many current customers.
 - But absent major new development, would we really need to do these projects now?
 - Do rate payers really get a return on their investment if they finance these projects?

First of all rate funds are collected to meet new water quality requirements and repair and replace the existing system to bring it up to current standards. Water Capital Facility charges (or connection charges) are used to fund capacity adding projects. So would we be doing these projects if there was no development?

Answer: Yes as funding is available.

Do we need these projects now? Yes, the rate funded projects are needed in order to meet reliability and replace water lines that are failing at increasing frequency. Old substandard water mains need to be replaced, but they do not necessarily need to be all replaced in the next 6 years. The Council delayed the pace to replace the old water mains in the current Capital Improvement Plan because of the lack of funds and the economic times. Rate increases that are needed to bring the water utility into a healthy financial standing before the Capital Improvement Plan can be increased. Currently the City Capital Improvement plan does not have any significant water main replacement projects in the next 6 years. The main customer responsibility project to be funded out of rates in the next 6 years is replacement of the water meters. This comprehensive plan does however disclose the upcoming need to replace the old substandard water mains.

Return on Investment: Eventually once the rate payer projects are funded the current customers will benefit from greater water system reliability, some savings in overtime and better fire flow.

- How do we explain to current rate payers why this is in their best interest, particular if these projects drive the need for further increases in rates?
 - Based on the City water budget for the year 2009, there appears to be about \$91,000 that would be annually available to fund these projects over the next several years. Yet the identified need in the Comp Plan exceeds \$400,000 per year.
 - Where will the additional revenue come from, particularly in the near term?
 - Will grants and or loans be required to fund these projects? If so, when will we know?
 - Will rate increases be required to fund these projects?

Best Interest: As the water mains continue to deteriorate and the repair costs continue to increase, money that could have been used to upgrade the water main will be going into repair costs. Continued delay in pipe replacement will push the replacement schedule closer to crisis replacement.

In the interest to avoid a large step rate increases the council is putting off the pipe replacement program for a few years and was considering a consistent regular rate increases until the water utility is more financially healthy. The water rates have not always been reviewed annually as recommended in the previous comprehensive plan and as such the rates did not keep up with rising costs. So the current's finance situation involves some catching up.

Customer growth will also lighten the burden of the current customers to replace these old water mains. The revenue needed for water line replacement will come from **rate increases** (see rate study) and **new customers** (not capital facility charges but additional monthly rates) allowing the city to spread the water operation and maintenance costs to more customers.

The City will continue to pursue grants as those opportunities come up.

C. The draft Comp Plan identifies several projects totaling \$1,630,000 that are to be funded by Connection Fee revenue, currently amounting to \$5,976 per new connection.

- We encourage the City Council to become familiar with water funding agreements dating back to 2003 between the City and Palmer Coking Coal (PCC) and between the City and Plum Creek Land Company (PCLC). Further related agreements with WSFFA Partners are also important, though we are still awaiting copies of these agreements for our review.

Whereas the city did not have capital facility charge (connection fees) funds available in 2003 for any capacity adding projects, and;

Whereas the existing water system was inadequate to meet fire flow, storage, water quality and reliability standards,

The land owners stepped up to assist the City with funding spring projects, new tank, new pump station, an intertie, and water for Black Diamonds future. The developer was able to purchase some certainty of water for the development of their property and the City was able to upgrade some major portions of the water system funded by the large local property owners with consideration for reimbursement when the City grows. These projects also provided reliability benefits to the existing customers that were paid for by future growth.

- In exchange for funding the purchase of water supply from the City of Tacoma and making improvements to the current water supply system, PCC (\$15 million +) and PCLC (\$1 million +) are to be reimbursed for their investment through pro-rata connection fee credits.
 - This means that the city, net of reimbursement credits to PCC and PCLC, could generate little if any net revenue from connection fees related to Yarrow Bay MPDs.

Yes, the funding partners of the Water Supply and Facilities Funding Agreement are due a credit for all of their upfront interest free investment in the City's water system. Also understand that the City cannot collect capital facility charges and use those funds to subsidize operations and maintenance (rates). The credit on capital facility charges is for equity between the large property owners that rebuilt most of the City's core water system and other developers that did not participate with up front cash.

- We need a clear accounting for these agreements and expected pro-rata credit rates before any of these Water Comp Plan projects should be undertaken.
- If all or a large part of connection fee revenues are unavailable to finance extension of water service, where will the funding for these projects come from?

Clear accounting: we will not establish what the credit for the funding agreement improvements will be until they are all complete. The credit will be established by a study that was also identified in the Water Supply and Facility Funding Agreement. Most of the capacity adding projects will be completed as private developer projects. If there is no growth and no Capital Facility charges coming in, then there will be no need for the capacity adding projects either. Most of the new capacity adding project will be developer funded, designed and constructed according to our comprehensive plan. The City through the comprehensive planning process determines **how** the future water system will be built but growth will build or pay for it.

Please note that the Water System Facilities Funding agreement also includes a capital facility charge study to set the fee appropriately once the projects are complete and notice by the City. This study will establish the fee so that city funded projects are also adequately funded taking into account the credit to the land holding partners.

- PCC and PCLC also appear to be eligible for credits when development occurs outside of their own development areas – on so called “non-contribution benefiting properties”.
 - This implies that any new development within the city, net of credits to PCC and PCLC, may generate little if any connection fee revenue for the city.
 - Again, we need a clear accounting for these agreements.

Again, capital facility charges should not be viewed as revenue for the city maintenance projects. These funds are set aside for capacity adding projects only and should not be viewed as revenue to the City. The credits and reimbursement were established to provide equity for developers who did not pay for the Tacoma Water, the new tank, the intertie, the new pump station or the rehabilitation of the springs and the new transmission main. Staff agrees that accounting and financial planning is needed to determine an adequate capital facility charge that will provide reimbursement for the Water System Facilities Funding partners and provide funds for City funded capacity adding projects.

D. The Comp Plan identifies \$15,191,000 in projects classified as Development Projects which are to be “funded outright by development as extensions of the system”.

- Will these projects be paid for directly by the Developers, will LID financing be used or is it anticipated that development REET revenue will be used as a source of financing?
- We believe that REET revenue should not be used for this purpose.

Yes, These projects listed as “Development” funded will be paid for by the developers. No one has suggested that water capacity projects be funded out of REET revenue. Any Local Improvement Districts would have to be approved by the City Council. A local improvement district would only apply to the benefiting area of the improvement.

E. The 2000 Water System Comp Plan established a policy of not allowing “wholeselling” or “wheeling” of water from the City of Black Diamond Water System.

- We support the continuation of these policies.
- For perspective, this policy precludes wholesale supply agreements with Nestle and others seeking to exploit Black Diamond spring water rights.

There is no prohibition on wholesaling water. For the near term city has more water supply than they need. For the long long term, additional water supply will provide assurance for water capacity for the buildout of the UGA, flexibility for future councils to consider zoning changes and business opportunity for the City. If there were an opportunity to wholesale water to a neighboring community on an interim basis to “bridge the gap” to the development of their supplies, the city could potentially bring a return on their water purchase from Tacoma.

As far as the Nestle Company as a local customer, the City never promised or entertained the idea of wholesaling water to Nestle. The Council, Administration and staff expected Nestle to be treated as any other customer of the City other than the exclusive use of spring water.

F. Clearly, the assumptions used for capacity planning (e.g., 1,454 projected ERU’s in 2010) are divorced from current realities. We serve approximately 850 ERU’s today.

- How should project priorities be changed in the face of substantially reduced current demand for water?
- How should project scheduling be changed to reflect current fiscal realities?

The water comprehensive plan provides a snap shot in time including various growth and other assumptions. Reality continues to change. It is not required or necessary to continually update the comprehensive plan as new information becomes available as it is a planning and guidance document. Yes, the water comp plan does set priorities but the implementation of the plan comes with each budget and the setting of ordinances. The water comp plan is a guidance document not an implementation document.

“How should project priorities and scheduling be changed.....”, The Council has determined to slow down the rate funded capital projects and spread out the needed rate increase to lighten the burden on rate payers at this time. These implementation strategies are not in opposition to the current comprehensive plan or the proposed comprehensive plan.

G. In 2005, the City Council approved the acquisition of an additional 500,000 gallons per day of water supply availability from the City of Tacoma – over and above the 1,712,000 gallons per day purchased in 2003.

- Based on full Yarrow Bay MPD build-out, there does not appear to be a need in Black Diamond for these 2005 purchase volumes, even with additional growth beyond Yarrow Bay.
- Repayment of the \$3,407,063 in debt undertaken to finance this purchase places both upward pressure on current water rates and detracts from the city's ability to finance projects within this Draft Comprehensive Plan that are more critical priorities.
- Absent other compelling data, we urge the Council to direct staff to initiate negotiations with the City of Tacoma for the repurchase by Tacoma of this 500,000 gallons per day excess capacity.

Black Diamond may very well need additional water supply as the future Palmer Coke and Coal properties develop in the future. Future councils may desire higher density to encourage redevelopment of certain areas requiring more water. An opportunity for a clean water intensive industrial business in the City may come up at some point in the future. The City may be able to sell the water at a higher profit in the future. The City of Black Diamond is in a closed basin (No new water supplies can be developed) and it would be very expensive if not impossible to purchase additional water supply for the needs of our future citizens today. Given the future uncertainties, the potential opportunities and the future constraints and cost of new water supply, previous council purchased this water supply to secure the future for the City of Black Diamond.

In any event the City is In discussions with the City of Tacoma to determine what options are available to the City of Black Diamond.

Response to Gomer Evans

Gomer supports Craig Goodwins comments or repeated concerns above;
See above

Response to Ryan Kohleman

Ryan Kohlman representing Yarrow Bay requested that the city review the timing of project 8 and 9 (Springs Projects) which are funded by the Water Systems and Facilities Funding Agreement. They would like to see these projects delayed.

While the comprehensive plan does identify these projects coming up soon and our capital improvement planning anticipates starting these projects next year, the City is evaluating and considering the timing of these projects. The timing of these projects will be discussed in the public works committee and a recommendation will be brought back to the full council.

Response to Wayne Anderson

Wayne supports the comments of Craig Goodwin.

See above.

Title 13 PUBLIC SERVICES

Chapter 13.08 COMPREHENSIVE WATER SYSTEM PLAN ADOPTED

13.08.010 Adopted.

The city comprehensive water system plan, prepared by Panhallegon Associates Consulting Engineers in the year 2002 is adopted and incorporated by reference. (Ord. 716 § 1, 2001: Ord. 312 § 1, 1985)

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CITY COUNCIL AGENDA BILL

City of Black Diamond
Post Office Box 599
Black Diamond, WA 98010

ITEM INFORMATION			
SUBJECT: Ordinance No. 09-930, authorizing the Mayor to execute the Franchise Agreement with Puget Sound Energy	Agenda Date: December 17, 2009		AB09-147
	Department/Committee/Individual	Created	Reviewed
	Mayor Howard Botts		
	City Administrator –		
	Interim City Attorney – Yvonne Ward		
	City Clerk – Brenda L. Martinez		X
	Finance – May Miller		
	Public Works – Seth Boettcher	X	
	Economic Devel. – Andy Williamson		
Cost Impact: Attorney reimbursement	Police – Jamey Kiblinger		
Fund Source: N/A	Court – Kaaren Woods		
Timeline: 20 year agreement			
Attachments: Ordinance No. 09-930, Redline Version of Franchise Agreement, Clean Version of Franchise Agreement, Previous Franchise agreement with Washington Natural Gas			
SUMMARY STATEMENT: This agreement establishes the business relationship for Puget Sound Energy to operate and maintain a natural gas distribution system within the City of Black Diamond and use City right-of-way for their infrastructure. This new Franchise is irrevocable and has a 20 year term.			
COMMITTEE REVIEW AND RECOMMENDATION: Public Works Committee reviewed 12/8/2009			
RECOMMENDED ACTION: MOTION to adopt Ordinance No. 09-930, authorizing the Mayor to execute the attached Natural Gas Franchise Agreement with Puget Sound Energy.			
RECORD OF COUNCIL ACTION			
Meeting Date	Action	Vote	
December 17, 2009			

ORDINANCE NO. 09-930

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF
BLACK DIAMOND, KING COUNTY, WASHINGTON
AUTHORIZING THE RE-ESTABLISHMENT OF A
FRANCHISE WITH PUGET SOUND ENERGY FOR
NATURAL GAS SERVICE IN BLACK DIAMOND**

WHEREAS, the previous natural gas franchise with Washington Natural Gas has expired;
and

WHEREAS, Puget Sound Energy had taken over the Gas Facilities in Black Diamond
after merging with Washington Natural Gas; and

WHEREAS, the City and Puget Sound Energy desire to have natural gas provided for
the current and future citizens and businesses of Black Diamond; and

WHEREAS, the City and Puget Sound Energy desire to formalize the cooperative and
mutually beneficial relationship for the provision of natural gas services for the City of
Black Diamond;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND,
WASHINGTON, DOES HEREGY ORDAIN AS FOLLOWS:**

Section 1. The Mayor is authorized to execute a Franchise Agreement between the
City of Black Diamond and Puget Sound Energy dated December 17, 2009 and is
adopted by reference to guide the business relationship between the City and Puget
Sound Energy for the provision of gas service within the City of Black Diamond
substantially in the form attached hereto as Exhibit A.

Section 2. Effective Date. This Ordinance shall be in full force and effect five (5) days
after its passage, approval, posting and publication as provided by law. A summary of
this Ordinance may be published in lieu of publishing the Ordinance in its entirety.

Section 3. Severability. If any section, sentence, clause or phrase of this Ordinance
shall be held to be invalid or unconstitutional by a court of competent jurisdiction, such
invalidity or unconstitutionality shall not affect the validity or constitutionality of any other
section, sentence, clause or phrase of this Ordinance.

Introduced on the 17th day of December, 2009.

Passed by the City Council on the 17th day of December, 2009.

CITY OF BLACK DIAMOND:

Howard Botts, Mayor

Attest:

Brenda L. Martinez, City Clerk

APPROVED AS TO FORM:

Yvonne Ward, Interim City Attorney

Published: _____

Posted: _____

Effective Date: _____

EXHIBIT A
To
Black Diamond Ordinance No. _____

FRANCHISE AGREEMENT
BETWEEN
THE CITY OF BLACK DIAMOND AND PUGET SOUND ENERGY, INC.

1. Date and Parties. This ~~revocable~~ Franchise Agreement is dated, for reference purposes only, the _____ day of _____, 2008, between the City of Black Diamond, a Washington municipal corporation ("City") and Puget Sound Energy, Inc., a Washington corporation ("PSE").

2. Definitions.

2.1 Where used in this franchise (the "Franchise") the following terms shall mean:

2.1.1 "PSE" means Puget Sound Energy, Inc., a Washington Corporation, and its successors and assigns.

2.1.2 "City" means the City of Black Diamond, a code city of the State of Washington, and its successors and assigns.

2.1.3 "Franchise Area" means any, every and all of the roads, streets, avenues, alleys, highways and public rights-of-way controlled by the City as now laid out, platted, dedicated or improved; and any; every and all roads, streets, avenues, alleys, highways and public rights-of-way controlled by the City that may hereafter be laid out, platted, dedicated or improved within the present limits of the City and as such limits may be hereafter extended.

2.1.4 "Facilities" means, collectively, any and all natural gas distribution systems as may be necessary or convenient for providing natural gas service for customers, including but not limited to, gas pipes, pipelines, mains, laterals, conduits, feeders, regulators, valves, meters, meter-reading devices, fixtures, and communication systems; and any and all other equipment, appliances, attachments, appurtenances and other items necessary, convenient, or in any way pertaining to any and all of the foregoing, whether the same be located over or under ground.

2.1.5 "Communication Systems" means equipment, devices, and other items used for communication purposes in connection with PSE's construction, use, operation,

maintenance, repair or replacement of its Facilities in the Franchise Area and other permitted activities under this Franchise, including, without limitation, the operation and management of its natural gas distribution systems.

2.1.6 “Ordinance” means Ordinance No. _____, which sets forth the terms and conditions of this Franchise.

2.1.7 “Public Improvement” means any capital improvement or repair within the Franchise Area that is undertaken by or on behalf of the City and is funded by the City (either directly with its own funds or with other public monies obtained by the City). For the avoidance of doubt, the term “Public Improvement” shall include any such capital improvement or repair undertaken by the City which requires the relocation of PSE’s Facilities within the Franchise Area, even if the capital improvement or repair entails, in part, related work performed for a third party county or municipality under a valid interlocal agreement between the City and such county or municipality (except to the extent the relocation of PSE’s Facilities is caused by the work done for such third party), but shall not include, without limitation, any other improvements or repairs undertaken by or for the benefit of third party private entities.

3. Franchise Granted; Facilities Within Franchise Area.

3.1 Pursuant to RCW 35A.47.040, the City hereby grants to PSE, subject to the terms and conditions hereafter set forth, a non-exclusive Franchise for ~~a period of 20 years beginning on the effective date of this Ordinance~~ term specified in Section 16.

3.2 This Franchise grants to PSE the right, privilege, authority and franchise to set, erect, lay, construct, extend, support, attach, connect, maintain, repair, replace, enlarge, operate and use Facilities in, upon, over, under, along, across and through the Franchise Area to provide for the transmission, distribution and sale of natural gas for any purpose for which natural gas may be used.

3.3 This Franchise shall not convey any right to PSE to install its Facilities outside the Franchise Area; provided, however, that PSE shall retain the right to maintain, repair and operate Facilities installed pursuant to prior franchise agreements with the City regardless of whether said Facilities are outside the Franchise Area, but such right shall be subject to the provisions of ~~Section 2~~ Section 3.4.

3.4 Existing Facilities installed or maintained by PSE on public grounds and places within the City in accordance with prior franchise agreements (but which such Facilities are not within the Franchise Area as defined in this Franchise) may continue to be maintained, repaired and operated by PSE at the location such Facilities exist as of the effective date of this Franchise for the term of this Franchise; provided, however, that no such Facilities may be enlarged,

improved or expanded without the prior review and approval of the City pursuant to applicable ordinances, codes, resolutions, standards and procedures.

4. Noninterference and Maintenance of Facilities.

4.1 PSE's Facilities shall be constructed, installed, maintained and repaired within the Franchise Area so as not to unreasonably interfere with the free passage of traffic, and in accordance with the laws of the State of Washington, and the ordinances, rules and regulations of the City which are not inconsistent with the terms of this Franchise. PSE shall exercise its rights within the Franchise Area in accordance with applicable City codes and ordinances governing use and occupancy of the Franchise Area; provided, however, that in the event of any conflict or inconsistency of such codes and ordinances with the terms of this Franchise, the terms of this Franchise shall govern and control; provided further that nothing herein shall be deemed to waive, prejudice or otherwise limit any right of appeal afforded PSE by such City codes and ordinances.

4.2 Any repair of PSE's Facilities within the Franchise Area shall be made within the time and in a manner which conforms with generally accepted customs, practices and standards in the industry. In the event of any emergency in which PSE's Facilities located in or under the Franchise Area break or are damaged, or if PSE's Facilities within the Franchise Area are otherwise in a condition as to immediately endanger the property, life, health or safety of any individual, PSE shall, upon receipt of notification from the City of the existence of such condition, take all reasonable actions to correct the dangerous condition.

4.3 Whenever PSE permanently discontinues use of any above ground or at grade Facilities within the Franchise Area, such as valves or meters, due to modifications or upgrades to PSE's Facilities within the Franchise Area, the discontinued Facilities shall be removed promptly. If PSE permanently discontinues use of and abandons any underground Facilities within the Franchise Area and the parties thereafter determine that the removal of any such Facilities is required to avoid interference with a Public Improvement undertaken by the City, PSE will, upon request by the City, remove any such Facilities that require removal within ninety (90) days after its receipt of the City's written request. The parties will work together in good faith to avoid or minimize the need to remove any permanently discontinued and abandoned underground Facilities within the Franchise Area.

5. Permits; Restoration.

5.1 Whenever it shall be necessary for PSE to engage in any work within the Franchise Area, PSE shall apply for all necessary City permits to do such work, and shall, except to the extent inconsistent with the terms and conditions of this Franchise or where expressly provided otherwise herein, comply with all requirements and conditions of such permits,

including but not limited to location restrictions, traffic control, and restoration, repair or other work to restore the surface of the Franchise Area, as nearly as practicable, to its condition immediately prior to the work, or as otherwise specified in the permit issued by the City in connection with the work. If, at any time during the term of this Franchise, a PSE Facility or trench within the Franchise Area causes a street to crack, settle or otherwise fail, the City will notify PSE of the deficiency and PSE will correct the deficiency and repair the damage within thirty (30) days after its receipt of written notice from the City. Such restoration responsibility shall include restoration performed by PSE prior to the execution of this Agreement and shall continue for ten years or a period of time to correspond to, at a minimum, the remaining life of the existing structure, pavement and/or surface in which the work was accomplished, whichever is longer, but shall not apply to any subsequent repair or restoration made necessary by the acts or omissions of the City or any third party. It is further provided that in the event that PSE has any work in the Franchise Area completed by any of its authorized agents or subcontractors, PSE shall remain fully responsible for the permit, permitted work and any other permit requirements, notwithstanding any provisions of this Franchise to the contrary.

5.2 In the event of an emergency situation in which PSE's Facilities within the Franchise Area are in such a condition so as to immediately endanger the property, life, health or safety of any individual, PSE may take immediate action to correct the dangerous condition without first obtaining any required permit, provided that PSE shall notify the City telephonically or in person within twenty-four (24) hours of the event, and provided that PSE applies for any necessary permit(s) from the City for such work as soon as reasonably practicable thereafter. For the purposes hereof, "as soon as reasonably practicable" means that the permit application shall be submitted to the City not later than ten (10) business days after the date of the commencement of the action that requires such permit.

5.3 Nothing in this Franchise is intended, nor shall it be construed, as a hindrance to PSE's ability to take such actions as it deems necessary to discharge its public service obligations in accordance with the laws of the State of Washington.

6. Maps and Drawings.

6.1 PSE shall provide the City, upon the City's reasonable request, copies of available drawings in use by PSE showing the location of its Facilities within the Franchise Area, provided the request is limited to Facilities at specific locations in the Franchise Area and is made in connection with the City's planning of Public Improvements. Further, PSE shall, upon the City's reasonable request, discuss and explore ways in which PSE and the City may cooperate and coordinate activities with respect to the development of drawing file layers compatible with the City's Geographic Information System ("GIS") which show PSE's Facilities at specific locations in the Franchise Area.

6.2 As to any such drawings and drawing file layers so provided, PSE does not warrant the accuracy thereof and, to the extent the location of Facilities are shown, such Facilities are shown in their approximate location. With respect to any excavations within the Franchise Area undertaken by or on behalf of PSE or the City, nothing herein is intended (nor shall be construed) to relieve either party of their respective obligations arising under applicable law with respect to determining the location of utility facilities.

6.3 Upon the City's reasonable request in connection with the City's design of new streets and intersections and major renovations of existing streets and intersections, and any other Public Improvement, undertaken by the City, PSE shall further provide to the City (a) the location and grade of PSE's underground Facilities at those specific locations within the Franchise Area affected by the project by either field markings or by locating the Facilities in the City's design drawings, and (b) other reasonable cooperation and assistance; provided, however, that nothing in this ~~Section 5~~Section 6.3 or any other provision of this Franchise is intended to (or shall) relieve any person or entity of its obligations under applicable law with respect to determining the location of underground facilities.

7. Right to Complete Work.

7.1 In the event that PSE fails to perform any work to restore the surface of the Franchise Area to enable the free passage of traffic by the traveling public as required by this Franchise or any permit issued by the City relating to such work, and such failure continues for a period of ten (10) days after PSE receives written notice from the City regarding such failure (or, in the event of an emergency situation, such shorter period of time after receipt of notice from the City as is reasonably required in the circumstances), the City may, but in no event is obligated to, perform or contract for such work and, thereafter, PSE shall, upon the City's written request, reimburse the City for the reasonable costs incurred by the City in having such work performed.

8. Relocation of Facilities.

8.1 Whenever the City causes a Public Improvement to be undertaken within the Franchise Area, and such Public Improvement requires the relocation of PSE's then existing Facilities within the Franchise Area (for purposes other than those described in ~~Section 7~~Section 8.2 below), the City shall:

8.1.1 Provide PSE, within a reasonable time prior to the commencement of such Public Improvement, written notice requesting such relocation; and

8.1.2 Provide PSE with reasonable plans and specifications for such Public Improvement, including a proposed relocation of PSE's Facilities.

After receipt of such notice and such plans and specifications, PSE shall relocate such Facilities within the Franchise Area at no charge to the City. If the City requires the subsequent relocation of any Facilities within five (5) years from the date of relocation of such Facilities pursuant to this Section 8.1, the City shall bear the entire cost of such subsequent relocation.

8.2 Whenever (i) any public or private development within the Franchise Area, other than a Public Improvement, requires the relocation of PSE's Facilities within the Franchise Area to accommodate such development; or (ii) the City requires the relocation of PSE's Facilities within the Franchise Area for the benefit of any person or entity other than the City, then in such event, PSE shall have the right as a condition of such relocation, to require such developer, person or entity to make payment to PSE, at a time and upon terms acceptable to PSE, for any and all costs and expenses incurred by PSE in the relocation of PSE's Facilities.

8.3 Any condition or requirement imposed by the City upon any person or entity, other than PSE, that requires the relocation of PSE's Facilities shall be a required relocation for purposes of Section 8.2 above (including, without limitation, any condition or requirement imposed pursuant to any contract or in conjunction with approvals or permits for zoning, land use, construction or development).

8.4 Nothing in this Section 8 "Relocation of Facilities" shall require PSE to bear any cost or expense in connection with the location or relocation of any Facilities then existing pursuant to easement or such other rights not derived from this Franchise.

9. Shared Use of Excavation.

9.1 In the event either PSE or the City shall cause excavations to be made within the Franchise Area, the party causing such excavation shall afford the other, upon receipt of a written request to do so, an opportunity to use such excavation so long as such joint use is arranged and accomplished upon terms and conditions reasonably satisfactory to the party causing such excavation.

10. Indemnification.

10.1 PSE shall indemnify, defend and hold harmless the City, its elected and appointed officials, officers, employees, agents, representatives, engineers, and consultants from any and all claims, costs (including reasonable attorney fees), judgments, awards, liability, and demands made against it on account of injury or death to any person or damage to property of another, to the extent such injury, death, or damage is caused by the negligent acts or omissions of PSE, its agents, servants, officers, or employees in exercising the rights granted to PSE in this Franchise. This covenant of indemnification shall include, but not be limited by this reference, to claims against the City arising as a result of the negligent acts or omissions of PSE, its agents, servants,

officers, or employees in barricading, instituting trench safety systems or providing other adequate warnings of any excavation, construction, or work in the Franchise Area or in any other public place in performance of work or services permitted under this Franchise.

10.2 In the event any such claim or demand for which indemnification is provided under Section 10.1 is presented to or filed with, or suit or action is commenced against, the City based upon any such claim or demand, the City shall promptly notify PSE thereof, and PSE may elect at its sole cost and expense, to settle and compromise such claim, demand, suit or action, or defend the same with attorneys of its choice; provided further, that in the event any suit or action is begun against the City based upon any such claim, demand, suit or action, the City shall likewise promptly notify PSE thereof, and PSE shall have the right, at its election and its sole cost and expense, to settle and compromise such claim, demand, suit or action, or defend the same at its sole cost and expense, by attorneys of its own election.

10.3 Inspection or acceptance by the City of any work performed by PSE at the time of completion of construction shall not be grounds for avoidance of any of these covenants of indemnification. Said indemnification obligations shall extend to claims which are not reduced to a suit and any claims that may be compromised prior to the culmination of any litigation or the institution of any litigation.

10.4 In the event that PSE refuses the tender of defense in any suit or any claim for which indemnification is provided under Section 10.1, said tender having been made pursuant to this indemnification clause, and said refusal is subsequently determined by a court having jurisdiction (or such other tribunal that the parties shall agree to decide the matter) to have been a wrongful refusal on the part of PSE, then PSE shall pay all of the City's costs for defense of the action, including all reasonable expert witness fees and reasonable attorneys' fees and the reasonable costs of the City, including reasonable attorneys' fees of recovering under this indemnification clause.

10.5 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 PSE and the City, and their respective officers, employees and agents, PSE's liability hereunder shall be only to the extent of PSE's negligence. It is further specifically and expressly understood that, solely to the extent required to enforce the indemnification provided herein, PSE waives its immunity under RCW Title 51; provided, however, the foregoing waiver shall not in any way preclude PSE from raising such immunity as a defense against any claim brought against PSE by any of its employees. This waiver has been mutually negotiated by the parties.

10.6 In the event it is determined that RCW 4.24.115 applies to this Franchise, PSE's indemnification obligations under Section 10.1 shall apply to the maximum extent permitted thereunder, to the full extent of PSE's negligence. Further, in any such action, the City shall

have the right to participate, at its sole cost and expense, through its own attorney in any suit or action which arises pursuant to this Franchise when the City determines that such participation is in the City's best interest.

10.7 The provisions in this Section 10 shall survive the expiration or termination of this Franchise with respect to any claim, cost (including reasonable attorney fees), judgment, award, liability, demand, suit or action for which indemnification is provided under Section 10.1 and which is based on an act or omission that occurred during the term of this Franchise.

11. Reservation of Rights.

11.1 In the event the City vacates any portion of the Franchise Area during the term of this Franchise and PSE's Facilities are located within the area to be vacated, then the City shall, in its vacation procedure, reserve and grant an easement to PSE for PSE's existing Facilities unless the City reasonably determines that to do so would be impracticable in light of the nature of the vacation. In cases where the City determines that reserving and granting an easement to PSE is impracticable, the City will notify PSE thirty (30) business days prior to any final vacation action.

11.2 The existence of this Franchise shall not preclude the City from acquiring by condemnation, in accordance with applicable law, all or any portions of PSE's Facilities within the Franchise Area.

12. Abandonment.

12.1 No above-ground Facilities of PSE within the Franchise Area may be abandoned by PSE without the express written consent of the City. Any plan for abandonment or removal of PSE's above-ground Facilities within the Franchise Area must be first approved by the Public Works Director, and all necessary permits must be obtained prior to such work. The provisions of this Section shall survive the expiration, revocation or termination of this Franchise.

13. Recovery of Costs; Permit Fees.

13.1 As specifically provided by RCW 35.21.860, which is applicable to the City pursuant to RCW 35A.21.160, the City may not impose a franchise fee or any other fee or charge of whatever nature or description upon PSE as a result of this Franchise. However, as provided in RCW 35.21.860, the City may recover from PSE, and PSE agrees to pay, the actual administrative expenses incurred by the City including, but not limited to the reasonable costs of outside consultants and legal fees incurred by the City, that are directly related to: (i) receiving and approving a permit, license or this Franchise, (ii) inspecting plans and construction, or (iii) preparing a detailed statement pursuant to Chapter 43.21C RCW. With respect to its payment of

such administrative expenses, the City shall submit to PSE statements/billings which specify the amounts due. PSE shall make payment to the City in reimbursement of such expenses within thirty (30) days of the receipt of such statements/billings. Failure by PSE to pay such amount within such thirty (30) day time period shall constitute a failure to comply with the Franchise for the purposes of ~~Section 13~~ Section 14, Default, hereof. Additionally, the failure by PSE to timely pay said amounts shall be grounds for the City to preclude the processing of any applications and/or issuing permits until payment has been fully made. Furthermore, any late payment shall also accrue interest computed at the rate of twelve percent (12%) per annum from the thirtieth day.

13.2 With respect to the payment of permit fees, PSE shall comply with all applicable payment terms set forth in applicable codes, ordinances or permits of the City, including, without limitation, any such terms relating to the schedule for payment and the City's right to withhold permits or charge interest in connection with any payment default by PSE; provided, however, the City shall accept payment of such permit fees directly from contractors of PSE that perform work in the Franchise Area on behalf of PSE so long as PSE has notified the City in writing that the contractor is authorized to do so on PSE's behalf and PSE remains responsible for compliance with the terms of the permit.

14. Default.

14.1 If PSE shall fail to comply with the provisions of this Franchise, the City may, without limiting any injunctive relief that the City may be entitled to by applicable law, serve upon PSE a written order to so comply within thirty (30) days from the date such order is received by PSE. If PSE is not in compliance with this Franchise after the expiration of said thirty (30) day period, the City may, by ordinance, declare an immediate forfeiture of this Franchise. The parties expressly acknowledge and agree, however, that the forgoing rights and obligations of the parties are subject in all respects to excused performance based on a Force Majeure Event (as defined in Section ~~2223~~ 14).

15. Nonexclusive Franchise.

15.1 This Franchise is not, and shall not be deemed to be, an exclusive Franchise. This Franchise shall not in any manner prohibit the City from granting other and further franchises over, upon, and along the Franchise Area that do not interfere with PSE's rights under this Franchise. This Franchise shall not prohibit or prevent the City from using the Franchise Area or affect the jurisdiction of the City over the same or any part thereof.

16. Franchise Term.

16.1 This Franchise is and shall remain in full force and effect for a period of ~~fifteen~~ ~~(+5twenty (20))~~ years from and after the effective date of the Ordinance; provided, however, PSE shall have no rights under this Franchise nor shall PSE be bound by the terms and conditions of this Franchise unless PSE shall, within sixty (60) days after the effective date of the Ordinance, file with the City its written acceptance of the Ordinance. It is further provided that upon PSE's request for an extension, this Franchise may be extended by the City, for one five (5) year extension, provided that PSE is in full compliance with the terms and conditions of the Franchise. In any such extension, the terms and conditions of this Franchise shall remain in full force and effect, except as may be otherwise mutually agreed by the parties hereto.

17. Insurance; Bond.

17.1 PSE shall maintain the following liability insurance coverages, insuring both PSE and the City, and its elected and appointed officers, officials, agents, employees, representatives, engineers, consultants, and volunteers as additional insured's against claims for injuries to persons or damages to property which may arise from or in connection with the exercise of the rights, privileges, and authority granted to PSE under this Franchise:

17.1.1 General liability insurance with limits not less than:

- (a) Five million dollars for bodily injury or death to each person;
- (b) Five million dollars for property damage resulting from any one accident; and
- (c) Five million dollars for all other types of liability.

17.1.2 Automobile liability for owned, non-owned and hired vehicles with a limit of \$3,000,000 for each person and \$3,000,000 for each accident.

17.1.3 Worker's compensation with statutory limits and employer's liability insurance with limits of not less than \$1,000,000.

17.1.4 Comprehensive form premises-operations, explosions and collapse hazard, underground hazard and products completed hazard with limits of not less than \$3,000,000.

17.2 The liability insurance described herein shall be maintained by PSE throughout the term of this Franchise, and such other period of time during which PSE is operating its Facilities within the Franchise Area without a franchise, or is engaged in the removal of its Facilities from the Franchise Area. Payment of deductibles and self-insured retentions shall be

the sole responsibility of PSE. Coverage under this policy shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability. The City shall be named as an insured under PSE's Commercial General Liability insurance policy. PSE shall be the primary insured as respects the City, its officers, officials, employees, agents, consultants, and volunteers. Any insurance maintained by the City, its officers, officials, employees, consultants, agents, and volunteers shall be in excess of PSE's insurance and shall not contribute with it.

17.3 The liability insurance described herein, and any subsequent replacement policies, shall provide that insurance shall not be cancelled or materially changed so as to be out of compliance with these requirements without first providing thirty (30) days written notice to the City. If the insurance is cancelled or materially altered so as to be out of compliance with the requirements of this subsection within the term of this Franchise, PSE shall provide a replacement policy. PSE agrees to maintain continuous uninterrupted insurance coverage, in at least the amounts required for the duration of this Franchise and, in the case of the Commercial General Liability, for at least three (3) years after expiration of the term of this Franchise. Any lapse in the required insurance coverage shall be cause for termination of this Franchise.

17.4 In lieu of the insurance requirements set forth in this ~~Section 16~~Section 17, PSE may self-insure against such risks in such amounts as are consistent with good utility practice. Upon the City's request, PSE shall provide the City with reasonable written evidence that PSE is maintaining such self-insurance.

17.5 Any PSE insurance policies used to meet the insurance obligations set forth in this Section ~~16~~17 will be placed with insurers licensed to do business in the state of Washington and with a current A.M. Best rating of not less than A--VII, or financial equivalent. PSE shall provide the City with certificates of the required insurance within twenty (20) days of the effective date of this Ordinance.

18. Assignment.

18.1 PSE shall not assign or transfer its rights, benefits and privileges in and under this Franchise without the prior written consent of the City, which consent shall not be unreasonably withheld or delayed. Prior to any assignment, the intended assignee shall, within thirty (30) days of the proposed date of any assignment, file written notice of the intended assignment with the City together with its written acceptance of all terms and conditions of this Franchise. Notwithstanding the foregoing, PSE shall have the right, without such notice or such written acceptance, to mortgage its rights, benefits and privileges in and under this Franchise for the benefit of bondholders.

19. City Ordinances and Regulations.

19.1 Nothing herein shall be deemed to direct or restrict the City's ability to adopt and enforce all necessary and appropriate ordinances made in the exercise of its police powers in the interest of public safety and for the welfare of the public, including regulations adopted by ordinance relating to the use of the City's property, streets and rights-of-ways; provided, however, the City shall adopt and enforce those ordinances in a manner consistent with the terms and conditions of this Franchise.

20. Acceptance.

20.1 Within sixty (60) days after the passage and approval of this Ordinance, PSE may accept this Franchise by filing with the City Clerk an unconditional written acceptance thereof. PSE's failure to so accept this Franchise within said period of time shall be deemed a rejection thereof by PSE, and the rights and privileges herein granted shall, after the expiration of the sixty (60) day period, absolutely cease and terminate, unless the time period is extended by ordinance duly passed for that purpose.

21. Notice.

21.1 Any notice or other communication required or permitted to be given to the parties under this Franchise shall be sent to the following addresses unless otherwise specified:

City of Black Diamond
25510 Lawson St.
Black Diamond, WA 98010
Attn: City Administrator

Puget Sound Energy
P.O. Box 90868
Bellevue, WA 98009-0868
Attn: Community Services

The City and PSE may change their respective notice addresses and designated recipient by written notice to the other party at any time.

22. No Third Party Beneficiary.

22.1 Nothing in this Franchise shall be construed to create any rights in or duties to any third party, nor any liability to or standard of care with reference to any third party. This Franchise shall not confer any right or remedy upon any person other than the City and PSE. No action may be commenced or prosecuted against either the City or PSE by any third party

claiming as a third party beneficiary of this Franchise. This Franchise shall not release or discharge any obligation or liability of any third party to either the City or PSE.

23. Miscellaneous.

23.1 If any term, provision, condition or portion of this Franchise shall be held to be invalid, or is held to be inapplicable to any person or circumstance, such invalidity shall not affect the validity of the remaining portions of this Franchise which shall continue in full force and effect, and its application to other persons and circumstances shall not be affected. The headings of sections and paragraphs of this Franchise are for convenience of reference only and are not intended to restrict, affect or be of any weight in the interpretation or construction of the provisions of such sections or paragraphs.

23.2 This Franchise may be amended only by written instrument, signed by both parties, which specifically states that it is an amendment to this Franchise and is approved and executed in accordance with the laws of the State of Washington. Without limiting the generality of the foregoing, this Franchise (including, without limitation, ~~Section 9~~Section 10 above) shall govern and supersede and shall not be changed, modified, deleted, added to, supplemented or otherwise amended by any permit, approval, license, agreement or other document required by or obtained from the City in conjunction with the exercise (or failure to exercise) by PSE of any and all rights, benefits, privileges, obligations or duties in and under this Franchise, unless such permit, approval, license, agreement or other document specifically:

23.2.1 references this Franchise; and

23.2.2 states that it supersedes this Franchise to the extent it contains terms and conditions that change, modify, delete, add to, supplement or otherwise amend the terms and conditions of this Franchise.

In the event of any conflict or inconsistency between the provisions of this Franchise and the provisions of any such permit, approval, license, agreement or other document, the provisions of this Franchise shall control.

23.3 This Franchise is subject to the provisions of any applicable tariff on file with the Washington Utilities and Transportation Commission or its successor. In the event of any conflict or inconsistency between the provisions of this Franchise and such tariff, the provisions of such tariff shall control, subject only to ~~Section 24~~Section 25 with respect to any such tariff which is adopted after the date of this Franchise.

23.4 PSE shall bear the cost of the publication of this Franchise Ordinance as and to the extent permitted and required under Section ~~42~~13.

23.5 All of the provisions, conditions, and requirements of Section 8 "Relocation of Facilities," Section 10 "Indemnification," and Section 12 "Abandonment" shall survive the expiration or termination of this Franchise (however, such survival period extends only through the applicable statute of limitations period). All of the provisions, conditions, regulations and requirements contained in this Franchise shall be binding upon the successors, legal representatives and assigns of each party and all privileges, as well as all obligations and liabilities of each party shall inure to its successors, legal representatives and assigns equally as if they were specifically mentioned wherever such party is named herein.

23.6 In connection with its performance of work under this Franchise, PSE shall, during the term of this Franchise, fully comply with all applicable equal employment or non-discrimination provisions and requirements of federal, state and local laws.

23.7 PSE and the City shall, as reasonably requested by the other party from time to time, discuss and coordinate their activities with respect to construction which may affect the public ways in any manner in an effort to minimize public inconvenience, disruption or damages.

23.8 This Franchise shall be binding upon the parties hereto and their permitted successors and assigns.

23.9 Nothing herein shall be deemed to create a joint venture or principal-agent relationship between the parties, and neither party is authorized to, nor shall either party, act toward third persons or the public in any manner that would indicate any such relationship with the other.

23.10 The failure of either party at any time to require performance by the other party of any provision hereof shall in no way affect the right of such party thereafter to enforce the same. Nor shall the waiver by a party of any breach of any provision hereof by the other party be taken or held to be a waiver of any succeeding breach of such provision, or as a waiver of the provision itself or any other provision.

23.11 This Franchise shall be governed by and construed in accordance with the laws of the State of Washington. The venue and jurisdiction over any dispute related to this Franchise shall be with the King County Superior Court, Regional Justice Center, Kent, Washington (or, if the Regional Justice Center is no longer in operation, such other local facility as is then operated by the King County Superior Court).

23.12 If either party shall be required to bring any action to enforce any provision of this Franchise, or shall be required to defend any action brought by the other party with respect to this Franchise, and in the further event that one party shall prevail in such action, the other party shall, in addition to all other payments required therein, pay all of the prevailing party's reasonable costs in connection with such action, including such sums as the court or courts may adjudge reasonable as attorney's fees in the trial court and in any appellate courts.

23.13 This Franchise represents the entire understanding and agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior oral negotiations between the parties.

23.14 In the event that either party is prevented or delayed in the performance of any of its obligations under this Franchise by any event or circumstance beyond its reasonable control (a "Force Majeure Event"), then that party's performance shall be excused during the Force Majeure Event. Force Majeure Events shall include, without limitation, war; civil disturbance; flood, earthquake or other Act of God; storm or other condition which necessitates the mobilization of the personnel of a party or its contractors to restore utility service; laws, regulations, rules or orders of any governmental agency; sabotage; strikes or similar labor disputes involving personnel of a party, its contractors or a third party; or any failure or delay in the performance by the other party, or a third party who is not an employee, agent or contractor of the party claiming a Force Majeure Event, in connection with this Franchise. Upon removal or termination of the Force Majeure Event, the party claiming a Force Majeure Event shall promptly perform the affected obligations in an orderly and expedited manner under this Franchise or procure a substitute for such obligation. The parties shall use all commercially reasonable efforts to eliminate or minimize any delay caused by a Force Majeure Event.

24. Dispute Resolution.

24.1 The parties recognize that cooperation and communication are essential to resolving issues quickly and efficiently. If any dispute arises in regard to the terms or conditions of this Franchise, then the parties shall meet and engage in good faith discussions with the objective of settling the dispute within ten (10) days after either party requests such a meeting. If the parties cannot resolve the dispute within such ten (10) day period, the parties will, upon the written request of either party, seek to resolve the dispute in accordance with the following dispute resolution process:

Level One – A representative from PSE and the City Administrator shall meet to discuss and attempt to resolve the dispute in a timely manner. If these representatives cannot resolve the dispute within fourteen (14) calendar days after referral of the dispute to Level One, either party may by written notice to the other party refer the dispute to Level Two.

Level Two – In the event either party properly refers the dispute to Level Two, the parties shall refer the dispute to mediation using a mediator mutually agreeable to the parties. If these representatives cannot resolve the dispute within fourteen (14) calendar days after referral of the dispute to Level Two, either party may by written notice to the other party refer the dispute to Level Three.

Level Three – In the event either party properly refers the dispute to Level Three or the dispute is not resolved at Level Two within fourteen (14) calendar days after referral of that dispute to Level Two, either party may seek resolution of the dispute through litigation or other judicial proceedings in the court specified in Section 23.11.

24.2 Notwithstanding Section 24.1 or any other provision of this Franchise to the contrary, with respect to any dispute arising under this Franchise, either party may commence litigation or other judicial proceedings within thirty (30) days prior to the date after which the commencement of litigation could be barred by any applicable statute of limitations or other law, rule, regulation, or order of similar import or in order to request injunctive or other equitable relief necessary to prevent irreparable harm. In such event, the Parties will (except as may be prohibited by judicial order) nevertheless continue to follow the procedures set forth in this Section 24.

Section 25. Changes in Laws.

25.1 If, during the term of this Franchise, there becomes effective any change in federal or state law (including, but not limited to, a change in any tariff filed by PSE with the Washington Utilities & Transportation Commission) and such change:

25.1.1 specifically requires the City to enact a code or ordinance which conflicts or is inconsistent with any provision of this Franchise; or

25.1.2 results in a PSE tariff which conflicts or is inconsistent with any provision of this Franchise;

then, in such event, either party may, within ninety (90) days of the effective date of such change, notify the other party in writing that such party desires to commence negotiations to amend this Franchise. Such negotiations shall only encompass the specific term or condition affected by such change in federal or state law and neither party shall be obligated to reopen negotiations on any other term or condition of this Franchise. Within thirty (30) days from and after the other party's receipt of written notice to so commence such negotiations, the parties shall, at a mutually agreeable time and place, commence such negotiations. The parties shall thereafter conduct such negotiations at reasonable times, in a reasonable manner, in good faith and with due regard to all

pertinent facts and circumstances; provided, however, that (a) in the event the parties are unable, through negotiation, to reach mutual agreement upon terms and conditions of such amendment, then either party may, by written notice to the other, demand that the parties seek to arrive at such agreement through mediation or, if no such demand has previously been submitted, terminate this Franchise upon not less than ninety (90) days prior written notice to the other party; and (b) pending such negotiations, mediation and/or termination, and except as to any portion thereof which is in conflict or inconsistent with such change in federal or state law, the Franchise shall remain in full force and effect. For purposes of this Section, the term “mediation” shall mean mediation at the local offices of Judicial Arbitration and Mediation Services, Inc. (“JAMS”), or, if JAMS shall cease to exist or cease to have a local office, mediation at the local offices of a similar organization. The parties may agree on a jurist from the JAMS panel. If they are unable to agree, JAMS will provide a list of the three available panel members and each party may strike one. The remaining panel member will serve as the mediator

25.2 PSE shall, in connection with any application for changes in its tariffs that would be in conflict or inconsistent with the provisions of this Franchise or would modify the rights or responsibilities of either party under this Franchise, notify the City in writing of the application promptly after it is filed with the Washington Utilities & Transportation Commission.

26. Severability.

26.1 If any section, sentence, clause or phrase of this Ordinance shall be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this Ordinance.

27. Ratification.

27.1 Any act of the City consistent with the authority granted by the City prior to the effective date of this Ordinance is hereby ratified and affirmed by the City.

CITY OF BLACK DIAMOND

PUGET SOUND ENERGY, INC.

Howard Botts, Mayor

By: _____

(Printed Name)

Its: _____

ATTEST:

Brenda L. Streepy, City Clerk

APPROVED AS TO FORM:

Loren D. Combs, City Attorney

EXHIBIT A
To
Black Diamond Ordinance No. 09-929

FRANCHISE AGREEMENT
BETWEEN
THE CITY OF BLACK DIAMOND AND PUGET SOUND ENERGY, INC.

1. Date and Parties. This Franchise Agreement is dated, for reference purposes only, the 17th day of December, 2009, between the City of Black Diamond, a Washington municipal corporation ("City") and Puget Sound Energy, Inc., a Washington corporation ("PSE").

2. Definitions.

2.1 Where used in this franchise (the "Franchise") the following terms shall mean:

2.1.1 "PSE" means Puget Sound Energy, Inc., a Washington Corporation, and its successors and assigns.

2.1.2 "City" means the City of Black Diamond, a code city of the State of Washington, and its successors and assigns.

2.1.3 "Franchise Area" means any, every and all of the roads, streets, avenues, alleys, highways and public rights-of-way controlled by the City as now laid out, platted, dedicated or improved; and any; every and all roads, streets, avenues, alleys, highways and public rights-of-way controlled by the City that may hereafter be laid out, platted, dedicated or improved within the present limits of the City and as such limits may be hereafter extended.

2.1.4 "Facilities" means, collectively, any and all natural gas distribution systems as may be necessary or convenient for providing natural gas service for customers, including but not limited to, gas pipes, pipelines, mains, laterals, conduits, feeders, regulators, valves, meters, meter-reading devices, fixtures, and communication systems; and any and all other equipment, appliances, attachments, appurtenances and other items necessary, convenient, or in any way pertaining to any and all of the foregoing, whether the same be located over or under ground.

2.1.5 "Communication Systems" means equipment, devices, and other items used for communication purposes in connection with PSE's construction, use, operation, maintenance, repair or replacement of its Facilities in the Franchise Area and other permitted

activities under this Franchise, including, without limitation, the operation and management of its natural gas distribution systems.

2.1.6 “Ordinance” means Ordinance No.09-929, which sets forth the terms and conditions of this Franchise.

2.1.7 “Public Improvement” means any capital improvement or repair within the Franchise Area that is undertaken by or on behalf of the City and is funded by the City (either directly with its own funds or with other public monies obtained by the City). For the avoidance of doubt, the term “Public Improvement” shall include any such capital improvement or repair undertaken by the City which requires the relocation of PSE’s Facilities within the Franchise Area, even if the capital improvement or repair entails, in part, related work performed for a third party county or municipality under a valid interlocal agreement between the City and such county or municipality (except to the extent the relocation of PSE’s Facilities is caused by the work done for such third party), but shall not include, without limitation, any other improvements or repairs undertaken by or for the benefit of third party private entities.

3. Franchise Granted; Facilities Within Franchise Area.

3.1 Pursuant to RCW 35A.47.040, the City hereby grants to PSE, subject to the terms and conditions hereafter set forth, a non-exclusive Franchise for the term specified in Section 16.

3.2 This Franchise grants to PSE the right, privilege, authority and franchise to set, erect, lay, construct, extend, support, attach, connect, maintain, repair, replace, enlarge, operate and use Facilities in, upon, over, under, along, across and through the Franchise Area to provide for the transmission, distribution and sale of natural gas for any purpose for which natural gas may be used.

3.3 This Franchise shall not convey any right to PSE to install its Facilities outside the Franchise Area; provided, however, that PSE shall retain the right to maintain, repair and operate Facilities installed pursuant to prior franchise agreements with the City regardless of whether said Facilities are outside the Franchise Area, but such right shall be subject to the provisions of Section 3.4.

3.4 Existing Facilities installed or maintained by PSE on public grounds and places within the City in accordance with prior franchise agreements (but which such Facilities are not within the Franchise Area as defined in this Franchise) may continue to be maintained, repaired and operated by PSE at the location such Facilities exist as of the effective date of this Franchise for the term of this Franchise; provided, however, that no such Facilities may be enlarged, improved or expanded without the prior review and approval of the City pursuant to applicable ordinances, codes, resolutions, standards and procedures.

4. Noninterference and Maintenance of Facilities.

4.1 PSE's Facilities shall be constructed, installed, maintained and repaired within the Franchise Area so as not to unreasonably interfere with the free passage of traffic, and in accordance with the laws of the State of Washington, and the ordinances, rules and regulations of the City which are not inconsistent with the terms of this Franchise. PSE shall exercise its rights within the Franchise Area in accordance with applicable City codes and ordinances governing use and occupancy of the Franchise Area; provided, however, that in the event of any conflict or inconsistency of such codes and ordinances with the terms of this Franchise, the terms of this Franchise shall govern and control; provided further that nothing herein shall be deemed to waive, prejudice or otherwise limit any right of appeal afforded PSE by such City codes and ordinances.

4.2 Any repair of PSE's Facilities within the Franchise Area shall be made within the time and in a manner which conforms with generally accepted customs, practices and standards in the industry. In the event of any emergency in which PSE's Facilities located in or under the Franchise Area break or are damaged, or if PSE's Facilities within the Franchise Area are otherwise in a condition as to immediately endanger the property, life, health or safety of any individual, PSE shall, upon receipt of notification from the City of the existence of such condition, take all reasonable actions to correct the dangerous condition.

4.3 Whenever PSE permanently discontinues use of any above ground or at grade Facilities within the Franchise Area, such as valves or meters, due to modifications or upgrades to PSE's Facilities within the Franchise Area, the discontinued Facilities shall be removed promptly. If PSE permanently discontinues use of and abandons any underground Facilities within the Franchise Area and the parties thereafter determine that the removal of any such Facilities is required to avoid interference with a Public Improvement undertaken by the City, PSE will, upon request by the City, remove any such Facilities that require removal within ninety (90) days after its receipt of the City's written request. The parties will work together in good faith to avoid or minimize the need to remove any permanently discontinued and abandoned underground Facilities within the Franchise Area.

5. Permits; Restoration.

5.1 Whenever it shall be necessary for PSE to engage in any work within the Franchise Area, PSE shall apply for all necessary City permits to do such work, and shall, except to the extent inconsistent with the terms and conditions of this Franchise or where expressly provided otherwise herein, comply with all requirements and conditions of such permits, including but not limited to location restrictions, traffic control, and restoration, repair or other work to restore the surface of the Franchise Area, as nearly as practicable, to its condition immediately prior to the work, or as otherwise specified in the permit issued by the City in

connection with the work. If, at any time during the term of this Franchise, a PSE Facility or trench within the Franchise Area causes a street to crack, settle or otherwise fail, the City will notify PSE of the deficiency and PSE will correct the deficiency and repair the damage within thirty (30) days after its receipt of written notice from the City. Such restoration responsibility shall include restoration performed by PSE prior to the execution of this Agreement and shall continue for ten years or the remaining life of the existing structure, pavement and/or surface in which the work was accomplished, whichever is longer, but shall not apply to any subsequent repair or restoration made necessary by the acts or omissions of the City or any third party. It is further provided that in the event that PSE has any work in the Franchise Area completed by any of its authorized agents or subcontractors, PSE shall remain fully responsible for the permit, permitted work and any other permit requirements, notwithstanding any provisions of this Franchise to the contrary.

5.2 In the event of an emergency situation in which PSE's Facilities within the Franchise Area are in such a condition so as to immediately endanger the property, life, health or safety of any individual, PSE may take immediate action to correct the dangerous condition without first obtaining any required permit, provided that PSE shall notify the City telephonically or in person within twenty-four (24) hours of the event, and provided that PSE applies for any necessary permit(s) from the City for such work as soon as reasonably practicable thereafter. For the purposes hereof, "as soon as reasonably practicable" means that the permit application shall be submitted to the City not later than ten (10) business days after the date of the commencement of the action that requires such permit.

5.3 Nothing in this Franchise is intended, nor shall it be construed, as a hindrance to PSE's ability to take such actions as it deems necessary to discharge its public service obligations in accordance with the laws of the State of Washington.

6. Maps and Drawings.

6.1 PSE shall provide the City, upon the City's reasonable request, copies of available drawings in use by PSE showing the location of its Facilities within the Franchise Area, provided the request is limited to Facilities at specific locations in the Franchise Area and is made in connection with the City's planning of Public Improvements. Further, PSE shall, upon the City's reasonable request, discuss and explore ways in which PSE and the City may cooperate and coordinate activities with respect to the development of drawing file layers compatible with the City's Geographic Information System ("GIS") which show PSE's Facilities at specific locations in the Franchise Area.

6.2 As to any such drawings and drawing file layers so provided, PSE does not warrant the accuracy thereof and, to the extent the location of Facilities are shown, such Facilities are shown in their approximate location. With respect to any excavations within the Franchise

Area undertaken by or on behalf of PSE or the City, nothing herein is intended (nor shall be construed) to relieve either party of their respective obligations arising under applicable law with respect to determining the location of utility facilities.

6.3 Upon the City's reasonable request in connection with the City's design of new streets and intersections and major renovations of existing streets and intersections, and any other Public Improvement, undertaken by the City, PSE shall further provide to the City (a) the location and grade of PSE's underground Facilities at those specific locations within the Franchise Area affected by the project by either field markings or by locating the Facilities in the City's design drawings, and (b) other reasonable cooperation and assistance; provided, however, that nothing in this Section 6.3 or any other provision of this Franchise is intended to (or shall) relieve any person or entity of its obligations under applicable law with respect to determining the location of underground facilities.

7. Right to Complete Work.

7.1 In the event that PSE fails to perform any work to restore the surface of the Franchise Area to enable the free passage of traffic by the traveling public as required by this Franchise or any permit issued by the City relating to such work, and such failure continues for a period of ten (10) days after PSE receives written notice from the City regarding such failure (or, in the event of an emergency situation, such shorter period of time after receipt of notice from the City as is reasonably required in the circumstances), the City may, but in no event is obligated to, perform or contract for such work and, thereafter, PSE shall, upon the City's written request, reimburse the City for the reasonable costs incurred by the City in having such work performed.

8. Relocation of Facilities.

8.1 Whenever the City causes a Public Improvement to be undertaken within the Franchise Area, and such Public Improvement requires the relocation of PSE's then existing Facilities within the Franchise Area (for purposes other than those described in Section 8.2 below), the City shall:

8.1.1 Provide PSE, within a reasonable time prior to the commencement of such Public Improvement, written notice requesting such relocation; and

8.1.2 Provide PSE with reasonable plans and specifications for such Public Improvement, including a proposed relocation of PSE's Facilities.

After receipt of such notice and such plans and specifications, PSE shall relocate such Facilities within the Franchise Area at no charge to the City. If the City requires the subsequent relocation

of any Facilities within five (5) years from the date of relocation of such Facilities pursuant to this Section 8.1, the City shall bear the entire cost of such subsequent relocation.

8.2 Whenever (i) any public or private development within the Franchise Area, other than a Public Improvement, requires the relocation of PSE's Facilities within the Franchise Area to accommodate such development; or (ii) the City requires the relocation of PSE's Facilities within the Franchise Area for the benefit of any person or entity other than the City, then in such event, PSE shall have the right as a condition of such relocation, to require such developer, person or entity to make payment to PSE, at a time and upon terms acceptable to PSE, for any and all costs and expenses incurred by PSE in the relocation of PSE's Facilities.

8.3 Any condition or requirement imposed by the City upon any person or entity, other than PSE, that requires the relocation of PSE's Facilities shall be a required relocation for purposes of Section 8.2 above (including, without limitation, any condition or requirement imposed pursuant to any contract or in conjunction with approvals or permits for zoning, land use, construction or development).

8.4 Nothing in this Section 8 "Relocation of Facilities" shall require PSE to bear any cost or expense in connection with the location or relocation of any Facilities then existing pursuant to easement or such other rights not derived from this Franchise.

9. Shared Use of Excavation.

9.1 In the event either PSE or the City shall cause excavations to be made within the Franchise Area, the party causing such excavation shall afford the other, upon receipt of a written request to do so, an opportunity to use such excavation so long as such joint use is arranged and accomplished upon terms and conditions reasonably satisfactory to the party causing such excavation.

10. Indemnification.

10.1 PSE shall indemnify, defend and hold harmless the City, its elected and appointed officials, officers, employees, agents, representatives, engineers, and consultants from any and all claims, costs (including reasonable attorney fees), judgments, awards, liability, and demands made against it on account of injury or death to any person or damage to property of another, to the extent such injury, death, or damage is caused by the negligent acts or omissions of PSE, its agents, servants, officers, or employees in exercising the rights granted to PSE in this Franchise. This covenant of indemnification shall include, but not be limited by this reference, to claims against the City arising as a result of the negligent acts or omissions of PSE, its agents, servants, officers, or employees in barricading, instituting trench safety systems or providing other

adequate warnings of any excavation, construction, or work in the Franchise Area or in any other public place in performance of work or services permitted under this Franchise.

10.2 In the event any such claim or demand for which indemnification is provided under Section 10.1 is presented to or filed with, or suit or action is commenced against, the City based upon any such claim or demand, the City shall promptly notify PSE thereof, and PSE may elect at its sole cost and expense, to settle and compromise such claim, demand, suit or action, or defend the same with attorneys of its choice; provided further, that in the event any suit or action is begun against the City based upon any such claim, demand, suit or action, the City shall likewise promptly notify PSE thereof, and PSE shall have the right, at its election and its sole cost and expense, to settle and compromise such claim, demand, suit or action, or defend the same at its sole cost and expense, by attorneys of its own election.

10.3 Inspection or acceptance by the City of any work performed by PSE at the time of completion of construction shall not be grounds for avoidance of any of these covenants of indemnification. Said indemnification obligations shall extend to claims which are not reduced to a suit and any claims that may be compromised prior to the culmination of any litigation or the institution of any litigation.

10.4 In the event that PSE refuses the tender of defense in any suit or any claim for which indemnification is provided under Section 10.1, said tender having been made pursuant to this indemnification clause, and said refusal is subsequently determined by a court having jurisdiction (or such other tribunal that the parties shall agree to decide the matter) to have been a wrongful refusal on the part of PSE, then PSE shall pay all of the City's costs for defense of the action, including all reasonable expert witness fees and reasonable attorneys' fees and the reasonable costs of the City, including reasonable attorneys' fees of recovering under this indemnification clause.

10.5 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 PSE and the City, and their respective officers, employees and agents, PSE's liability hereunder shall be only to the extent of PSE's negligence. It is further specifically and expressly understood that, solely to the extent required to enforce the indemnification provided herein, PSE waives its immunity under RCW Title 51; provided, however, the foregoing waiver shall not in any way preclude PSE from raising such immunity as a defense against any claim brought against PSE by any of its employees. This waiver has been mutually negotiated by the parties.

10.6 In the event it is determined that RCW 4.24.115 applies to this Franchise, PSE's indemnification obligations under Section 10.1 shall apply to the maximum extent permitted thereunder, to the full extent of PSE's negligence. Further, in any such action, the City shall have the right to participate, at its sole cost and expense, through its own attorney in any suit or

action which arises pursuant to this Franchise when the City determines that such participation is in the City's best interest.

10.7 The provisions in this Section 10 shall survive the expiration or termination of this Franchise with respect to any claim, cost (including reasonable attorney fees), judgment, award, liability, demand, suit or action for which indemnification is provided under Section 10.1 and which is based on an act or omission that occurred during the term of this Franchise.

11. Reservation of Rights.

11.1 In the event the City vacates any portion of the Franchise Area during the term of this Franchise and PSE's Facilities are located within the area to be vacated, then the City shall, in its vacation procedure, reserve and grant an easement to PSE for PSE's existing Facilities unless the City reasonably determines that to do so would be impracticable in light of the nature of the vacation. In cases where the City determines that reserving and granting an easement to PSE is impracticable, the City will notify PSE thirty (30) business days prior to any final vacation action.

11.2 The existence of this Franchise shall not preclude the City from acquiring by condemnation, in accordance with applicable law, all or any portions of PSE's Facilities within the Franchise Area.

12. Abandonment.

12.1 No above-ground Facilities of PSE within the Franchise Area may be abandoned by PSE without the express written consent of the City. Any plan for abandonment or removal of PSE's above-ground Facilities within the Franchise Area must be first approved by the Public Works Director, and all necessary permits must be obtained prior to such work. The provisions of this Section shall survive the expiration, revocation or termination of this Franchise.

13. Recovery of Costs; Permit Fees.

13.1 As specifically provided by RCW 35.21.860, which is applicable to the City pursuant to RCW 35A.21.160, the City may not impose a franchise fee or any other fee or charge of whatever nature or description upon PSE as a result of this Franchise. However, as provided in RCW 35.21.860, the City may recover from PSE, and PSE agrees to pay, the actual administrative expenses incurred by the City **including, but not limited to the reasonable costs of outside consultants and legal fees incurred by the City**, that are directly related to: (i) receiving and approving a permit, license or this Franchise, (ii) inspecting plans and construction, or (iii) preparing a detailed statement pursuant to Chapter 43.21C RCW. With respect to its payment of such administrative expenses, the City shall submit to PSE statements/billings which specify the

amounts due. PSE shall make payment to the City in reimbursement of such expenses within thirty (30) days of the receipt of such statements/billings. Failure by PSE to pay such amount within such thirty (30) day time period shall constitute a failure to comply with the Franchise for the purposes of Section 14, Default, hereof. Additionally, the failure by PSE to timely pay said amounts shall be grounds for the City to preclude the processing of any applications and/or issuing permits until payment has been fully made. Furthermore, any late payment shall also accrue interest computed at the rate of twelve percent (12%) per annum from the thirtieth day.

13.2 With respect to the payment of permit fees, PSE shall comply with all applicable payment terms set forth in applicable codes, ordinances or permits of the City, including, without limitation, any such terms relating to the schedule for payment and the City's right to withhold permits or charge interest in connection with any payment default by PSE; provided, however, the City shall accept payment of such permit fees directly from contractors of PSE that perform work in the Franchise Area on behalf of PSE so long as PSE has notified the City in writing that the contractor is authorized to do so on PSE's behalf and PSE remains responsible for compliance with the terms of the permit.

14. Default.

14.1 If PSE shall fail to comply with the provisions of this Franchise, the City may, without limiting any injunctive relief that the City may be entitled to by applicable law, serve upon PSE a written order to so comply within thirty (30) days from the date such order is received by PSE. If PSE is not in compliance with this Franchise after the expiration of said thirty (30) day period, the City may, by ordinance, declare an immediate forfeiture of this Franchise. The parties expressly acknowledge and agree, however, that the forgoing rights and obligations of the parties are subject in all respects to excused performance based on a Force Majeure Event (as defined in Section 23.14).

15. Nonexclusive Franchise.

15.1 This Franchise is not, and shall not be deemed to be, an exclusive Franchise. This Franchise shall not in any manner prohibit the City from granting other and further franchises over, upon, and along the Franchise Area that do not interfere with PSE's rights under this Franchise. This Franchise shall not prohibit or prevent the City from using the Franchise Area or affect the jurisdiction of the City over the same or any part thereof.

16. Franchise Term.

16.1 This Franchise is and shall remain in full force and effect for a period of twenty (20) years from and after the effective date of the Ordinance; provided, however, PSE shall have no rights under this Franchise nor shall PSE be bound by the terms and conditions of this

Franchise unless PSE shall, within sixty (60) days after the effective date of the Ordinance, file with the City its written acceptance of the Ordinance. It is further provided that upon PSE's request for an extension, this Franchise may be extended by the City, for one five (5) year extension, provided that PSE is in full compliance with the terms and conditions of the Franchise. In any such extension, the terms and conditions of this Franchise shall remain in full force and effect, except as may be otherwise mutually agreed by the parties hereto.

17. Insurance; Bond.

17.1 PSE shall maintain the following liability insurance coverages, insuring both PSE and the City, and its elected and appointed officers, officials, agents, employees, representatives, engineers, consultants, and volunteers as additional insured's against claims for injuries to persons or damages to property which may arise from or in connection with the exercise of the rights, privileges, and authority granted to PSE under this Franchise:

17.1.1 General liability insurance with limits not less than:

- (a) Five million dollars for bodily injury or death to each person;
- (b) Five million dollars for property damage resulting from any one accident; and
- (c) Five million dollars for all other types of liability.

17.1.2 Automobile liability for owned, non-owned and hired vehicles with a limit of \$3,000,000 for each person and \$3,000,000 for each accident.

17.1.3 Worker's compensation with statutory limits and employer's liability insurance with limits of not less than \$1,000,000.

17.1.4 Comprehensive form premises-operations, explosions and collapse hazard, underground hazard and products completed hazard with limits of not less than \$3,000,000.

17.2 The liability insurance described herein shall be maintained by PSE throughout the term of this Franchise, and such other period of time during which PSE is operating its Facilities within the Franchise Area without a franchise, or is engaged in the removal of its Facilities from the Franchise Area. Payment of deductibles and self-insured retentions shall be the sole responsibility of PSE. Coverage under this policy shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability. The City shall be named as an insured under PSE's Commercial General Liability insurance policy. PSE shall be the primary insured as respects the City, its officers, officials,

employees, agents, consultants, and volunteers. Any insurance maintained by the City, its officers, officials, employees, consultants, agents, and volunteers shall be in excess of PSE's insurance and shall not contribute with it.

17.3 The liability insurance described herein, and any subsequent replacement policies, shall provide that insurance shall not be cancelled or materially changed so as to be out of compliance with these requirements without first providing thirty (30) days written notice to the City. If the insurance is cancelled or materially altered so as to be out of compliance with the requirements of this subsection within the term of this Franchise, PSE shall provide a replacement policy. PSE agrees to maintain continuous uninterrupted insurance coverage, in at least the amounts required for the duration of this Franchise and, in the case of the Commercial General Liability, for at least three (3) years after expiration of the term of this Franchise. Any lapse in the required insurance coverage shall be cause for termination of this Franchise.

17.4 In lieu of the insurance requirements set forth in this Section 17, PSE may self-insure against such risks in such amounts as are consistent with good utility practice. Upon the City's request, PSE shall provide the City with reasonable written evidence that PSE is maintaining such self-insurance.

17.5 Any PSE insurance policies used to meet the insurance obligations set forth in this Section 17 will be placed with insurers licensed to do business in the state of Washington and with a current A.M. Best rating of not less than A-VII, or financial equivalent. PSE shall provide the City with certificates of the required insurance within twenty (20) days of the effective date of this Ordinance.

18. Assignment.

18.1 PSE shall not assign or transfer its rights, benefits and privileges in and under this Franchise without the prior written consent of the City, which consent shall not be unreasonably withheld or delayed. Prior to any assignment, the intended assignee shall, within thirty (30) days of the proposed date of any assignment, file written notice of the intended assignment with the City together with its written acceptance of all terms and conditions of this Franchise. Notwithstanding the foregoing, PSE shall have the right, without such notice or such written acceptance, to mortgage its rights, benefits and privileges in and under this Franchise for the benefit of bondholders.

19. City Ordinances and Regulations.

19.1 Nothing herein shall be deemed to direct or restrict the City's ability to adopt and enforce all necessary and appropriate ordinances made in the exercise of its police powers in the interest of public safety and for the welfare of the public, including regulations adopted by

ordinance relating to the use of the City's property, streets and rights-of-ways; provided, however, the City shall adopt and enforce those ordinances in a manner consistent with the terms and conditions of this Franchise.

20. Acceptance.

20.1 Within sixty (60) days after the passage and approval of this Ordinance, PSE may accept this Franchise by filing with the City Clerk an unconditional written acceptance thereof. PSE's failure to so accept this Franchise within said period of time shall be deemed a rejection thereof by PSE, and the rights and privileges herein granted shall, after the expiration of the sixty (60) day period, absolutely cease and terminate, unless the time period is extended by ordinance duly passed for that purpose.

21. Notice.

21.1 Any notice or other communication required or permitted to be given to the parties under this Franchise shall be sent to the following addresses unless otherwise specified:

City of Black Diamond
P.O. Box 599
Black Diamond, WA 98010
Attn: City Administrator

Puget Sound Energy
P.O. Box 90868
Bellevue, WA 98009-0868
Attn: Community Services

The City and PSE may change their respective notice addresses and designated recipient by written notice to the other party at any time.

22. No Third Party Beneficiary.

22.1 Nothing in this Franchise shall be construed to create any rights in or duties to any third party, nor any liability to or standard of care with reference to any third party. This Franchise shall not confer any right or remedy upon any person other than the City and PSE. No action may be commenced or prosecuted against either the City or PSE by any third party claiming as a third party beneficiary of this Franchise. This Franchise shall not release or discharge any obligation or liability of any third party to either the City or PSE.

23. Miscellaneous.

23.1 If any term, provision, condition or portion of this Franchise shall be held to be invalid, or is held to be inapplicable to any person or circumstance, such invalidity shall not affect the validity of the remaining portions of this Franchise which shall continue in full force

and effect, and its application to other persons and circumstances shall not be affected. The headings of sections and paragraphs of this Franchise are for convenience of reference only and are not intended to restrict, affect or be of any weight in the interpretation or construction of the provisions of such sections or paragraphs.

23.2 This Franchise may be amended only by written instrument, signed by both parties, which specifically states that it is an amendment to this Franchise and is approved and executed in accordance with the laws of the State of Washington. Without limiting the generality of the foregoing, this Franchise (including, without limitation, Section 10 above) shall govern and supersede and shall not be changed, modified, deleted, added to, supplemented or otherwise amended by any permit, approval, license, agreement or other document required by or obtained from the City in conjunction with the exercise (or failure to exercise) by PSE of any and all rights, benefits, privileges, obligations or duties in and under this Franchise, unless such permit, approval, license, agreement or other document specifically:

23.2.1 references this Franchise; and

23.2.2 states that it supersedes this Franchise to the extent it contains terms and conditions that change, modify, delete, add to, supplement or otherwise amend the terms and conditions of this Franchise.

In the event of any conflict or inconsistency between the provisions of this Franchise and the provisions of any such permit, approval, license, agreement or other document, the provisions of this Franchise shall control.

23.3 This Franchise is subject to the provisions of any applicable tariff on file with the Washington Utilities and Transportation Commission or its successor. In the event of any conflict or inconsistency between the provisions of this Franchise and such tariff, the provisions of such tariff shall control, subject only to Section 25 with respect to any such tariff which is adopted after the date of this Franchise.

23.4 PSE shall bear the cost of the publication of this Franchise Ordinance as and to the extent permitted and required under Section 13.

23.5 All of the provisions, conditions, and requirements of Section 8 "Relocation of Facilities," Section 10 "Indemnification," and Section 12 "Abandonment" shall survive the expiration or termination of this Franchise (however, such survival period extends only through the applicable statute of limitations period). All of the provisions, conditions, regulations and requirements contained in this Franchise shall be binding upon the successors, legal representatives and assigns of each party and all privileges, as well as all obligations and

liabilities of each party shall inure to its successors, legal representatives and assigns equally as if they were specifically mentioned wherever such party is named herein.

23.6 In connection with its performance of work under this Franchise, PSE shall, during the term of this Franchise, fully comply with all applicable equal employment or non-discrimination provisions and requirements of federal, state and local laws.

23.7 PSE and the City shall, as reasonably requested by the other party from time to time, discuss and coordinate their activities with respect to construction which may affect the public ways in any manner in an effort to minimize public inconvenience, disruption or damages.

23.8 This Franchise shall be binding upon the parties hereto and their permitted successors and assigns.

23.9 Nothing herein shall be deemed to create a joint venture or principal-agent relationship between the parties, and neither party is authorized to, nor shall either party, act toward third persons or the public in any manner that would indicate any such relationship with the other.

23.10 The failure of either party at any time to require performance by the other party of any provision hereof shall in no way affect the right of such party thereafter to enforce the same. Nor shall the waiver by a party of any breach of any provision hereof by the other party be taken or held to be a waiver of any succeeding breach of such provision, or as a waiver of the provision itself or any other provision.

23.11 This Franchise shall be governed by and construed in accordance with the laws of the State of Washington. The venue and jurisdiction over any dispute related to this Franchise shall be with the King County Superior Court, Regional Justice Center, Kent, Washington (or, if the Regional Justice Center is no longer in operation, such other local facility as is then operated by the King County Superior Court).

23.12 If either party shall be required to bring any action to enforce any provision of this Franchise, or shall be required to defend any action brought by the other party with respect to this Franchise, and in the further event that one party shall prevail in such action, the other party shall, in addition to all other payments required therein, pay all of the prevailing party's reasonable costs in connection with such action, including such sums as the court or courts may adjudge reasonable as attorney's fees in the trial court and in any appellate courts.

23.13 This Franchise represents the entire understanding and agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior oral negotiations between the parties.

23.14 In the event that either party is prevented or delayed in the performance of any of its obligations under this Franchise by any event or circumstance beyond its reasonable control (a "Force Majeure Event"), then that party's performance shall be excused during the Force Majeure Event. Force Majeure Events shall include, without limitation, war; civil disturbance; flood, earthquake or other Act of God; storm or other condition which necessitates the mobilization of the personnel of a party or its contractors to restore utility service; laws, regulations, rules or orders of any governmental agency; sabotage; strikes or similar labor disputes involving personnel of a party, its contractors or a third party; or any failure or delay in the performance by the other party, or a third party who is not an employee, agent or contractor of the party claiming a Force Majeure Event, in connection with this Franchise. Upon removal or termination of the Force Majeure Event, the party claiming a Force Majeure Event shall promptly perform the affected obligations in an orderly and expedited manner under this Franchise or procure a substitute for such obligation. The parties shall use all commercially reasonable efforts to eliminate or minimize any delay caused by a Force Majeure Event.

24. Dispute Resolution.

24.1 The parties recognize that cooperation and communication are essential to resolving issues quickly and efficiently. If any dispute arises in regard to the terms or conditions of this Franchise, then the parties shall meet and engage in good faith discussions with the objective of settling the dispute within ten (10) days after either party requests such a meeting. If the parties cannot resolve the dispute within such ten (10) day period, the parties will, upon the written request of either party, seek to resolve the dispute in accordance with the following dispute resolution process:

Level One – A representative from PSE and the City Administrator shall meet to discuss and attempt to resolve the dispute in a timely manner. If these representatives cannot resolve the dispute within fourteen (14) calendar days after referral of the dispute to Level One, either party may by written notice to the other party refer the dispute to Level Two.

Level Two – In the event either party properly refers the dispute to Level Two, the parties shall refer the dispute to mediation using a mediator mutually agreeable to the parties. If these representatives cannot resolve the dispute within fourteen (14) calendar days after referral of the dispute to Level Two, either party may by written notice to the other party refer the dispute to Level Three.

Level Three – In the event either party properly refers the dispute to Level Three or the dispute is not resolved at Level Two within fourteen (14) calendar days after referral of that dispute to Level Two, either party may seek resolution of the dispute through litigation or other judicial proceedings in the court specified in Section 23.11.

24.2 Notwithstanding Section 24.1 or any other provision of this Franchise to the contrary, with respect to any dispute arising under this Franchise, either party may commence litigation or other judicial proceedings within thirty (30) days prior to the date after which the commencement of litigation could be barred by any applicable statute of limitations or other law, rule, regulation, or order of similar import or in order to request injunctive or other equitable relief necessary to prevent irreparable harm. In such event, the Parties will (except as may be prohibited by judicial order) nevertheless continue to follow the procedures set forth in this Section 24.

Section 25. Changes in Laws.

25.1 If, during the term of this Franchise, there becomes effective any change in federal or state law (including, but not limited to, a change in any tariff filed by PSE with the Washington Utilities & Transportation Commission) and such change:

25.1.1 specifically requires the City to enact a code or ordinance which conflicts or is inconsistent with any provision of this Franchise; or

25.1.2 results in a PSE tariff which conflicts or is inconsistent with any provision of this Franchise;

then, in such event, either party may, within ninety (90) days of the effective date of such change, notify the other party in writing that such party desires to commence negotiations to amend this Franchise. Such negotiations shall only encompass the specific term or condition affected by such change in federal or state law and neither party shall be obligated to reopen negotiations on any other term or condition of this Franchise. Within thirty (30) days from and after the other party's receipt of written notice to so commence such negotiations, the parties shall, at a mutually agreeable time and place, commence such negotiations. The parties shall thereafter conduct such negotiations at reasonable times, in a reasonable manner, in good faith and with due regard to all pertinent facts and circumstances; provided, however, that (a) in the event the parties are unable, through negotiation, to reach mutual agreement upon terms and conditions of such amendment, then either party may, by written notice to the other, demand that the parties seek to arrive at such agreement through mediation or, if no such demand has previously been submitted, terminate this Franchise upon not less than ninety (90) days prior written notice to the other party; and (b) pending such negotiations, mediation and/or termination, and except as to any portion thereof which is in conflict or inconsistent with such change in federal or state law, the Franchise shall remain in full force and effect. For purposes of this Section, the term "mediation" shall mean mediation at the local offices of Judicial Arbitration and Mediation Services, Inc. ("JAMS"), or, if JAMS shall cease to exist or cease to have a local office, mediation at the local offices of a similar organization. The parties may agree on a jurist from the JAMS panel. If they are unable

to agree, JAMS will provide a list of the three available panel members and each party may strike one. The remaining panel member will serve as the mediator

25.2 PSE shall, in connection with any application for changes in its tariffs that would be in conflict or inconsistent with the provisions of this Franchise or would modify the rights or responsibilities of either party under this Franchise, notify the City in writing of the application promptly after it is filed with the Washington Utilities & Transportation Commission.

26. Severability.

26.1 If any section, sentence, clause or phrase of this Ordinance shall be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this Ordinance.

27. Ratification.

27.1 Any act of the City consistent with the authority granted by the City prior to the effective date of this Ordinance is hereby ratified and affirmed by the City.

CITY OF BLACK DIAMOND

PUGET SOUND ENERGY, INC.

Howard Botts, Mayor

By: _____

(Printed Name)

Its: _____

ATTEST:

Brenda L. Streepy, City Clerk

APPROVED AS TO FORM:

Yvonne Ward, Interim City Attorney

AN ORDINANCE granting to WASHINGTON NATURAL GAS COMPANY, a Delaware corporation, and a public utility selling and distributing gas within the State of Washington the right and franchise to use and occupy the streets, avenues, roads, alleys, lanes and other public places and ways of the Town of Black Diamond Washington, hereinafter referred to as the Grantor, for constructing, maintaining, repairing, renewing and operating a gas distribution system and accessories within and through the Grantor.

BE IT ORDAINED BY THE COUNCIL OF THE TOWN OF
BLACK DIAMOND, AS FOLLOWS:

Grant
and
Term

Section 1: The right is hereby granted to WASHINGTON NATURAL GAS COMPANY, hereinafter referred to as the Grantee, to lay, construct, extend, maintain, repair, renew and replace gas pipes and gas mains and accessories under, along and/or across any and all streets, avenues, roads, alleys, lanes and other public places and ways in the Grantor, and all territory hereafter lawfully annexed, and to use and occupy said streets, avenues, roads, alleys, lanes and other public places and ways for the purpose of therein laying, constructing, extending, maintaining, renewing, replacing and repairing mains and pipes and all appurtenances thereto and accessories used and/or useful for the manufacture, transmission and sale and distribution of gas within and through the present or future territorial limits of the Grantor, for the term of twenty-five years from and after the effective date of this ordinance, except as hereinafter provided.

Regulation

Section 2: Rights herein granted shall be subject to and governed by this ordinance; provided, however, the Council expressly reserves unto itself all its police power to adopt general ordinances necessary to protect the safety and welfare of the general public in relation to the rights hereby granted not inconsistent herewith, but, without restricting or limiting any general taxing powers.

Location of
Facilities

Section 3: The location of all mains, laterals and appurtenances, their depth below the surface of the ground or grade of any such streets, avenues, roads, alleys, lanes and other public places and ways shall be determined and fixed by the Grantor, and before any work is done by the Grantee under this franchise, it shall first file with the Grantor an application for a permit to do such work, accompanied by drawings showing the position and location of all such mains and/or laterals and meter boxes, valves, etc., sought to be constructed, laid, installed

or erected at that time and their relative positions to existing streets, avenues, roads, alleys, lanes and other public places or ways.

Plans

Section 4: The Grantee shall at all times keep full and complete plans, plat or plats, specifications and records showing the exact location and size of all gas mains and lines heretofore laid within the Grantor's territorial limits, and showing the location of all gates, gauges, and other service construction, and such plan, plat or plats, specifications and records shall be kept current semiannually by the Grantee to show thereon the exact location of all additional mains and lines hereinafter installed by the Grantee, and its successors and assigns, and these records shall be subject to inspection at all reasonable times ^{upon request} by the proper officials and agents of the Grantor. *and furnished to*

Supervision
of Work

Section 5: The Grantee in such application shall specify the class and type of material to be used and the equipment to be used and the mode of safeguarding and facilitating public traffic during construction. All such material and equipment shall be first class and shall meet with the approval and pass all requirements of the Grantor, and the Grantee shall pay to the Grantor all costs of and expenses incurred in the examination, inspection and supervision of such work on account of the granting of said permit, including that work described in Section 3 hereof.

Restoration
of Streets

Section 6: The Grantee shall leave all streets, avenues, roads, alleys, lanes, public places and ways, after laying and installing mains and doing construction work, making repairs to equipment, etc., in as good and safe condition in all respects as they were before the commencement of such work by the Grantee, its agents or contractors. In case of any damage to said streets, avenues, roads, alleys, lanes, public places and ways, to the pavement, turnouts, gutters, ditches, walks, drain pipes, rails, bridges, trestles, wharves or landings by the Grantee, said Grantee shall immediately repair said damage at its sole cost and expense. The Council may at any time do, order and have done any and all work considered necessary to restore to a safe condition any such streets, avenues, roads, alleys, lanes, public places and ways, or pavement, turnouts, gutters, ditches, walks, drain pipes, rails, bridges, trestles, wharves or landings left by the Grantee or its agents in a condition dangerous to life or property, and the Grantee, upon demand, shall pay to the Grantor all costs of such construction or repair and of doing such work.

The Grantee shall well and truly keep and observe all of the covenants, terms and conditions and faithfully perform all of the Grantee's obligations under this franchise; shall correct or replace forthwith, on receipt of notice thereof, any defective work or materials used in the replacement of the Grantor's streets or property discovered within a two-year period of the date of the replacement and acceptance of such repaired streets

by the Grantor; and shall restore the streets or property to the condition in which they existed prior to any commencement of work thereon by the Grantee, where the change was occasioned by the work being performed thereon by the Grantee, within the period of time specified by the permit issued for such work.

Hold
Harmless
Agreement

Section 7: The Grantee, by the acceptance of this franchise, hereby agrees, for itself, its successors and assigns, to protect and save harmless the Grantor from all claims, actions or damages of every kind and description which may accrue to or be suffered by any person or persons, corporation or property by reason of any faulty construction, defective material or equipment or maintenance, or by the improper occupation of said streets, avenues, roads, alleys, lanes, public places and ways by the Grantee, or by reason of the negligent, improper or faulty manner of safeguarding any excavation, temporary turnouts or inefficient operation by the Grantee of its said pipe lines as hereinbefore designated; and in case suit or action is brought against the Grantor for damages arising out of or by reason of any of the above mentioned causes, the Grantee, its successors and assigns, will, upon notice to it or them of the commencement of said action, defend the same at its or their sole cost and expense; and in case judgment shall be rendered against the Grantor in such suit or action, the Grantee will fully satisfy said judgment within ninety (90) days after said suit or action shall have finally been determined adversely to the Grantor, provided the Grantee herein, its successors and assigns, shall have the right to employ its or their own Counsel in any cause or action or be given the management of the defense thereof.

Relocation
of
Facilities

Section 8: If at any time the Grantor deems it advisable to improve any street or public place in which Grantee's facilities are installed by grading, regrading or draining, or installing or relocating municipally owned sewers, drains or water mains, the Grantee, upon written notice by the Grantor shall at its own expense, so raise, lower or move its line of pipes to conform to such new grades as may be established, or place said pipes in such location or position as shall cause the least interference with any such improvement and the Grantor shall in nowise be held liable for any damages to the Grantee that may occur by reason of such improvements; provided, the Grantee shall be required to relocate its facilities only if they interfere with such improvement and no alternative plan for the improvement is reasonably feasible. An alternative plan shall be considered reasonably feasible if it would involve no additional cost or inconvenience to the Grantor.

If the Grantor shall improve such street or public place, the Grantee shall, on written notice by Grantor, and at the sole expense of the Grantee, replace said pipe or pipes as may be in or through the improved grade of such improvement with pipe or pipes of such material as shall conform to the specifications for the improvement of such street or public place.

Non-Exclusive
Grant

Section 9: This grant shall not be exclusive and shall in no manner prohibit the Grantor from granting other franchises of a like nature or franchises for other public or private utilities over, along, across, under and upon any of such streets, avenues, roads, alleys, lanes, public places and ways, and shall in no wise prohibit or prevent the Grantor from using any of said streets, avenues, roads, alleys, lanes, public places and ways, with full power to make all necessary changes, relocations, repairs, maintenance, etc., of same as the Grantor may deem fit.

Succession

Section 10: All of the provisions, privileges, rights, duties, benefits, conditions, regulations, and requirements herein contained shall be binding upon and inure to the successors and assigns of the Grantee and the town respectively.

Effective
Date

Section 11: This ordinance shall be in full force and effect from and after its passage and ~~publication~~ ^{posting} and its acceptance by the Grantee.

Introduced in regular session April 16, 1970.

PASSED by the Council this 21st day of May, 1970.

APPROVED by the Mayor this 21st day of May, 1970.

/s/ _____
MAYOR

ATTEST:

/s/ Paul Engelhardt
TOWN CLERK

APPROVED AS
TO FORM:

W. E. B. Begg
TOWN ATTORNEY

The undersigned hereby accepts all rights and privileges of the above granted franchise, subject to all the terms, conditions and obligations contained therein.

DATED this 21st day of May, 1970

WASHINGTON NATURAL GAS COMPANY

BY _____
President

Some of the key tenants to the agreement are:

- Franchise area established as the City limits as expanded and within City right of way
- System cannot be enlarged with out City approval
- Operations cannot unreasonably interfere with traffic
- Repairs must be made in a timely manner
- Abandoned facilities may be required to be removed upon request of the City
- Work with in the right of way requires a permit and must meet permit requirements
- If there is an emergency, Puget Sound Energy has the right to make repairs as needed before processing a permit
- Puget Sound Energy will provide site specific maps as requested
- Road damage from a failed trench will be repaired by PSE for 10 years or the life of the surrounding pavement whichever is longer
- Road damage from a PSE facility will be repaired by PSE
- Puget Sound Energy maps do not guarantee actual location
- Puget Sound Energy must locate their facilities for City project planning and design
- If PSE neglects to patch the road the City can make the repairs and bill PSE
- PSE must relocate for City projects
- Second relocate in 5 years will be at the City's cost
- Relocates for the Private development of public infrastructure is the developers cost
- Rights of PSE easements are preserved
- Shall cooperate for opportunities to share a trench
- If a street is vacated an easement for PSE must be reserved if practical
- Nonexclusive franchise for 20 years
- PSE must maintain liability insurance

My notes for
presentation

CITY COUNCIL AGENDA BILL

City of Black Diamond
Post Office Box 599
Black Diamond, WA 98010

ITEM INFORMATION			
SUBJECT: Resolution No. 09-658, authorizing the Mayor to execute Supplement #3 to the Engineering Contract with Hammond Collier Wade Livingston for additional engineering on the Railroad Avenue Street Improvement project Cost Impact: \$3,565 Fund Source: capital project fund Timeline: the work has been ordered to keep the project on schedule	Agenda Date: December 17, 2009		AB09-148
	Department/Committee/Individual	Created	Reviewed
	Mayor Howard Botts		
	City Administrator –		
	Interim City Attorney – Yvonne Ward		
	City Clerk – Brenda L. Martinez		X
	Finance – May Miller		
	Public Works – Seth Boettcher	X	
	Economic Devel. – Andy Williamson		
	Police – Jamey Kiblinger		
Court – Kaaren Woods			
Attachments: Resolution No. 09-658, Supplement #3 and Exhibit B to supplement			
SUMMARY STATEMENT: When the Public Works Director reviewed the Draft Stormwater Comprehensive Plan it was noted that a larger 18-inch diameter storm pipe was recommended for the storm bypass line on the east side of the project. PacWest did some double checking considering the reduced run-off directed to the storm bypass line and verified that an 18-inch storm pipe is needed. The original project did not include upgrading the bypass storm pipe through this street project. With the information from the stormwater comprehensive plan becoming available the City has adjusted the Capital Improvement Plan to reflect this need with additional stormwater funds to be directed to the Railroad Avenue Street Improvement Project to fund the upgrade of the bypass storm pipe. The stormwater comprehensive planning provided the City the opportunity to respond to a stormwater system need in concert with the Railroad Avenue Street Improvement project. Redesigning the storm pipe and including the upgrade of the stormwater bypass pipe as part of the Railroad Avenue project will prevent the City from having to dig up the new street in future.			
COMMITTEE REVIEW AND RECOMMENDATION: Reviewed by the Public Works Committee on December 8, 2009			
RECOMMENDED ACTION: MOTION to adopt Resolution No. 09-658, authorizing the Mayor to execute Supplement #3 with Hammond Collier Wade Livingston in the amount of \$3,565 for storm bypass piping redesign.			
RECORD OF COUNCIL ACTION			
<i>Meeting Date</i>	<i>Action</i>	<i>Vote</i>	

RESOLUTION NO. 09-658

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
BLACK DIAMOND, KING COUNTY, WASHINGTON
AUTHORIZING SUPPLEMENT #3 TO THE EXISTING
CONTRACT WITH HAMMOND COLLIER WADE
LIVINGSTON FOR ENGINEERING SERVICES ON THE
RAILROAD AVENUE STREET IMPROVEMENT PROJECT**

WHEREAS, Hammond Collier Wade Livingston is under contract with the City for engineering services on the Railroad Avenue Street Improvement Project; and

WHEREAS, the engineering plans were completed when the City staff discovered through the review of the Draft Stormwater Comprehensive Plan that a larger diameter storm pipe will be needed along the east side of the Railroad Avenue Street Improvement Project; and

WHEREAS, the replacement and or upgrade of the stormwater bypass line through Railroad Avenue was not part of the Street Improvement Project; and

WHEREAS, additional stormwater funds are proposed to be directed to the Railroad Avenue Street Improvement project to this stormwater utility upgrade;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, DOES RESOLVE AS FOLLOWS:

Section 1. The Mayor is authorized to execute Supplement #3 with Hammond Collier Wade Livingston in the amount of \$3,565 for storm bypass piping redesign substantially in the form attached hereto as Exhibit A.

PASSED BY THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, AT A REGULAR MEETING THEREOF, THIS 17TH DAY OF DECEMBER, 2009.

CITY OF BLACK DIAMOND:

Howard Botts, Mayor

Attest:

Brenda L. Martinez, City Clerk

Supplemental Agreement Number 3	Organization and Address Phone: Hammond Collier Wade Livingstone 7502 Lakewood Dr. W. Suite D Lakewood, WA 98499 (253) 472-1992	
Original Agreement Number 07-20-011		
Project Number 07-20-011-001	Execution Date	Completion Date 12/15/09
Project Title Railroad Ave. Bypass Storm Conveyance PS&E	New Maximum Amount Payable \$ 117,571.00	
Description of Work: Provide professional engineering design services for the design of a 18 inch diameter conveyance system to bypass flows through the limits of the Railroad Avenue Project. This project consists of approximately 740 LF of 18 inch diameter conveyance pipe and approximately 6 Type II catch basins. The design of this system will require revisions to the 100% design plans presently prepared for the Railroad Ave. roadway reconstruction project as well as the specifications and engineers estimate. Limits of the improvements are from approximately CB #13 (Sta. 2+50) to the outlet of CB #12 (Sta. 11+50).		

The City of Black Diamond desires to supplement the agreement entered into with Hammond Collier Wade Livingstone and executed on February 19, 2008 and identified as Professional Services Agreement.

All provisions in the basic agreement remain in effect except as expressly modified by this supplement. The changes to the agreement are described as follows:

I

Section 1, Services by Consultant, is hereby changed to read:

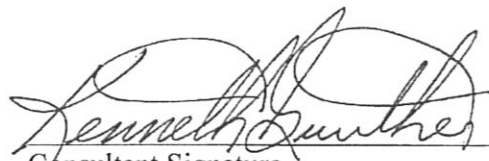
Consultant shall provide the service described in this Scope of Work described as follows:
Supplemental work for this project will include additional design for an 18" diameter conveyance system to bypass upstream flows from the conveyance system at the intersection of Baker Street and railroad Ave. to an outlet at approximately station 11+50 consisting of approximately 740 LF of pipe more or less. The volume of flow to be conveyed has been determined by the City to be 7.01 cfs. This scope of work will also include amending the 100 % plans, specifications, and engineers estimate currently prepared to include these new conveyance elements.

II

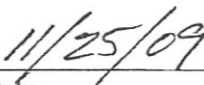
Section 3, Compensation, shall be amended as follows:

as set forth in the amount of \$ 3,565.00 as detailed in Exhibit B (attached). This supplement combined with the original contract and supplement 1 in the amount of \$114,006.00 and brings the total contract amount to \$ 117,571.00. If you concur with this supplement and agree to the

changes as stated above, please sign in the appropriate spaces below and return to this office for final action.



Consultant Signature



Date

Approving Authority Signature

Date

EXHIBIT B

FEE ESTIMATE

CITY OF BLACK DIAMOND - Supplement 3, Exhibit B												
RAILROAD AVE PROJECT BYPASS STORMWATER SYSTEM												
HAMMOND COLLIER WADE LIVINGSTONE												
PROFESSIONAL ENGINEERING SERVICES SUMMARY												
TASK NO.	TASK	Principle	Project Manager	Project Engineer I	Survey Manager	Project Surveyor	Party Chief	Survey	CAD Operator II	Word Processing	HOURS	TOTAL FOR EACH TASK
		KG	JH	IH	RH	DB	GK	BA	MR	HA		
1.0 PROJECT MANAGEMENT												
1.1	Project Management	2	2								4	\$630.00
1.2	Project Coordination w/ Client	2	2								4	\$630.00
1.3	Project Administration and QA/QC	2									2	\$360.00
2.0 PREPARE STORMWATER SYSTEM DESIGN PLANS												
3.1	Stormwater Bypass System Preliminary Conceptual Design	0.5	1.5								2	\$292.50
3.2	Stormwater Bypass Design		5				5				10	\$1,175.00
3.3	Recalculate Conveyance Size CB # 7 & CB # 12 to outlet		1								1	\$135.00
3.4	Utility Interference Check		1								1	\$135.00
3.0 REVISE ENGINEERS ESTIMATE												
	Revise Engineers Estimate	0.5	0.5								1	\$157.50
TOTAL ESTIMATED HOURS BY LABOR CATEGORY												
		7	13	0	0	0	0	0	5	0	25	\$3,515.00
HOURLY RATE												
		\$180.00	\$135.00	\$100.00	\$135.00	\$115.00	\$92.00	\$78.00	\$100.00	\$60.00		
EST. PERSONNEL CHARGES BY LABOR CATEGORY												
		\$1,260.00	\$1,755.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$500.00	\$0.00		\$3,515.00
DIRECT NON-SALARY COSTS (TRAVEL, MATERIALS TESTING & REPROGRAPHICS)												
												\$50.00
											TOTAL:	\$3,565.00

CITY COUNCIL AGENDA BILL

City of Black Diamond
Post Office Box 599
Black Diamond, WA 98010

ITEM INFORMATION			
SUBJECT: Resolution No. 09-659, accepting the Voice of the Valley publication bid and designating it the official City Newspaper for 2010	Agenda Date: December 17, 2009		AB09-149
	Department/Committee/Individual	Created	Reviewed
	Mayor Howard Botts		
	City Administrator –		
	Interim City Attorney – Yvonne Ward		
	City Clerk – Brenda L. Martinez	X	
	Finance – May Miller		
	Public Works – Seth Boettcher		
	Economic Devel. – Andy Williamson		
	Police – Jamey Kiblinger		
Cost Impact:	Court – Kaaren Woods		
Fund Source:			
Timeline:			
Attachments: Resolution No. 09-659, Bids, Notice of Invitation to Bid			
<p>SUMMARY STATEMENT:</p> <p>RCW 35.23.352(7) requires the City to request bids annually for an official City newspaper for the publication of certain legal notices and bid requests.</p> <p>A request for bids was published on November 10, 2009 for the 2010 year. The City received two bids, one from the Voice of the Valley and the second from the Seattle Times. Both are papers of high circulation within the Black Diamond zip code.</p> <p>This resolution accepts the bid from the Voice of the Valley and also designates the paper as the City's official newspaper for 2010.</p>			
COMMITTEE REVIEW AND RECOMMENDATION:			
<p>RECOMMENDED ACTION: MOTION to adopt Resolution No. 09-659, accepting the Voice of the Valley publication bid and designating it the official City newspaper for 2010.</p>			
RECORD OF COUNCIL ACTION			
Meeting Date	Action	Vote	
December 17, 2009			

RESOLUTION NO. 09-659

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, KING COUNTY, WASHINGTON, ACCEPTING THE VOICE OF THE VALLEY PUBLICATION BID AND DESIGNATING THE VOICE OF THE VALLEY AS THE 2010 OFFICIAL CITY NEWSPAPER AS REQUIRED BY RCW 35.23.352(7)

WHEREAS, RCW 35.23.352(7) requires the City request annual bids for an official City newspaper for publication of certain legal notices and bid requests; and

WHEREAS, a request for bids was published December 2, 2008, and the City received two bids, one from the Voice of the Valley and the second from the Seattle Times; and

WHEREAS, it is the City's desire to accept the bid and designate the Voice of the Valley as the 2009 City's official newspaper as required by RCW 35.23.352(7);

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, DOES RESOLVE AS FOLLOWS:

Section 1. The Voice of the Valley publication bid is accepted.

Section 2. The Voice of the Valley is designated as the City's official newspaper for the purpose of RCW 35.23.352(7).

PASSED BY THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, AT A REGULAR MEETING THEREOF, THIS 17TH DAY OF DECEMBER, 2009.

CITY OF BLACK DIAMOND:

Howard Botts, Mayor

Attest:

Brenda L. Martinez, City Clerk

CITY OF BLACK DIAMOND
NOTICE OF
INVITATION TO BID

The City of Black Diamond is accepting bids for the City's "Official Newspaper" for the year 2010. The successful bidder will receive legal notices and notices to bid, as required by law, for publication. Bidders must meet the qualifications set forth in RCW 65.16.020, as well as have the ability to provide the City with an Affidavit of Publication within two weeks of publication date. A qualified bid will consist of a Statement of Qualifications and publication rate per column inch.

Qualified sealed bids should be delivered to the attention of City of Black Diamond, City Clerk and clearly marked "Official Newspaper Bid" on the outside of the envelope, and addressed to PO Box 599, 24301 Roberts Drive, Black Diamond, WA 98010.

Bids will be accepted until 11:00 a.m. on December 3, 2009, at which time the City Clerk will open the bids. All bidders will be notified of the results.

(Published VOICE of the Valley,
Tuesday, Nov. 10, 2009)

AFFIDAVIT

_____, P.O. Box 307, Maple Valley, Washington, deposes and
says that she is the Proof Reader of the VOICE OF THE VALLEY, a
newspaper published weekly in the County of King with a circulation of
17,300.

She further states that the attached Notice of Invitation to Bid was in the
VOICE OF THE VALLEY in the issue(s) of Nov. 10th, 2009 for a total of
\$56.25.

Marilyn Ballard

Marilyn Ballard

Proof Reader, Voice of the Valley

State of Washington

SS

County of King

Subscribed and sworn before me this 12th day of November, 2009.



Donna L. Hayes

Donna L. Hayes

Notary Public in and for the State of Washington

VOICE of the Valley Newspaper

Your Only Local Weekly Newspaper for over 40 years

Editor/Publisher/Owner: Donna L. Hayes – donna@voiceofthevalley.com
P.O. Box 307 Maple Valley, WA 98038 425-432-9696 / FAX 425-432-0701
advertising@voiceofthevalley.com www.voiceofthevalley.com



Notice of Invitation to bid

To Whom It May Concern:

The VOICE of the Valley is a Tuesday newspaper that is delivered by direct mail weekly. We have been publishing the paper for over 40 years.

The VOICE of the Valley delivers papers to all of the 98010, 98038, 98025, and 98051 zip codes. We also do mailings to the 98042 and 98058 zip codes.

The paper has display, classified, church, service directory and legal ads published in it.

Legal ads (Public Notices) are \$15 per column inch and receive 3 affidavits of publication (unless otherwise noted) for each legal ad (public notice).

A column inch in the VOICE is 1 $\frac{3}{4}$ inches wide by 1 inch tall. The font is Ariel and the size is 8 point with a 8.5 leading.

If you have any further questions, please contact Donna Hayes at 425-432-9696

Publisher – VOICE of the Valley

Brenda Martinez

From: Kathleen Baldwin [kbaldwin@seattletimes.com]
Sent: Wednesday, December 09, 2009 2:40 PM
To: Brenda Martinez
Subject: RE: Price Quote
Attachments: Ad sizes Rop & legals.jpg

Hi Brenda,

The cost to run this notice on a Monday, Tuesday, Wednesday OR Thursday would be \$58.48 (34 lines). I have also attached our Ad size chart for ROP (display ads) and Legal notices.

Please contact me if there is anything else I can assist you with.

Thank You,
 Kathy Baldwin
 Legals Account Executive
 The Seattle Times Company
 Phone# 206-652-6018
 Fax# 206-515-5595
legals@seattletimes.com

**CITY OF BLACK DIAMOND
 NOTICE OF
 INVITATION TO BID**

The City of Black Diamond is accepting bids for the City's "Official Newspaper" for the year 2010. The successful bidder will receive legal notices and notices to bid, as required by law, for publication. Bidders must meet the qualifications set forth in RCW 65.16.020, as well as have the ability to provide the City with an Affidavit of Publication within two weeks of publication date. A qualified bid will consist of a Statement of Qualifications and publication rate per column inch.

Qualified sealed bids should be delivered to the attention of City of Black Diamond, City Clerk and clearly marked "Official Newspaper Bid" on the outside of the envelope, and addressed to PO Box 599, 24301 Roberts Drive, Black Diamond, WA 98010.

Bids will be accepted until 11:00 a.m. on December 3, 2009, at which time the City Clerk will open the bids. All bidders will be notified of the results.

From: Brenda Martinez [mailto:BMartinez@ci.blackdiamond.wa.us]
Sent: Wednesday, December 09, 2009 1:29 PM
To: Kathleen Baldwin
Subject: Price Quote

Hi Kathy,

Can you please give me a price quote for a one weekday insertion of the attached legal. Thanks ☺

Any questions please give me a call.

Brenda L. Martinez, CMC
Assistant City Administrator/City Clerk
City of Black Diamond
PO Box 599
24301 Roberts Drive
Black Diamond, WA 98010
Phone: 360-886-2560
Fax: 360-886-2592
Email: bmartinez@ci.blackdiamond.wa.us

City of Black Diamond

Bid Rates: Daily - (Monday thru Sunday)

	per line	10-column inch	6-column inch
Monday thru Thursday	\$1.72	\$24.08	\$40.13
Friday or Saturday	\$3.06	\$42.84	\$71.40
Sunday	\$4.11	\$57.54	\$95.90

Affidavits: Free

All Legal notices are online for 7 days for each 1 day a week in print.

Deadlines for Legal Notices

Publication Day	Deadline
Monday	Friday, 9:00 AM
Tuesday	Friday, 4:00 PM
Wednesday	Monday, 4:00 PM
Thursday	Tuesday, 4:00 PM
Friday	Wednesday, 4:00 PM
Saturday	Wednesday, 4:00 PM
Sunday	Wednesday, 4:00 PM

Deadlines for 6-Column and Legals "Display" Ad:

Publication Day	Materials for Newspaper	Space Reservations/Cancellations	Final Corrections	Complete Electronic Ads Due
Monday	Thursday, 5 p.m.	Friday, 9 a.m.	Friday, noon	Friday, 4 p.m.
Tuesday	Thursday, 5 p.m.	Friday, 5 p.m.	Friday, 5 p.m.	Monday, 9 a.m.
Wednesday	Friday, 5 p.m.	Monday, 5 p.m.	Monday, 5 p.m.	Tuesday, 9 a.m.
Thursday	Monday, 5 p.m.	Monday, 5 p.m.	Tuesday, noon	Tuesday, 4 p.m.
Friday	Tuesday, 5 p.m.	Wednesday, 5 p.m.	Wednesday, 5 p.m.	Thursday, 9 a.m.
Saturday	Wednesday 5 p.m.	Wednesday, 5 p.m.	Thursday, noon	Thursday, 4 p.m.
Sunday	Wednesday 5 p.m.	Wednesday, 5 p.m.	Thursday, 5 p.m.	Friday, 10 a.m.

Contact Information:

Kathy Baldwin

ph #: 206.652.6018

fax #: 206.515.5595

email: Legals@seattletimes.com

City of Black Diamond

Circulation Data:

Black Diamond	Total	1,656
Full-run:	Weekday	1,108,200
	Sunday	1,007,600

Online Data: NW Classifieds.com

*Page View: 3,312,908

**Unique Visitor: 260,335

Print + Online Data:

Audience: 1,746,000

Reach: 48%

*Page View: total # of individual pages downloaded from a web site by visitors in a given time period.

**Unique Visitors: total # of unique browsers (computes) which have accessed a web site or have been served unique content in a given time period



LEGAL NOTICE CITY OF BLACK DIAMOND

NOTICE OF INVITATION TO BID

The City of Black Diamond is accepting bids for the City's "Official Newspaper" for the year 2010. The successful bidder will receive legal notices and notices to bid, as required by law, for publication. Bidders must meet the qualifications set forth in RCW 65.16.020, as well as have the ability to provide the City with an Affidavit of Publication within two weeks of publication date. A qualified bid will consist of a Statement of Qualifications and publication rate per column inch.

Qualified sealed bids should be delivered to the attention of City of Black Diamond, City Clerk and clearly marked "Official Newspaper Bid" on the outside of the envelope, and addressed to PO Box 599, 24301 Roberts Drive, Black Diamond, WA 98010.

Bids will be accepted until 11:00 a.m. on December 3, 2009, at which time the City Clerk will open the bids. All bidders will be notified of the results.

CITY COUNCIL AGENDA BILL

City of Black Diamond
Post Office Box 599
Black Diamond, WA 98010

ITEM INFORMATION			
SUBJECT: Resolution No. 09-660, authorizing the Mayor to execute the Subscriber Agreement between Public Safety Testing, Inc. and the City of Black Diamond	Agenda Date: December 17, 2009		AB09-150
	Department/Committee/Individual	Created	Reviewed
	Mayor Howard Botts		
	City Administrator –		
	City Attorney – Yvonne Ward		
	City Clerk – Brenda L. Martinez		X
	Planning – Scott Jones		
	Finance – May Miller		
	Economic Devel. – Andy Williamson		
	Public Works – Seth Boettcher		
Cost Impact: \$450/ \$700 yearly	Police – Chief Kiblinger	X	
Fund Source: Law Enforcement Budget	Court – Kaaren Woods		
Timeline: by end of year			
Attachments: Resolution No. 09-660, Subscriber Agreement			
SUMMARY STATEMENT: <p>Currently the City has an agreement with Public Safety Testing, Inc. to provide written and physical ability testing for the City's public safety applicants.</p> <p>This agreement expires on December 31, 2012 and the Police Department's desire is to retain these services with Public Safety Testing, Inc. with this new three year agreement.</p>			
COMMITTEE REVIEW AND RECOMMENDATION: Recommend Council approval			
RECOMMENDED ACTION: MOTION to adopt Resolution No. 09-660, authorizing the Mayor to execute the Subscriber Agreement between Public Safety Testing, Inc. and the City of Black Diamond.			
RECORD OF COUNCIL ACTION			
<i>Meeting Date</i>	<i>Action</i>	<i>Vote</i>	
December 17, 2009			

RESOLUTION NO. 09-660

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
BLACK DIAMOND, KING COUNTY, WASHINGTON
AUTHORIZING THE MAYOR TO ENTER INTO AN
AGREEMENT WITH PUBLIC SAFETY TESTING, INC TO
PROVIDE POLICE TESTING SERVICES TO THE BLACK
DIAMOND CIVIL SERVICE COMMISSION FOR THREE
YEARS**

WHEREAS, the Black Diamond Police Department, directly and through the Civil Service Commission, tests, evaluates, ranks and hires law enforcement positions in the performance of its public safety functions; and

WHEREAS, the City desires to retain the services of a skilled provider for the testing services for our public safety applicants; and

WHEREAS, the City has selected Public Safety Testing, Inc. to provide the services of written and physical ability testing for the City's public safety applicants; and

WHEREAS, Public Safety Testing, Inc. is willing and able to perform the above mentioned services;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, DOES RESOLVE AS FOLLOWS:

Section 1. The Mayor is authorized to execute the Subscriber Agreement between Public Safety Testing, Inc. and the City of Black Diamond, and said agreement is attached hereto as Exhibit A and by reference incorporated herein.

PASSED BY THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, AT A REGULAR MEETING THEREOF, THIS 17TH DAY OF DECEMBER, 2009.

Howard Botts, Mayor

Attest:

Brenda L. Martinez, City Clerk

SUBSCRIBER AGREEMENT

WHEREAS, Public Safety Testing, Inc. is a skilled provider of testing services to police, fire, and other public safety agencies, and

WHEREAS, the subscriber public agency, either directly or through a civil service commission, tests, evaluates, ranks and hires law enforcement and/or firefighters and/or other public safety positions in the performance of its public safety functions, and

WHEREAS, the subscribing public entity desires to join in a Subscriber Agreement, NOW, THEREFORE,

Public Safety Testing, Inc. (the "Contractor") and the City of Black Diamond, a municipal corporation of the state of Washington (hereinafter "Subscriber") do enter into this Subscriber Agreement under the terms and conditions set forth herein.

1. Description of Basic Services. This Agreement begins January 1, 2010. The Contractor will provide the following services to the Subscriber:

1.1 Advertising and recruiting assistance, application processing, and administration of written examinations and physical ability tests for (check all that apply):

- ☐ Entry-level Police Officer
- ☐ Lateral/Experienced Police Officer
- ☐ Firefighter
- ☐ Firefighter/Paramedic

1.2 Report to the Subscriber the scores of applicants, with all information necessary for the Subscriber to place passing applicants upon its eligibility list, and rank them relative to other candidates on appropriately constituted continuous testing eligibility lists. Contractor will report "raw" test scores to the Subscriber – no preference points will be factored into applicant scores and it is the Subscriber's responsibility to factor veteran's preference points in accordance with applicable federal and state laws.

1.3 Written examination scores will be reported to the Subscriber as a percentage score (based on 100%) and physical ability test scores will be reported as "Pass" or "Fail".

The passing score for written examinations is set by the test developer at 70%. If Subscriber requires a different passing score, please check the box below and note the required passing score:

☐ Subscriber's passing score is: _____%

- 1.4 Appear in any administrative or civil service proceeding in order to testify to and provide any and all necessary information to document the validity of the testing process, to participate in the defense of any testing process conducted by the Contractor pursuant to this Agreement and to otherwise provide any information necessary to the Subscriber to evaluate challenges to or appeals from the testing process. The Contractor shall appear without additional charge. The Subscriber shall pay the reasonable cost of travel and appearance for any expert witness deemed necessary by the Subscriber to validate the testing process, including but not limited to, representatives of any company which holds the copyright to any testing material and whose testimony or appearance is deemed necessary to validate the process.

Provided, however, Contractor shall not be required to appear at its cost nor to defend in any administrative or court proceeding arising from our out of a claim or challenge relating to Subscriber's use of other testing process(es) or out of Subscriber's attempt to establish multiple or blended eligibility lists for the same position based in whole or in part on other testing process(es). "Other testing process(es)" means any test or testing process other than those provided by the Contractor under this Agreement.

- 1.5 Term & Fees. The Subscriber elects (select all that apply):

- ☐ A one (1)-year subscription at the following rates:
☐ Police Officer (entry &/or lateral) testing at \$600
- ☐ A three (3)-year subscription at the following rates:
☐ Police Officer (entry &/or lateral) testing at \$450 for Year 2010 and \$700 annually for Years 2011 and 2012.

- 1.6 Payment. Subscriber shall pay an amount equal to twenty-five percent (25%) of the annual fee set forth above quarterly for services rendered in the previous quarter and for basic services including but not limited to, software relating to online application, advertising formats, previously advertised scheduling of test dates, model civil service rules, testing systems, as well as ongoing testing and recruitment, and any and all other work developed at the cost of the Contractor prior to or contemporaneous with the execution of this Agreement. Payment shall be made within 45 days of receipt of invoice.

2. Additional Services. In addition to the services provided under this Agreement, the Subscriber may, at its sole discretion, elect to purchase additional services from the Contractor. Such services shall be requested by and contracted for pursuant to separate written agreement.

3. Acknowledgements of Subscriber. The Subscriber understands and acknowledges, and specifically consents to the following stipulations and provisions:
- 3.1 Because applicable civil service law prohibits having multiple eligibility lists for the same class of hires, this Agreement is an exclusive agreement for these services.
 - 3.2 The written and physical agility scores of any applicant shall be valid for 15 months from the date of certification by the Contractor or 12 months from the date of placement upon the Subscriber's eligibility list, whichever first occurs, following the report of the Contractor, and rules compatible with continuous testing shall be adopted. The Subscriber shall review its applicable hiring processes, advertisements, personnel policies and civil service rules (as applicable) to ensure compliance with the provisions of this Agreement.
 - 3.3 An applicant may, in addition to the Subscriber's eligibility list, elect to have his/her score reported to and subject to placement on the eligibility list of any other Subscriber. Nothing in this Agreement shall be interpreted to prohibit the use of an applicants' score for consideration in or processing through any other subscriber's hiring and/or civil service eligibility process. The Subscriber agrees that if an applicant is hired by another agency through this service, the applicant's name shall be removed from Subscriber's eligibility list.
 - 3.4 The Subscriber specifically understands and acknowledges that the Contractor may charge a reasonable application fee from any and all applicants.
 - 3.5 The Subscriber is encouraged to and may also conduct advertising as it deems necessary to support/enhance recruiting efforts. The Subscriber shall link PublicSafetyTesting.com on its agency's website, if it so maintains one.
 - 3.6 Public Safety Testing views recruiting as a partnership with the Subscriber. The Subscriber agrees to actively participate in recruiting efforts for positions within the Subscriber agency.
 - 3.7 The Subscriber agrees to keep the Contractor up-to-date as to the agency's hiring status, minimum and special requirements, all information appearing on the agency's PST website profile and the names of any candidates hired through these services.
4. Testing Standard and Warranty of Fitness for Use. All testing services conducted under this Agreement shall be undertaken in accordance with the provisions of the Washington State Civil Service Statutes, Chapter 41.08 and 41.12 RCW, or the terms of other applicable statute as the Subscriber shall notify the Contractor that the Subscriber must meet. Tests shall also be conducted in accordance with the general standards established by the Subscriber; the Subscriber shall be responsible for notifying the Contractor of any unusual or special process or limitation. The test utilized, the proctoring of the test and any and all other services attendant to or necessary to provide a valid passing or failing score to the Subscriber shall be conducted in accordance with generally accepted practice in the human

resources, Civil Service and Public Safety Testing community. The Subscriber may monitor the actions and operations of the Contractor at any time. The Contractor shall maintain complete written records of its procedures and the Subscriber may, on reasonable request, review such records during regular business hours. Any and all written materials, and the standards for physical fitness testing utilized, shall comply with all applicable copyrights and laws. The Contractor expressly agrees and warrants that all tests and written materials utilized have been acquired by the Contractor in accordance with the appropriate copyright agreements and laws and that it has a valid right to use and administer any written materials and tests in accordance with such agreements and laws. If Subscriber uses or authorizes the use of other testing process(es) this warranty shall be null and void.

5. Independent Contractor. The Contractor is an independent contractor. Any and all agents, employees or contractors of the Contractor, shall have such relation only with the Contractor. Nothing herein shall be interpreted to create an employment, agency or contractual relationship between the Subscriber and any employee, agent or sub-contractor of the Contractor.
6. Indemnity and Hold Harmless. The parties agree and hold harmless each other, their officers, agents and employees in accordance with the following provisions:
 - 6.1 The Contractor shall indemnify and hold harmless the Subscriber, its employees and agents from any and all costs, claims or liability arising from:
 - 6.1.1 Violation of any copyright agreement or statute relating to the use and administration of the tests or other written materials herein provided for;
 - 6.1.2 Any cost, claim or liability arising from or out of the claims of an employee, agent or sub-contractor to the end that the Contractor shall be an independent Contractor and the Subscriber shall be relieved of any and all claims arising from or relating to such employment relationships or contracts between the Contractor and third parties;
 - 6.1.3 The alleged negligent or tortious act of the Contractor in the provision of services under this Agreement.
 - 6.1.4 This indemnity shall not apply to any administrative or court proceeding arising from or out of any process in which the Subscriber has utilized or authorized other testing process(es).
 - 6.2 The Subscriber shall indemnify and hold harmless the Contractor, its officers, agents and employees from any and all cost, claim or liability arising from or out of the alleged negligent or tortious act of the Subscriber in the provision of services hereunder.
7. Termination. This Agreement terminates on the last day of December 201____. The Contractor and the Subscriber may withdraw from this Agreement at any time for any reason with 90 days written notice, provided, however, that the provisions of paragraphs 1.4, 4, 5 and 6 shall remain in full force and effect following the

termination of this Agreement with respect to, and continuing for so long as any applicant tested by the Contractor remains on the eligibility list of the Subscriber.

7.1 If the Subscriber elects to terminate this Agreement prior to the termination date specified in section 7, Subscriber shall pay the Contractor an early termination fee. The purpose of this early termination fee is to cover the direct and indirect costs of refunding and or rescheduling applicants that had signed up to test for the Subscriber. The early termination fee is one-third (33%) of the annual subscriber fee as noted in Section 1.5 of this Agreement. The early termination fee is in addition to any other fees agreed to by this Agreement.

8. Entire Agreement, Amendment. This is the entire Agreement between the parties. Any prior agreement, written or oral, shall be deemed merged with its provisions. This Agreement shall not be amended, except in writing, at the express written consent of the parties hereto.

This Agreement is dated this _____ day of _____, 20_____.

CITY OF BLACK DIAMOND, WA

PUBLIC SAFETY TESTING, INC.

By: _____

By:  _____

Print: _____

Print: Jon F. Walters, Jr. _____

Its: _____

Its: President _____

Contact: _____

Jon Walters _____

Address: _____

20818 – 44th Ave. W., Suite 160

City/State: _____

Lynnwood, WA 98036 _____

Telephone: _____

425.776.9615 _____

CITY COUNCIL AGENDA BILL

City of Black Diamond
Post Office Box 599
Black Diamond, WA 98010

ITEM INFORMATION			
SUBJECT: Resolution No. 09-661, authorizing the Mayor to enter into a Memorandum of Understanding with Olympic Environmental Resources in order to implement the 2010 Spring Recycling Collection Event	Agenda Date: December 17, 2009		AB09-151
	Department/Committee/Individual	Created	Reviewed
	Mayor Howard Botts		
	City Administrator –		
	Interim City Attorney –Yvonne Ward		
	City Clerk – Brenda L. Martinez		X
	Finance – May Miller		
	Public Works – Seth Boettcher		
	Economic Devel. – Andy Williamson		
	Police – Jamey Kiblinger		
Timeline: Event will be held in Spring 2010	Court – Kaaren Woods		
	Natural Resources/Parks - Aaron Nix	X	
Attachments: Resolution No. 09-661 and Contract Amendment			
SUMMARY STATEMENT: The Council needs to authorize the Mayor the ability to enter into a Memorandum of Understanding with Olympic Environmental Resources in order to implement the City of Black Diamond's 2010 Spring Recycling Collection Event.			
COMMITTEE REVIEW AND RECOMMENDATION: N/A			
RECOMMENDED ACTION: MOTION to adopt Resolution 09-661, authorizing the Mayor to enter into a Memorandum of Understanding with Olympic Environmental Resources in order to implement the 2010 Spring Recycling Collection Event.			
RECORD OF COUNCIL ACTION			
Meeting Date	Action	Vote	
December 17, 2009			

RESOLUTION NO. 09-661

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
BLACK DIAMOND, KING COUNTY, WASHINGTON,
AUTHORIZING THE MAYOR TO EXECUTE A
MEMORANDUM OF UNDERSTANDING WITH OLYMPIC
ENVIRONMENTAL RESOURCES FOR THE 2010 SPECIAL
COLLECTION RECYCLING EVENT**

WHEREAS, the City has identified the need for recycling services associated with its year 2010 special collection event;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, DOES RESOLVE AS FOLLOWS:

Section 1. The Mayor is hereby authorized to execute a Memorandum of Understanding with Olympic Environmental Resources for the year 2010 Special Collection Recycling Event, in an amount not to exceed \$19,037.03, said agreement to be substantially in the form attached hereto as Exhibit A and by reference incorporated herein.

PASSED BY THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, AT A REGULAR MEETING THEREOF, THIS 17th DAY OF DECEMBER, 2009.

CITY OF BLACK DIAMOND:

Howard Botts, Mayor

Attest:

Brenda L. Martinez, City Clerk



Olympic Environmental Resources

4715 SW Walker Street Seattle WA 98116

Tel. 206 938-8262 Fax (206) 938-9873

Email: pauldevine@msn.com

Memorandum of Understanding

To: The City of Black Diamond

From: Olympic Environmental Resources

Date: December 3, 2009

RE: City of Black Diamond/Olympic Environmental Resources Agreement for Implementing
2010 Recycling Projects

This Memorandum of Understanding is intended to detail Olympic Environmental Resource's (OER) services and responsibilities in implementing City of Black Diamond Recycling 2010 Spring Recycling Collection Event.

The proposed project includes:

One Recycling Collection Event

The event is tentatively scheduled for March or April 2010 at Black Diamond Police Department. At the event the following materials will be collected and recycled: used tires, used anti-freeze, used petroleum-based products, used oil filters, lead acid and household batteries, used motor oil, bulky yard waste (large material only), scrap wood, electronic equipment, TV sets, appliances (including refrigerators, freezers, household air conditioners, and other appliances), ferrous metals, nonferrous metals, textiles, reusable or recyclable household goods, porcelain toilets and sinks, propane tanks, and other materials whenever practical. User fees will apply to the collection of some materials.

At the 2010 Spring Recycling Collection Event, OER will organize a chipper event to be held in conjunction with the Recycling Collection Event.

OER wishes to involve the Black Diamond staff at the level most comfortable for the City. OER will meet with the City of Black Diamond staff at any time during the project for updates on activities or will pursue activities independently if desired by the City.

The project budget will incorporate the City of Black Diamond grant funds available from the Seattle-King County Health Department, King County Solid Waste Division, and the Washington State Department of Ecology. Total grant funds are estimated at \$19,037.03 and

includes all items that will be billed to the grants directly by the City, such as City staff time. The specific project activities to be carried out by OER are detailed in the grant scopes of work. OER will cover project expenses as they arise, such as the costs of printing and vendor services. OER will then request reimbursement of staff time and expenses on a monthly basis with thirty-day payment terms. OER will assist the City in requesting reimbursement for these costs from the King County Solid Waste Division, Seattle-King County Health Department, and the Washington State Department of Ecology.

OER's goal is to conduct events with very limited City staff time and no City cost. However, there are a number of "official acts" necessary for the City to bring the programs on line:

- Sign and submit letters of intent.
- Review program scopes of work.
- Sign necessary grant agreements.
- Keep OER informed of any changes made to grant agreements.
- Reimburse OER for staff time and expenses from grant funding.

Recycling related programs continue on an annual basis. OER will continue to provide service to the City of Black Diamond until the City decides to no longer participate. We ask that you provide thirty-days (30) notice to discontinue services. This agreement solidifies our relationship. Please sign both copies of this agreement and return one to OER. OER looks forward to working with the City of Black Diamond in 2010.

City of Black Diamond

Olympic Environmental Resources

2010 Black Diamond Recycling Grants

The City of Black Diamond is eligible and has applied for the following grants. It is expected that no non-grant City funds will be expended on recycling projects in 2010. The City has applied for the following:

1) The King County Health Department Local Hazardous Waste Management Plan Grant. Grant total \$5,936.53.

2) The Washington State Department of Ecology Coordinated Prevention Grant. Grant total \$3,100.50.

3) The King County Waste Reduction and Recycling Grant Program. Grant total \$10,000.00.

TOTAL: \$19,037.03

1. Task One: Recycling Collection Event Budget

Estimated Costs	2010	2010	2010	TOTAL
	LHWMP	CPG	WRR	
City Staff Costs	\$600.00	\$0.00	\$400.00	\$1,000.00
Management/Staffing/Admin/Graphics	\$2,947.70	\$2,800.50	\$1,440.00	\$7,188.20
Event Staff Costs	\$0.00	\$0.00	\$1,760.00	\$1,760.00
Collection/Hauling Costs				
Wood Waste	\$0.00	\$0.00	\$500.00	\$500.00
Scrap Metal, Appliances, etc.	\$0.00	\$300.00	\$1,800.00	\$2,100.00
Tires	\$0.00	\$0.00	\$700.00	\$700.00
Used Oil/Antifreeze	\$900.00	\$0.00	\$0.00	\$900.00
Batteries	\$300.00	\$0.00	\$0.00	\$300.00
Printing/Mailing	\$300.00	\$0.00	\$300.00	\$600.00
Event Supplies	\$350.00	\$0.00	\$300.00	\$650.00
Other Expenses - rentals, etc	\$538.83	\$0.00	\$800.00	\$1,338.83
TOTALS	\$5,936.53	\$3,100.50	\$8,000.00	\$17,037.03

2. Task Two: Chipper Event Budget

ESTIMATED COSTS	2010	Total
Program Management/Coordination/Reporting	\$350.00	\$350.00
Contractor Services	\$720.00	\$720.00
Event Staff	\$880.00	\$880.00
Supplies	\$50.00	\$50.00
Total	\$2,000.00	\$2,000.00

NOTE: Hourly rates for consultants are as follows: Project Manager - \$70.00 and Event Staff - \$55.00.

CITY COUNCIL AGENDA BILL

City of Black Diamond
Post Office Box 599
Black Diamond, WA 98010

ITEM INFORMATION			
SUBJECT: Ordinance No. 09-931, annexing the certain unincorporated territory of City's Urban Growth Areas designated as the "East Annexation Area"	Agenda Date: December 17, 2009		AB09-152
	Department/Committee/Individual	Created	Reviewed
	Mayor Howard Botts		
	City Administrator –		
	Interim City Attorney – Yvonne Ward		
	City Clerk – Brenda L. Martinez		X
	Finance – May Miller		
	Public Works – Seth Boettcher		
	Economic Devel. – Andy Williamson		
	Police –		
Cost Impact: N/A	Court – Kaaren Woods		
Fund Source: N/A	Comm. Development—Steve Munson		
Timeline: N/A		X	
Attachments: Ordinance No. 09-931, Legal Description, Site Map, Closing Letter			
SUMMARY STATEMENT: <p>Black Diamond Lawson Partners submitted to the Community Development Department a Notice of Intent letter seeking the annexation of 50 acres (East Annexation Area) located generally along the east-central boundary of the City. By RCW 35A.14.120 property owners may use the "Direct Petition Method" to seek annexation of lands to a city. Council subsequently met on August 20, 2009 with the petitioners accepting the first petition of proposal to annex and scheduled and conducted a public hearing on September 24, 2009 authorizing the Community Development staff to submit a Notice of Intent packet to the King County Boundary Review Board. This packet was submitted on October 21, 2009 and approved by the KCBRRB following expiration of the 45-day review period on December 7, 2009.</p>			
COMMITTEE REVIEW AND RECOMMENDATION: N/A			
RECOMMENDED ACTION: MOTION to adopt Ordinance No. 09-931, annexing certain unincorporated territory of the City's Urban Growth Areas designated as the "East Annexation Area".			
RECORD OF COUNCIL ACTION			
<i>Meeting Date</i>	<i>Action</i>	<i>Vote</i>	
August 20, 2009	Accepted first petitions of proposals to annex.		
September 3, 2009	Set public hearing date for September 24, 2009		
September 24, 2009	Held public hearing and adopted Resolution 09-641 authorizing submittal of Notice of Intent packet to the King County Boundary Review Board		
December 17, 2009			

ORDINANCE NO. 09-931

AN ORDINANCE OF THE CITY OF BLACK DIAMOND, KING COUNTY, WASHINGTON ANNEXING PURSUANT TO RCW 35A.14.140 CERTAIN UNINCORPORATED TERRITORY; PROVIDING FOR THE ASSUMPTION OF THE EXISTING INDEBTEDNESS; AND ZONING SAID TERRITORY IN ACCORDANCE WITH CHAPTER 18 OF THE BLACK DIAMOND MUNICIPAL CODE (ZONING)

WHEREAS, a Petition for Annexation (circulation of which was authorized pursuant to Black Diamond Resolution No. 629) has been filed with the City of Black Diamond, and said Petition was valid in form; and

WHEREAS, the Petition for Annexation was signed by owners of property not less than 60% of the value of all property in the proposed annexation area, according to the assessed valuation for general taxation of the property described in said Petition; and

WHEREAS, pursuant to RCW 35A.14.130, a public hearing on said proposed annexation was held before the City Council on September 24, 2009; and

WHEREAS, on October 21, 2009 the Notice of Intent to Annex was delivered to the Washington State Boundary Review Board for King County as required by state law and subsequently approved by such Board as no formal request for review as specified in RCW 36.93 was filed within the required 45- day filing period; and

WHEREAS, pursuant to the State Environmental Policy Act RCW 43.21C.222, annexations are exempt from SEPA; and

WHEREAS, the Black Diamond City Council finds said proposed annexation to be within the public interest,

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND AS FOLLOWS:

Section 1. The property legally described in Exhibit A and depicted on the map in Exhibit B attached hereto and incorporated herein by this reference ("Annexation Area") is hereby annexed to the City of Black Diamond.

Section 2. Pursuant to RCW 35A.14.150, the Annexation Area shall be assessed and taxed at the same rate and on the same basis as other property within the City of Black Diamond is assessed and taxed to pay for the portion of any pre-existing, outstanding indebtedness of the city of Black Diamond, which indebtedness has been approved by the voters, contracted for, or incurred prior to, or existing at the effective date of this ordinance.

Section 3. Pursuant to RCW 35A.14.150 and consistent with Ordinance No. 909, the Annexation Area shall be zoned R-4 and shall be governed by the provisions of Chapter 18 of the Black Diamond Municipal Code (Zoning) applicable to said zoning designation. The Community Development Director is hereby directed to make the necessary modifications and extensions of the Zoning Map of the City of Black Diamond to so reflect.

Section 4. The City Clerk is hereby directed to file certified copies of this annexation ordinance with the King County Council and with the State of Washington Office of Financial Management, together with such additional offices as may be required by law or regulation. In addition, the clerk is authorized and directed to file the Annexation Certificate provided for in 35A.14.700 with the Office of Financial Management within 30 days of the effective date of the annexation.

Section 5. Upon passage and publication this ordinance and annexation shall be effective on December 27, 2009, which is 5 days after the date of publication as required by law.

Introduced and passed by the City Council of Black Diamond in open meeting this 17th day of December, 2009.

Approved by the Mayor on the 17th day of December, 2009.

Mayor Howard Botts

ATTEST:

Brenda Martinez, City Clerk

APPROVED AS TO FORM:

Yvonne Ward, City Attorney

Published: _____

Posted: _____

Effective Date: _____

EXHIBIT A

**LAWSON HILLS
EAST ANNEXATION AREA REVISED LEGAL DESCRIPTION:**

TRIAD JOB # 04-058
NOVEMBER 26, 2007
REVISED DECEMBER 3, 2009

THAT PORTION OF THE EAST HALF OF SECTION 13, TOWNSHIP 21 NORTH, RANGE 6 EAST, W.M., IN KING COUNTY, WASHINGTON, AS SHOWN ON A RECORD OF SURVEY FOR THE EAST ANNEXATION TO THE CITY OF BLACK DIAMOND, WASHINGTON, RECORDED UNDER KING COUNTY RECORDING NUMBER 20091118900009, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION;

TOGETHER WITH THAT PORTION OF OF THE SOUTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION DESCRIBED AS FOLLOWS;

BEGINNING AT THE SOUTHWEST CORNER OF SAID SOUTH HALF, THENCE NORTH 00°17'23" EAST, ALONG THE WEST LINE OF SAID SOUTH HALF, 493.15 FEET;
THENCE SOUTH 35°28'21" EAST 617.91 FEET TO THE SOUTH LINE OF SAID SOUTH HALF;
THENCE NORTH 88°24'03" WEST, ALONG THE SOUTH LINE OF SAID SOUTH HALF, 361.22 FEET TO THE POINT OF BEGINNING.

TOGETHER WITH THAT PORTION OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID NORTHEAST QUARTER,
THENCE NORTH 01°06'43" EAST, ALONG THE WEST LINE OF SAID NORTHEAST QUARTER, 1324.33 FEET TO THE NORTHWEST CORNER OF SAID NORTHEAST QUARTER;
THENCE SOUTH 88°24'03" EAST, ALONG THE NORTH LINE OF SAID NORTHEAST QUARTER, 69.04 FEET;
THENCE SOUTH 55°11'17" EAST 488.42 FEET;
THENCE SOUTH 01°50'22" WEST 240.07 FEET;
THENCE SOUTH 31°16'37" WEST 939.98 FEET TO THE POINT OF BEGINNING.

TOTAL AREA = 50.00 ACRES

WRITTEN: ARJ
CHECKED: MSH

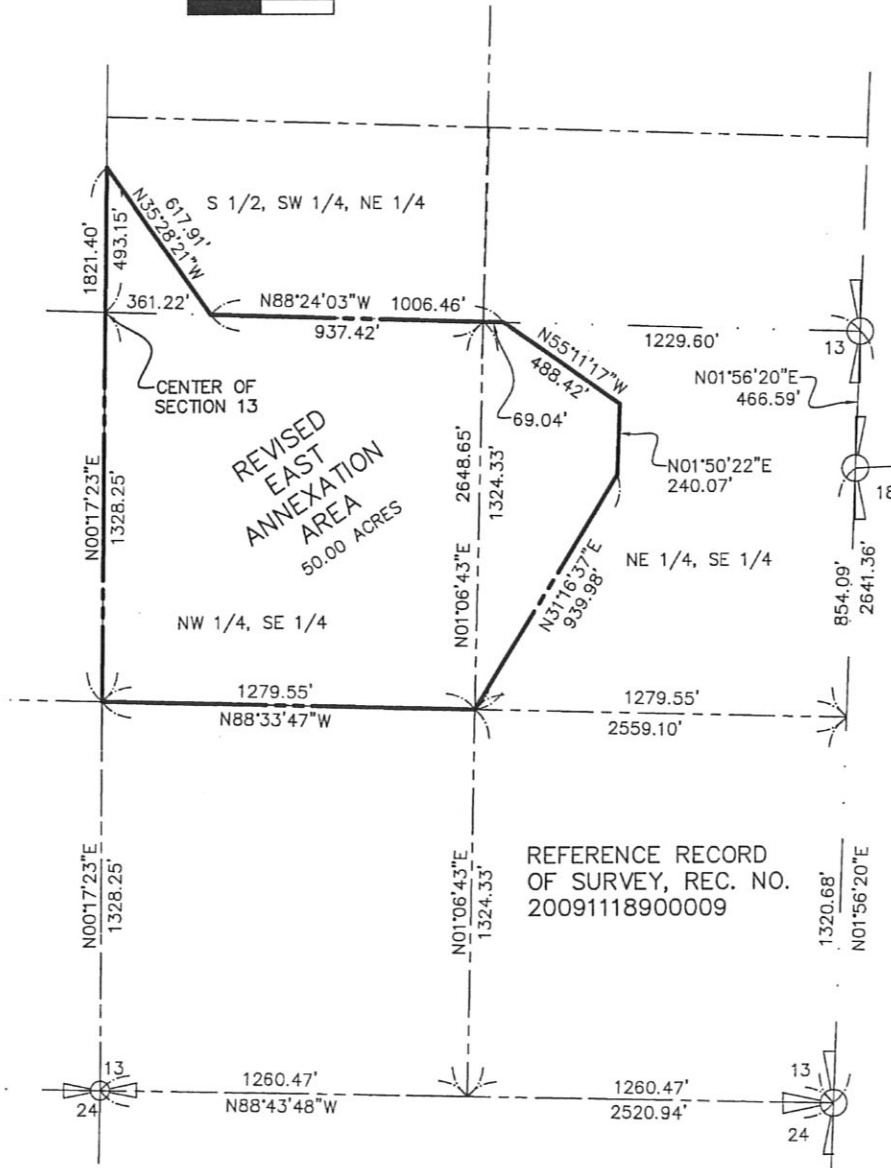
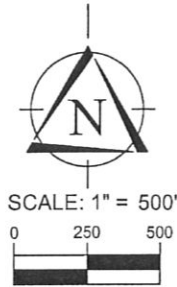


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12112 115th Avenue NE Kirkland, Washington 98034-9623
425.821.8448 • 800.488.0756 • Fax 425.821.3481
www.triadassoc.com

Land Development Consultants

SEC. 13, TWP. 21N, RNG 6E, W.M.



04056EX-EASTANNEX-120309.DWG

JOB NUMBER
04-058

SHEET NUMBER
1 OF 1

MANAGER
DESIGNED
CAD
CHECKED
DATE
SCALE
VERT.

ARJ
MSH
12/03/09
HORIZ. 1"=500'
VERT. N/A

**EAST ANNEXATION AREA
EXHIBIT B**

LAWSON HILLS

CITY OF BLACK DIAMOND,

WASHINGTON

Lead Development Consultant

12112 115th Ave, NE
Kirkland, WA 98034-6923
425.821.8448
www.triadassoc.com

TRIAD
ASSOCIATES



Washington State Boundary Review Board For King County

Yesler Building, Room 240, 400 Yesler Way, Seattle, WA 98104
Phone: (206) 296-6800 • Fax: (206) 296-6803 • <http://www.kingcounty.gov/annexations>

December 8, 2009

City of Black Diamond
Attn: Steve Munson, City Planner
Post Office Box 599
Black Diamond, WA 98010

RE: CLOSING LETTER FOR COMPLETED ACTION – File No. 2305 – City of Black Diamond – East Area Annexation

Dear Mr. Munson

We are writing to advise you that the Boundary Review Board has now completed the required Evaluation, as specified in RCW 36.93, for the above-referenced proposed action filed with the Board effective: **October 21, 2009**.

The Boundary Review Board also provided a 45-day public review period **October 21 – December 7, 2009**, as prescribed by RCW 36.93. The Board received no request for a public hearing of this proposed action during the public review period.

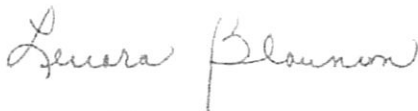
The Boundary Review Board, therefore, hereby deems this proposed action approved effective: **December 8, 2009**. Final approval of the proposed action is also subject to the following actions, where applicable:

1. Sewer and Water District actions and some other actions are also subject to approval by the Metropolitan King County Council. If the Council makes changes to the proposal, the Board may then be required to hold a public hearing.
2. Filing with King County of franchise application(s), as required, accompanied by a copy of this letter.
3. Filing with King County of permit application(s), as required, accompanied by a copy of this letter.
4. Fulfillment of all other statutory requirements and/or procedures specified in your Notice of Intention.

5. Notification in writing of your intended effective date of annexation. This notification should be provided as early as possible. Please send this information to Gwen Clemens, Chinook Building, King County Office of Strategic Planning & Performance Management (OSPPM), 401 Fifth Avenue, Suite 810, Seattle, Washington 98104, and
6. Filing with King County Council of: (1) one certified copy of final resolution or ordinance accomplishing this proposed action; and (2) a copy of this letter. This document should be filed with the Clerk of the Council (Attn: Anne Noris), King County Courthouse, Room 1025, Seattle, Washington 98104

If you have questions or would like additional information, please contact our office at 206-296-6800.

Sincerely,



Lenora Blauman
Executive Secretary

cc: Anne Noris, Clerk of the Council
Dave Wilson, Elections Division
Kaaren Kane, Department of Assessment
Lydia Reynolds-Jones, Manager, Project Support Services
King County "911" Program
Paul Reitenbach, Department of Development & Environmental Services
Paula Adams, Department of Development & Environmental Services
Gwen Clemens, Office of Strategic Planning & Performance Management (OSPPM)
Connie Wong, Facilities Management Division, Real Estate Section
Anne Lockmiller, Facilities Management Division, Real Estate Section



Washington State Boundary Review Board For King County

Yesler Building, Room 240, 400 Yesler Way, Seattle, WA 98104
Phone: (206) 296-6800 • Fax: (206) 296-6803 • <http://www.kingcounty.gov/annexations>

December 8, 2009

City of Black Diamond
Attn: Steve Munson, City Planner
Post Office Box 599
Black Diamond, WA 98010

RE: NOTIFICATION OF OFFICIAL FILING
File No. 2305 – City of Black Diamond- East Area Annexation

Dear Mr. Munson:

We have received approval from King County engineering staff of the legal description for the above-referenced Notice of Intention. The Notice of Intention is now considered complete and has been officially filed effective: **December 8, 2009**. You will be advised of any further changes in the status of the Notice before the Board.

Please be aware that any future final ordinance or resolution on the proposed action must incorporate the legal description approved by King County engineering staff, including any revisions made in response to the engineering staff review.

Sincerely,

Lenora Blauman
Executive Secretary

Atch: King County Road Services Division letter dated December 8, 2009

cc: Anne Noris, Clerk of the Council (w/o atch)
Lydia Reynolds-Jones, Manager, Project Support Services (w/o atch)



King County

Road Services Division

Department of Transportation
KSC-TR-0231
201 South Jackson Street
Seattle, WA 98104-3856
www.kingcounty.gov/roads

RECEIVED

DEC 08 2009

WA State Boundary Review
Board For King Co

December 8, 2009

Lenora Blauman
Executive Secretary
Boundary Review Board
YES-BR-0240

RE: City of Black Diamond – East Area Annexation (BRB File 2305)

Dear Ms. Blauman:

Thank you for the opportunity to review the revised legal description for the proposed East Area Annexation to the City of Black Diamond transmitted with your December 4, 2009 letter. Staff reviewed the enclosed revised legal description and found it satisfactory and complete.

Please see my previous letter, dated November 9, 2009 for a detailed listing of King County Road Services Division's property research and findings.

If you have any questions, please contact Nicole Keller, Vacations and Boundaries Engineer, at 206-296-3731, or via e-mail at Nicole.Keller@kingcounty.gov.

Sincerely,

Lydia Reynolds-Jones
Manager
Project Support Services

LRJ:NK:mr

Enclosures

Lenora Blauman
December 8, 2009
Page 2

cc: Anne Noris, Clerk of the King County Council (w/ enclosures)
Karen Wolf, Division Manager, Strategic Planning and Policy, Office of Strategic
Planning and Performance Management
Gwen Clemens, Senior Policy Analyst, Strategic Planning and Policy, Office of
Strategic Planning and Performance Management
Karen Freeman, Senior Policy Analyst, Strategic Planning and Policy, Office of
Strategic Planning and Performance Management
Hazel Gantz, Business and Finance Officer, Department of Assessments
Daisy Tamayo, GIS Specialist, Department of Assessments
Paul McCombs, GIS Specialist, Department of Development and Environmental
Services
Matthew Nolan, P.E., Acting County Road Engineer, Road Services Division
Richard A. Brater, P.E., Manager, Engineering Services Section, Road Services
Division
Mary Coltrane, Intergovernmental Relations Coordinator, Road Services Division
Rey Sugui, Program Analyst, Road Services Administration, Road Services
Division
Nicole Keller, Engineer II, Engineering Services Section, Road Services Division

RECEIVED

DEC 07 2009

EXHIBIT A

WA State Boundary Review
Board For King Co.

LAWSON HILLS
EAST ANNEXATION AREA REVISED LEGAL DESCRIPTION:

TRIAD JOB # 04-058
NOVEMBER 26, 2007
REVISED DECEMBER 3, 2009

THAT PORTION OF THE EAST HALF OF SECTION 13, TOWNSHIP 21 NORTH, RANGE 6 EAST, W.M., IN KING COUNTY, WASHINGTON, AS SHOWN ON A RECORD OF SURVEY FOR THE EAST ANNEXATION TO THE CITY OF BLACK DIAMOND, WASHINGTON, RECORDED UNDER KING COUNTY RECORDING NUMBER 20091118900009, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION;

TOGETHER WITH THAT PORTION OF OF THE SOUTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION DESCRIBED AS FOLLOWS;

BEGINNING AT THE SOUTHWEST CORNER OF SAID SOUTH HALF, THENCE NORTH $00^{\circ}17'23''$ EAST, ALONG THE WEST LINE OF SAID SOUTH HALF, 493.15 FEET;
THENCE SOUTH $35^{\circ}28'21''$ EAST 617.91 FEET TO THE SOUTH LINE OF SAID SOUTH HALF;
THENCE NORTH $88^{\circ}24'03''$ WEST, ALONG THE SOUTH LINE OF SAID SOUTH HALF, 361.22 FEET TO THE POINT OF BEGINNING.

TOGETHER WITH THAT PORTION OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID NORTHEAST QUARTER,
THENCE NORTH $01^{\circ}06'43''$ EAST, ALONG THE WEST LINE OF SAID NORTHEAST QUARTER, 1324.33 FEET TO THE NORTHWEST CORNER OF SAID NORTHEAST QUARTER;
THENCE SOUTH $88^{\circ}24'03''$ EAST, ALONG THE NORTH LINE OF SAID NORTHEAST QUARTER, 69.04 FEET;
THENCE SOUTH $55^{\circ}11'17''$ EAST 488.42 FEET;
THENCE SOUTH $01^{\circ}50'22''$ WEST 240.07 FEET;
THENCE SOUTH $31^{\circ}16'37''$ WEST 939.98 FEET TO THE POINT OF BEGINNING.

TOTAL AREA = 50.00 ACRES

WRITTEN: ARJ
CHECKED: MSH



CITY COUNCIL AGENDA BILL

City of Black Diamond
Post Office Box 599
Black Diamond, WA 98010

ITEM INFORMATION			
SUBJECT: Ordinance No. 09-932, annexing the certain unincorporated territory of City’s Urban Growth Areas designated as the “South Annexation Area”.	Agenda Date: December 17, 2009		AB09-153
	Department/Committee/Individual	Created	Reviewed
	Mayor Howard Botts		
	City Administrator –		
	Interim City Attorney – Yvonne Ward		
	City Clerk – Brenda L. Martinez		X
	Finance – May Miller		
	Public Works – Seth Boettcher		
	Economic Devel. – Andy Williamson		
Cost Impact: N/A	Police –		
Fund Source: N/A	Court – Kaaren Woods		
Timeline: N/A	Comm. Development—Steve Munson	X	
Attachments: Ordinance No. 09-932, Legal Description, Site Map, Closing Letter			
SUMMARY STATEMENT: Black Diamond Village Partners submitted to the Community Development Department a Notice of Intent letter seeking the annexation of 250.18 acres (South Annexation Area) generally adjacent to the south-central boundary of the City. By RCW 35A.14.120 property owners may use the “Direct Petition Method” to seek annexation of lands to a city. Council subsequently met on August 20, 2009 with the petitioners accepting the first petition of proposals to annex and scheduled and conducted a public hearing on September 24, 2009 authorizing Community Development staff to submit a Notice of Intent packet to the King County Boundary Review Board. This packet was submitted on October 21, 2009 and approved by the KCBRB following expiration of the 45-day review period on December 7, 2009.			
COMMITTEE REVIEW AND RECOMMENDATION: N/A			
RECOMMENDED ACTION: MOTION to adopt Ordinance No. 09-932, annexing certain unincorporated territory of the City’s Urban Growth Areas designated as the “South Annexation Area”.			
RECORD OF COUNCIL ACTION			
<i>Meeting Date</i>	<i>Action</i>	<i>Vote</i>	
August 20, 2009	Accepted first petition of proposals to annex		
September 3, 2009	Set public hearing date for September 24, 2009		
September 24, 2009	Held public hearing and adopted Resolution 09-640 authorizing submittal of Notice of Intent packet to the King County Boundary Review Board		
December 17, 2009			

ORDINANCE NO. 09-932

AN ORDINANCE OF THE CITY OF BLACK DIAMOND, KING COUNTY, WASHINGTON ANNEXING PURSUANT TO RCW 35A.14.120 ET SEQ. CERTAIN UNINCORPORATED TERRITORY; PROVIDING FOR THE ASSUMPTION OF THE EXISTING INDEBTEDNESS; AND ZONING SAID TERRITORY IN ACCORDANCE WITH CHAPTER 18 OF THE BLACK DIAMOND MUNICIPAL CODE (ZONING)

WHEREAS, a Petition for Annexation (circulation of which was authorized pursuant to Black Diamond Resolution No. 628) has been filed with the City of Black Diamond, and said Petition was valid in form; and

WHEREAS, said Petition was signed by owners of property not less than 60% of the value of the all property in the proposed annexation area, according to the assessed valuation for general taxation of the property described in said Petition; and

WHEREAS, pursuant to RCW 35A.14.130, a public hearing on said proposed annexation was held before the City Council on September 24, 2009; and

WHEREAS, on October 21, 2009 the Notice of Intent to Annex was delivered to the Washington State Boundary Review Board for King County as required by state law and subsequently approved by such Board as no formal request for review as specified in RCW 36.93 was filed within the required 45- day filing period; and

WHEREAS, pursuant to the State Environmental Policy Act RCW 43.21C.222, annexations are exempt from SEPA; and

WHEREAS, the Black Diamond City Council finds said proposed annexation to be within the public interest,

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND AS FOLLOWS:

Section 1. The property legally described in Exhibit A and depicted on the map in Exhibit B attached hereto and incorporated herein by this reference ("Annexation Area") is hereby annexed to the City of Black Diamond.

Section 2. Pursuant to RCW 35A.14.150, the Annexation Area shall be assessed and taxed at the same rate and on the same basis as other property within the City of Black Diamond is assessed and taxed to pay for the portion of any pre-existing, outstanding indebtedness of the city of Black Diamond, which indebtedness has been approved by the voters, contracted for, or incurred prior to, or existing at the effective date of this annexation ordinance.

Section 3. Pursuant to RCW 35A.14.150 and consistent with Ordinance No. 909, the Annexation Area shall be zoned R-4 and MPD, and shall be governed by the provisions of Chapter 18 of the Black Diamond Municipal Code (Zoning) applicable to said zoning designations. The Community Development Director is hereby directed to make the necessary modifications and extensions of the Zoning Map of the City of Black Diamond to so reflect.

Section 4. The City Clerk is hereby directed to file certified copies of this annexation ordinance with the King County Council and with the State of Washington Office of Financial Management, together with such additional offices as may be required by law or regulation. In addition, the clerk is authorized and directed to file the Annexation Certificate provided for in 35A.14.700 with the Office of Financial Management within 30 days of the effective date of the annexation.

Section 5. Upon passage and publication this ordinance and annexation shall be effective on December 27, 2009, which is 5 days after the date of publication as required by law.

Introduced and passed by the City Council of Black Diamond in open meeting this 17th day of December, 2009.

Approved by the Mayor on the 17th day of December, 2009.

Mayor Howard Botts

ATTEST:

Brenda Martinez, City Clerk

APPROVED AS TO FORM:

Yvonne Ward, City Attorney

Published: _____
Posted: _____
Effective Date: _____

**EXHIBIT A
URBAN GROWTH AREA ANNEXATION LEGAL DESCRIPTION**

TRIAD JOB # 05-336
OCTOBER 24, 2008

THAT PORTION OF SECTION 23, TOWNSHIP 21 NORTH, RANGE 6 EAST, W.M. IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID SECTION 23;

THENCE EASTERLY ALONG THE NORTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 23, TO THE NORTHEAST CORNER OF SAID NORTHWEST QUARTER;

THENCE SOUTHERLY, ALONG THE EAST LINE OF SAID NORTHWEST QUARTER TO THE NORTHWEST CORNER OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF SAID SECTION 23;

THENCE EASTERLY, ALONG THE NORTH LINE OF SAID SOUTH HALF, TO THE EASTERLY MARGIN OF STATE ROUTE 169;

THENCE SOUTHEASTERLY, ALONG SAID EASTERLY MARGIN, TO THE SOUTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 23;

THENCE WESTERLY, ALONG SAID SOUTH LINE, TO THE SOUTHEAST CORNER OF THE NORTHWEST QUARTER OF SAID SECTION 23;

THENCE WESTERLY, ALONG THE SOUTH LINE OF SAID NORTHWEST QUARTER, TO THE NORTHEAST CORNER OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 23;

THENCE SOUTHERLY, ALONG THE EAST LINE OF THE NORTHWEST QUARTER OF SAID SOUTHWEST QUARTER, TO THE SOUTHEAST CORNER OF SAID NORTHWEST QUARTER;

THENCE WESTERLY, ALONG THE SOUTH LINE OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 23, TO THE SOUTHWEST CORNER OF SAID NORTHWEST QUARTER;

THENCE NORTHERLY, ALONG THE WEST LINE OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 23, TO THE SOUTHWEST CORNER OF THE NORTHWEST QUARTER OF SAID SECTION 23;

THENCE NORTHERLY, ALONG THE WEST LINE OF SAID NORTHWEST QUARTER, TO THE NORTHWEST CORNER OF SAID SECTION 23, THE POINT OF BEGINNING.

WRITTEN: ARJ
CHECKED: CHS

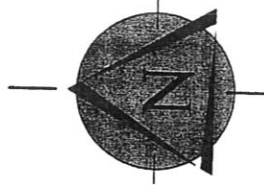


S:\PROJECTS\05336\CORRESPNC\TRIAD LEGALS\053362008-10-24 UGA Annex.doc
12112 115th Avenue NE Kirkland, Washington 98034-9623
425.821.8448 • 800.488.0756 • Fax 425.821.3481
www.triadassoc.com

Land Development Consultants

POR. OF NW 1/4 AND NE 1/4, AND SW 1/4 OF SEC. 23, T21N, R6E, W.M.

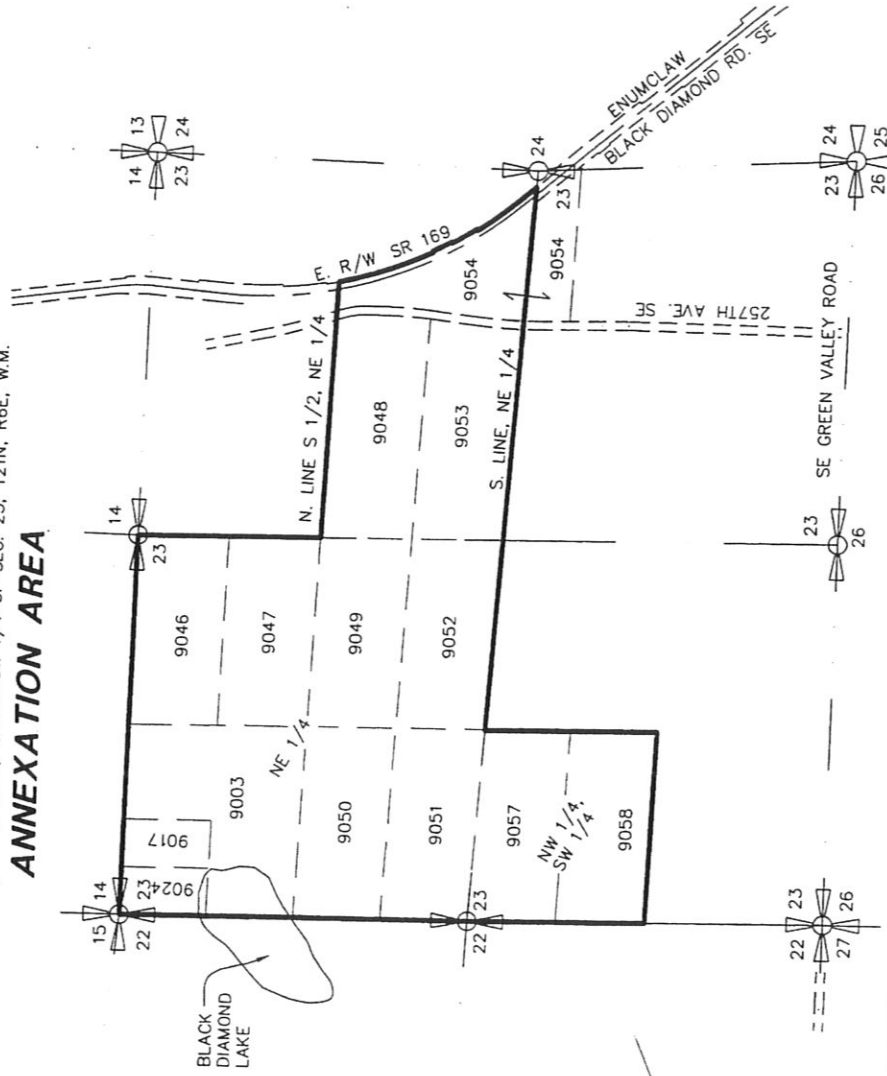
ANNEXATION AREA



SCALE: 1" = 1000'



NOTE: COMPLETE ASSESSOR
PARCEL NUMBERS INCLUDE
THE PREFIX "232106"
(EG: 2321069057)



TRIAD ASSOCIATES
12112 115th Ave. NE
Kirkland, WA 98034-6929
425.821.8448
www.triadassoc.com

WASHINGTON

URBAN GROWTH AREA ANNEXATION EXHIBIT B

BLACK DIAMOND

CITY OF BLACK DIAMOND

MANAGER: AL FURE, PE
DESIGNED: ARJ
CADD: CHS
CHECKED: CHS
DATE: 10-24-08
SCALE: HORIZ: 1"=1000'
VERT:

JOB NUMBER

05-336

SHEET NUMBER

1 OF 1

10-06-08



Washington State Boundary Review Board For King County

Yesler Building, Room 240, 400 Yesler Way, Seattle, WA 98104
Phone: (206) 296-6800 • Fax: (206) 296-6803 • <http://www.kingcounty.gov/annexations>

December 8, 2009

City of Black Diamond
Attn: Steven Munson, City Planner
Post Office Box 599
Black Diamond, WA 98010

RE: CLOSING LETTER FOR COMPLETED ACTION – File No. 2306 – City of Black Diamond – South Area Annexation

Dear Mr. Munson:

We are writing to advise you that the Boundary Review Board has now completed the required Evaluation, as specified in RCW 36.93, for the above-referenced proposed action filed with the Board effective: **October 21, 2009**.

The Boundary Review Board also provided a 45-day public review period **October 21 – December 7, 2009**, as prescribed by RCW 36.93. The Board received no request for a public hearing of this proposed action during the public review period.

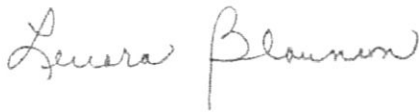
The Boundary Review Board, therefore, hereby deems this proposed action approved effective: **December 7, 2009**. Final approval of the proposed action is also subject to the following actions, where applicable:

1. Sewer and Water District actions and some other actions are also subject to approval by the Metropolitan King County Council. If the Council makes changes to the proposal, the Board may then be required to hold a public hearing.
2. Filing with King County of franchise application(s), as required, accompanied by a copy of this letter.
3. Filing with King County of permit application(s), as required, accompanied by a copy of this letter.
4. Fulfillment of all other statutory requirements and/or procedures specified in your Notice of Intention.

- THESE
Two
5. Notification in writing of your intended effective date of annexation. This notification should be provided as early as possible. Please send this information to Gwen Clemens, Chinook Building, King County Office of Strategic Planning & Performance Management (OSPPM), 401 Fifth Avenue, Suite 810, Seattle, Washington 98104, and
 6. Filing with King County Council of: (1) one certified copy of final resolution or ordinance accomplishing this proposed action; and (2) a copy of this letter. This document should be filed with the Clerk of the Council (Attn: Anne Noris), King County Courthouse, Room 1025, Seattle, Washington 98104

If you have questions or would like additional information, please contact our office at 206-296-6800.

Sincerely,



Lenora Blauman
Executive Secretary

cc: Anne Noris, Clerk of the Council
Dave Wilson, Elections Division
Kaaren Kane, Department of Assessment
Lydia Reynolds-Jones, Manager, Project Support Services
King County "911" Program
Paul Reitenbach, Department of Development & Environmental Services
Paula Adams, Department of Development & Environmental Services
Gwen Clemens, Office of Strategic Planning & Performance Management (OSPPM)
Connie Wong, Facilities Management Division, Real Estate Section
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