

CITY COUNCIL AGENDA

July 22, 2026

6:00 PM

Sedro-Woolley Municipal Building

Council Chambers

325 Metcalf Street

- a. Call to Order**
- b. Pledge of Allegiance**
- c. Roll Call**
- d. Approval of Agenda**
- e. Consent Agenda**

Note: Items on the Consent Agenda are considered routine in nature and may be adopted by the Council by a single motion, unless any Councilmember wishes an item to be removed. The Council on the Regular Agenda will consider any item so removed after the Consent Agenda.

- 1. Minutes - Special Meeting with Skagit County and the Port of Skagit - June 1, 2026
- 2. Minutes - Regular City Council Meeting - June 24, 2026
- 3. Minutes - Regular City Council Meeting - July 8, 2026
- 4. Check Register - Regular
- 5. Purchase - 2026 Solid Waste Toters
- 6. Purchase Agreement - Braun Northwest - Ambulance Replacement

- f. Introduction of Special Guests and Presentation**

- g. City Administrator Report**

- 1. North Trail Bridge Update

- h. Councilmember and Mayor's Report**

- 1. Appointment - Mayor Pro Tem

- i. Proclamation(s)**

- j. Public Comments**

Please keep comments to three minutes or less. Because State law prohibits the use of city facilities for the purpose of supporting or opposing a campaign or ballot proposition, we respectfully request that public comment not make reference to such matters.

Written comments will be accepted by letter or via email at finance@sedro-woolley.gov Attn: 'Public Comment' until 4:30pm the day before the meeting.

- k. Public Hearing(s)**

- l. Unfinished Business**

- 1. Ordinance 2124-26 - Intent to Annex and Join the Central Skagit Library District - 2nd Read

2. Resolution 1191-26 - Ballot Proposition for Library District Annexation - 2nd Read
3. Ordinance 2125-26 - Library District Pre-Annexation Agreement - Action Requested

m. New Business

1. Resolution 1192 - Appointment of For / Against Committees for Library Annexation Proposition - Action Requested
2. Resolution 1190-26 Police Vehicle and Equipment Surplus - Action Requested
3. Procedures Update - Right of Way
4. Change Order No. 1 - Huber Technologies - WWTP Screw Press Conveyor

n. Information Only Items

1. Public Works Capital Projects Open House

o. Good of the Order

p. Executive Session

1. Discussion with Legal Counsel About Current or Potential Litigation (RCW 42.30.110(1)(i))

q. Adjournment

Next Meeting - Regular - City Council - August 12, 2026

The City of Sedro-Woolley complies with applicable Federal civil rights laws and does not discriminate on the basis of race, color, national origin, limited English proficiency, age, disability, or sex. The City of Sedro-Woolley doesn't exclude people or treat them differently because of race, color, national origin, limited English proficiency, age, disability, or sex.

The City of Sedro-Woolley also complies with applicable state laws and doesn't discriminate on the basis of creed, gender, gender expression or identity, sexual orientation, marital status, religion, honorably discharged veteran or military status, or the use of a trained dog guide or service animal by a person with a disability.

Join Zoom Meeting:

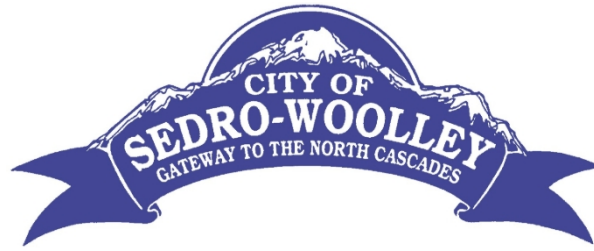
<https://zoom.us/j/91786850179?pwd=Vys0Y29XalZmQTRmemJBM2txVDIUQT09>

or dial by location at:

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Meeting ID: 917 8685 0179

Passcode: 091845



City Council Agenda Item

Agenda Item No.: e.1.

Date: July 22, 2026

From: Kelly Kohnken, Finance Director / City Clerk

Subject: Minutes - Special Meeting with Skagit County and the Port of Skagit - June 1, 2026

RECOMMENDED ACTION:

Motion to approve the special meeting minutes for the joint special meeting with City of Sedro-Woolley, Skagit County and Port of Skagit held on June 1, 2026.

BACKGROUND/SUMMARY INFORMATION:

FISCAL IMPACT, IF APPROPRIATE:

ATTACHMENTS:

1. 2026.06.01_DRAFT_Special Meeting Minutes



Port of Skagit



June 1, 2026

9:00 a.m. – 11:00 a.m.

**Meeting to be held: NWIRC Lab-SWIFT
1803 Northsound Drive, Sedro-Woolley, WA
followed by Hub Building Tour**

Minutes

Special Meeting of the City of Sedro-Woolley, Skagit County and the Port of Skagit

CALL TO ORDER

Port of Skagit Commissioner Melanie Mankamyer called the meeting to order at 9:07am.

City of Sedro-Woolley Mayor JoEllen Kesti called the meeting to order at 9:07am.

Skagit County Board of Commissioner Ron Weson called the meeting to order at 9:07am.

ATTENDANCE

Port of Skagit: Commissioner Kevin Ware, Commissioner Melanie Mankamyer, Commissioner Mahlon Hull, Executive Director Sara Young, Planning & Development Director / Aviation Director Heather Rogerson, Communications Director Linda Tyler, Chief Financial Officer / Auditor Audra Ramerman, Environmental & Planning Manager Laura Schumacher, Facilities Manager Jeff Hammer, Real Estate Manager Shaun Gibbs, Executive Assistant Ann Grimm, and Consultant Joe Poire

Skagit County: Commission Chair Ron Wesen, Commissioner Peter Browning, Commissioner Joe Burns, Administrator Trisha Logue, Deputy Administrator Jennifer Johnson, Public Health Senior Analyst George Kosovich, Parks and Facilities Director Ken Hansen, and Clerk of the Board Amber Erps

City of Sedro-Woolley: Councilmember Kevin Loy, Councilmember James Cox, Councilmember Nora Pederson, Councilmember Allan Henderson, Councilmember Paul Cocke, Councilmember Karl de Jong, Councilmember Nick Lavacca, Mayor JoEllen Kesti, City Administrator Charlie Bush, Public Works Director William Bullock, and Finance Director / City Clerk Kelly Kohnken

Other: Upper Skagit Tribe Representative Scott Schuyler, NWIRC LAB Representative Diane Kaminoka, NWIRC Lab Representative Mark Weeks, and Skagit Valley Herald Reporter Milo Whitman

NEW BUSINESS

1. Introductions

Commissioner Mahlon Hull and Executive Director Sara Young provided introductory remarks.

2. Review Meeting Purpose and Goals

Planning & Development Director / Aviation Director Heather Rogerson outlined the purpose and goals of the joint special meeting.

3. Presentation: SWIFT Center Overview

Planning & Development Director / Aviation Director Heather Rogerson provided an overview of the SWIFT Center, including a history of the campus and property ownership.

4. Presentation: Port of Skagit Updates

Communications Director Linda Tyler, Environmental & Planning Manager Laura Schumacher, and Real Estate Manager Shaun Gibbs provided an update on the Port of Skagit projects and future plans.

5. Presentation: City of Sedro-Woolley Updates

Public Works Director William Bullock provided an update on Olmsted Park and information on potential playfields near the Veterans Plaza at the Northern State Recreation Area.

6. Presentation: Skagit County Updates

Public Health Senior Analyst George Kosovich provided an update on the STAR Center off Highway 20 in Sedro-Woolley.

7. Presentation: Upper Skagit Indian Tribe

Representative Scott Schuyler provided brief remarks on behalf of the Upper Skagit Tribe.

8. Discussion and Takeaways

There was consensus from the group to hold regular joint meetings twice a year.

Sedro-Woolley Councilmember Nora Pederson also recommended a representative from Job Corp be invited to a future meeting.

TOUR HUB Building

ADJOURNMENT

Skagit County Board of Commissioners Ron Wesen adjourned the meeting for Skagit County at 11:06am. Representatives from Skagit County did not participate in the tour of the HUB building.

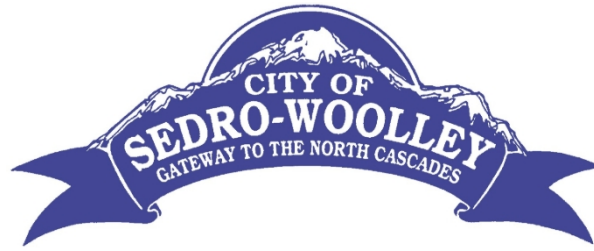
City of Sedro-Woolley Mayor JoEllen Kesti adjourned the meeting at 11:21am in the HUB building.

A motion to adjourn was made by Port of Skagit Commissioner Kevin Ware and seconded by Commissioner Mahlon Hull at 11:21am in the HUB building. Motion carried (3-0).

ATTEST:

JoEllen Kesti, City of Sedro-Woolley Mayor

Kelly Kohnken, City of Sedro-Woolley Finance Director



City Council Agenda Item

Agenda Item No.: e.2.

Date: July 22, 2026

From: Kelly Kohnken, Finance Director / City Clerk

Subject: Minutes - Regular City Council Meeting - June 24, 2026

RECOMMENDED ACTION:

Motion to approve the City Council meeting minutes for the regular meeting held on June 24, 2026

BACKGROUND/SUMMARY INFORMATION:

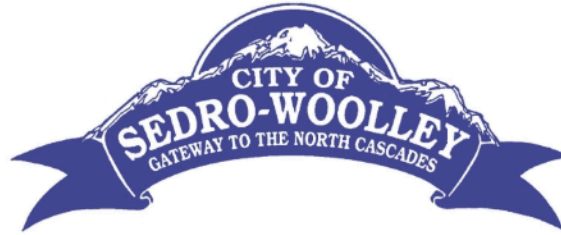
Minutes recorded from the Regular City Council Meeting held on June 24, 2026

FISCAL IMPACT, IF APPROPRIATE:

None

ATTACHMENTS:

1. 2026.06.24 City Council Meeting Minutes



Regular Meeting of the City Council
June 24, 2026 - 6:00 PM Hybrid Meeting

a. Call to Order

Mayor JoEllen Kesti called the meeting to order at 6:00 P.M.

b. Pledge of Allegiance

c. Roll Call

Present: Mayor JoEllen Kesti, Councilmembers Paul Cocke, Kevin Loy, Allan Henderson, James Cox and Nick Lavacca. Councilmember Pederson had an excused absence and Councilmember de Jong joined online.

d. Approval of Agenda

Motion made by Councilmember Lavacca and seconded by Councilmember Henderson to approve the agenda with the addition of an executive session to discuss with legal counsel about current or potential litigation (RCW 42.30.110(1)(i)) and add new business development and interlocal agreement with Skagit County regarding the first phase of the baseball fields at Northern State Recreational Area. Motion carried (6-0).

e. Consent Agenda

Note: Items on the Consent Agenda are considered routine in nature and may be adopted by the Council by a single motion, unless any Councilmember wishes an item to be removed. The Council on the Regular Agenda will consider any item so removed after the Consent Agenda.

Motion made by Councilmember Henderson and seconded by Councilmember Lavacca to approve the consent agenda. Motion carried (6-0).

1. Check Register - Regular

f. Introduction of Special Guests and Presentation

1. Sons of the American Revolution - Flag Award

Ron Jenny with the Sons of the American Revolution presented the flag award to Assistant Fire Chief Jerry Gardner and gave recognition to the City of Sedro-Woolley.

g. City Administrator Report

1. 2026 Paving Program Construction Pictures

Public Works Director Bill Bullock shared 2026 paving program construction pictures and

gave updates.

h. Councilmember and Mayor's Report

Councilmember Pederson was absent.

Councilmember Cox said it has been fun the last 2 weeks since his appointment to council. He said he met with Public Works Director Bill Bullock, who gave him a tour of the Wastewater Facility and met with City Administrator Charlie Bush, who shared with him the interworking of the city. He is looking forward to the Loggerodeo festivities and shared that he is preparing for the downtown activities. He thanked Police Chief Dan McIlraith and his team for their quick response regarding an incident regarding someone on his business rooftop downtown and said he appreciated the quick response time.

Councilmember de Jong thanked the Sons of the American Revolution for the flag ceremony and recognizing the city. He participated in the Skagit Transit Board meeting regarding public records staffing and the request for quarterly public records metrics and will continue to monitor the transit development plan process that impacts Sedro-Woolley residents that solely rely on transit for daily mobility. He is currently attending the annual AWC conference as the city voting delegate and will bring back ideas to ensure a successful outcome.

Councilmember Lavacca wanted to thank all the volunteers who are participating in the upcoming 250th Anniversary Loggerodeo, the 4th of July Parade, kiddie parade, and said he is excited about all the upcoming festivities. He noted there is still room for others to volunteer to help with the 4th of July festivities. He thanked the Sons of the American Revolution for coming out to celebrate the flags and recognizing the city.

Councilmember Lavacca shared the enjoyment of residents regarding the e-bike safety resolution that passed regarding the safety of the bikers and the drivers.

Councilmember Henderson shared that he is looking forward to the Loggerodeo and other festivities. He shared information about the Car Show that will be at the Eagles on June 28th, 2026 and encouraged everyone to attend.

Councilmember Loy reminded Public Works Director Bill Bullock about getting the flag installed at Hammer Heritage Square.

Councilmember Cocke attended the Sedro-Woolley Arts Music Performance a couple of weeks ago at the YMCA Recreation Center, and shared they had some great performances.

Mayor Kesti thanked Dottie Chandler of Loggerodeo for all her hard work and stated this is her last year leading the Loggerodeo events then thanked all the volunteers and staff members that make these festivities a huge success.

i. Proclamation(s)

j. Public Comments

Please keep comments to three minutes or less. Because State law prohibits the use of city facilities for the purpose of supporting or opposing a campaign or ballot proposition, we respectfully request that public comment not make reference to such matters.

Written comments will be accepted by letter or via email at finance@sedro-woolley.gov Attn: 'Public Comment' until 4:30pm the day before the meeting.

A public comment period was held.

Keith Wagoner, Chester Allshouse and Ernie Burnington made public comments.

k. Public Hearing(s)

1. Resolution 1183-26 - Adoption of the 2027-2032 Six Year Transportation Improvement Plan - Action Requested

Public Works Director Bill Bullock shared Resolution 1183-26, adoption of the 2027-2032 Six-Year Transportation Improvement Plan.

Motion was made by Councilmember de Jong and seconded by Councilmember Henderson to approve Resolution 1184-26 adopting the 2027-2032 Six-Year Transportation Improvement Program. Motion carried (6-0).

2. Ordinance 2118-26 - Amendments to Title 15 and Chapters 12.32 and 17.100 SWMC to Add Address and Street Naming Standards - 2nd Read

Associate Planner Ashton Sandoval Oaks shared Ordinance 2118-26, amendments to Title 15 and Chapters 12.32 and 17.100 SWMC to address and street naming standards.

Motion made by Councilmember Henderson and seconded by Councilmember Cocke to approve Ordinance 2118-26, amendments to Title 15 and Chapters 17.100 SWMC to add address and street naming standards. Motion carried (6-0).

3. Ordinance 2123-26 - 2026 Budget Amendment No. 2 - 1st Read

Finance Director Kelly Kohnken shared Ordinance 2123-26 the 2026 Budget Amendment No. 2.

Motion made by Councilmember Lavacca and seconded by Councilmember de Jong to approve Ordinance 2123-26 amending Ordinance 2109-25 amending the budget for fiscal year 2026. Motion carried (6-0).

l. Unfinished Business

1. 2027-2028 City Strategic Plan (City Council Goals) Final Draft

City Administrator Charlie Bush shared final draft of the 2027-2028 City Strategic Plan for

City Council Goals.

Motion made by Councilmember Lavacca and seconded by Councilmember Cocke to approve the 2027-2028 City Strategic Plan with minor changes. Motion carried (6-0).

m. New Business

1. Resolution 1187-26 - Approving Joint Letter in Opposition to Goldeneye BESS siting
- Action Requested

City Attorney Dan Curtis shared Resolution 1187-26, approving joint letter in opposition to Goldeneye BESS siting.

Motion made by Councilmember Henderson and seconded by Councilmember Cocke to approve Resolution 1187-26 authorizing transmittal of a joint letter to the governor, EFSEC, and applicant opposing the proposed Goldeneye BESS site on the Hansen Creek floodplain. Motion carried (6-0).

2. NSRA Baseball Field Options

Public Works Director Bill Bullock shared the Northern State Recreation Area baseball field options.

Motion made by Councilmember Lavacca and seconded by Councilmember Henderson to direct city staff to engage Skagit County in developing an Interlocal Agreement (ILA) for the purpose of implementing a first phase of the NSRA Master Plan to establish baseball fields, parking lot, support facilities, and other amenities on the southerly portion of the NSRA property (City Proposal Option 1). Motion carried (5-1). Councilmember Cocke opposed.

3. Contract Supplement No. 4 - DGK Inc. - Cascade Trail Phase 2A

Public Works Director Bill Bullock spoke about contract supplement No. 4, DGK Inc, Cascade Trail Phase 2A.

Motion made by Councilmember Henderson and seconded by Councilmember Lavacca to authorize the mayor or designee to amend the professional services agreement with DGK Inc. to cover environmental permitting required for the Cascade Trail Phase 2A: supplement not to exceed \$15,682.76. Motion carried (6-0).

4. Ordinance 2122-26 - Amending Chapter 2.36 "Housing Authority" - 1st Read

City Attorney Dan Curtis shared Ordinance 2122-26, amending Chapter 2.36 "Housing Authority".

Motion made by Councilmember Lavacca and seconded by Councilmember Cox to approve Ordinance 2122-26, amending Chapter 2.36 "Housing Authority". Motion carried (6-0).

5. Resolution 1184-26 - Master Fee Schedule Update - 1st Read

Finance Director Kelly Kohnken shared Resolution 1184-26, Master Fee Schedule updates. Councilmembers requested Finance Director Kelly Kohnken to bring back a report on the total service charge fees the city must pay.

No action was taken.

6. Authorization to Award - Northern State Hospital Cemetery Improvements Project

Public Works Director Bill Bullock requests authorization to award the Northern State Hospital Cemetery Improvements project.

Motion made by Councilmember de Jong and seconded by Councilmember Henderson moves to award the Northern State Hospital Cemetery Improvement project, contract 2026-PW-02, to Janicki General Contracting LLC of Sedro-Woolley, WA in the amount of \$139,842.55 including sales tax. Motion carried (6-0).

7. 2024-177-ILA - Skagit County - Amendment 1 Senior Services

City Administrator Charlie Bush spoke to the City Council regarding the 2024-177-ILA, Skagit County, amendment 1 Senior Services Contract.

Motion made by Councilmember Lavacca and seconded by Councilmember de Jong to authorize the mayor or designee to execute amendment 1 to the 2024-177-ILA, an Interlocal Agreement amendment with Skagit County. Motion carried (6-0).

8. Resolution 1188-26 - 2026 AFSCME and Non-Represented Salary Schedule - Action Requested

Finance Director Kelly Kohnken shared updates to Resolution 1188-26 with the 2026 AFSCME and non-represented salary schedule.

Motion made by Councilmember Henderson and seconded by Councilmember Lavacca to approve Resolution 1188-26 updating the 2026 AFSCME and non-represented staff salary effective date July 1, 2026. Motion carried (6-0).

9. Resolution 1189-26 - Skagit County Hazard Mitigation Plan

Public Works Director Bill Bullock shared Resolution 1189-26, Skagit County Hazard Mitigation Plan with City Council.

No action was taken.

10. Sewer Connection - Fire Protection District No. 8

Public Works Director Bill Bullock spoke about the sewer connection for the new Fire District 8 Fire Station, with conditions as required by Public Works Director, Bill Bullock,

along with Civil Engineer John Ravnik of Ravnik and Associates.

Motion made by Councilmember Henderson and seconded by Councilmember Cox to approve a sewer connection for the new Fire District 8 Fire Station, with conditions as required by the Public Works Director, Bill Bullock. Motion carried (6-0).

11. Resolution 1185-26 - CCTV Policy - 1st Read

Police Chief Dan McIlraith, along with Woody Tovar Cano, shared Resolution 1185-26, the CCTV (Closed Circuit Television) Video Security Policy.

Motion made by Councilmember de Jong and seconded by Councilmember Henderson to approve Resolution 1185-26 CCTV (Closed Circuit Television) Video Security Policy. Motion carried (6-0).

n. Information Only Items

1. May 2026 Permit Report Summary
2. Family Promise - Funding Report and Sleepless in Skagit

o. Good of the Order

p. Executive Session

1. Discussion with Legal Counsel About Current or Potential Litigation (RCW 42.30.110(1)(i))

At 10:06pm, Mayor Kesti announced the City Council, along with City Attorney Dan Curtis and City Administrator Charlie Bush, would be in executive session to discuss with legal counsel about current or potential litigation (RCW 42.30.110(1)(i)) for 10 minutes to return at 10:16pm.

At 10:16pm, the council returned. No action was taken.

q. Adjournment

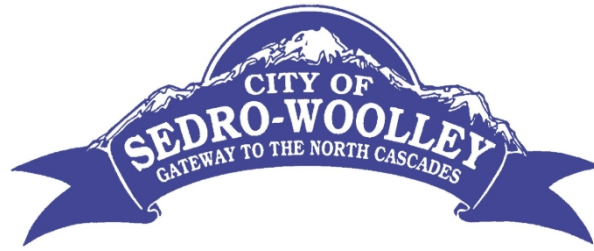
The meeting adjourned at 10:16pm.

ATTEST:

APPROVED:

Kelly Kohnken, City Clerk

JoEllen Kesti, Mayor



City Council Agenda Item

Agenda Item No.: e.3.

Date: July 22, 2026

From: Kelly Kohnken, Finance Director / City Clerk

Subject: Minutes - Regular City Council Meeting - July 8, 2026

RECOMMENDED ACTION:

Motion to approve the City Council meeting minutes for the regular meeting held on July 8, 2026

BACKGROUND/SUMMARY INFORMATION:

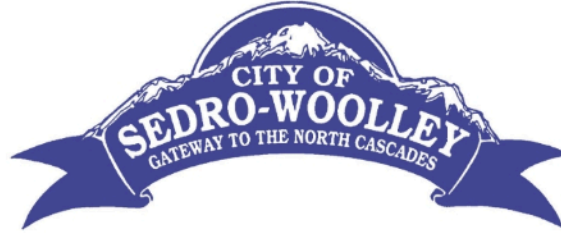
Minutes recorded from the regular City Council Meeting held on July 8, 2026.

FISCAL IMPACT, IF APPROPRIATE:

None.

ATTACHMENTS:

1. 2026.07.08 City Council Meeting minutes



Regular Meeting of the City Council
July 8, 2026 - 6:00 PM Hybrid Meeting

a. Call to Order

Mayor JoEllen Kesti called the meeting to order at 6:00 P.M.

b. Pledge of Allegiance

c. Roll Call

Present: Mayor JoEllen Kesti, Councilmembers Paul Cocke, Kevin Loy, Nora Pederson, Allan Henderson, Karl de Jong, and James Cox. Councilmember Nick Lavacca was absent.

d. Approval of Agenda

Motion made by Councilmember Pederson and seconded by Councilmember Cocke to move item number 5 from the consent agenda to new business for further discussion. Motion carried (4-2). Councilmember de Jong and Councilmember Cox opposed.

Motion made by Councilmember Henderson and seconded by Councilmember Pederson to approve the agenda with moving item number 5, Resolution 1189-26, adoption of the Skagit County Hazard Mitigation Plan and Annex 8 to new business. Motion carried (6-0).

e. Consent Agenda

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Motion made by Councilmember Henderson and seconded by Councilmember Pederson to approve the consent agenda items 1 through 4. Motion carried (6-0).

1. Minutes - Regular City Council Meeting - June 10, 2026
2. Check Register - Regular
3. ERR Purchase - Front Mount Mower
4. Resolution 1184-26 - Master Fee Schedule Update - 2nd Read
5. Resolution 1189-26 - Adoption of the Skagit County Hazard Mitigation Plan and Annex 8 - 2nd Read

f. Introduction of Special Guests and Presentation

1. Sedro-Woolley Housing Authority

Current Chair Debra Landcaster of the Sedro-Woolley Housing Authority, Commissioners Daniel Hasenoehrl and Danielle Fontaine, along with Senior VP of Housing Management of the King County Housing Authority Penny Bradley presented an overview and future direction of the Sedro-Woolley Housing Authority.

g. City Administrator Report

City Administrator Charlie Bush introduced intern George Cox and noted he is a Public Relations major that walked for his graduation at Western University and said he is doing amazing work for us and stated to council that we have a huge need for communication assistance. George has also been doing website work and working on other projects with our senior management team.

h. Councilmember and Mayor's Report

Councilmember Cocke wanted to acknowledge the 4th of July activities and said they turned out great and gave thanks to the many selfless volunteers and staff members that made these events take place. He attended the county commissioners' public comment and work session discussion of the city's proposal to build ball fields at the county-owned northern state recreation area.

Councilmember Cocke spoke about the tragic loss of 19-year-old Anne E. Ross Mendoza, a pedestrian struck by a car on July 4, 2026. Sedro-Woolley Police quickly tracked down the driver who, according to their police Facebook page, is facing vehicular homicide. His appreciation goes out to first responders who had to respond to this very tough situation and his heart goes out to Anne E Rose Mendoza's family and friends.

Councilmember Cox thanked the police and fire for their quick response to the accident that happened on July 4, 2026, and wanted to thank them for all they do. He said the Loggerodeo was wonderful and thanked all the volunteers and stated it was a wonderful festive weekend.

Councilmember Lavacca was absent

Councilmember Henderson shared that he really enjoyed the 4th of July activities. He attended the parade and some of the other celebrations. He stated it was really cool seeing the woodcarvings this year, lots of good stuff down there, and thanked the police, fire and public works departments for their hard work and professionalism.

Councilmember Pederson also spoke about the tragic loss on July 4, 2026, and wanted to thank our first responders who do a great job every day and said she was thankful that the police caught the perpetrator involved in this tragic accident.

Councilmember Pederson thanked the volunteers for participating and making this a successful Fourth of July.

Councilmember Pederson shared that she was able to get out, meet constituents and have lunch with a few. She was able to get out and see a lot of friendly faces.

Councilmember Pederson attended a Northstar Housing Task Force Meeting and one of their Community Recovery Forums. She met with Finance Director Kelly Kohnken to study up for the upcoming Budget Workshop in Leavenworth.

Councilmember Loy had nothing to report.

Councilmember de Jong reiterated the tragic loss on July 4, 2026, and said his heart goes out to the family and friends who were affected by the loss. He also wanted to recognize the police, fire and public works and all the volunteers that attended the 4th of July activities.

Councilmember de Jong represented the City of Sedro-Woolley at the Association of Washington City's Annual Conference in Spokane. He was Sedro-Woolley's voting delegate, and he recognized City Administrator Charlie Bush for his participation in the Association of Washington City's Annual Conference and stated he did a great job representing Sedro-Woolley.

Councilmember de Jong shared that the Sedro-Woolley Concert Series begins Sunday, July 19, 2026, and encouraged everyone to come out and enjoy these events.

Mayor JoEllen Kesti said her thoughts and prayers go out to Anne E. Rose Mendozas' family and friends and thanked the police and fire for this 4th of July and said she is so grateful for everything they do as well as the public works, Loggerodeo and all the volunteers.

Mayor Kesti thanked the staff, Councilmember de Jong and everyone who took time to show up and support what she calls the Veterans Plaza Playfields Project, and also thanked the Sedro-Woolley School District, the Upper Skagit Tribe, Sedro-Woolley Little League, Sedro-Woolley Mammoths, Louis Requa, Dan Sims and State Senator Keith Wagoner and the majority of council who were instrumental in the Veterans Plaza and support this.

i. Proclamation(s)

j. Public Comments

Please keep comments to three minutes or less. Because State law prohibits the use of city facilities for the purpose of supporting or opposing a campaign or ballot proposition, we respectfully request that public comment not make reference to such matters.

Written comments will be accepted by letter or via email at finance@sedro-woolley.gov Attn: 'Public Comment' until 4:30pm the day before the meeting.

A public comment period was held.

Chester Allshouse made public comment.

k. Public Hearing(s)

l. Unfinished Business

m. New Business

1. Grant Agreement - Washington State Military Department - Flood Recovery

Public Works Director Bill Bullock shared information regarding a grant agreement with Washington State Military Department, and Flood Recovery.

Motion made by Councilmember Cocke and seconded by Councilmember Henderson to authorize the mayor or designee to execute a grant agreement with the Washington State Military Department for the December 2025 flood recovery and authorize the mayor and city staff to execute contracts, certify project completion, request payments, and other activities to obtain reimbursement from the Washington State Military Department and FEMA. Motion carried (6-0).

2. Ordinance 2124-26 - Intent to Annex and Join the Central Skagit Library District - 1st Read

Finance Director Kelly Kohnken shared Ordinance 2124-26 with information on the Intent to annex and join the Central Library District.

No action was taken.

3. Resolution 1191-26 - Ballot Proposition for Library District Annexation - 1st Read

Finance Director Kelly Kohnken shared Resolution 1191-26, the ballot proposition for library district annexation, and gave an explanation about Resolution 1191-26 being the language used on the ballot proposition in November.

No action was taken.

4. Purchase Agreement- Braun Northwest - Ambulance Replacement

Fire Chief Frank Wagner spoke about the purchase agreement with Braun Northwest, for an ambulance replacement.

Motion made by Councilmember Henderson and seconded by Councilmember de Jong to allow staff to sign an agreement and allow remount of the current ambulance box onto a new chassis. Motion carried (6-0).

n. Information Only Items

1. TIB Application Certification Form - 2027 Metcalf Sidewalk Improvements

2. TIB Application Certification Form - 2027 Township Street
3. Public Works Director Signing Authority Record for 2025
4. Public Works Director Signing Authority Record for 2026

o. Good of the Order

p. Executive Session

q. Adjournment

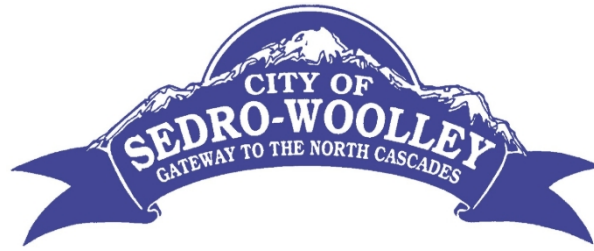
Motion made by Councilmember de Jong and seconded by Councilmember Cox to adjourn the July 8, 2026, City Council meeting at 7:33pm. Motion carried (6-0).

ATTEST:

APPROVED:

Kelly Kohnken, City Clerk

JoEllen Kesti, Mayor



City Council Agenda Item

Agenda Item No.: e.4.

Date: July 22, 2026

From: Kelly Kohnken, Finance Director / City Clerk

Subject: Check Register - Regular

RECOMMENDED ACTION:

Motion to approve check register, EFTs, and payroll as described.

BACKGROUND/SUMMARY INFORMATION:

Claims checks #207177 through #207276, plus EFTs. Additional surcharges not included on the check register. Payroll ACHs including associated benefit checks #61649 through #61656.

FISCAL IMPACT, IF APPROPRIATE:

Claims checks, plus EFTs, totaling \$889,786.70

Payroll totaling \$310,514.99

ATTACHMENTS:

1. 2026.07.22 Check Register

CHECK REGISTER

City Of Sedro-Woolley

Time: 12:09:39 Date: 07/22/2026

07/22/2026 To: 07/22/2026

Page: 1

Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
7348	07/22/2026	Claims	2	EFT	Cascade Natural Gas Corp	49.30	
					101 - 576 80 47 052 - Bingham Caretaker	49.30	
7349	07/22/2026	Claims	2	EFT	Cascade Natural Gas Corp	141.78	
					001 - 522 50 47 000 - Public Utilities	141.78	
7350	07/22/2026	Claims	2	EFT	Cascade Natural Gas Corp	29.70	
					412 - 537 80 47 000 - Public Utilities	29.70	
7351	07/22/2026	Claims	2	EFT	Cascade Natural Gas Corp	34.93	
					401 - 535 80 47 000 - Public Utilities	34.93	
7352	07/22/2026	Claims	2	EFT	Cascade Natural Gas Corp	33.69	
					103 - 542 63 47 000 - Public Utilities	33.69	
7353	07/22/2026	Claims	2	EFT	Cascade Natural Gas Corp	32.35	
					101 - 576 80 47 050 - Hammer Square	32.35	
7354	07/22/2026	Claims	2	EFT	Cascade Natural Gas Corp	98.78	
					101 - 576 80 47 020 - Senior Center	98.78	
7355	07/22/2026	Claims	2	EFT	Cascade Natural Gas Corp	198.32	
					101 - 576 80 47 070 - City Hall	198.32	
7356	07/22/2026	Claims	2	EFT	Cascade Natural Gas Corp	27.13	
					001 - 521 20 47 000 - Public Utilities	27.13	
7357	07/22/2026	Claims	2	EFT	Cascade Natural Gas Corp	29.70	
					401 - 535 80 47 000 - Public Utilities	29.70	
7358	07/22/2026	Claims	2	EFT	Cascade Natural Gas Corp	45.14	
					101 - 576 80 47 053 - Other Utilities	45.14	
7359	07/22/2026	Claims	2	EFT	Cascade Natural Gas Corp	46.67	
					101 - 576 80 47 010 - Community Center	46.67	
7360	07/22/2026	Claims	2	EFT	Cascade Natural Gas Corp	120.95	
					101 - 576 80 47 070 - City Hall	120.95	
7361	07/22/2026	Claims	2	EFT	Cascade Natural Gas Corp	34.93	
					401 - 535 80 47 000 - Public Utilities	34.93	
7362	07/22/2026	Claims	2	EFT	City of Sedro-Woolley	15.65	
					101 - 576 80 47 053 - Other Utilities	15.65	
7363	07/22/2026	Claims	2	EFT	City of Sedro-Woolley	15.65	
					104 - 595 20 63 082 - RW Trail Road Extension	15.65	
7364	07/22/2026	Claims	2	EFT	City of Sedro-Woolley	15.65	
					104 - 595 20 63 082 - RW Trail Road Extension	15.65	
7365	07/22/2026	Claims	2	EFT	City of Sedro-Woolley	101.92	
					101 - 576 80 47 025 - Olmsted Park	101.92	
7366	07/22/2026	Claims	2	EFT	City of Sedro-Woolley	42.43	
					001 - 558 60 49 041 - Miscellaneous - Planning And	42.43	
7367	07/22/2026	Claims	2	EFT	Pitney Bowes	1,200.00	
					001 - 512 50 42 010 - Postage	251.66	
					001 - 514 23 42 010 - Postage	530.12	
					001 - 521 20 42 010 - Postage	251.61	
					001 - 524 20 42 000 - Postage	1.48	
					425 - 531 50 42 010 - Postage	1.10	
					401 - 535 80 42 015 - Postage	14.39	
					102 - 536 20 42 010 - Postage	2.21	
					412 - 537 80 42 010 - Postage	6.64	
					001 - 558 60 42 010 - Postage	32.08	

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			001 - 595 10 42 000 - Postage			108.71	
7368	07/22/2026	Claims	2	EFT	Puget Sound Energy, Inc.	34.65	
			101 - 576 80 47 070 - City Hall			34.65	
7369	07/22/2026	Claims	2	EFT	Skagit PUD	67.83	
			101 - 576 80 47 000 - Riverfront			67.83	
7370	07/22/2026	Claims	2	EFT	Skagit PUD	45.45	
			101 - 576 80 47 000 - Riverfront			45.45	
7371	07/22/2026	Claims	2	EFT	Skagit PUD	90.20	
			102 - 536 20 47 000 - Public Utilities			90.20	
7372	07/22/2026	Claims	2	EFT	Skagit PUD	45.45	
			101 - 576 80 47 000 - Riverfront			45.45	
7373	07/22/2026	Claims	2	EFT	Skagit PUD	412.57	
			101 - 576 80 47 000 - Riverfront			412.57	
7374	07/22/2026	Claims	2	EFT	Skagit PUD	75.69	
			412 - 537 80 47 000 - Public Utilities			75.69	
7375	07/22/2026	Claims	2	EFT	Skagit PUD	270.88	
			401 - 535 80 47 000 - Public Utilities			270.88	
7376	07/22/2026	Claims	2	EFT	Skagit PUD	405.12	
			101 - 576 80 47 070 - City Hall			405.12	
7377	07/22/2026	Claims	2	EFT	Skagit PUD	254.67	
			101 - 576 80 47 053 - Other Utilities			254.67	
7378	07/22/2026	Claims	2	EFT	Skagit PUD	195.00	
			101 - 576 80 47 051 - Bingham / Memorial			195.00	
7379	07/22/2026	Claims	2	EFT	Skagit PUD	45.45	
			101 - 576 80 47 040 - Train			45.45	
7380	07/22/2026	Claims	2	EFT	Skagit PUD	41.30	
			101 - 576 80 47 070 - City Hall			41.30	
7381	07/22/2026	Claims	2	EFT	Skagit PUD	269.58	
			101 - 576 80 47 050 - Hammer Square			269.58	
7382	07/22/2026	Claims	2	EFT	Skagit PUD	45.45	
			401 - 535 80 47 000 - Public Utilities			45.45	
7383	07/22/2026	Claims	2	EFT	Skagit PUD	45.45	
			001 - 521 20 47 000 - Public Utilities			45.45	
7384	07/22/2026	Claims	2	EFT	Skagit PUD	75.69	
			401 - 535 80 47 000 - Public Utilities			75.69	
7385	07/22/2026	Claims	2	EFT	Skagit PUD	45.45	
			401 - 535 80 47 000 - Public Utilities			45.45	
7386	07/22/2026	Claims	2	EFT	Skagit PUD	195.32	
			101 - 576 80 47 010 - Community Center			195.32	
7387	07/22/2026	Claims	2	EFT	Skagit PUD	2,826.71	
			101 - 576 80 47 020 - Senior Center			2,826.71	
7388	07/22/2026	Claims	2	EFT	Skagit PUD	1,276.57	
			101 - 576 80 47 000 - Riverfront			1,276.57	
7389	07/22/2026	Claims	2	EFT	Skagit PUD	195.68	
			101 - 576 80 47 053 - Other Utilities			195.68	

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7390	07/22/2026	Claims	2	EFT	Skagit PUD	608.51	
					401 - 535 80 47 000 - Public Utilities	608.51	
7391	07/22/2026	Claims	2	EFT	Skagit PUD	91.63	
					101 - 576 80 47 053 - Other Utilities	91.63	
7392	07/22/2026	Claims	2	EFT	Skagit PUD	175.10	
					001 - 522 50 47 000 - Public Utilities	175.10	
7393	07/22/2026	Claims	2	EFT	Skagit PUD	91.63	
					001 - 522 50 47 000 - Public Utilities	91.63	
7394	07/22/2026	Claims	2	EFT	Skagit PUD	82.60	
					001 - 522 50 47 000 - Public Utilities	82.60	
7395	07/22/2026	Claims	2	EFT	US Bank -- Purchase Cards	13,509.29	
					631 - 389 90 01 631 - Unapplied Cash - Suspense	-1,165.25	
					631 - 389 90 01 631 - Unapplied Cash - Suspense	-72.34	
					001 - 513 10 41 000 - Professional Services-Other	1,058.05	
					001 - 513 10 43 000 - Meals/Travel	248.80	
					001 - 513 10 43 000 - Meals/Travel	209.86	
					001 - 513 10 49 000 - Tuition/Registration	915.00	
					001 - 517 90 43 002 - Employee Wellness (lunch & L	774.32	
					001 - 517 90 49 003 - Employee Wellness (supplies)	50.00	
					001 - 517 90 49 003 - Employee Wellness (supplies)	24.41	
					001 - 517 90 49 003 - Employee Wellness (supplies)	15.00	
					001 - 517 90 49 003 - Employee Wellness (supplies)	25.75	
					001 - 518 10 28 000 - Recruiting	550.60	
					001 - 518 10 28 000 - Recruiting	552.06	
					001 - 518 10 28 000 - Recruiting	147.85	
					001 - 521 20 26 000 - Uniforms/Accessories	146.16	
					001 - 521 20 26 000 - Uniforms/Accessories	371.00	
					001 - 521 20 26 000 - Uniforms/Accessories	30.89	
					001 - 521 20 26 000 - Uniforms/Accessories	121.24	
					001 - 521 20 31 002 - Office/Operating Supplies	522.09	
					001 - 521 20 31 010 - Printing/Publications	102.37	
					001 - 521 20 31 010 - Printing/Publications	228.69	
					001 - 521 20 31 010 - Printing/Publications	102.37	
					001 - 521 20 41 023 - Canine	1,230.19	
					001 - 521 20 48 010 - Repair & Maint - Auto	282.82	
					001 - 521 40 49 000 - Tuition/Registration	1,397.00	
					001 - 521 40 49 000 - Tuition/Registration	99.00	
					001 - 522 20 48 000 - Repairs/Maint-Equip	107.63	
					001 - 522 20 48 000 - Repairs/Maint-Equip	149.57	
					001 - 522 45 43 000 - Travel & Meals	97.57	
					401 - 535 50 48 050 - Maint Of General Equip	53.36	
					401 - 535 50 48 060 - Maintenance Of Buildings	245.18	
					401 - 535 80 41 000 - Professional Services	150.00	
					401 - 535 80 41 020 - Collection Services	64.57	
					401 - 535 80 41 020 - Collection Services	64.57	
					401 - 535 80 41 020 - Collection Services	19.00	
					401 - 535 80 49 030 - Misc-Tuition/Registration	695.00	
					102 - 536 20 49 020 - Miscellaneous	888.39	
					412 - 537 80 41 020 - Collection Services	19.00	
					103 - 542 30 31 000 - Operating Supplies	33.67	
					001 - 558 60 31 000 - Supplies/Books	46.70	
					101 - 576 80 48 016 - City Hall	51.95	
					101 - 576 80 48 016 - City Hall	186.19	
					001 - 595 10 31 000 - Supplies	28.24	
					001 - 595 10 43 000 - Travel	165.59	
7396	07/22/2026	Claims	2	EFT	WA St Dept of Revenue	27,421.30	
					001 - 521 20 26 000 - Uniforms/Accessories	60.95	
					001 - 521 20 31 002 - Office/Operating Supplies	132.24	

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			425 - 531 50 44 000 - Taxes & Assessments			1,911.46	
			401 - 535 50 48 020 - Maint Of Pumping Equip			66.25	
			401 - 535 80 44 010 - Taxes & Assessments			10,206.23	
			102 - 536 20 44 010 - Taxes And Assessments			93.98	
			412 - 537 80 44 001 - Taxes & Assessments			14,826.62	
			101 - 576 80 44 010 - Taxes And Assessments			83.79	
			001 - 594 21 64 000 - Machinery & Equipment			39.78	
7397	07/22/2026	Claims	2	EFT	WA St Dept of Revenue	476.21	
			635 - 589 30 02 635 - Leasehold Excise Tax Remittanc			476.21	
7398	07/22/2026	Claims	2	EFT	WEX Bank	18,561.58	
			001 - 518 20 32 000 - Auto Fuel			508.40	
			001 - 521 20 32 000 - Auto Fuel			8,781.90	
			001 - 522 20 32 000 - Auto Fuel/Diesel			5,802.68	
			425 - 531 50 32 000 - Vehicle Fuel			276.10	
			401 - 535 80 32 000 - Auto Fuel/Diesel			638.25	
			102 - 536 20 32 000 - Auto Fuel/Diesel			290.10	
			412 - 537 80 32 000 - Auto Fuel/Diesel			235.99	
			103 - 542 30 32 000 - Auto Fuel/Diesel			379.95	
			501 - 548 30 31 000 - Operating Supplies			175.25	
			101 - 576 80 32 000 - Auto Fuel/Diesel			1,472.96	
7399	07/22/2026	Claims	2	207177	A-1 Shredding	240.00	
			001 - 512 50 41 000 - Professional Services			60.00	
			001 - 514 23 31 000 - Supplies			60.00	
			001 - 521 20 41 001 - Professional Services			120.00	
7400	07/22/2026	Claims	2	207178	AWC - Employee Benefit Trust	4,228.40	
			001 - 521 20 27 000 - Retired Medical			4,228.40	
7401	07/22/2026	Claims	2	207179	AWC	600.00	
			001 - 511 60 49 000 - Training			600.00	
7402	07/22/2026	Claims	2	207180	Amazon Capital Svcs, Inc	1,861.50	
			001 - 514 23 31 000 - Supplies			172.70	
			001 - 514 23 31 000 - Supplies			30.39	
			001 - 514 23 31 000 - Supplies			134.61	
			001 - 514 23 31 000 - Supplies			21.73	
			001 - 521 20 26 000 - Uniforms/Accessories			173.88	
			001 - 521 20 26 000 - Uniforms/Accessories			-68.46	
			001 - 521 20 26 000 - Uniforms/Accessories			-61.94	
			001 - 521 20 26 000 - Uniforms/Accessories			48.84	
			001 - 521 20 26 000 - Uniforms/Accessories			84.76	
			001 - 521 20 31 002 - Office/Operating Supplies			43.47	
			001 - 521 20 31 002 - Office/Operating Supplies			116.29	
			001 - 521 20 31 002 - Office/Operating Supplies			89.74	
			001 - 521 20 31 002 - Office/Operating Supplies			258.68	
			001 - 521 20 41 023 - Canine			57.03	
			001 - 522 21 31 010 - Office Supplies			210.55	
			401 - 535 80 31 000 - Office Supplies			64.50	
			401 - 535 80 31 000 - Office Supplies			39.72	
			401 - 535 80 31 000 - Office Supplies			165.31	
			401 - 535 80 31 000 - Office Supplies			19.48	
			401 - 535 80 31 010 - Operating Supplies			26.86	
			101 - 576 80 31 100 - Fertilizer/Herbicide			174.74	
			101 - 576 80 35 000 - Small Tools & Minor Equip			58.62	
7403	07/22/2026	Claims	2	207181	Barnhart Crane & Rigging LLC	1,169.52	
			401 - 535 50 48 050 - Maint Of General Equip			1,169.52	
7404	07/22/2026	Claims	2	207182	Bay City Supply	543.72	
			401 - 535 80 31 000 - Office Supplies			454.69	
			101 - 576 80 48 005 - Senior Center			89.03	
7405	07/22/2026	Claims	2	207183	Bio Bug Pest Management	342.09	

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			101 - 576 80 48 016 - City Hall			342.09	
7406	07/22/2026	Claims	2	207184	Birch Equipment Rental & Sales	538.51	
			103 - 542 30 45 000 - Rental-Equipment			538.51	
7407	07/22/2026	Claims	2	207185	Primo Brands BlueTriton Brands	883.81	
			412 - 537 80 31 000 - Operating Supplies			693.73	
			103 - 542 30 31 000 - Operating Supplies			190.08	
7408	07/22/2026	Claims	2	207186	Blythe Mechanical Inc	324.73	
			101 - 576 80 48 001 - Riverfront			324.73	
7409	07/22/2026	Claims	2	207187	Branom Instrument Company	2,384.23	
			401 - 594 35 64 401 - Machinery & Equip			2,384.23	
7410	07/22/2026	Claims	2	207188	Braun Northwest, Inc	173.29	
			001 - 522 20 48 000 - Repairs/Maint-Equip			173.29	
7411	07/22/2026	Claims	2	207189	Bridge Coordination Services	2,241.38	
			001 - 521 20 41 001 - Professional Services			2,241.38	
7412	07/22/2026	Claims	2	207190	Carl's Towing & Muffler	322.84	
			001 - 521 20 41 001 - Professional Services			322.84	
7413	07/22/2026	Claims	2	207191	CivicPlus, LLC	8,388.92	
			101 - 591 80 70 101 - Subscription IT (SBITA) - Parks			8,388.92	
7414	07/22/2026	Claims	2	207192	Crye Precision LLC	266.22	
			001 - 521 20 26 000 - Uniforms/Accessories			266.22	
7415	07/22/2026	Claims	2	207193	Dalco Inc	230.56	
			412 - 537 80 31 000 - Operating Supplies			219.78	
			412 - 537 80 31 000 - Operating Supplies			10.78	
7416	07/22/2026	Claims	2	207194	Databar, Inc	3,171.39	
			425 - 531 50 42 010 - Postage			126.85	
			401 - 535 80 42 015 - Postage			2,061.41	
			412 - 537 80 42 010 - Postage			983.13	
7417	07/22/2026	Claims	2	207195	Gregory Dixon	1,650.00	
			001 - 515 93 41 001 - Indigent Defense Conflict Cour			1,650.00	
7418	07/22/2026	Claims	2	207196	E & E Lumber, Inc.	813.12	
			401 - 535 50 48 060 - Maintenance Of Buildings			38.35	
			412 - 537 80 31 000 - Operating Supplies			60.85	
			103 - 542 30 31 000 - Operating Supplies			79.86	
			101 - 576 80 31 001 - Operating Sup - Riverfront			27.12	
			101 - 576 80 31 002 - Operating Sup - RV Park			87.91	
			101 - 576 80 31 004 - Operating Sup - Comm Center			43.78	
			101 - 576 80 31 007 - Operating Sup - Library			9.37	
			101 - 576 80 35 000 - Small Tools & Minor Equip			81.10	
			101 - 576 80 48 001 - Riverfront			7.28	
			101 - 576 80 48 002 - RV Park			119.85	
			101 - 576 80 48 002 - RV Park			25.73	
			101 - 576 80 48 007 - Bingham Park			23.98	
			101 - 576 80 48 012 - Harry Osborne			131.93	
			101 - 576 80 48 025 - Olmsted Park			76.01	
7419	07/22/2026	Claims	2	207197	Epic Land Solutions Inc	527.41	
			104 - 595 20 63 084 - RW - SR20 Cascade Trail - Pha			527.41	
7420	07/22/2026	Claims	2	207198	Eurofins Enviro Testing	69.00	
			401 - 535 80 41 000 - Professional Services			69.00	
7421	07/22/2026	Claims	2	207199	Exact Scientific Services, Inc.	313.00	
			401 - 535 80 41 000 - Professional Services			213.00	

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			401 - 535 80 41 000 - Professional Services			100.00	
7422	07/22/2026	Claims	2	207200	Facet NW, Inc	8,643.50	
			001 - 558 60 41 000 - Professional Services			8,643.50	
7423	07/22/2026	Claims	2	207201	Family Promise of Skagit Valley	3,294.03	
			116 - 551 00 00 116 - Public Housing Services			2,750.00	
			117 - 551 00 00 117 - Affordable Housing - Operatio			544.03	
7424	07/22/2026	Claims	2	207202	Federal Certified Hearing	45.00	
			103 - 542 30 49 030 - Misc-Tuition/Registration			45.00	
7425	07/22/2026	Claims	2	207203	FirstNET/AT&T Mobility	752.27	
			001 - 522 20 42 020 - Telephone			752.27	
7426	07/22/2026	Claims	2	207204	Fremarek, Inc dba	1,969.28	
			401 - 535 50 48 050 - Maint Of General Equip			1,969.28	
7427	07/22/2026	Claims	2	207205	Galls, LLC	609.89	
			001 - 522 20 26 000 - Uniforms			335.62	
			001 - 522 20 26 000 - Uniforms			274.27	
7428	07/22/2026	Claims	2	207206	Gateway Village, LLC	219,741.31	
			001 - 558 70 00 513 - Economic Development			219,741.31	
7429	07/22/2026	Claims	2	207207	Gordon Truck Centers, Inc	2,809.32	
			412 - 537 50 48 000 - Repairs/maint-equip			824.94	
			412 - 537 50 48 000 - Repairs/maint-equip			2,809.32	
			412 - 537 50 48 000 - Repairs/maint-equip			-824.94	
7430	07/22/2026	Claims	2	207208	Guardian Security Systems, Inc.	444.59	
			001 - 521 20 41 001 - Professional Services			78.26	
			001 - 522 50 49 050 - Fire/Theft Protection			45.65	
			401 - 535 50 48 000 - Maintenance Contracts			56.52	
			101 - 576 80 41 010 - Alarm Monitoring			264.16	
7431	07/22/2026	Claims	2	207209	Halo Protection Services LLC	695.04	
			001 - 512 50 41 050 - Security Services			695.04	
7432	07/22/2026	Claims	2	207210	Humane Society Of Skagit	396.00	
			001 - 521 20 41 021 - Humane Society			396.00	
7433	07/22/2026	Claims	2	207211	Kelley Create	266.25	
			001 - 512 50 41 000 - Professional Services			266.25	
7434	07/22/2026	Claims	2	207212	Knox Associates	6,451.30	
			001 - 522 21 49 000 - Miscellaneous			6,451.30	
7435	07/22/2026	Claims	2	207213	L N Curtis & Sons	188.70	
			001 - 521 20 41 001 - Professional Services			188.70	
7436	07/22/2026	Claims	2	207214	Language Exchange, Inc	1,590.18	
			001 - 512 50 41 040 - Language Interpreter			1,512.48	
			001 - 521 20 41 001 - Professional Services			77.70	
7437	07/22/2026	Claims	2	207215	Lauts Inc dba Lautenbach Industries	698.90	
			412 - 537 60 47 015 - Construction Demolition Land			698.90	
7438	07/22/2026	Claims	2	207216	Les Schwab Tire Center	409.29	
			001 - 521 20 48 010 - Repair & Maint - Auto			234.73	
			101 - 576 80 48 021 - Equipment			174.56	
7439	07/22/2026	Claims	2	207217	Life-Assist Inc.	445.52	
			001 - 522 21 31 000 - Operating Supplies - Medical			445.52	
7440	07/22/2026	Claims	2	207218	Loggerodeo Inc	20,000.00	

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			108 - 557 30 41 010 - Loggerdeco			20,000.00	
7441	07/22/2026	Claims	2	207219	Loggers & Contractors	44.56	
			103 - 542 30 31 000 - Operating Supplies			44.56	
7442	07/22/2026	Claims	2	207220	Lyndale Glass	951.13	
			101 - 576 80 48 016 - City Hall			951.13	
7443	07/22/2026	Claims	2	207221	Mark Christ, Architect	750.00	
			101 - 594 76 63 025 - Olmsted Park			750.00	
7444	07/22/2026	Claims	2	207222	Nordic Temperature Control	2,460.01	
			101 - 576 80 48 016 - City Hall			2,460.01	
7445	07/22/2026	Claims	2	207223	North Hill Resources Inc	1,679.17	
			412 - 537 60 47 000 - Solid Waste Disposal			79.17	
			412 - 537 60 47 020 - Site Yard Waste Disposal			1,600.00	
7446	07/22/2026	Claims	2	207224	Northwest Propane LLC	70.05	
			412 - 537 60 47 011 - Site Recycling Disposal			70.05	
7447	07/22/2026	Claims	2	207225	Oliver-Hammer, Inc	308.32	
			103 - 542 30 35 010 - Safety Equipment			308.32	
7448	07/22/2026	Claims	2	207226	PROCUM LLC	245.00	
			001 - 522 20 41 010 - Prof Service-Medical Exams			89.00	
			412 - 537 80 31 000 - Operating Supplies			156.00	
7449	07/22/2026	Claims	2	207227	Pacific Landscape Architecture LLC	592.50	
			101 - 576 80 41 000 - Professional Services			540.00	
			102 - 594 36 61 050 - Northern State Cemetery Capit			52.50	
7450	07/22/2026	Claims	2	207228	Parker Corporate Svcs, Inc.	125.00	
			103 - 542 30 31 000 - Operating Supplies			125.00	
7451	07/22/2026	Claims	2	207229	LEPS-PSS PLLC dba Public Safety Psych	1,760.00	
			001 - 521 20 41 001 - Professional Services			1,760.00	
7452	07/22/2026	Claims	2	207230	Public Safety Testing, Inc	379.00	
			001 - 521 20 41 001 - Professional Services			235.00	
			001 - 522 20 41 000 - Professional Services			144.00	
7453	07/22/2026	Claims	2	207231	RWC International, LLC	11.26	
			425 - 531 50 48 000 - Repairs/Maintenance			11.26	
7454	07/22/2026	Claims	2	207232	Reichhardt & Ebe	2,920.94	
			104 - 595 30 63 083 - Const-SR 9-John Liner-McGari			2,920.94	
7455	07/22/2026	Claims	2	207233	Barbara Reynolds	392.76	
			103 - 543 30 46 000 - Insurance			392.76	
7456	07/22/2026	Claims	2	207234	Ricoh USA, Inc	33.28	
			101 - 591 80 70 101 - Subscription IT (SBITA) - Parks			33.28	
7457	07/22/2026	Claims	2	207235	Ricoh USA, Inc	57.29	
			103 - 542 30 31 000 - Operating Supplies			57.29	
7458	07/22/2026	Claims	2	207236	Rodda Paint Co	9,038.70	
			103 - 542 64 31 001 - Painting & Striping Supplies			9,038.70	
7459	07/22/2026	Claims	2	207237	Kevin Rogerson	100.00	
			001 - 512 50 41 010 - Municipal Court Judge			100.00	
7460	07/22/2026	Claims	2	207238	Heather Romano	456.75	
			001 - 521 20 41 001 - Professional Services			456.75	

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7461	07/22/2026	Claims	2	207239	SIRENNET.COM	12,776.01	
		501 - 594 21 64 501 - Equip & Vehicles - Police				3,564.31	
		501 - 594 21 64 501 - Equip & Vehicles - Police				2,333.52	
		501 - 594 21 64 501 - Equip & Vehicles - Police				1,230.79	
		501 - 594 21 64 501 - Equip & Vehicles - Police				1,457.80	
		501 - 594 21 64 501 - Equip & Vehicles - Police				1,457.80	
		501 - 594 21 64 501 - Equip & Vehicles - Police				2,688.59	
		501 - 594 22 64 501 - Vehicles - Fire				43.20	
7462	07/22/2026	Claims	2	207240	SWS Equipment, Inc.	572.06	
		412 - 537 50 48 000 - Repairs/maint-equip				572.06	
7463	07/22/2026	Claims	2	207241	San Diego Police Equip Co. Inc.	5,712.73	
		001 - 521 20 31 015 - Ammunition				5,712.73	
7464	07/22/2026	Claims	2	207242	Sedro-Woolley Auto Parts Inc	301.00	
		001 - 522 20 48 000 - Repairs/Maint-Equip				20.63	
		401 - 535 50 48 060 - Maintenance Of Buildings				16.08	
		412 - 537 50 48 000 - Repairs/maint-equip				8.16	
		412 - 537 80 31 000 - Operating Supplies				115.69	
		412 - 537 80 31 000 - Operating Supplies				50.26	
		103 - 542 30 31 000 - Operating Supplies				26.39	
		103 - 542 64 31 001 - Painting & Striping Supplies				16.94	
		103 - 542 64 31 001 - Painting & Striping Supplies				46.85	
7465	07/22/2026	Claims	2	207243	Sedro-Woolley Automotive	102.51	
		001 - 521 20 48 010 - Repair & Maint - Auto				102.51	
7466	07/22/2026	Claims	2	207244	Sedro-Woolley Rotary Foundation	425.00	
		001 - 513 10 49 010 - Dues & Subscriptions				425.00	
7467	07/22/2026	Claims	2	207245	Skagit Cnty Dept of Emerg Mgmt	12,606.10	
		001 - 525 10 41 000 - Dept Of Emerg Management				12,606.10	
7468	07/22/2026	Claims	2	207246	Skagit Cnty District Court	4,059.50	
		001 - 512 50 41 001 - District Court Surcharge				4,059.50	
7469	07/22/2026	Claims	2	207247	Skagit Cnty Public Works	88,472.93	
		412 - 537 60 47 000 - Solid Waste Disposal				88,472.93	
7470	07/22/2026	Claims	2	207248	Skagit Cnty Sheriff Office	5,215.14	
		001 - 523 60 41 010 - Prisoner Transport				5,215.14	
7471	07/22/2026	Claims	2	207249	Skagit Cnty Treasurer	21.10	
		635 - 589 30 05 635 - County Crime Victim Witness P				21.10	
7472	07/22/2026	Claims	2	207250	Skagit Cnty Treasurer	66,609.46	
		114 - 523 60 41 022 - Jail Sales Tax Pass Through 2/1				66,609.46	
7473	07/22/2026	Claims	2	207251	Skagit Farmers Supply	237.12	
		401 - 535 50 48 050 - Maint Of General Equip				29.34	
		401 - 535 80 31 010 - Operating Supplies				61.68	
		401 - 535 80 31 010 - Operating Supplies				14.11	
		101 - 576 80 31 100 - Fertilizer/Herbicide				110.84	
		101 - 576 80 48 016 - City Hall				21.15	
7474	07/22/2026	Claims	2	207252	PNG Media LLC, dba Skagit Publishing	419.64	
		001 - 511 60 31 001 - Legal Publications				86.08	
		001 - 511 60 31 001 - Legal Publications				172.16	
		001 - 595 10 41 000 - Professional Services				161.40	
7475	07/22/2026	Claims	2	207253	Skagit Sign Co	650.67	
		103 - 542 64 31 004 - Street Sign Materials				473.26	

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			101 - 576 80 48 016 - City Hall			177.41	
7476	07/22/2026	Claims	2	207254	Snohomish County Public Def Association	2,462.00	
			001 - 515 93 41 000 - Indigent Defender			1,231.00	
			001 - 515 93 41 000 - Indigent Defender			1,231.00	
7477	07/22/2026	Claims	2	207255	Stiles & Lehr Law Inc., PS	4,727.25	
			001 - 512 50 41 010 - Municipal Court Judge			4,727.25	
7478	07/22/2026	Claims	2	207256	Systems Design West, LLC	3,790.38	
			001 - 522 21 41 000 - EMS Professional Services-Sys I			3,790.38	
7479	07/22/2026	Claims	2	207257	T-Mobile USA Inc.	150.00	
			001 - 521 20 41 001 - Professional Services			50.00	
			001 - 521 20 41 001 - Professional Services			50.00	
			001 - 521 20 41 001 - Professional Services			50.00	
7480	07/22/2026	Claims	2	207258	TRICO Companies LLC	222,858.91	
			104 - 595 62 63 085 - Const - Sch A - 2026 Paving Pr			158,323.85	
			104 - 595 62 63 086 - Const - Sch B - 2026 Paving Pr			162.45	
			104 - 595 62 63 087 - Const - Sch C - 2026 Paving Pr			55,657.76	
			104 - 595 62 63 088 - Const - Sch D - 2026 Paving Pr			8,714.85	
7481	07/22/2026	Claims	2	207259	Tacoma Screw Products Inc.	389.41	
			412 - 537 80 31 000 - Operating Supplies			62.65	
			103 - 542 30 31 000 - Operating Supplies			326.76	
7482	07/22/2026	Claims	2	207260	Thompson, Guildner & Assoc, Inc P.S.	42,310.29	
			001 - 515 41 41 000 - Ext Legal-City Attorney			31,001.00	
			001 - 515 45 41 000 - Legal - Litigation			11,309.29	
7483	07/22/2026	Claims	2	207261	West Pub. dba Thomson Reuters - West	641.35	
			001 - 591 28 70 001 - Lease + Subscription IT (SBITA)			641.35	
7484	07/22/2026	Claims	2	207262	Town of La Conner	2,441.67	
			412 - 537 60 47 021 - Curbside Yard Waste Disposal			2,441.67	
7485	07/22/2026	Claims	2	207263	Truck Toys Inc	378.67	
			103 - 542 30 31 000 - Operating Supplies			378.67	
7486	07/22/2026	Claims	2	207264	US Mower	778.35	
			425 - 531 50 48 000 - Repairs/Maintenance			695.22	
			103 - 542 30 48 010 - Repair/Maintenance-Equip			83.13	
7487	07/22/2026	Claims	2	207265	HD Supply Inc, dba USA BlueBook	152.86	
			401 - 535 50 48 050 - Maint Of General Equip			152.86	
7488	07/22/2026	Claims	2	207266	United General Dist #304	260.88	
			001 - 517 90 49 001 - Employee Wellness (educ)			260.88	
7489	07/22/2026	Claims	2	207267	Utilities Underground Location Ctr.	86.39	
			401 - 535 80 31 010 - Operating Supplies			86.39	
7490	07/22/2026	Claims	2	207268	Vestis	22.19	
			401 - 535 80 49 000 - Laundry			8.41	
			412 - 537 80 49 000 - Misc-Laundry			8.93	
			103 - 542 30 49 000 - Misc-Laundry			4.85	
7491	07/22/2026	Claims	2	207269	WA St Criminal Justice	1,246.60	
			001 - 521 40 49 000 - Tuition/Registration			1,246.60	
7492	07/22/2026	Claims	2	207270	WA St Dept of Ecology	972.20	

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			401 - 535 50 48 000 - Maintenance Contracts			972.20	
7493	07/22/2026	Claims	2	207271	WA St Off of Treasurer	1,570.05	
			635 - 586 30 00 635 - State Court Fees Remittance			1,570.05	
7494	07/22/2026	Claims	2	207272	WA St Patrol	106.00	
			001 - 521 20 41 040 - Intergov Svc-Gun Permits			22.00	
			001 - 521 20 41 040 - Intergov Svc-Gun Permits			84.00	
7495	07/22/2026	Claims	2	207273	WW Grainger Inc	728.88	
			401 - 535 50 48 050 - Maint Of General Equip			728.88	
7496	07/22/2026	Claims	2	207274	Washington Trust Bank Acct #2301922312	11,729.41	
			104 - 595 62 63 085 - Const - Sch A - 2026 Paving Pr			8,332.83	
			104 - 595 62 63 086 - Const - Sch B - 2026 Paving Pr			8.55	
			104 - 595 62 63 087 - Const - Sch C - 2026 Paving Pr			2,929.35	
			104 - 595 62 63 088 - Const - Sch D - 2026 Paving Pr			458.68	
7497	07/22/2026	Claims	2	207275	Woods Logging	23.89	
			401 - 535 80 31 010 - Operating Supplies			23.89	
7498	07/22/2026	Claims	2	207276	Zumar Industries Inc	375.69	
			104 - 595 30 63 083 - Const-SR 9-John Liner-McGariç			375.69	
			001 Current Expense Fund			365,122.30	
			101 Parks & Facilities Fund			24,401.68	
			102 Cemetery Fund			1,417.38	
			103 Street Fund			12,624.24	
			104 Arterial Street Fund			238,443.66	
			108 Lodging Tax Fund			20,000.00	
			114 Law Enforcement Sales Tax			66,609.46	
			116 Affordable Housing - HB 1406			2,750.00	
			117 Housing and Related Services			544.03	
			401 Sewer Operations Fund			24,288.05	
			412 Solid Waste Operations Fund			114,307.70	
			425 Stormwater Operations			3,021.99	
			501 Equipment Replacement Fund			12,951.26	
			631 Suspense Fund			1,237.59	
			635 Custodial Fund			2,067.36	
							Claims:
							889,786.70
			* Transaction Has Mixed Revenue And Expense Accounts			889,786.70	

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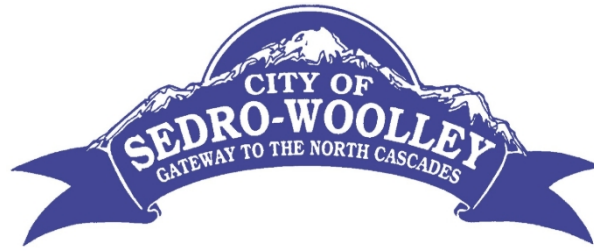
CERTIFICATION: I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described, or that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and that the claim is a just, due and unpaid obligation against the City of Sedro Woolley, and that I am authorized to authenticate and certify to said claim.

_____ Finance Director	_____ Date
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_____ Finance Committee Member	_____ Date
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_____ Finance Committee Member	_____ Date
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_____ Finance Committee Member	_____ Date
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City Council Agenda Item

Agenda Item No.: e.5.

Date: July 22, 2026

From: Brent Frisbee, Solid Waste Supervisor

Subject: Purchase - 2026 Solid Waste Toters

RECOMMENDED ACTION:

Motion to authorize Public Works Director Bill Bullock to issue a purchase order in the amount of \$30,153.10 to Otto Environmental Systems for the purchase of toters.

BACKGROUND/SUMMARY INFORMATION:

Solid Waste purchases a variety of toters and various containers every year. Otto Enviromental Systems is a part of the HGAC Buy contract #RC01-21

FISCAL IMPACT, IF APPROPRIATE:

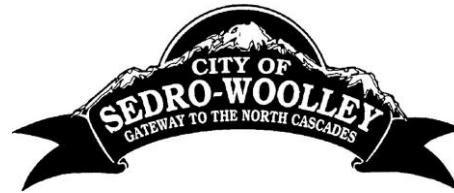
The 2026 Solid Waste Budget includes under Account 537 80 34 000 Containers Garbage \$60,000 and 537 80 34 001 Containers Recycle \$20,000 for the purchase of replacement containers of all types.

ATTACHMENTS:

1. 2026-PO-25 OTTO Environmental Systems

City of Sedro-Woolley

325 Metcalf Street
Sedro-Woolley, WA 98284
Phone (360) 855-0771 Fax (360) 855-0707



The following number must appear on all related correspondence, shipping papers, and invoices:

PURCHASE ORDER

P.O. NUMBER: 2026-PO-25

VENDOR:

Formex Holding LLC
Dba OTTO Environmental Systems
12700 General Drive
Charlotte, NC 28273
Tel: 704-804-0806
Email: Travis.Dowell@otto-usa.com

SHIP TO:

City of Sedro-Woolley
315 Sterling Street
Sedro-Woolley, WA 98284
Tel: (360) 855-1884
Email: bfrisbee@sedro-woolley.gov

P.O. DATE	REQUISITIONER	SHIPPED VIA	F.O.B. POINT	TERMS
07/23/2026	Brent Frisbee		Sedro-Woolley, WA	NET 30

QTY	UNIT	DESCRIPTION	UNIT PRICE	TOTAL
1		Per OTTO Environmental Systems Quote #07062026-A, dated 7/6/2026 Product: 32- gallon Classic Lid HPN0160 HPN1360 65- gallon Edge Trash 65-gallon Edge Recycle 95-gallon Millennium Trash 95-gallon Millennium Recycle 35-gallon Edge Trash Per Purchasing Agreement HGACBuy RC01-21 Refuse & Recycling Containers and Lifters, Expires 12/31/2026	\$21,300.00	\$21,300.00

SUBTOTAL \$21,300.00

DISCOUNT INCLUDED

ESTIMATED SHIPPING & HANDLING \$7,000.00

.087 SALES TAX \$1,853.10

OTHER N/A

TOTAL \$30,153.10

1. Please send two copies of your invoice.
2. Enter this order in accordance with the prices, terms, delivery method, and specifications listed above.
3. Please notify us immediately if you are unable to ship as specified.
4. Send all correspondence to:

Accounts Payable

City of Sedro-Woolley

325 Metcalf Street

Sedro-Woolley, WA 98284

Phone (360) 855-1661 Fax (360) 855-0707

Email: ap@ci.sedro-woolley.wa.us

537.80.34.001.412 CONTAINERS – RECYCLING
\$10,000; 537.80.34.000.412 CONTAINERS -
GARBAGE \$20,153.10

AUTHORIZED BY

DATE

Formex Holding LLC
 dba OTTO Environmental Systems
 12700 General Drive
 Charlotte, NC 28273



Quote # 07062026-A
 HGACBuy Contract # RC01-21

Customer Info City of Sedro Woolley - Attn: Brent Frisbee
 325 Metcalf St.
 Sedro Woolley, Washington 98284

Dear Brent,
 Thank you for allowing OTTO Environmental Systems the opportunity to present
 this quote. Please let me know if you have any questions.

Proposal Valid 07/06/2026 - 8/5/2026

Line	Product	Base Color	Lid Color	Quantity	Unit Price	Total
10	32-gallon Classic Lid		Black	100	25.00	\$ 2,500.00
20	HPN0160			400	0.50	\$ 200.00
30	HPN1360			100	0.50	\$ 50.00
40	65-gallon Edge Trash	Dark Blue	Black	100	63.00	\$ 6,300.00
50	65-gallon Edge Recycle	Dark Blue	Light Blue	50	70.00	\$ 3,500.00
60	95-gallon Millennium Trash	Dark Blue	Black	25	77.00	\$ 1,925.00
70	95-gallon Millennium Recycle	Dark Blue	Light Blue	25	77.00	\$ 1,925.00
80	35-gallon Edge Trash	Black	Black	100	49.00	\$ 4,900.00
						\$ 0.00
Total Net Value						\$ 21,300.00
Freight						\$ 7,000.00
Estimated Taxes						\$ 1,853.10
Total						\$ 30,153.10

Regards,
 Travis Dowell

Notes:

Line 40: 65 Edge Trash S/N 650201 - 650300

Line 50: 65 Edge Recycle S/N 650301 - 650350

Line 60: 95 Millennium Trash S/N 95004050 - 95004074

Line 70: 95 Millennium Recycle S/N 95004075 - 95004099

Line 80: 35 Edge Trash S/N 3203410 - 3203509

Sales tax estimated at 8.7%. Actual tax as required by law, if not tax exempt, to be billed.

Lead time: 4 weeks from receipt of PO.

Thank you!

Payment terms: Net 30 days

Incoterms: Free on Board (INTL), Destination Sedro Woolley, WA 98284

ALL CREDIT CARD TRANSACTIONS ARE SUBJECT TO A 2.5% PROCESSING FEE.

I agree to purchase the items listed above & acknowledge & agree to the Terms and Conditions of sale.

Customer Name

Customer Signature

Date

Purchase Order #

Otto orders are assumed to ship when ready unless prior arrangements have been made via your Otto contact.

In the absence of prior arrangements, storage fees may accrue and be invoiced for any items held more than 30 days from the date of completion of your order.

Terms & Conditions for Quoted Freight

The quoted freight rate is for reference only and may change if shipping variables change before shipment. In the event of a change, the adjusted freight rate will be communicated ahead of shipment.

Fuel surcharges are subject to market fluctuation and actual surcharges invoiced by the carrier will be invoiced to the customer.

Quoted freight rates are based upon shipment of your order during regular shipment days (Monday - Friday). Should after hours, weekend, or holiday shipment be needed, additional fees will apply, and the corresponding freight rate will be communicated ahead of shipment.

Should you require weekend shipping, these freight rates will be quoted separately, as they are normally higher in cost than shipments during the regular workweek (Monday - Friday).

Quoted freight rates assume shipping of your order 48 hours from the time of order completion. Customer will be charged for shipment premiums requested by a customer before the minimum 48-hour notice.

Should a delivery address change before the shipment of your order, an adjusted freight rate will be communicated ahead of shipment. Should a delivery address change after the shipment of your order, a re-consignment fee will be charged once all updated charges are known by the carrier.

Detention Fees - If customer holds up driver at destination and carrier charges Otto detention fees (typically after 2 hours), customer will be invoiced the actual charge along with an administration fee.

TERMS AND CONDITIONS OF SALE

NOTICE: THE OFFER, ORDER ACKNOWLEDGEMENT, ORDER ACCEPTANCE, OR SALE OF ANY PRODUCTS DESCRIBED ON THE FRONT SIDE OF THIS DOCUMENT IS SUBJECT TO AND CONDITIONED UPON ACCEPTANCE OF THE TERMS CONTAINED IN THIS INSTRUMENT. ANY ADDITIONAL OR DIFFERENT TERMS PROPOSED BY PURCHASER ARE OBJECTED TO BY AND WILL NOT BE BINDING UPON OTTO ENVIRONMENTAL SYSTEMS NORTH AMERICA, LLC OR OCM SOLUTIONS, LLC (AS THE CASE MAY BE) ("OTTO") UNLESS SPECIFICALLY ASSENTED TO IN WRITING BY OTTO. UNLESS EXPLICITLY OBJECTED TO BY PURCHASER IN WRITING RECEIVED BY OTTO WITHIN FIVE (5) BUSINESS DAYS, THESE TERMS AND CONDITIONS OF SALE SHALL APPLY TO THIS OFFER, ORDER OF ACKNOWLEDGEMENT, ORDER ACCEPTANCE, OR SALE, WHETHER OR NOT THEY APPLIED TO A PRIOR PURCHASE BY PURCHASER. AS USED IN THESE TERMS AND CONDITIONS OF SALE, "PRODUCTS" MEANS THOSE PRODUCTS SET FORTH ON THE FRONT SIDE OF THIS DOCUMENT.

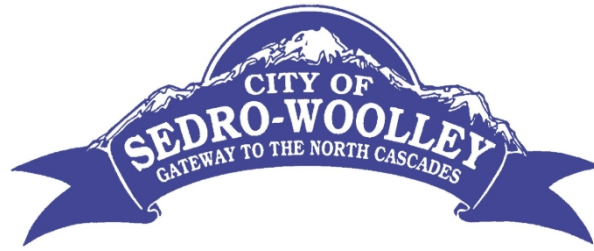
1. **ACCEPTANCE.** All orders received by Otto are subject to final acceptance or confirmation by Otto and no terms or orders are binding upon Otto until so accepted.
2. **DELIVERIES.** Unless otherwise specified by Otto in writing, all deliveries are F.O.B. Otto's place of business (UCC Terms). All deliveries shall be made via common carrier or some other reasonable means chosen by Otto. All risk of loss to Products sold shall pass to Purchaser upon delivery by Otto of such Products to a common carrier. Title to the Products shall remain with Otto until Purchaser pays the purchase price in full to Otto. Delivery is conditional on the timely receipt by Otto of documents necessary for the completion of the order, any down payment, and Purchaser's compliance with these terms and conditions. Delivery schedules represent Otto estimates only, and partial deliveries are permissible. Otto will use reasonable efforts to meet delivery schedules. Otto will not be liable for any delay in the performance of orders of contracts, or in the delivery or shipment of Products or for any damages suffered by Purchaser by reason of such delay. Delivery is subject to Purchaser maintaining credit satisfactory to Otto. Otto may suspend or delay performance or delivery at any time pending receipt of assurances, including full or partial prepayment or payment of any outstanding amounts owed, adequate to Otto in its discretion of Purchaser's ability to pay. Failure to provide such assurances shall entitle Otto to cancel this contract without further liability or obligation to Purchaser.
3. **RECEIVING DELAYS.** If for any reason Purchaser fails to accept delivery of any of the Products on the date set forth in the delivery schedules, or if Otto is unable to deliver the Products on such date because Purchaser has not provided appropriate instructions, documents, licenses or authorizations: (i) risk of loss to the Products shall pass to Purchaser and (ii) Otto, at its option, may store or arrange for a third party to store the Products until Purchaser picks them up, whereupon Purchaser shall be liable for all related costs and expenses (including, without limitation, storage and insurance).
4. **PRICES.** Unless otherwise specified by Otto on the front side of this document, prices are quoted F.O.B. Otto's place of business (UCC Terms). Prices are subject to change by Otto without notice to Purchaser, and those prices set forth on the front side of this document will apply to the order. Prices do not include sales, use, excise, privilege, or any similar tax levied by any government, and Purchaser shall pay any such applicable tax. Upon the request of Otto, Purchaser shall provide Otto a tax exemption certificate acceptable to the appropriate taxing authorities.
5. **TERMS OF PAYMENT.** Unless otherwise specified by Otto on the front side of this document, the purchase price shall be due in full by Purchaser thirty (30) days of tender of delivery of the Products. Extension of credit, if any, may be changed or withdrawn by Otto at any time. Invoices not paid by their due date will be subject to carrying charges. Carrying charges shall accrue and be added to the unpaid balance in the amount of one and one-half percent (1-1/2%) per month of any overdue unpaid balance, or the maximum rate permitted by law, whichever is less. Purchaser shall reimburse Otto for the costs of collection, including, without limitation, reasonable attorneys' fees, of any overdue amount owed by Purchaser to Otto, and such collection costs shall also be subject to the carrying charges. Purchaser may not hold back or set off any amounts owed to Otto in satisfaction of any claims asserted by Purchaser against Otto.
6. **RETURNED GOODS AND CLAIMS.** Within ten (10) business days of delivery to Purchaser, Purchaser must give written notice to Otto of any claim by Purchaser based upon the condition, quantity, or grade of the Products sold or of any claimed nonconformity with the Purchaser's specifications, and the notice must indicate the basis of the claim in detail. Purchaser's failure to comply with this Paragraph shall constitute irrevocable acceptance by Purchaser of the Products delivered and shall bind Purchaser to pay to Otto the full price of such Products.
7. **CANCELLATION/CHANGES.** Purchaser may not cancel or change an order once placed with and accepted by Otto except with the prior written consent of Otto and upon terms that will indemnify Otto against any loss. Otto may correct mathematical or clerical errors.
8. **WARRANTY. OTTO IS SELLING TO PURCHASER THE PRODUCTS AND PURCHASER ACCEPTS THE PRODUCTS "AS IS," AND OTTO EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, ARISING FROM COURSE OF DEALING OR USAGE OF TRADE, OR STATUTORY, INCLUDING BUT NOT LIMITED TO THE IMPLIED CONDITIONS AND WARRANTIES OF MERCHANTABILITY, QUALITY, FITNESS FOR A PARTICULAR PURPOSE, CORRESPONDENCE WITH DESCRIPTION OR QUALITY, TITLE, QUIET POSSESSION AND NON-INFRINGEMENT.**

Descriptions, representations and other information concerning Products contained in Otto's catalogs, advertisements or other promotion materials or statements or representations made by Otto sales representatives or distributors shall not be binding upon Otto.

In no case shall Otto be liable for any special, incidental or consequential damages based upon breach of contract, negligence, strict liability, tort or any other legal theory, even if Otto is notified of the possibility of such damages. In all cases, Otto's maximum liability arising out of or relating to these Terms and Conditions and any Purchase Order, regardless of the legal theory, shall not exceed the contract price actually paid by Purchaser in respect of the Products supplied by Otto to which such liability relates. Otto shall not be liable for any loss, damage, detention or delay due directly or indirectly to causes beyond its reasonable control, such as acts of God, acts of Purchaser, acts of civil or military authority, fires, strikes, floods, epidemics, war, riot, delays in transportation, government restrictions or embargoes, or difficulties in obtaining necessary labor, materials, manufacturing facilities or transportation due to such causes.

9. **INDEMNIFICATION.** Purchaser will defend, indemnify and hold harmless Otto against all claims, losses, liabilities, damages and expenses on account of any damage to property or injury or death of persons caused by or arising out of or relating to Purchaser's (and/or any of Purchaser's employee's, agent's, affiliate's and customer's) distribution, storage, handling, use, or disposal of Products or caused by or arising out of: (i) any breach of contract by Purchaser; (ii) any tortious acts or omissions of Purchaser (and/or any of Purchaser's employees, agents, affiliates and customers); or (iii) any willful misconduct or any violation by Purchaser (and/or by any of Purchaser's employees, agents, affiliates and customers) of any applicable law, rule or regulation.
 10. **SECURITY AGREEMENT.** Purchaser hereby grants to Otto a continuing purchase money security interest in all Products sold and/or delivered to it and to the proceeds thereof. Purchaser shall execute and deliver any financing statements and other documents that Otto may reasonably require for the perfection of Otto's security interest, and Purchaser hereby authorizes Otto to do all other acts reasonably necessary for the establishment, perfection, preservation, and enforcement of its security interest. Purchaser shall maintain adequate insurance against casualty, loss, fire, or theft of the Products for so long as the security interest is in effect.
 11. **LIMITATIONS.** Any action by Purchaser under or relating to this Agreement or the Products sold must be commenced within one (1) year after such cause of action has accrued.
 12. **GOVERNING LAW; JURISDICTION.** This Agreement, and any and all claims arising out of or related to this Agreement or any of the proposals, negotiations, communications or understandings regarding this Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina ("North Carolina") applicable to contracts made entirely within and wholly performed in North Carolina, without regard to its choice of law provisions. Any claim, action, suit or other proceeding initiated under or in connection with these Terms and Conditions or any Purchase Order may be asserted, brought, prosecuted and maintained only in any federal or state court in the State of North Carolina having jurisdiction over the subject matter thereof, and the parties hereby waive any and all right to object to the laying of venue in any such court and to any right to claim that any such court may be an inconvenient forum. The parties agree that the United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Agreement.
 13. **CUMULATIVE REMEDIES; WAIVER.** Except where specifically stated to the contrary, all remedies available to the parties for breach of this Agreement under this Agreement, at law or in equity, are cumulative and may be exercised concurrently or separately, and the exercise of any one remedy shall not be deemed an election of such remedy to the exclusion of other remedies. No waiver by either party to this Agreement of any breach of any provision of this Agreement shall be deemed a course of conduct or a waiver of a subsequent breach of that or any other provision.
 14. **ENTIRE AGREEMENT.** Otto and Purchaser acknowledge that these Terms and Conditions of Sale together with Otto's invoice, constitute the entire agreement between Otto and Purchaser with regard to the sale or transfer of the Products sold and supersede all prior oral or written statements of any kind made by the parties or their representative. These Terms and Conditions of Sale may not be amended, modified, or supplemented except by written agreement executed by Otto and Purchaser.
 15. **SEVERABILITY.** If any portion of this Purchase Order is found by a court of competent jurisdiction to be invalid or unenforceable, this Purchase Order shall be construed in all respects as if the invalid or unenforceable portion had been omitted and all other portions are fully enforceable.
 16. **ACCOUNT CREDITS.** In the event that the Purchaser is entitled to a credit because of a warranty claim or a price adjustment, Otto will honor the credit for a period of six (6) months from the date of the credit invoice. Any credits claimed after six (6) months will be deemed expired. Additionally, Otto will not provide cash for any claim for credit, but will only allow credits to be redeemed for product.
- AFFIRMATIVE ACTION.** This contractor and subcontractor shall abide by the requirements of 41 CFR § 60-1.4(a), 60-300.5(a), and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender

identity, national origin, protected veteran status or disability. Rev 5/1/2019



City Council Agenda Item

Agenda Item No.: e.6.

Date: July 22, 2026

From: Frank Wagner, Fire Chief

Subject: Purchase Agreement - Braun Northwest - Ambulance Replacement

RECOMMENDED ACTION:

Motion for approval to allow staff to sign an agreement to purchase a chassis for the ambulance has already been approved by council for purchase.

BACKGROUND/SUMMARY INFORMATION:

On May 22, 2026, our front line 2024 Ambulance was hit by an impaired driver head on, and the chassis has been deemed to be beyond repair. This build obviously requires another chassis that is ambulance ready. Staff have requested to utilize the chassis that we have already purchased for our 2027 ER&R purchase that is currently sitting on the lot at Braun Northwest in Chehalis to expedite the project.

This agenda item is the approval of the purchase of another chassis to accommodate our previously approved 2027 build. By allowing staff to enter into this agreement, we will be able to get our previously approved ambulance back on track.

FISCAL IMPACT, IF APPROPRIATE:

Financially, the cost at this time to the city will be that of the additional chassis for this 2027 build. Currently, there is no increase in cost of the newer model.

ATTACHMENTS:

1. 4707-1 Sedro Woolley FD - Chassis Approval Specifications

4707-1 - Sedro Woolley FD
Sign/Date:

21

AIRPORT CHRYSLER DODGE JEEP RAM
2605 NW PRAIRIE VIEW RD
PLATTE CITY, MO 640797607

Configuration Preview

Date Printed:2025-06-27 5:40 PM

Estimated Ship Date:

VIN:

VON:

Quantity:1

Status:BA - Pending order

FAN 1:00E2A Braun Northwest

FAN 2:

Client Code:

Bid Number:

PO Number:

Sold to:

Ship to:

AIRPORT CHRYSLER DODGE JEEP RAM (45758)

AIRPORT CHRYSLER DODGE JEEP RAM (45758)

2605 NW PRAIRIE VIEW RD

2605 NW PRAIRIE VIEW RD

PLATTE CITY, MO 640797607

PLATTE CITY, MO 640797607

Vehicle:2027 ~~2026~~ 4500 REG CAB CHASSIS 4X4 (192.5 in WB - CA of 108 in) (DP9L65)

	Sales Code	Description	MSRP(USD)	FWP(USD)
Model:	DP9L65	4500 REG CAB CHASSIS 4X4 (192.5 in WB - CA of 108 in)	57,610	53,577
Package:	2XA	Customer Preferred Package 2XA	0	0
	ESL	6.4L V8 HEMI HD Engine	0	0
	DFZ	8-Spd TorqueFlite HD Auto Trans	0	0
Paint/Seat/Trim:	PW7	Bright White Clear Coat	0	0
	APA	Monotone Paint	0	0
	*TX	HD Vinyl 40/20/40 Split Bench Seat	0	0
	-X8	Black/Diesel Gray	0	0
Options:	MKM	Mopar Splash Guards/Mud Flaps Front	75	69
	CJT	Delete Front Center Seat	-20	-19
	TBB	Full Size Spare Tire	395	364
	AMP	Chrome Appearance Group	1,525	1,403
	AH2	Ambulance Prep Group	935	860
	NHK	Engine Block Heater	95	88
	MDA	Front License Plate Bracket	0	0
	5N6	Easy Order	0	0
	4FM	Fleet Option Editor	0	0
	4FT	Fleet Sales Order	0	0
	163	Zone 63-Dallas	0	0
	4EA	Sold Vehicle	0	0
	4WA	Misc Commercial Account	0	0
Non Equipment:				
Commercial FAN:	00E2A	Commercial Incentives	0	0
Discounts:	YG6	6.2 Additional Gallons of Gas	0	20
Destination Fees:	GFD	Rear Sliding Window	2,095	2,095
	XBJ	Dual Alternators Rated at 400 amps		
	XCH	2 Additional Key Fobs		
	A7B	Tradesman Level 1 Equipment Group		
	XAC	ParkView Rear Back Up Camera		
Total Price:			62,710	58,457

Order Type:Fleet

Scheduling Priority:1-Sold Order

Salesperson:

Customer Name:

Customer Address:USA

Instructions:

PSP Month/Week:

Build Priority:99

\$58,457 - Subtotal

\$272 - GFD- Rear Slider

\$456 - XBJ - Dual Alternator

\$253 - XCH - 2 Additional key fobs

\$2388 - A7B - Tradesman Level 1

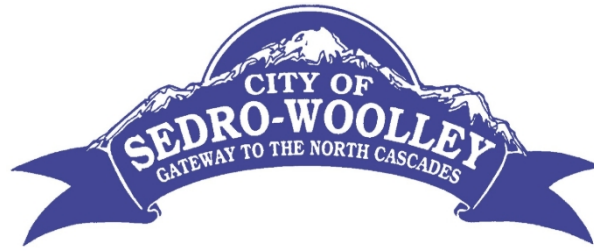
\$456 - XAC - Parkview Back Up camera

\$241 - 15 day term

\$695 - Olathe fee

\$63,218.00 - Grand Total

Note: This is not an invoice. The prices and equipment shown on this priced order confirmation are tentative and subject to change or correction without prior notice. No claims against the content listed or prices quoted will be accepted. Refer to the vehicle invoice for final vehicle content and pricing. Orders are accepted only when the vehicle is shipped by the factory.



City Council Agenda Item

Agenda Item No.: g.1.

Date: July 22, 2026

From: Peter Lane, City Engineer

Subject: North Trail Bridge Update

RECOMMENDED ACTION:

None

BACKGROUND/SUMMARY INFORMATION:

In 2022, the City and Bucko Survivors Trust (Bucko) entered into a development agreement (DA) to allow the construction of the North Trail Road Arterial project. This DA provided for construction of a portion of an arterial that connected Cook Road to F&S Grade Road as part of the Jones/John Liner Corridor project. At the time of the DA, the road crossing over Brickyard Creek was intended to be an approximately nine-foot diameter culvert.

Since the DA was signed, permitting requirements have changed and a nine-foot diameter culvert can no longer be permitted. Additional study and design have also shown that to be a flood-resilient structure, it needs to be significantly larger and the crossing needs to be a bridge. The bridge classification triggers additional reviews, bi-annual inspections and reporting to Federal Highway Administration.

The City and the Developer's design team investigated multiple options to decrease costs including different culvert sizes, realigning the road and using a culvert with a bend. After investigation, these options could not be permitted, increased long term costs and made for a less usable road.

Since the last report to Council in April 2026, design has progressed and identified significant issues that will increase cost. The previous estimate for the crossing was \$400,000.

1. Bridge foundations. Geotechnical exploration found soils that are susceptible to liquefaction during an earthquake. During liquefaction, soils loses significant strength and can cause settlement or collapse of the bridge. The design team investigated ways of mitigating this and the cost of improving the ground is an additional \$400,000.
2. Bridge length and height. The required hydraulic modeling determined that the bridge needed to be wider to pass the flows. The creek in this area has a wider floodplain area and a narrow bridge would constrict that flow and cause damage to the stream downstream of the bridge. The designed bridge is a 34' span. The final bridge size increased cost by an additional \$500,000.

The total current cost of the bridge at \$1,300,000 is significantly higher than the City's previous project budget. If the City were to fund the project at that level with local funds, it would require canceling or delaying current and planned transportation projects. Instead, City staff are proposing to take over the project as a City funded public project and apply for grant funding. With outside Federal or State funding requirements, the overall project cost will increase, but the City's share will be significantly lower at a 13.5-15% match rate (approximately \$400k-\$500k match).

City staff are proposing to bring an amended Development Agreement to Council later this summer to reflect the revised plan.

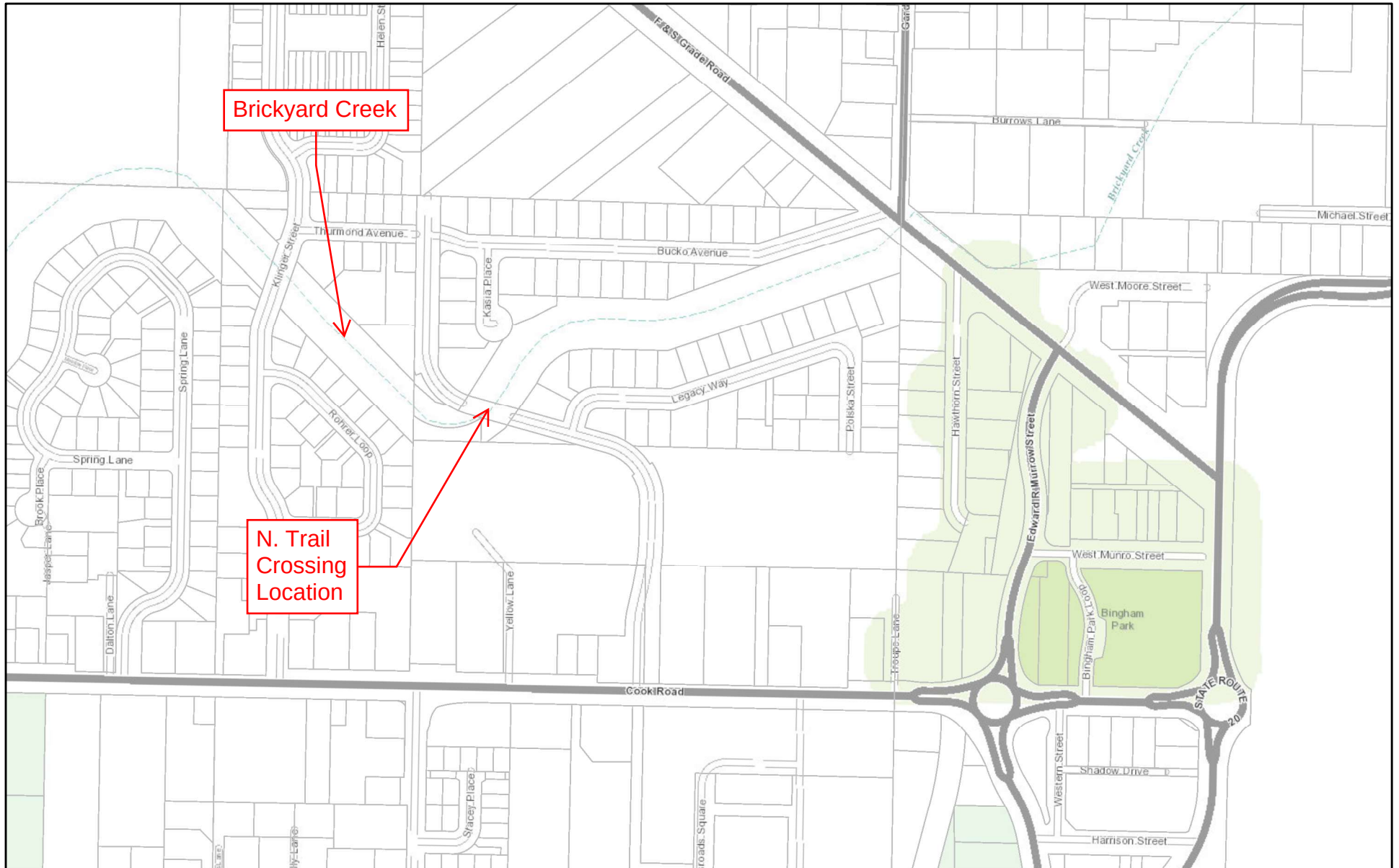
FISCAL IMPACT, IF APPROPRIATE:

To be determined. City staff will develop an estimate for the crossing as part of grant applications. City match funds will be 13.5-15%.

ATTACHMENTS:

1. N Trail Crossing location

N. Trail Bridge



July 15, 2026

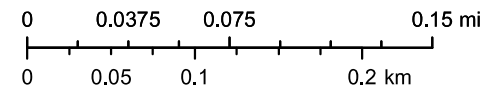
Legend

County Boundary

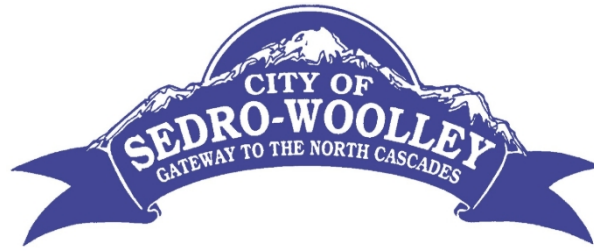
Tax Parcels

Pre Tax Account Property

1:4,514



Data Accuracy Warning: All GIS data was created from available public records and existing map sources. Map features have been adjusted to achieve a best-fit registration. While great care was taken in this process, maps from different sources rarely agree as to the precise location of geographic features. Map discrepancies can be as great as 300 feet.



City Council Agenda Item

Agenda Item No.: h.1.

Date: July 22, 2026

From: Kelly Kohnken, Finance Director / City Clerk

Subject: Appointment - Mayor Pro Tem

RECOMMENDED ACTION:

Motion to nominate Councilmember _____ as mayor pro tem.

BACKGROUND/SUMMARY INFORMATION:

The members of the city council, at their first meeting each calendar year and thereafter whenever a vacancy occurs in the office of mayor pro tempore, shall elect from among their numbers a mayor pro tempore, who shall hold office at the pleasure of the council and in case of absence of the mayor, perform the duties of mayor except that he or she shall not have the power to appoint or remove any officer or to veto any ordinance.

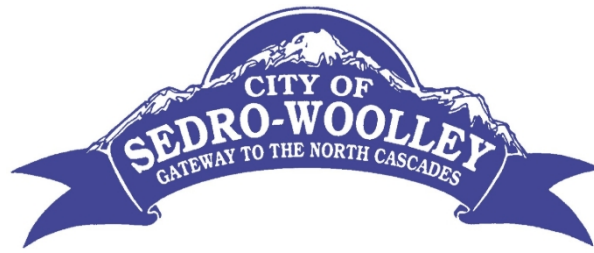
Current Mayor Pro Tem Lavacca has decided to step down from the role of mayor pro tem.

Council members may nominate an applicant to fill the mayor pro tem role. A second is required. Once the nominations are given, the Mayor will close the nominations and council will proceed to vote. The council member appointed will serve as mayor pro tem through the first council meeting of 2027 when the council will vote on the mayor pro tem for 2027.

FISCAL IMPACT, IF APPROPRIATE:

ATTACHMENTS:

None



City Council Agenda Item

Agenda Item No.: 1.1.

Date: July 22, 2026

From: Kelly Kohnken, Finance Director / City Clerk

Subject: Ordinance 2124-26 - Intent to Annex and Join the Central Skagit Library District -
2nd Read

RECOMMENDED ACTION:

Motion to approve Ordinance 2124-26 declaring the city's intent to join and be annexed into the Central Skagit Rural Partial-County Library District.

BACKGROUND/SUMMARY INFORMATION:

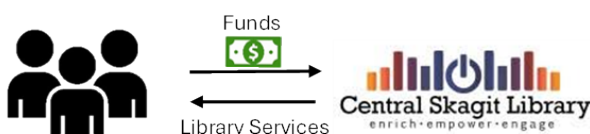
The November 3, 2026 general election will include a ballot proposition for the City of Sedro-Woolley to join and be annexed into the Central Skagit Rural Partial-County Library District, if the below items are approved.

- City Council: Ordinance 2124-26, declaring the city's intent to join and be annexed into the Central Skagit Rural Partial-County Library District
- City Council: Resolution 1191-26, ballot position for library annexation
- Library District: Resolution concurring with the city's intent to join and be annexed into the Central Skagit Rural Partial-County Library District (schedule for July 23, 2026)
- City Council and Library District: Library district pre-annexation agreement

The city has prepared a one-page flier with key information regarding the potential annexation, as well as a separate detailed document with more detail and further explanations. Both are posted on the city website under Community Bulletin.

Key Points if Annexation Passes

- Sedro-Woolley residents will directly fund library services, instead of passing funds through a third party (the city).



- Beginning in 2028, residents will see the library district on their property tax statement. The

City of Sedro-Woolley will reduce its property tax collection to offset the majority of the library district property tax. The city estimates a net annual increase of \$11 per year (or less than \$1 per month) for a home with a current assessed value of \$519,450.

- Sedro-Woolley registered voters will be eligible to vote on future library ballot initiatives, bonds and property tax levies.

Key Point if Annexation Fails

The city's annual payment to the library district is tied to the library district's levy rate. If the library district passed a levy lid lift it would significantly increase the payment from the city to the library district, with no corresponding city revenue. This will require the city to decrease other core city services.

Additional Notes

The estimates presented do not include a library district levy lid lift in 2027 or 2028. The City of Sedro-Woolley and the Central Skagit Rural Partial-County Library District are two separate local governments. The City has no authority to determine whether the library district puts a ballot measure to voters regarding a levy lid lift. The library district has not formalized a timeline for a potential levy lid lift, so those calculations are not included in the financial analysis included in the attached documents.

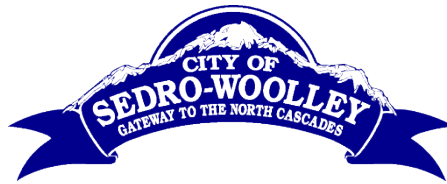
The Skagit County Assessor Danny Hagen provided some information at the July 8, 2026, council meeting. He noted there would be no financial impact to Sedro-Woolley residents if the city lowered its property tax budget by the amount the library district would collect (if the city was annexed). However, the city intends to offset the majority of the library district's property tax collection but not the full amount. On May 6, 2026, the City Council was presented with five options related to library services. City Council selected option 2, the City of Sedro-Woolley will place an annexation on the November 2026 ballot and reduce the city's property levy by up to \$474,115. This is the amount the city owed the library district in 2025 (the city's baseline payment). As noted above, the city anticipates the net increase of the library district and the city property tax in 2028 to be \$11 per year on a home with a current assessed value of \$519,450. This would also represent a less than \$7 increase on a home with a current assessed value of \$309,000.

The calculations used in the city's financial analysis assume the assessed value of properties in the city and the library district will increase from year to year, resulting in the library district levy rate decreasing to an estimated \$0.2320 per \$1,000 of assessed value in 2028.

FISCAL IMPACT, IF APPROPRIATE:

ATTACHMENTS:

1. Ordinance 2124-26_Intent to Annex Into Library District
2. One Pager_Info Flier_Library Annexation
3. Detail Information_Library Annexation



ORDINANCE NO. 2124-26

AN ORDINANCE OF THE CITY OF SEDRO-WOOLLEY, WASHINGTON, DECLARING THE CITY'S INTENT TO JOIN AND BE ANNEXED INTO THE CENTRAL SKAGIT RURAL PARTIAL-COUNTY LIBRARY DISTRICT; FINDING THAT THE PUBLIC INTEREST WILL BE SERVED THEREBY; AND REQUESTING THE CONCURRENCE OF THE LIBRARY DISTRICT BOARD OF TRUSTEES.

WHEREAS, pursuant to RCW 27.12.360 the process of annexation is initiated by an ordinance of the City Council stating the City's intent to join the Library District and finding that the public interest will be served thereby; and,

WHEREAS, as the City has no Library Board, the State Librarian has been notified of this ordinance prior to approval pursuant to RCW 27.12.360; and,

WHEREAS, if the Library District concurs in the annexation, notification thereof shall be transmitted to the Skagit County Commissions, to include on the November 2026 general election; and,

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SEDRO-WOOLLEY DO ORDAIN AS FOLLOWS:

Section 1. Declaration of Intent and Finding. The City of Sedro-Woolley hereby declares its intent to join and be annexed into the Central Skagit Rural Partial-County Library District. Having reviewed the options for providing library services to the residents of the City, the City Council finds that the public interest will be served thereby.

Section 2. Request for Concurrence of Library District. Pursuant to RCW 27.12.360, the City Council requests that the Board of Trustees of the Central Skagit Rural Partial-County Library District concur in the proposed annexation of the City into the Library District and provide notification thereof to the Skagit County Commissioners. The City Clerk is authorized and directed to forward a certified copy of this Ordinance to the Board of Trustees of the Library District.

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

Section 4. Corrections. Upon approval by the city attorney, the city clerk or code reviser are authorized to make necessary corrections to this Ordinance, including scrivener's errors or clerical mistakes; reference to other local, state, or federal laws, rules, or regulations; or numbering or referencing of ordinance or their sections and subsections.

PASSED BY THE CITY COUNCIL AND APPROVED BY THE MAYOR THIS 22nd
DAY OF JULY 2026.

ATTEST:

JoEllen Kesti, Mayor

Kelly Kohnken, Finance Director

APPROVED AS TO FORM:

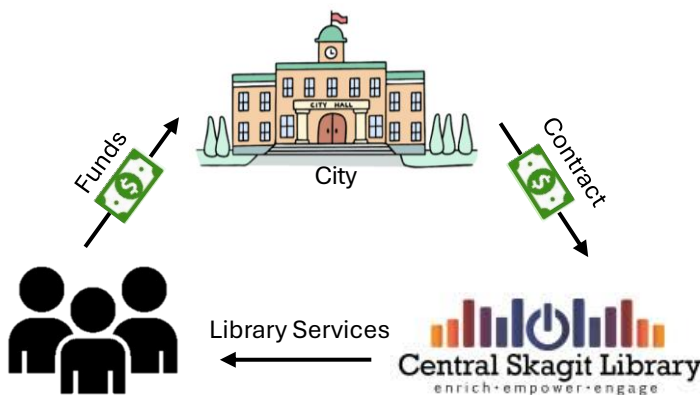
Dan Curtis, City Attorney

SEDRO-WOOLLEY LIBRARY ANNEXATION VOTE

The November 3, 2026, general election will include a ballot proposition for the City of Sedro-Woolley to join and be annexed into the Central Skagit Library District.

HOW LIBRARY SERVICES ARE CURRENTLY FUNDED

The City of Sedro-Woolley collects property tax, sales tax, and utility taxes from residents and from activities taking place in Sedro-Woolley. Although not a part of the library district, the city pays the library district each year so Sedro-Woolley residents have access to library service. This is done through an interlocal agreement.



WHY CONSIDER ANNEXATION NOW?

✓ IF ANNEXATION PASSES

Sedro-Woolley residents would directly fund library services, instead of passing funds through a third party (the city).

Sedro-Woolley residents would be eligible to vote on library district ballot initiatives, bonds, and property tax levies.

✗ IF ANNEXATION FAILS

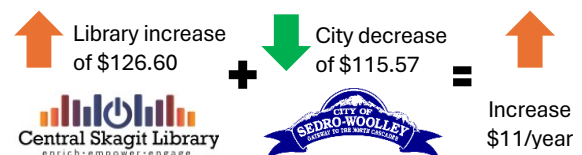
The city's annual payment to the library district is tied to the library district's levy rate. If the library district passed a levy lid lift it would significantly increase the payment from the city to the library district, with no corresponding city revenue. This will require the city to decrease other core city services.

TIMELINE

Due to state requirements, if voters approve the annexation in November 2026, the library district would begin collection of property tax within the city limits in 2028. The city would continue to pay the library district for library services through 2027.

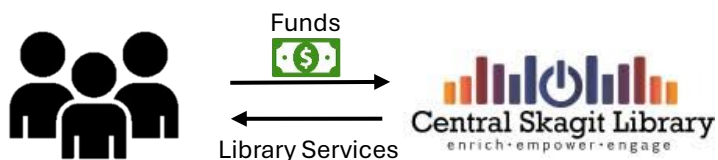
PROPERTY TAX IMPACT

The city estimates the library would collect approximately \$517,255 in 2028. In 2028 the city would reduce its budgeted levy by up to \$474,115 to offset most of the library district's property tax. The city estimates the library would collect \$126.60 in 2028 from a home with a current assessed value of \$519,450. City property tax would decrease by an estimated \$115.57 in 2028. A net increase of \$11 per year.



FUNDING IF ANNEXATION PASSES

If Sedro-Woolley is annexed into the library district, Sedro-Woolley residents would pay the library district directly and continue to receive library services.



Same as other districts such as the Sedro-Woolley School District and Port of Skagit.

LEARN MORE

For more information, visit sedro-woolley.gov
Don't forget to return your ballot by
November 3, 2026, at 8:00pm.



SEDRO-WOOLLEY LIBRARY ANNEXATION VOTE

BACKGROUND

The November 3, 2026, general election will include a ballot proposition for the City of Sedro-Woolley to join and be annexed into the Central Skagit Library District.

The Central Skagit Rural Partial-County Library District, commonly known as the Central Skagit Library was created in 2012. In 2017 the City of Sedro-Woolley entered into a partnership agreement with the Central Skagit Library to provide library services to the community and to construct a new library within the city. The new 12,000 square foot library opened in 2021.

For tax levying purposes, the library district covers the surrounding rural areas in Skagit County that are within the Sedro-Woolley School District boundaries but does not include Sedro-Woolley city limits. Services provided to Sedro-Woolley residents are based on an interlocal agreement between the City of Sedro-Woolley and the Central Skagit Library.

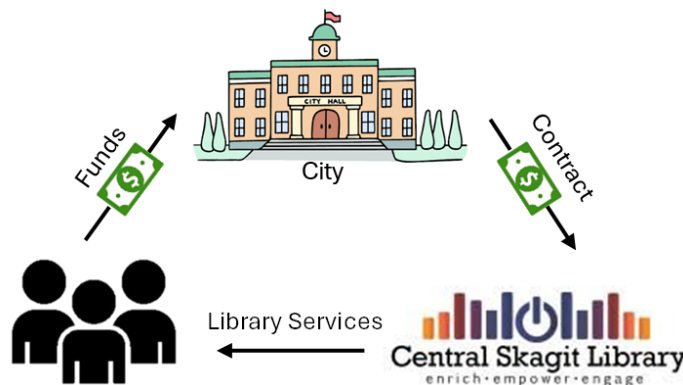
HOW LIBRARY SERVICES ARE CURRENTLY FUNDED

Residents of the Central Skagit Library District:

Property owners in the jurisdiction of the Central Skagit Library fund the library district directly with their property tax. In 2026, the Central Skagit Library had a budgeted property tax levy of \$991,893, with total assessed value of \$4,127,445,721, resulting in a levy rate of \$0.2403 per \$1,000 of assessed value.

Residents of the City of Sedro-Woolley:

The City of Sedro-Woolley collects property tax, sales tax, and utility taxes from residents and from activities taking place in Sedro-Woolley. Although not a part of the library district, the city pays the library district each year so Sedro-Woolley residents have access to library service. This is done through an interlocal agreement.



WHAT IS AN INTERLOCAL AGREEMENT?

An internal agreement, commonly referred to as an ILA, is a formal written contract between two or more local governments or public agencies and typically involving collaboration on a specific project or service. Under Washington's Interlocal Cooperation Action, ILAs allow these entities to jointly provide services, share personnel/resources, build facilities and contract for services (such as library services).

PAYMENT TERMS OF THE INTERLOCAL AGREEMENT

"The City agrees to pay to the District in each calendar year during the Term, for library services for the calendar year in which such payment is made, a fee equal to the remainder of (a) the product of (i) the District's regular levy rate for rural library purposes for that year, multiplied by (ii) the assessed valuation used for levies collectible in that year of all property, including new construction, with City boundaries, divided by (iii) \$1,000, less (b)(i) that year's debt service bonds issued by the City to finance the New Library..."

Description	2024	2025	2026
(a)(i) District general tax levy rate:	0.2464	0.2445	0.2403
(a)(ii) City AV for general tax purposes	1,857,225,515	1,939,120,914	2,061,577,209
(a)(iii) \$1,000	1,000	1,000	1,000
Amount owed to Library District	457,620	474,115	495,397
(b)(i) Less debt service paid	(352,862)	(352,879)	(352,916)
Amount due to Library District	\$ 104,758	\$ 121,236	\$ 142,481
Percent change in library district levy rate		-0.77%	-1.7%
Percent change in city property value		4.4%	6.3%
Percent change in city payment to library district		3.6%	4.5%

The city is paying the same levy rate as the rest of the library district, however, the assessed value of all property in Sedro-Woolley is increasing at a higher rate than the rest of the district. Because the assessed value within the district boundaries increased, the levy rate decreased by 0.77% and 1.7% in 2025 and 2026. However, Sedro-Woolley's assessed value of all property increased by 4.4% and 6.3%, resulting in the city's payment to the library district increasing by 3.6% and 4.5%. The city anticipates this trend to continue.

WHAT IS AN ANNEXATION?

Annexation is a process in which voters in a jurisdiction choose to legally join another jurisdiction. For example, the City of Sedro-Woolley joining the Central Skagit Library. Properties and residents can be a part of multiple jurisdictions. For example, a home in Sedro-Woolley is a part of the City of Sedro-Woolley, the Sedro-Woolley School District, Skagit County, the Port of Skagit County, etc.

WHY IS THE CITY CONSIDERING ANNEXATION INTO THE LIBRARY DISTRICT?

The Central Skagit Library District Board of Trustees is discussing a library district levy lid lift in a future year. If library district voters approve a lid lift, it will increase the library district's levy rate. With the city's current ILA with the library district, this would significantly increase the payment from the city to the library district with no additional city revenue source to offset the additional payment. On May 6, 2026, the City Council were presented with five options related to library services. City Council selected option 2, the City of Sedro-Woolley will place an annexation on the November 2026 ballot and reduce the city's property levy by up to \$474,115.

Additional considerations for annexation:

- Sedro-Woolley residents would directly fund library services, instead of passing funds through a third party, the City of Sedro-Woolley.
- It would ensure Sedro-Woolley residents had permanent access to library services.
- Sedro-Woolley residents would have a vote on library matters including district ballot initiatives, bonds, and property tax levies.
- The library district would be directly accountable to Sedro-Woolley residents.

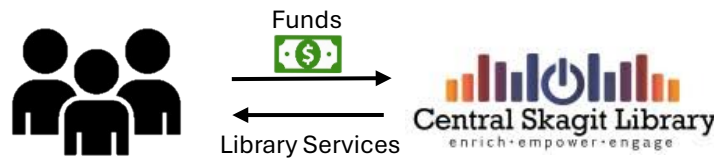
WHAT IS A LEVY LID LIFT?

In Washington, by law, local governments can increase their budgeted levies (the total amount of property tax collected within their jurisdiction) by 1% each year, plus new construction. For example, if a jurisdiction's 2025 budgeted levy was \$100, in 2026 the jurisdiction could collect \$101 (plus new construction). Often the 1% annual increase does not keep up with inflation and the rising cost of labor and other local government expenditures.

A levy lid lift allows local governments to ask voters to increase property tax above the state's standard of 1% annually. Levy lid lifts require voter approval through a ballot proposition and must be below the maximum statutory levy rate. There are several different types of levy lid lifts including permanent single-year, temporary single-year, permanent multi-year and temporary multi-year.

IF ANNEXATION PASSES FUNDING

If Sedro-Woolley is annexed into the library district, Sedro-Woolley residents would pay the library district directly and continue to receive library services. City residents would be eligible to vote on any library district proposition as of January 1, 2027, and forward.



TIMELINE

State law requires the boundaries for the taxing district are set on August 1 for the following year. If voters approve the annexation in November 2026, the library district boundaries would be set on August 1, 2027, and the library district could begin collection of property tax within the city in 2028. The city would continue to pay the library district for library services through 2027.

PROPERTY TAX COLLECTION

In 2026, the city collected \$5,119,962 in property tax. Based on the interlocal agreement, the city paid the library district \$495,397 for library services in 2026. The payment is not directly tied to city property tax. The city can use any unrestricted revenue source, including property tax, sales tax and utility taxes, to make the library payment.

The library district's 2026 levy rate is \$0.2403 per \$1,000 of assessed value. The city estimates the rate will be \$0.2320 per \$1,000 of assessed value in 2028 and estimates the library district would collect \$517,255 within Sedro-Woolley. In

2028 the city would reduce its budgeted levy by up to \$474,115 to offset most of the library district's property tax. The \$474,115 amount corresponds with the amount the city owed the library district in 2025 (the city's baseline payment).

The city estimates the library would collect \$126.60 in 2028 from a home with a current assessed value of \$519,450. City property tax would decrease by an estimated \$115.57 in 2028. Annexation into the library district would result in an estimated net increase of property tax of \$11 per year.



These estimates do not include a library district levy lid lift in 2027 or 2028. The City of Sedro-Woolley and the Central Skagit Rural Partial-County Library District are two separate local governments. The City has no authority to determine whether the library district puts a ballot measure to voters regarding a library levy lid lift. The library district has not formalized a timeline for a levy lid lift, so those calculations are not included in this property tax estimate.

	2026	2027	2028
Interlocal Agreement Payment to Library District			
(a)(i) District general tax levy rate:	0.2403	0.2361	-
(a)(ii) City AV for general tax purposes	2,061,577,209	2,144,040,297	-
(a)(iii) \$1,000	1,000	1,000	1,000
Amount owed to Library District	495,397	506,208	-
Library Budgeted Levy			
Library district general tax levy rate	-	-	0.2320
Library assessed value in city limits	-	-	2,229,801,909
\$1,000	1,000	1,000	1,000
Library budgeted levy	-	-	517,255
City Budgeted Levy			
Prior Year Levy	5,033,083	5,119,962	5,196,762
New Construction	86,879	76,799	77,951
Deduction Due to Annexation			(474,115)
City budgeted levy	5,119,962	5,196,762	4,800,598
City assessed value	2,061,577,209	2,144,040,297	2,229,801,909
City levy rate	2.4835	2.4238	2.1529
Total City and Library Property Tax			
Total city and library property tax levied	5,119,962	5,196,762	5,317,853
Total levy increase		76,799	121,091
Assessed value of average home	519,450	532,436	545,747
City and library levy rate combined	2.4835	2.4238	2.3849
City and library annual property tax assessment on average home	1,290	1,291	1,302
Annual Increase from Prior Year		0	11

The calculation also assumes assessed value of properties in the city and the library district will increase from year to year.

WHAT HAPPENS TO THE INTERLOCAL AGREEMENT?

The city and the library district are currently in discussions about revising the terms of the interlocal agreement. The revised agreement would include the city's payment to the library district in 2027. It would also include the termination of that payment in 2028 and forward, and the library district paying the city for annual interest and principal payments on the outstanding library building debt. It would also outline the reversion of the property to the City of Sedro-Woolley if the

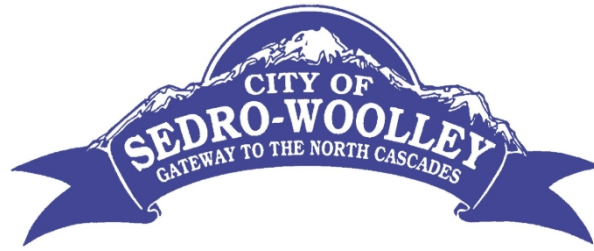
library district ever dissolved. As of July 8, 2026, this agreement is not finalized. The city hopes to bring the interlocal agreement to City Council for approval on July 22, 2026.

IF ANNEXATION FAILS

If the annexation fails and the library district proposes a levy lid lift, in a future year, Sedro-Woolley residents would have no vote on the initiative. If the library district passes a levy lid lift, the city would be required to pay the library district a proportionate increase with no corresponding city revenue. For example, if the library district passes a levy lid lift for 2028 at \$0.45 per \$1,000 of assessed value. The city's estimated payment to the library district would be \$1,003,411. This is a \$497,203 increase from the estimated payment in 2027 and a \$529,296 increase from the \$474,115 actually paid in 2025 (as the city's annual payment has increases over the years, the city considers the 2025 amount the baseline payment).

The city does not have an increasing revenue stream to make this additional payment, nor does it have reserve funds to sustain a similar payment annually. Making this payment would require the city to decrease expenditures in other core services.

Special Note: The library district can assess up to \$0.50 per \$1,000 of assessed value. The City used \$0.45 per \$1,000 of assessed value as a placeholder. If the library district chooses to ask voters for a levy lid lift, the amount will be determined by the library district Board of Trustees. The amount included in the City's calculation is a placeholder for the sole purpose of analyzing potential financial impacts.



City Council Agenda Item

Agenda Item No.: 1.2.

Date: July 22, 2026

From: Kelly Kohnken, Finance Director / City Clerk

Subject: Resolution 1191-26 - Ballot Proposition for Library District Annexation - 2nd
Read

RECOMMENDED ACTION:

Motion to approve Resolution 1191-26 providing for a ballot proposition annexing the City of Sedro-Woolley into the Central Skagit Rural Partial-County Library District.

BACKGROUND/SUMMARY INFORMATION:

See Ordinance 2124-26 for additional information.

The format and content requirements for local measure ballot titles are very specific and must conform to state law. Each ballot title must contain the following elements:

- Identification of the enacting legislative body
- A statement of the subject matter not exceeding 10 words in length
- A concise description of the measure not exceeding 75 words in length
- A question

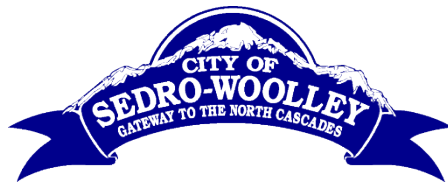
Additionally, each ballot title must be accompanied by an explanatory statement that must be 200 words or less.

The attached resolution meets state law requirements for local ballot propositions.

FISCAL IMPACT, IF APPROPRIATE:

ATTACHMENTS:

1. Resolution 1191-26_Annexation Ballot Language
2. 2026 Election Guide for Jurisdictions



RESOLUTION NO. 1191-26

A RESOLUTION OF THE CITY OF SEDRO-WOOLLEY PROVIDING FOR A BALLOT PROPOSITION ANNEXING THE CITY OF SEDRO-WOOLLEY INTO THE CENTRAL SKAGIT RURAL PARTIAL-COUNTY LIBRARY DISTRICT.

WHEREAS, the City of Sedro-Woolley has a population of 300,000 or less; and

WHEREAS, on July 22, 2026, following a first-read on July 8, 2026, the Sedro-Woolley City Council, approved Ordinance 2124-26 declaring the City's intent to join and be annexed into the Central Skagit Rural Partial-County Library District; finding that the public interest will be served thereby and requesting the concurrence of the Library District Board of Trustees; and

WHEREAS, as the City has no Library Board, the State Librarian has been notified of Ordinance 2124-26 prior to approval pursuant to RCW 27.12.360; and,

WHEREAS, a resolution of the Board of Trustees of the Central Skagit Rural Partial-County Library District is expected to formally concur with the City's request to be annexed into the library district at a special meeting on July 23, 2026, and if they concur, that this Resolution shall be submitted to the Skagit County Auditor in conjunction with the District's resolution in concurrence.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEDRO-WOOLLEY AS FOLLOWS:

Section 1. Findings. The City Council finds that the public interest will be served by the City of Sedro-Woolley joining and being annexed into the Central Skagit Rural Partial-County Library District.

Section 2. Calling of Election Regarding Annexation into the Central Skagit Rural Partial-County Library District. The Skagit County Auditor, as ex officio supervisor of elections in Skagit County, is hereby requested to call and conduct a vote to the qualified electors of the City of Sedro-Woolley a proposition whether the City shall annex to and be a part of the Central Skagit Rural Partial-County Library District for their ratification or rejection at the election to be held on November 3, 2026.

Section 3. Ballot Proposition. The City Clerk is hereby authorized and directed to certify a proposition to the Skagit County Auditor, as ex officio supervisor of elections in Skagit County, Washington, in substantially the following form:

City of Sedro-Woolley | Proposition No. 1

Proposition No. 1

Annexation Into Central Skagit Rural Partial-County Library District

The City Council of Sedro-Woolley adopted Resolution Number 1191-26 concerning annexation into the Central Skagit Rural Partial-County Library District. The Central Skagit Rural Partial-County Library District (known as the Central Skagit Library) covers the surrounding rural areas within the Sedro-Woolley School District boundaries but does not include City of Sedro-Woolley city limits. Library service provided to Sedro-Woolley residents is based on an agreement between the City of Sedro-Woolley and the Central Skagit Library. Voter approval of Proposition 1 will result in Sedro-Woolley becoming a part of the Central Skagit Library.

Should the City of Sedro-Woolley be annexed to and become a part of the Central Skagit Rural Partial-County Library District?

YES ☐

NO ☐

Explanatory Statement

City of Sedro-Woolley

If approved, City residents would remain eligible for library services and, beginning January 1, 2027, would be eligible to vote on library district ballot propositions. Because taxing district boundaries for the following tax year are set on August 1, the library district could begin levying property taxes within the city limits in 2028. The City would continue paying for library services through 2027. The City estimates that in 2028 the library district levy rate would be \$0.2320 per \$1,000 of assessed value and that the district would collect approximately \$517,255 from property within the City. The City intends to reduce its budgeted property tax levy by up to \$474,115 in 2028 to offset most of the new library district property tax. Based on current estimates, a home with an assessed value of \$519,450 would pay approximately \$11.00 more in property tax in 2028. If the proposition is rejected, the City would remain outside the library district and library services would continue to be governed by the interlocal agreement, unless changed by the City and the district. If rejected, City residents would be ineligible to vote on library district ballot propositions, including library district property tax propositions (levy lid lifts).

PASSED by majority vote of the members of the Sedro-Woolley City Council this 22nd day of July 2026.

JoEllen Kesti, Mayor

Attest:

Kelly Kohnken, Finance Director

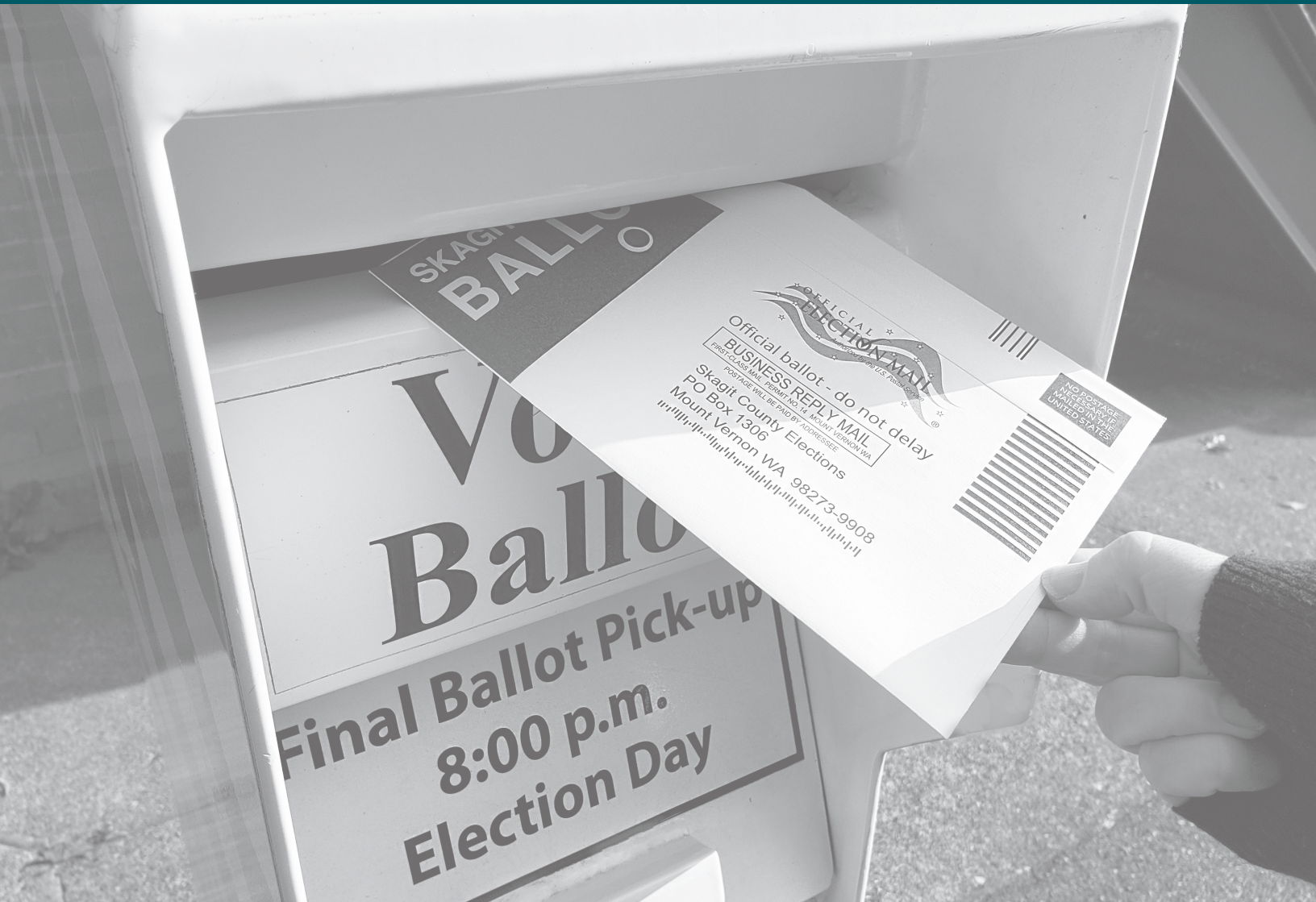
Approved as to form:

Dan Curtis, City Attorney

Election Guide for Jurisdictions

Including local voter's pamphlet rules

Updated March 2026



Skagit County Elections
700 S. 2nd St, Room 139
Mount Vernon, WA 98273

sselections@co.skagit.wa.us
skagitcounty.net/elections
360-416-1702



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Contact Information

Skagit County Elections Office

Physical address

700 S. 2nd St, Room 139
Mount Vernon, WA 98273

Mail

PO Box 1306
Mount Vernon, WA 98273

Website www.skagitcounty.net/elections

Voter portal www.votewa.gov

Phone 360-416-1702

Email sselections@co.skagit.wa.us

Washington Secretary of State

Election Division

www.sos.wa.gov

PO Box 40232
Olympia, WA 98501
360-902-4180
(main phone for Elections in Olympia)

About this Guide

This guide should be used in conjunction with state and local laws, not in place of them. The Revised Code of Washington, Washington Administrative Code, and other notations are offered as references for additional research. The material contained herein may change due to new legislation, judicial determination, or rule changes.

Local Voters' Pamphlet

Publication of Local Voters' Pamphlet

Skagit County publishes a local voters' pamphlet for each election. Jurisdictions with measures or candidates on the ballot are automatically included. It is available in print and on our website.

For each measure, the pamphlet includes:

- Official ballot title
- Explanatory statement
- "For" and "Against" statements, if submitted
- Rebuttal statements, if submitted
- Committee contact information

The full text of a resolution calling for an election isn't printed in the local voters' pamphlet. Resolutions are posted to skagitcounty.net/elections.

The Elections Department of the Auditor's Office will determine how the local voters' pamphlet will be distributed, based on the size of the election and the number of jurisdictions participating. The local voters' pamphlet may be distributed in any one of the following ways.

- By mail to all households (saturation)
- By mail to all registered voter households
- Included with the ballot and mailed to each registered voter

Cost of Participating in an Election

Each Jurisdiction is responsible for paying its proportionate share of election costs. Skagit County will bill the jurisdiction directly for these costs.

Allocation of election costs is based upon the jurisdiction's registered voter count as a percentage of registered voters in all jurisdictions participating in that election.

Election costs vary from one election to the next depending on a variety of factors. However, the number of participating jurisdictions and their respective size is the primary variable. For example, an election shared by 5 jurisdictions will likely cost more per voter than an election shared by 15 jurisdictions.

Special elections in February and April are often shared by a smaller number of jurisdictions. Thus, the proportionate share of the cost is often greater and, in some cases, may be 100% of the cost (e.g., a single jurisdiction election).

A specific cost or quote cannot be provided in advance of an election. The cost allocation is dependent upon the number of jurisdictions and registered voters participating in the election. Estimates can be provided and will be based on a reasonable range, taking into account historical information and specific known information about a particular election date.

The preparation of a local voters' pamphlet is an election cost. It is billed to local jurisdictions in the same manner as other election costs.

If a mandatory recount is required for a candidate in a jurisdiction, the cost of the recount is billed to the jurisdiction.

Filing a Resolution and Ballot Title

Submittal Process for Resolutions

Submitting a resolution

Resolutions calling for an election by a jurisdiction shall be submitted on or before the resolution deadline established by state law. See page 11 for resolution deadlines.

Resolutions can be emailed to sselections@co.skagit.wa.us

Withdrawing a resolution

If a jurisdiction wishes to withdraw a submitted resolution, a written request must be submitted to Skagit County Elections no later than 7 business days after the submission deadline. The jurisdiction must inform our office who has the authority to make the request. Alternatively, the jurisdiction could add withdrawal language to the submitted resolution (Example: If Prop 1 passes in the Primary this resolution shall be withdrawn).

A **Resolution Cover Sheet** is mandatory and must accompany each resolution. This cover sheet contains important contact information required by the Elections Department. A Resolution Cover Sheet is available on page 14, on our website, or by request.

Upon receipt of the cover sheet and resolution, the Elections Department will send a receipt of resolution to the person submitting. The resolution will be posted to our website.

Ballot Titles for Local Measures

For measures submitted to the voters of a city or town, the official ballot title is prepared by the city or town attorney. For measures submitted to the voters of a unit of local government other than a city or town (e.g., a county, fire district or school district), the official ballot title is prepared by the Skagit County Prosecuting Attorney.

The format and content requirements for local measure ballot titles are very specific and must conform to state law. Each ballot title must contain the following elements:

- Identification of the enacting legislative body
- A statement of the subject matter not exceeding 10 words in length
- A concise description of the measure not exceeding 75 words in length
- A question

Jurisdictions are responsible for verifying the accuracy of ballot titles as authored. Skagit County Elections does not assume responsibility for ensuring that the ballot title aligns perfectly with the resolution's intent.

Ballot Title Appeal

Any person dissatisfied with the ballot title for a local measure written by a city attorney, town attorney, or Prosecuting Attorney, may appeal to the Skagit County Superior Court pursuant to RCW 29A.36.090.

Voters' Pamphlet Statements

Explanatory Statement for Local Measure

Each ballot title must be accompanied by an explanatory statement.

The purpose of an explanatory statement is to state the effect of the proposed measure if approved by the voters. It must be impartial, written in clear and concise language, avoid the use of legal and technical terms whenever possible, and conform to the formatting requirements outlined below.

Length

Explanatory statements must be **200** words or less, in block paragraph form.

Format

Up to three paragraphs may be used. The Auditor's Office reserves the right to eliminate excessive paragraph returns if the statement doesn't fit within the space provided.

Italics may be used to emphasize specific words or statements. Any other formatting, such as bold, underline, or all caps, will be changed to appear in italics.

The use of lists or bullets is not allowed. Lists or bullets will be converted to block paragraph, with a semicolon to separate each item.

Explanatory statements shall limit the language to the proposition to which it pertains. It may not endorse, speak about, or advocate for or against another proposition or measure.

Establishing Committees "For" and "Against" a Local Measure

For each measure from a jurisdiction that is included in the local voters' pamphlet, the legislative authority of that jurisdiction shall formally appoint committees "For" and "Against" the measure by the statutory deadline.

Any person appointed to a committee must reside within the jurisdictional boundaries. The jurisdiction shall appoint persons that are known to favor the measure to serve on the "For" committee and shall appoint persons known to oppose the measure to serve on the "Against" committee. An email is required for each committee appointed for correspondence with the Elections Department.

Each committee shall consist of not more than three members; however, a committee may seek the advice of any other person or persons. The Committee Member Appointment Form must be submitted by the deadline to appoint committees. See form on page 15.

If such persons are not immediately known, the jurisdiction is encouraged to employ some formal means of notifying the public that members of the "For" and "Against" committees are being sought.

The jurisdiction is responsible for providing committee members with copies of instructions, specifications, and deadlines for all statements.

The committee spokesperson shall be responsible for submitting the statement and communicating with the Elections Department. The committees are solely responsible for submitting their statements by email to the Elections Department in accordance with the specified timeline for that election. See page 11.

Titles for committee member names will not be published in the local voters' pamphlet.

Appointments by the Auditor

If a jurisdiction fails to appoint "For" and "Against" committees by the deadline established by the jurisdiction or the Auditor's Committee Form submittal deadline (whichever comes first), the Auditor's Office will seek out and, whenever possible, appoint up to three members to each committee.

If the jurisdiction has appointed one, two, or three members to a committee, the Auditor will consider the committee completed and formed. The Auditor won't seek or appoint additional members.

When the Auditor's Office is responsible for appointing committees, it may, in its sole discretion, seek committee appointments through press releases or notices on the Auditor's website.

Appointments will be made in the order the requests from qualified applicants are received by email. The email request must include the applicants' name, voter registration address, phone number, and the district they wish to write a statement for. The Auditor will accept email requests for appointment as soon as the jurisdiction has indicated they will not be appointing a committee or the appointment form submittal deadline has passed.

The Auditor's Office will use the following criteria to determine an applicant's eligibility when making appointments:

- Applicant must reside within the jurisdictional boundaries
- Applicant has demonstrated the ability to communicate rapidly by email
- Applicant agrees to work collaboratively with co-committee members

The deadline for an interested party to request a committee appointment is 12:00 noon on the date that "For" and "Against" statements are due. See page 11.

Appointment requests must be made by email to:

sselections@co.skagit.wa.us

Appointed committee members will be notified by email. The appointed committee must abide by the specified timelines for submitting statements for that election.

It is not the responsibility of the Auditor's Office to coordinate communication between committee members or to arbitrate disagreements among them.

The first person appointed by the Auditor's Office will be designated as the 1st Committee Member and spokesperson for the committee. Should the committee be unable to agree or if multiple statements are submitted, the statement submitted by the 1st Committee Member will be the statement printed in the local voters' pamphlet.

If a committee member wishes to withdraw before a statement has been submitted, they must notify the Auditor's Office by email at least 24 hours prior to the submittal deadline for the statement. Should a committee member wish to withdraw after the statement has been submitted, the withdrawal will be honored provided at least one member remains on the committee and the pamphlet has not gone to print.

Once statements have been submitted by email, statements are considered final and may not be amended.

Committee Statements

"For" and "Against" Statements

Length

"For" and "Against" statements must be **250** words or less, in block paragraph form.

If a "For" or "Against" statement is received before the deadline and exceeds the applicable word limit the committee will be notified by email and asked to delete words, paragraphs or sentences. Changes after the deadline are not allowed unless requested by the Auditor's Office. The shortened statement must be received by the deadline or complete sentences will be removed until the word limit is met.

Format

Up to four paragraphs may be used.

The Auditor's Office reserves the right to eliminate excessive paragraph returns if the statement doesn't fit within the space provided.

Italics may be used to emphasize specific words or statements. Any other formatting, such as bold, underline, or all caps, will be changed to appear in italics.

The use of lists or bullets is not allowed. Lists or bullets will be converted to block paragraph, with a semicolon to separate each item.

Committee member names, a contact phone number, an email address and/or website address will be printed in the local voters' pamphlet but aren't included in the 250-word count. At least one method of contact (phone, email, website address) must be provided for print in the local voters' pamphlet.

No more than **eight** words are allowed for a committee name.

Committee member names and the email contact information for the committee spokesperson will be provided to interested parties upon request. The request can be by email or phone. A formal "Public Records Request" is not required for this information.

Content

All Statements

Committee members shall limit their statement (in support or against) to the proposition to which they were appointed. They may not endorse, speak about, or advocate for or against another proposition, measure, or candidate.

Pursuant to RCW 29A.32.230, the Elections Department may reject certain materials submitted for publication. These materials include, without limitation, explanatory statements, "For" or "Against" statements, rebuttal statements, or contact information that:

- Is obscene
- Is libelous
- Contains a commercial advertisement
- Contains matter prohibited by law from distribution through the mail
- Contains matter not limited to the candidate or to the measure or political office
- Contains matter that is otherwise inappropriate or that does not comply with applicable law
- Was received after the submittal deadline

Rebuttal Statements

If both "For" and "Against" statements are submitted, the Elections Department will email the text of the statement to the spokesperson for the opposing committee listed on the committee appointment form. This will be done once the submittal deadline has passed.

Rebuttal statements are not required; however, it gives each committee an opportunity to provide a response to the opposing statement.

The failure of a committee to submit a "For" or "Against" statement will disqualify the committee from submitting a rebuttal statement.

Length

Rebuttal statements must be **75** words or less, in one block paragraph form.

If the rebuttal statement exceeds the applicable word limit, it will be shortened by deleting full sentences from the end until the limit is reached.

Format

Italics may be used to emphasize specific words or statements. Any other formatting, such as bold, underline, or all caps, will be changed to appear in italics.

The use of lists or bullets is not allowed. Lists or bullets will be converted to block paragraph, with a semicolon to separate each item.

Content

Rebuttal statements may not interject new issues or arguments and are limited to addressing issues and arguments raised in the opposing statement.

"For", "Against", and Rebuttal Statements can be email to:

sselections@co.skagit.wa.us

Statements must be submitted by email and are due by the deadline. Submittal deadlines are strictly observed. See page 11.

General Provisions Applicable to All Statements

The contents of candidate statements, explanatory statements, "For" or "Against" statements, and rebuttal statements are the sole responsibility of the authors and do not represent the position of the Auditor's Office or Skagit County regarding the measure or of any material contained therein; or are the Auditor's Office or Skagit County responsible for the validity or accuracy of the statements.

Statements should be edited and prepared as carefully as one would edit and prepare a resume. Spelling, grammar, and punctuation errors will not be corrected. Statement content will be printed as received, as long as

it complies with format specifications. The Elections Department has the right to make formatting adjustments to ensure the information fits properly into the voters' pamphlet.

Each part of a hyphenated or slashed word will be counted as a separate word. (Examples: Around-the-corner=3 words; and/or=2 words) Hyphenated City or Town names will count as 1 word (Example: Sedro-Woolley)

Be sure the campaign contact email, web address, or phone number to be included in the pamphlet is accurate and functional when submitted.

Once statements have been submitted by email, statements are considered final and may not be amended.

If a local measure crosses the county line, the voter pamphlet statement submittal for Skagit County shall be as required by the lead county. Only one version of the voter pamphlet needs to be submitted. We will obtain the information that was submitted to the lead county and include it in the Skagit County pamphlet.

Public Inspection of Statement

Statements submitted for publication in the local voters' pamphlet are not available for public inspection or copying until the deadline for submission of statements has passed. Requests for public inspection of arguments or statements shall be made in the same manner as requests for public records.

Rejection and Appeal

Rejection

Pursuant to RCW 29A.32.330, the Elections Department may reject certain materials submitted for publication in the local voters' pamphlet. These materials include, without limitation, candidate statements, explanatory statements, "For" or "Against" statements, rebuttal statements and contact information.

If a candidate statement, explanatory statement, "For" or "Against" statement, rebuttal statement or contact information is rejected by the Election Manager, a written notice of rejection shall be sent to the proponent by email not more than five business days after the deadline for the local voters' pamphlet submittal and shall set forth specific grounds for rejection.

Appeal

The proponent of a candidate statement, explanatory statement, "For" or "Against" statement, rebuttal statement or contact information, may appeal the Election Manager's decision to reject. A written notice of appeal shall be submitted to the Auditor by email not more than 48 hours after the notice of rejection was sent and shall set forth the specific grounds for appeal. The Auditor shall issue a written decision granting or denying the appeal by email not more than five business days after the appeal is submitted. The decision of the Auditor to grant or deny an appeal shall be final.

If material is rejected, the local voters' pamphlet will be printed with the rejected material omitted and the appropriate space left blank.

Statements – At a Glance

Statement Type	Word Limit	Formatting
Explanatory Statement	200	Allowed: <i>Italics</i> Not Allowed: Bold , ALL CAPS, <u>underlining</u> , lists, bullets
“For” and “Against” Statement	250	Allowed: <i>Italics</i> Not Allowed: Bold , ALL CAPS, <u>underlining</u> , lists, bullets
Rebuttal Statement	75	Allowed: <i>Italics</i> Not Allowed: Bold , ALL CAPS, <u>underlining</u> , lists, bullets
Contact Information	Does not count as part of word limit	Allowed: Committee member names; Contact phone number; Email address; Website; Committee name (eight words or less) At least one method of contact (phone, email, website address) must be provided. Not Allowed: Titles for committee members (Dr., President, PhD., etc)
All Statements A committee shall limit their statement (in support or against) to the proposition to which they were appointed. They may not endorse, speak about, or advocate for or against another proposition, measure, or candidate.		Allowed: Vote Yes on Proposition No. 1 Not Allowed: Vote Yes on Proposition No. 1 & 2; Vote No on all Propositions; Vote Yes on all school propositions; Vote yes on Proposition No. 1 and we support candidate x for mayor.

2026 Submittal Deadlines

Election Date	Feb. 10, 2026	Apr. 28, 2026	Aug. 4, 2026	Nov. 3, 2026
Jurisdiction's Responsibility and Deadlines				
1. Resolution				
2. Resolution Cover Sheet				
3. Explanatory Statement	Dec. 12, 2025	Feb. 27, 2026	May 1, 2026	Aug. 4, 2026
4. For and Against Committee Appointment Form				
Committee's Responsibilities and Deadlines				
For and Against Statements <i>(Written by the committees for or against the measure and emailed by this date)</i>	Dec. 17, 2025	March 6, 2026	May 8, 2026	Aug. 14, 2026
Rebuttal Statements <i>(Written by the committees for or against the measure and emailed by this date)</i>	Dec. 19, 2025	March 11, 2026	May 13, 2026	Aug. 19, 2026

Deadlines are 4:30pm on each designated day.

All documents must be emailed to sselections@co.skagit.wa.us

Office Holders

Skagit County Elections strives to keep accurate, up-to-date information regarding current office holders, but we need your help! Please notify our office of all vacancies and appointments that occur throughout the year.

Resignations & Appointments

Once an office becomes vacant, please fill out and return our Resignation and Appointment form as soon as possible.

Once an appointment is made, you can fill out the appointment section of the form and return to our office as well.

You can find the form on page 16, on our website, or by request.

Oath of Office

When should an oath of office be taken? All officials must take an oath of office prior to commencing the duties of the office.

Where do I obtain my oath of office? Winning candidates shall be mailed their oath of office by Skagit County Elections. You may also obtain a blank oath of office on our website or by request.

Who can administer oaths? RCW 29A.04.133 requires that the oath of office be administered and certified by any office or notary public authorized to administer oaths, without charge.

Six positions are specifically qualified by statute to administer oaths:

Judges and Notary Publics	RCW 5.28.010
Clerks of the Courts	RCW 2.32.050
County Commissioners	RCW 36.32.120
County Auditors or Deputies	RCW 36.22.030
Town Clerks	RCW 35.27.220
School Officials	RCW 28A.343.360

Filing your Oath of office: Once the oath of office has been taken for a local or county office, the original should be filed with Skagit County Elections.

Oath Deadlines

The following chart provides information about regular terms and specifics regarding administration and retention of oaths for various offices.

County Special Purpose District	Regular Term Begins	Where the Oath is filed	Citations
- County Officials - Executive Officers	January 1	Oath filed with County Auditor.	RCW 29A.60.280 RCW 36.16.040 RCW 36.16.060
District Court Judges	Second Monday in January	Oath filed with County Auditor.	RCW 3.34.070 RCW 3.34.080
- City and Town Officials - Executive Officers	January 1	Oath filed with County Auditor.	RCW 29A.60.280 RCW 35.27.120 RCW 35.23.081 RCW 35A.12.040 RCW 35A.12.080 RCW 35A.13.160
Municipal Court Judges	Cities over 400,000: Second Monday in January For all others, January 1	Oath filed with County Auditor.	RCW 3.50.050 RCW 3.50.097 RCW 35.20.140
Port District Commissioners	January 1	Oath filed with County Auditor.	RCW 29A.60.280 RCW 53.12.172
Public Utility District Commissioners	January 1	Oath filed with County Auditor.	RCW 29A.60.280 RCW 54.12.100
School Directors	Begins at first official meeting following certification of the election	Oath filed with County Auditor.	RCW 28A.343.360
- Fire Protection District Commissioners - District Secretary	January 1	Oath filed with County Auditor.	RCW 29A.60.280 RCW 57.14.070 RCW 52.14.080
- Sewer Commissioners - Water Commissioners - Hospital District Commissioners	January 1	Oath filed with County Auditor.	RCW 29A.60.280 RCW 57.12.030 RCW 70.44.040
Cemetery Districts	January 1	Oath filed with County Auditor.	RCW 29A.60.280 RCW 68.52.260
Park and Recreation District Commissioners	January 1	Oath filed with County Auditor.	RCW 35.61.050
Jurisdictions requiring land ownership (e.g. diking / flood control districts)	Upon certification of election	No statutory reference available.	RCW 85.24.070 RCW 85.38.070 RCW 86.09.301

Ballot Resolution Cover Sheet

Skagit County

This form **MUST** accompany each resolution for a ballot measure.

This form is to be completed by the jurisdiction administrator. They should have the authority and be available to answer questions. The completed form must be submitted to Skagit County Elections by 4:30 pm on the day of the deadline.

If you have any question on how to complete this form please contact Skagit County Elections at 360-416-1702.

District name: _____

District Address: _____

Election Date: _____

Contact person: _____ **Title:** _____

Phone number: _____ **Fax number:** _____

Contact email: _____

2nd Contact person: _____ **Title:** _____

2nd Contact phone: _____

2nd Contact email: _____

District attorney: _____

Attorney phone: _____ **Attorney fax:** _____

Attorney email: _____

Election type (levy, bond, levy lid lift, etc.): _____

State the pass/fail requirement for this measure as determined by your legal counsel:

Simple majority: _____ **60/40:** _____

Other (describe): _____

For/Against Committee Appointment Form

Skagit County

This form is to be completed by the jurisdiction administrator. The completed form must be submitted to Skagit County Elections by close of business on the day of the deadline.

If you have any questions on how to complete this form, please contact Skagit County Elections at 360-416-1702.

Name of jurisdiction/district

District contact person

Phone number

Email

We were unable to find any participants for;

For committee

Against committee

- The information listed in the Committee Spokesperson's place will be included in the voters' pamphlet.
- Committee member names will be listed in the pamphlet in the order they are listed on this form.
- Committee member titles will not be printed in the pamphlet.
- Committee member contacts must remain available throughout the submittal process.
- Committee email and website address must be functional when submitting this form.
- All committee members must live in the district for which the committee is participating.

The Committee Spokesperson is responsible for contact with the Elections Office on behalf of the committee

Committee advocating approval (for)

Committee Spokesperson

Name

Phone

Email

Website

Committee Name - no more than 8 words

Committee Member

Name

Committee Member

Name

Committee advocating rejection (against)

Committee Spokesperson

Name

Phone

Email

Website

Committee Name - no more than 8 words

Committee Member

Name:

Committee Member

Name

Resignation /Appointment Form – Skagit County

This form is to be completed by the jurisdiction.

Date

Name of jurisdiction/district

District contact person

Person submitting form

Contact phone

Contact email

Resignation – please send a copy of resignation letter/email etc., if available

Leave blank if only doing appointment

Name of person resigning

Position

Effective resignation date

Appointment – please send a copy of oath of office (if taken)*

No appointment at this time

Person being appointed

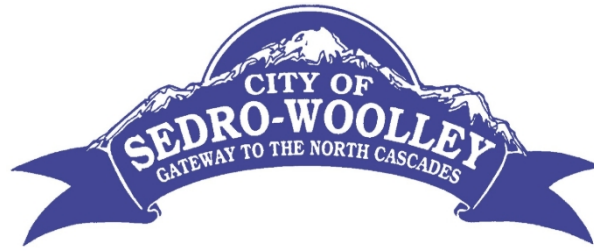
Person being replaced/Position being filled

Effective start date

Additional notes:

*Oath of office can be taken at the Skagit County Elections department

If you have any questions on how to complete this form please contact Skagit County Elections at 360-416-1702
or sselections@co.skagit.wa.us



City Council Agenda Item

Agenda Item No.: 1.3.

Date: July 22, 2026

From: Dan Curtis, City Attorney, Kelly Kohnken, Finance Director / City Clerk

Subject: Ordinance 2125-26 - Library District Pre-Annexation Agreement - Action Requested

RECOMMENDED ACTION:

Motion to approve Ordinance 2125-26 Amending the current interlocal agreement with the Central Skagit Rural Partial-County Library District by approving the library district pre-annexation agreement.

BACKGROUND/SUMMARY INFORMATION:

Summary: The agreement updates the parties' 2017 interlocal agreements governing library services, building ownership, financing obligations, and future annexation procedures. It is a necessary prerequisite to annexation.

Purpose: The purpose of the ordinance is to approve amendments that allow the City to consider annexation into the Library District before the date previously identified in the Partnership Agreement, solidify the interim provisions between now and potential annexation including the reversionary interest held by the City, remove the six-year accelerated bond repayment requirement, and establish a clearer process for ownership, reverter, and financial responsibilities if annexation is approved by voters.

Background: The City and the Library District entered into related interlocal agreements in 2017 to support development, ownership, and operation of the new library and to provide library services to City and District residents. Those agreements anticipated possible future annexation of the City into the District and addressed how title, reserve funds, and bond obligations would be handled if annexation occurred.

Additional Protections: The agreement also confirms that, in the interim joint ownership period and upon transfer of full title, a right of first refusal would preserve the City's ability to obtain the New Library building and underlying property at no additional cost if the District later dissolves or if a successor district assumes the District's assets and later dissolves.

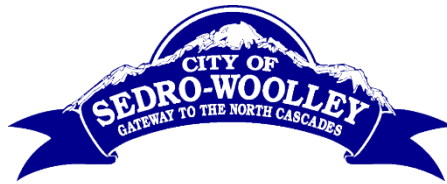
FISCAL IMPACT, IF APPROPRIATE:

The ordinance does not itself approve annexation or impose a new tax. The agreement is intended to account for the payment of outstanding library bonds at the current rate unless and until annexation occurs, in which case the City will be paid for its portion of the bonds by the Library according to the

agreed-upon schedule.

ATTACHMENTS:

1. Ordinance 2125-26_Amendment of ILAs by Approval of the Library District Pre-Annexation Agreement FINAL 2026-07-16
2. (Existing ILA) Library Services Agreement July 2017
3. (Existing ILA) Library Partnership Agreement July 2017
4. (Existing ILA) Library Building Joint Development and Ownership Agreement July 2017
5. (Amendment) Pre-Annexation Agreement with Exhibits



ORDINANCE NO. 2125-26

AN ORDINANCE OF THE CITY OF SEDRO-WOOLLEY, WASHINGTON, AMMENDING THE CURRENT INTERLOCAL AGREEMENTS WITH THE CENTRAL SKAGIT RURAL PARTIAL-COUNTY LIBRARY DISTRICT BY APPROVING THE LIBRARY DISTRICT PRE-ANNEXATION AGREEMENT.

WHEREAS, the City and the District are parties to (1) the Library Partnership Agreement dated July 2017 (the “Partnership Agreement”); (2) the Library Services Agreement dated July 2017 (the “Library Services Agreement”); and (3) the Building Joint Development and Ownership Agreement dated July 2017, as amended by the First Amendment to the Building Joint Development and Ownership Agreement dated March–April 2019 (as so amended, the “Building Agreement,” and together with the Partnership Agreement and the Library Services Agreement, the “ILAs”); and,

WHEREAS, the ILAs were negotiated and executed simultaneously as an integrated set of agreements governing the development, construction, ownership, and operation of the new library building (the “New Library”) and the provision of library services to residents of both the City and the District.; and,

WHEREAS, section 14 of the Partnership Agreement currently provides that “[n]o earlier than November 30, 2032, the City agrees to consider initiating the procedure for annexation of the City to the District pursuant to RCW 27.12.360.” The parties now wish to clarify their agreement that the City may consider and initiate such proceedings at any time, provided that the six-year accelerated repayment obligation is also removed from the Building Agreement; and,

WHEREAS, section 12(A) of the Building Agreement currently provides that upon voter approval of annexation of the City into the District, full title to the Premises (as defined in the Building Agreement) and the Joint Reserve Fund shall transfer to the District, but that the District shall be responsible to the City for any outstanding Bonds (as defined in the ILAs) due in full no later than the final Bond maturity or six years from annexation, whichever is sooner. The parties wish to eliminate the six-year accelerated repayment obligation and to substitute an arrangement under which the City retains its bond obligations and the District reimburses the City for required Bond payments following the Revenue Commencement Date as defined in the Pre-Annexation Agreement; and,

WHEREAS, the parties anticipate that City voters may approve annexation of the City into the District. If annexation is approved and becomes effective, the District will begin receiving property tax revenues from the annexed City area on a subsequent date (the “Revenue Commencement Date”). As of this writing, the Parties anticipate that the annexation may be approved by voters in November 2026, which would cause the Revenue Commencement Date to fall on or about January 1, 2028. The parties wish to address the transitional period between the effective date of annexation and the Revenue Commencement Date, and to confirm the ongoing Bond payment obligations of the parties thereafter; and,

WHEREAS, the parties wish to confirm that, following annexation and the transfer of full title to the Premises to the District, the District shall hold one hundred percent (100%) fee simple title to the New Library building and underlying real property, and to clarify the consequences for title if the District dissolves under RCW 27.12.320 or 27.12.470, consistent with and supplementing Sections 3, 12(B), and 12(C) of the Building Agreement; and,

WHEREAS, section 3 of the Building Agreement anticipated that the City would convey a fifty-nine percent (59%) ownership interest in the New Library to the District by deed, which was anticipated to include a “power of termination” in favor of the City in the event of the District’s dissolution under RCW 27.12.320 or 27.12.470. To the Parties’ current knowledge, such a deed has not yet actually been executed or delivered by the City to the District; and,

WHEREAS, the parties have conferred and agreed that the most pragmatic way to document the anticipated “power of termination” contemplated by the ILAs shall be through a carefully structured right of first refusal (the “Right of First Refusal”), which shall be recorded or memorialized on the New Library’s title; and,

WHEREAS, the parties now intend to fulfill the transfer obligation contemplated by Section 3 of the Building Agreement, by executing, delivering and recording a deed of transfer substantially concurrently with the execution of this Pre-Annexation Agreement, in the form attached hereto as Exhibit A (the “Interim Deed”). The Interim Deed shall convey the contemplated fifty-nine percent (59%) undivided ownership interest in the New Library to the District; and,

WHEREAS, to carry out their anticipated “power of termination” in favor of the City, the Parties also now intend to execute, deliver and record a Right of First Refusal, in the form attached hereto as Exhibit B (the “Right of First Refusal”), to carry out the intent of Sections 3, 12(B) and 12(C) of the Building Agreement thereof; and,

WHEREAS, the District Pre-Annexation Agreement is to be recorded with the Skagit County Auditor following approval of the Agreement by a majority vote of the City Council. The recitals L and M of the Library District Pre-Annexation Agreement are self-referential and will be finalized with dates, meeting references and ordinance numbers following approval of this ordinance; and,

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SEDRO-WOOLLEY DO ORDAIN AS FOLLOWS:

Section 1. Approval of the Library District Pre-Annexation Agreement. The City of Sedro-Woolley hereby declares its approval of the Agreement amending the current interlocal agreements by and between the City of Sedro-Woolley and the Central Skagit Rural Partial County Library District. Having reviewed the Agreement with all integrated attachments and the existing Interlocal Agreements for providing library services to the residents of the City, the City Council finds that the public interest will be served thereby.

Section 2. Severability. If any section, subsection, clause phrase or word of this Ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality thereof shall not affect the validity or constitutionality of any other section, subsection, sentence, clause, phrase or word of this Ordinance.

Section 3. Corrections. Upon approval by the city attorney, the city clerk or code reviser are authorized to make necessary corrections to this Ordinance, including scrivener's errors or clerical mistakes; reference to other local, state, or federal laws, rules, or regulations; or numbering or referencing of ordinance or their sections and subsections.

PASSED BY THE CITY COUNCIL AND APPROVED BY THE MAYOR THIS 22nd
DAY OF JULY 2026.

ATTEST:

JoEllen Kesti, Mayor

Kelly Kohnken, Finance Director

APPROVED AS TO FORM:

Dan Curtis, City Attorney

LIBRARY SERVICES AGREEMENT

This Library Services Agreement (this “**Library Services Agreement**”) is by and between the City of Sedro-Woolley (the “**City**”) and the Central Skagit Rural Partial County Library District (the “**District**”), pursuant to RCW Chapters 27.12 and 39.34.

RECITALS

- A. The City and the District operate and maintain public libraries located in the City of Sedro-Woolley, each open to the public and available for full service use without fees for residents of each entities’ geographical limits.
- B. The existing libraries are inadequately sized to serve the population as it exists today or is projected to grow into the future. The City and the District desire to form a partnership to develop, construct and own a new library (the “**New Library**”) that will be operated by the District for the benefit of both the City and the District.
- C. The City and the District formed a Joint Negotiating Committee which met on four occasions in 2016 and proposed a “Library Partnership Concept” on November 28, 2016.
- D. The Library Partnership Concept was the subject of lengthy public process by both the City Council and the District Board of Trustees (the “**Board**”).
- E. Consistent with Resolution 943-16, the City Council held a special meeting on February 24, 2017, in a workshop format, to answer questions and take input on the proposal. A second meeting was held on March 8, 2017, at which testimony was taken from the public on the proposal and ultimately the City Council voted 6-1 to proceed with the Library Partnership Concept.
- F. At its regular meeting held on March 16, 2017, the Board voted 4-0 to proceed with the Library Partnership Concept.
- G. Consistent with the Library Partnership Concept, the City and the District have documented their intent to work cooperatively to provide library services more efficiently and effectively in the combined territorial limits of the District and the City through three interlocal agreements: (1) the Library Partnership Agreement; (2) the Building Joint Development and Ownership Agreement; and (3) this Library Services Agreement (collectively, the “**ILAs**”).
- H. The City Council held a public hearing to consider the ILAs on June 14, 2017 and a second meeting with public comment on July 12, 2017, after which the City Council voted 5-0 to approve the ILAs.

- I. The Board considered and took public comments on the ILAs at its regular meeting held on June 15, 2017, and again took public comment and voted 3-0 to approve the ILAs at its regular meeting held on July 20, 2017.

NOW, THEREFORE, in consideration of the foregoing, the parties agree and contract as follows:

AGREEMENT

1. **EFFECTIVE DATE.** This Library Services Agreement shall become effective when the conditions set forth in Paragraph 2 of the Library Partnership Agreement have occurred (the “**Effective Date**”).
2. **OPERATION OF LIBRARIES.**
 - a. Beginning sixty days following the Effective Date, the District shall manage, operate and be responsible for all costs of operating the Sedro-Woolley Public Library located at 802 Ball Street, Sedro-Woolley, Washington (the “**City Library**” and, collectively with the New Library, the “**Libraries**”). The City will provide the City Library building, without rental expense to the District, and the District shall be responsible for routine City Library building costs including utilities, housekeeping and reasonable maintenance (i.e., routine cleaning and minor repairs). The City will be responsible for major repairs including the building exterior envelope, HVAC systems and the exterior grounds.
 - b. Once the New Library is constructed and open to the public, the District shall vacate and cease operating the City Library and shall staff, manage, operate and be responsible for all costs of operating the New Library, including all New Library building costs, at its sole expense.
3. **LIBRARY SERVICES.** The District agrees to provide library services at the Libraries. Such services currently include the following:
 - a. Access to and circulation of physical items, such as books, DVDs, CD audiobooks and other materials,
 - b. Digital access to e-books, e-audiobooks, e-magazines, journals and other research databases,
 - c. Free Internet access,
 - d. Provision of computer equipment,
 - e. Provision of early literacy programs,

- f. Provision of adult programs to stimulate lifelong learning,
- g. Copy, fax and printing services,
- h. Safe areas to study, collaborate or work individually, and
- i. Access to professionals for research assistance and reader's advisory.

The Library shall have full discretion to change such library services or provide such other library services in the Libraries as the Board shall determine from time to time; provided, that in no event shall the District discontinue providing library services at the New Library during the Term (hereinafter defined).

4. USE OF THE LIBRARIES. The District agrees to make library services at the Libraries and other facilities owned or operated by the District available to the residents of the City free of charge and on the same basis as residents of the District.
5. CONTRACT FEE. The City agrees to pay to the District in each calendar year during the Term, for library services for the calendar year in which such payment is made, a fee equal to the remainder of (a) the product of (i) the District's regular levy rate for rural library purposes for that year, multiplied by (ii) the assessed valuation used for levies collectible in that year of all property, including new construction, within the City boundaries, divided by (iii) \$1,000, less (b) (i) that year's debt service on the bonds issued by the City to finance the New Library as described in Paragraph 6 of the Building Joint Development and Ownership Agreement (the "**Bonds**"), (ii) any payments into the Library Construction Fund due from the City during that year under Paragraph 7 of the Building Joint Development and Ownership Agreement, and/or (iii) any payments into the Joint Reserve Fund due from the City during that year under Paragraph 8 of the Building Joint Development and Ownership Agreement. Each calendar year's fee shall be paid in four equal, quarterly installments, to be remitted on or before the first day of [March, June, September and December] of that year. A hypothetical example of the computation of such annual fee as of a date following the issuance of the Bonds is set forth in Schedule A hereto. The fee shall be prorated but payable in equal, quarterly installments over the remainder of any partial calendar year during the Term.
6. INDEMNIFICATION.
 - a. District Indemnification. To the extent permitted by law, the District shall indemnify and hold harmless the City, its officers, agents, and employees from any and all claims, actions suits, liability, loss, costs, expenses and damages of any nature whatsoever, by any reason of or arising out of any negligent act or omission of the District, its officers, agents and

employees, or any of them relating to or arising out of the performance of services pursuant to this Library Services Agreement and the other ILAs. In the event that any such claim, action, loss or damages is brought against the City, the District shall defend the same at its sole cost and expense, including attorney fees. THE DISTRICT SPECIFICALLY AND EXPRESSLY WAIVES THE IMMUNITY THAT MAY BE GRANTED IT UNDER THE WASHINGTON STATE INDUSTRIAL INSURANCE ACT, TITLE 51, FROM THE REVISED CODE OF WASHINGTON. FURTHER, THE INDEMNIFICATION OBLIGATIONS UNDER THIS LIBRARY SERVICES AGREEMENT SHALL NOT BE LIMITED IN ANY WAY BY ANY LIMITATION ON THE AMOUNT OR TYPE OF DAMAGES, COMPENSATION OR BENEFITS PAYABLE TO OR FOR ANY THIRD-PARTY UNDER WORKMAN'S COMPENSATION ACTS, DISABILITY BENEFIT ACTS OR OTHER EMPLOYEE BENEFIT ACTS; PROVIDED, THAT THE DISTRICT'S WAIVER OF IMMUNITY BY THE PROVISIONS OF THIS PARAGRAPH EXTENDS ONLY TO CLAIMS AGAINST THE DISTRICT BY THE CITY, AND DOES NOT INCLUDE OR EXTEND TO ANY CLAIM BY THE DISTRICT'S EMPLOYEES DIRECTLY AGAINST THE DISTRICT. THIS WAIVER HAS BEEN MUTUALLY NEGOTIATED BY THE PARTIES.

- b. City Indemnification. To the extent permitted by law, the City shall indemnify and hold harmless the District and its officers, agents, and employees from any and all claims, actions, suits liability, loss, costs, expenses, and damages of any nature whatsoever, by any reason or arising out of any negligent act or omission of the City, its officers, agents, and employees, or any of them relating to or arising out of the performance of service pursuant to this Library Services Agreement and the other ILAs. In the event that any such claims, action, loss or damages is brought against the District, the City shall defend the same at its sole cost and expense, including attorney fees. THE CITY SPECIFICALLY AND EXPRESSLY WAIVES THE IMMUNITY THAT MAY BE GRANTED IT UNDER THE WASHINGTON STATE INDUSTRIAL INSURANCE ACT, TITLE 51, FROM THE REVISED CODE OF WASHINGTON. FURTHER, THE INDEMNIFICATION OBLIGATIONS UNDER THIS LIBRARY SERVICES AGREEMENT SHALL NOT BE LIMITED IN ANY WAY BY ANY LIMITATION ON THE AMOUNT OR TYPE OF DAMAGES, COMPENSATION OR BENEFITS PAYABLE TO OR FOR ANY THIRD-PARTY UNDER WORKMAN'S COMPENSATION ACTS, DISABILITY BENEFIT ACTS OR OTHER EMPLOYEE BENEFIT ACTS; PROVIDED, THAT THE CITY'S WAIVER OF IMMUNITY BY THE PROVISIONS OF THIS PARAGRAPH EXTENDS ONLY TO CLAIMS AGAINST THE CITY BY THE DISTRICT, AND DOES NOT INCLUDE OR EXTEND TO ANY CLAIM BY THE CITY'S EMPLOYEES DIRECTLY AGAINST THE CITY. THIS WAIVER HAS BEEN MUTUALLY NEGOTIATED BY THE PARTIES.

- c. Concurrent Negligence. If any claims are caused or result from the concurrent negligence of the City and the District these indemnity provisions shall be valid and enforceable only to the extent of the negligence of each entity.
7. TERM. In the event the City is annexed into the District, this Library Services Agreement shall terminate automatically as of the end of the calendar year immediately preceding the first calendar year during which the District shall be authorized to levy property taxes within the City boundaries. Otherwise, this Library Services Agreement shall be effective until the date that is twenty years from the Effective Date, or, if later, the date the Bonds are no longer outstanding (the "**Term**"). Three years prior to the anticipated end of the Term, the City and the District shall begin negotiating an extension of this Library Services Agreement. The parties agree to prepare a plan or plans to ensure adequate library services no later than one year before the anticipated end of the Term if an extension of this Library Services Agreement is not reached.
8. SURVIVAL. The obligation of the City to pay any accrued but unpaid fees and the provisions of paragraphs 6, and 9 shall survive the termination or expiry of this Library Services Agreement.
9. VENUE AND DISPUTE RESOLUTION. This paragraph establishes the sole and exclusive remedy for disputes arising under this Library Services Agreement, except as otherwise set forth herein. In the event of any dispute arising under this Library Services Agreement, the parties shall, as a material condition precedent to any suit under this Library Services Agreement, provide formal written notice of the dispute to the other party, and engage in formal mediation using a mutually agreed upon mediator. If the parties are unable to agree on a mediator within fifteen (15) days of written notice, either party may bring suit in Skagit County Superior Court for the sole purpose of seeking appointment of a mediator. If the parties are unable to resolve their differences within thirty (30) days after mediation, venue and jurisdiction for any action arising under this Library Services Agreement shall lie in the Courts of Skagit County, Washington. In the event of any dispute arising under this Library Services Agreement, the Court shall award attorney fees, costs, expert witness fees, mediation costs, and all other costs related to the dispute to the prevailing party.
10. NO THIRD PARTY BENEFICIARIES. This Library Services Agreement is not intended to benefit any person, entity or municipality not a party to this Library Services Agreement, and no other person, entity or municipality shall be entitled to be treated as beneficiary of this Library Services Agreement. This Library Services Agreement is not intended to nor does it create any third party beneficiary or other rights in any third person or party, including, but limited to, any agent, contractor, subcontractor, consultant, volunteer, or other representative of either party. No agent, employee, contractor, subcontractor, consultant, volunteer or other representative of the parties hereto shall be

deemed an agent, employee, contractor, subcontractor, consultant, volunteer or other representative of any other party hereto.

11. SEVERABILITY. In the event any term or condition of this Library Services Agreement or application thereof to any person or circumstances is held invalid by a court of competent jurisdiction, such invalidity shall not affect other terms, conditions or applications of this Library Services Agreement which can be given effect without the invalid term, condition or application. To this extent and end the terms and conditions of this Library Services Agreement are declared severable.
12. COMPLIANCE WITH LAWS. The parties to this Library Services Agreement shall comply with all applicable federal, state and local laws, rules and regulations in carrying out the terms and conditions of this Library Services Agreement. The parties shall obtain and comply with any and all necessary permits, approvals, consents and notice from or to all applicable jurisdictions prior to commencing any work or action related to this Library Services Agreement.
13. CAPTIONS AND COUNTERPARTS. The captions in this Library Services Agreement are for convenience and reference only, and do not define, limit, or describe the scope or intent of this Library Services Agreement. This Library Services Agreement may be executed in any number of counterparts, and each such counterpart hereof shall be deemed to be an original instrument, but all such counterparts together shall constitute one Agreement.
14. NO SEPARATE LEGAL ENTITY. This Library Services Agreement establishes a cooperative undertaking, and it is not the intention of the parties to create a new or separate legal entity by this Library Services Agreement. This Library Services Agreement does not establish or create a joint venture or partnership entity between the parties, and no party shall be responsible for the liabilities and debts of the other parties hereto.
15. INTEGRATED AGREEMENT. This Library Services Agreement is one of the three ILAs between the parties that were negotiated and executed simultaneously. Neither party has relied on any representation other than those expressly set forth in the three ILAs in entering this Library Services Agreement.
16. NEUTRAL AUTHORSHIP. Each of the terms and conditions of this Library Services Agreement have been reviewed and negotiated with resort to legal counsel, and represents the combined work product of the parties hereto, and this Library Services Agreement shall not be interpreted for or against party hereto. The parties represent that they have had a full and fair opportunity to seek legal advice with respect to the terms of this Library Services Agreement, and have either done so or have voluntarily chosen not to do so. The parties represent and warrant that they and their authorized representatives executing this Library

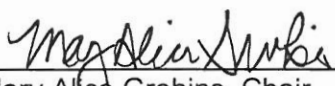
Services Agreement have fully read this Library Services Agreement, that they understand its meaning and effect, and that they enter into this Library Services Agreement with full knowledge of its terms.

17. FURTHER ACTS. The parties agree to take such further actions and to execute documents as in their reasonable judgment may be necessary or desirable in order to carry out the terms of, and complete the transactions contemplated by, this Library Services Agreement.
18. AMENDMENT. This Library Services Agreement may not be amended except by an agreement in writing executed by both the City and the District.
19. FILING. A copy of this Library Services Agreement shall be filed with the Skagit County Auditor or, alternatively, listed by subject on the City's web site or other electronically retrievable public source.

[signature page follows]

DATED this 20th day of July, 2017.

**CENTRAL SKAGIT RURAL PARTIAL
COUNTY LIBRARY DISTRICT**



Mary Alice Grobins, Chair

DATED this 12th day of July 2017.

CITY OF SEDRO-WOOLLEY

Keith L. Wagoner
Mayor Keith L. Wagoner

Attest:

Patsy K. Nelson
Patsy Nelson, Finance Director

Approved as to form:

Eron Berg
Eron Berg, City Attorney

SCHEDULE A

Hypothetical Example of Computation of Contract Fee Following Issuance of Bonds

Assume:

District general tax levy rate*	0.4612277639
City assessed valuation for general tax purposes**	\$810,256,655
Per \$1,000 assessed valuation ($0.4612277639 \times \$810,256,655 / 1,000$)	\$373,712.87

Less:

Estimated hypothetical Bond debt service***	\$350,000.00
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Equals:

Annual Contract Fee	\$23,712.87
Payable in quarterly installments (due on or before the first day of March, June, September and December)	\$5,928.22

* For regular property tax levy payable in 2017. Source: Skagit County Assessor.

** 2016 property tax assessment. Source: Skagit County Assessor.

*** Estimated level annual debt service on hypothetical \$5,000,000 Bond issue with 20 year maturity. Source: Public Financial Management, Inc.

LIBRARY PARTNERSHIP AGREEMENT

This Library Partnership Agreement (this "**Partnership Agreement**") is by and between the City of Sedro-Woolley (the "**City**") and the Central Skagit Rural Partial County Library District (the "**District**"), pursuant to RCW Chapters 27.12 and 39.34.

RECITALS

- A. The City and the District operate and maintain public libraries located in the City of Sedro-Woolley, each open to the public and available for full service use without fees for residents of each entities' geographical limits.
- B. The existing libraries are inadequately sized to serve the population as it exists today or is projected to grow into the future. The City and the District desire to form a partnership to develop, construct and own a new library (the "**New Library**") that will be operated by the District for the benefit of both the City and the District.
- C. The City and the District formed a Joint Negotiating Committee which met on four occasions in 2016 and proposed a "Library Partnership Concept" on November 28, 2016.
- D. The Library Partnership Concept was the subject of lengthy public process by both the City Council and the District Board of Trustees (the "**Board**").
- E. Consistent with Resolution 943-16, the City Council held a special meeting on February 24, 2017, in a workshop format, to answer questions and take input on the proposal. A second meeting was held on March 8, 2017, at which testimony was taken from the public on the proposal and ultimately the City Council voted 6-1 to proceed with the Library Partnership Concept.
- F. At its regular meeting held on March 16, 2017, the Board voted 4-0 to proceed with the Library Partnership Concept.
- G. Consistent with the Library Partnership Concept, the City and the District have documented their intent to work cooperatively to provide library services more efficiently and effectively in the combined territorial limits of the District and the City through three interlocal agreements: (1) this Partnership Agreement; (2) the Building Joint Development and Ownership Agreement; and (3) the Library Services Agreement (collectively, the "**ILAs**").
- H. The City Council held a public hearing to consider the ILAs on June 14, 2017 and a second meeting with public comment on July 12, 2017, after which the City Council voted 5-0 to approve the ILAs.

1. The Board considered and took public comments on the ILAs at its regular meeting held on June 15, 2017, and again took public comment and voted 3-0 to approve the ILAs at its regular meeting held on July 26, 2017.

NOW, THEREFORE, in consideration of the foregoing, the parties agree and contract as follows:

AGREEMENT

1. AGREEMENT. Part I of this Partnership Agreement shall become effective when both parties have duly executed this Partnership Agreement. Part II of this Partnership Agreement shall become effective when the conditions set forth in Paragraph 2 have occurred.
2. PRE-DESIGN PROCESS AND EFFECTIVE DATE OF AGREEMENT. The Pre-Design process is described in detail in Part I of this Partnership Agreement and culminates in a final vote of both the City Council and the Board (each, a "**Governing Body**") on the New Library project's conceptual design, budget and location. Following the completion of the pre-design process, each party agrees to take the recommended conceptual design, budget and location to its respective Governing Body for action. In the event that either Governing Body fails to approve the conceptual design, budget and location then this Partnership Agreement shall terminate without further action by the parties. In the event that both Governing Bodies approve the conceptual design, budget and location, this Partnership Agreement will become fully effective and immediately binding on the parties on the latest date that either Governing Body takes action to approve the conceptual design, budget and location (the "**Effective Date**"), consistent with its terms, without further action or consent by the parties hereto. Upon each Governing Body's action to approve or disapprove, such Governing Body shall provide written notice to the other of the action taken and the date of such action.

PART I – PRE-DESIGN PROCESS

3. PURPOSE. The parties desire to share expenses and jointly administer a pre-design process for the purpose of determining the scope of the New Library. Specifically, the parties require professional assistance to engage the public and the parties in a process to determine the conceptual design, budget and location of the New Library building.
4. FUNDING/BUDGET. The City and the District agree to share the costs of this pre-design scope in proportion to each entities' population in the 2010 U.S. Census, as follows: City 10,540 (41%), District 14,933 (59%). These percentages may be altered only by mutual agreement of the parties. The

budget for the pre-design phase shall not exceed \$50,000 without written agreement of the parties.

5. PRE-DESIGN CONSULTANTS. The City retained SHKS Architects on April 28, 2016, following a selection process that included representatives from the District. The parties agree to use SHKS Architects for the pre-design process. Additional professional services may be contracted for during the pre-design phase with the consent of the Mayor and the Chair of the District's Board.
6. CONTRACT ADMINISTRATION/PAYMENTS. The City will administer the professional services agreement with SHKS Architects and other professionals as needed for the pre-design process. The District agrees to reimburse the City for 59% of the costs. Only costs incurred after the Effective Date of this Partnership Agreement shall be reimbursable. The City will invoice the District monthly and the District will remit payment within thirty days of the date of the invoice.
7. JOINT PRE-DESIGN COMMITTEE. The City and the District shall each appoint representatives, in equal numbers, to a Joint Pre-Design Committee whose role shall be to guide the pre-design process. This Committee shall participate in public processes in order to inform its work. The Committee will make pre-design recommendations - including conceptual design, budget and location - to the City Council and District Board of Trustees for their final approval.

PART II – LIBRARY CONSOLIDATION

8. JOINT OPERATIONS. Sixty days following the Effective Date and until the New Library is constructed and opens to the public, the District shall manage, operate and be responsible for all costs of operating the Sedro-Woolley Public Library located at 802 Ball Street, Sedro-Woolley, Washington (the "**City Library**"). The City will provide the City Library building, without rental expense, to the District, and the District shall be responsible for routine City Library building costs including utilities, housekeeping and reasonable maintenance (i.e., routine cleaning and minor repairs). The City will be responsible for major repairs including the building exterior envelope, HVAC systems and the exterior grounds. The City will pay the District for operating the library consistent with the Library Services Agreement, prorated for any partial calendar year.
9. RECIPROCITY. Sixty days following the Effective Date, the parties agree to terminate, in its entirety, the April 20, 2017 agreement establishing reciprocity between the parties.

10. CITY LIBRARY EMPLOYEES. The District agrees to offer employment to and, if accepted, to hire the City's library employees (Debra Peterson, Teresa Johnson, Mary Andersson, Carol Bohmbach and Bobbie Jacobson) who are employed by the City upon the Effective Date ("**Eligible Employees**"). Within five days following the Effective Date, the District will offer the Eligible Employees jobs with the District with no reduction in pay and equivalent benefits. If any Eligible Employee does not accept the offer of employment within five business days of the date of the offer, the District will have no further obligation to hire that employee. If any Eligible Employee fails to accept such offer of employment, the City shall be responsible for the termination process of such Eligible Employee.
11. CITY SPECIAL HISTORICAL COLLECTION. The City agrees to mark books from its Special Historical Collection with a visible indication. This collection of approximately 500 books, primarily on local history, will remain the property of the City, but will be on permanent loan to the District for the benefit of the public as reference materials. Upon request by the City, this collection shall be returned to the City.
12. CITY COLLECTION. Title to the City's collection of materials, other than the Special Historical Collection, shall be transferred to the District along with the furniture, fixtures and equipment at the City Library. The City and the District shall cooperate to provide for the assignment and/or assumption by the District of any contracts used to equip or operate the library including but not limited to leased equipment (photo copier), software agreements (TLC), subscription agreements and service agreements (K-20 network). Any leases or agreements that cannot be assigned shall continue to be the responsibility of the City. Leases or agreements that are assigned shall be performed by the District at its cost and expense and the District shall hold the City harmless from all obligations under such leases and agreements which arise sixty days or more after the Effective Date.
13. DISTRICT COLLECTION/FURNITURE, FIXTURES & EQUIPMENT. The District agrees to contribute approximately \$900,000 for furniture, fixtures and equipment for the New Library, depending on the size of the facility, prior to the opening day of the New Library, and up to an additional \$625,000 for the opening day collection.
14. ANNEXATION. No earlier than November 30, 2032, the City agrees to consider initiating the procedure for annexation of the City to the District pursuant to RCW 27.12.360.
15. INDEMNIFICATION.
- a. District Indemnification. To the extent permitted by law, the District shall indemnify and hold harmless the City, its officers, agents, and employees

from any and all claims, actions suits, liability, loss, costs, expenses and damages of any nature whatsoever, by any reason of or arising out of any negligent act or omission of the District, its officers, agents and employees, or any of them relating to or arising out of the performance under this Partnership Agreement and the other ILAs. In the event that any such claim, action or suit is brought against the City, the District shall defend the same at its sole cost and expense, including attorney fees. THE DISTRICT SPECIFICALLY AND EXPRESSLY WAIVES THE IMMUNITY THAT MAY BE GRANTED IT UNDER THE WASHINGTON STATE INDUSTRIAL INSURANCE ACT, TITLE 51, FROM THE REVISED CODE OF WASHINGTON. FURTHER, THE INDEMNIFICATION OBLIGATIONS UNDER THIS PARTNERSHIP AGREEMENT SHALL NOT BE LIMITED IN ANY WAY BY ANY LIMITATION ON THE AMOUNT OR TYPE OF DAMAGES, COMPENSATION OR BENEFITS PAYABLE TO OR FOR ANY THIRD-PARTY UNDER WORKMAN'S COMPENSATION ACTS, DISABILITY BENEFIT ACTS OR OTHER EMPLOYEE BENEFIT ACTS; PROVIDED, THAT THE DISTRICT'S WAIVER OF IMMUNITY BY THE PROVISIONS OF THIS PARAGRAPH EXTENDS ONLY TO CLAIMS AGAINST THE DISTRICT BY THE CITY, AND DOES NOT INCLUDE OR EXTEND TO ANY CLAIM BY THE DISTRICT'S EMPLOYEES DIRECTLY AGAINST THE DISTRICT. THIS WAIVER HAS BEEN MUTUALLY NEGOTIATED BY THE PARTIES.

- b. City Indemnification. To the extent permitted by law, the City shall indemnify and hold harmless the District and its officers, agents, and employees from any and all claims, actions, suits liability, loss, costs, expenses, and damages of any nature whatsoever, by any reason or arising out of any negligent act or omission of the City, its officers, agents, and employees, or any of them relating to or arising out of the performance under this Partnership Agreement and the other ILAs. In the event that any such claims, action, or suit is brought against the District, the City shall defend the same at its sole cost and expense, including attorney fees. THE CITY SPECIFICALLY AND EXPRESSLY WAIVES THE IMMUNITY THAT MAY BE GRANTED IT UNDER THE WASHINGTON STATE INDUSTRIAL INSURANCE ACT, TITLE 51, FROM THE REVISED CODE OF WASHINGTON. FURTHER, THE INDEMNIFICATION OBLIGATIONS UNDER THIS PARTNERSHIP AGREEMENT SHALL NOT BE LIMITED IN ANY WAY BY ANY LIMITATION ON THE AMOUNT OR TYPE OF DAMAGES, COMPENSATION OR BENEFITS PAYABLE TO OR FOR ANY THIRD-PARTY UNDER WORKMAN'S COMPENSATION ACTS, DISABILITY BENEFIT ACTS OR OTHER EMPLOYEE BENEFIT ACTS; PROVIDED, THAT THE CITY'S WAIVER OF IMMUNITY BY THE PROVISIONS OF THIS PARAGRAPH EXTENDS ONLY TO CLAIMS AGAINST THE CITY

BY THE DISTRICT, AND DOES NOT INCLUDE OR EXTEND TO ANY CLAIM BY THE CITY'S EMPLOYEES DIRECTLY AGAINST THE CITY. THIS WAIVER HAS BEEN MUTUALLY NEGOTIATED BY THE PARTIES.

- c. Concurrent Negligence. If any claims are caused or result from the concurrent negligence of the City and the District these indemnity provisions shall be valid and enforceable only to the extent of the negligence of each entity.

16. TERM. This Partnership Agreement shall remain in effect from the Effective Date until the bonds issued to finance and/or refinance costs related to the acquisition, design, construction, and equipping of the New Library (the "**Bonds**") are no longer outstanding, which shall not be more than 20 years in duration from the date of issuance. Once the Bonds are no longer outstanding, this Partnership Agreement shall not automatically terminate, but from and after such date this Partnership Agreement shall be terminable by either party on one (1) year's written notice to the other. The City shall give written notice to the District one (1) year prior to the final date on which the principal amount of the Bonds shall be paid in full. Pursuant to Section 6 of the Building Joint Development and Ownership Agreement, the City will not extend or renegotiate the Bonds beyond their original final maturity date without the consent of the District. The City reserves the right to refund and/or defease the Bonds without the consent of the District when the final maturity will not be extended and there will be aggregate debt service savings. The term "Bonds" as used herein shall include any debt issued to refund and/or defease the bonds originally issued by the City to finance costs of the New Library.

17. SURVIVAL. The provisions of paragraphs 3, 4 and 6 shall continue until all obligations incurred prior to termination pursuant to such paragraphs are satisfied. The provisions of paragraphs 10, 11, 14, 15, and 18 shall survive the termination or expiry of this Partnership Agreement.

18. VENUE AND DISPUTE RESOLUTION. This paragraph establishes the sole and exclusive remedy for disputes arising under this Partnership Agreement, except as otherwise set forth herein. In the event of any dispute arising under this Partnership Agreement, the parties shall, as a material condition precedent to any suit under this Partnership Agreement, provide formal written notice of the dispute to the other party, and engage in formal mediation using a mutually agreed upon mediator. If the parties are unable to agree on a mediator within fifteen (15) days of written notice, either party may bring suit in Skagit County Superior Court for the sole purpose of seeking appointment of a mediator. If the parties are unable to resolve their differences within thirty (30) days after mediation, venue and jurisdiction for any action arising under this Partnership Agreement shall lie in the Courts of Skagit County, Washington. In the event of any dispute arising under this Partnership Agreement, the Court shall award

attorney fees, costs, expert witness fees, mediation costs, and all other costs related to the dispute to the prevailing party.

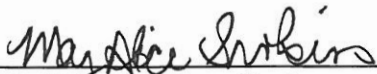
19. NO THIRD PARTY BENEFICIARIES. This Partnership Agreement is not intended to benefit any person, entity or municipality not a party to this Partnership Agreement, and no other person, entity or municipality shall be entitled to be treated as beneficiary of this Partnership Agreement. This Partnership Agreement is not intended to nor does it create any third party beneficiary or other rights in any third person or party, including, but limited to, any agent, contractor, subcontractor, consultant, volunteer, or other representative of either party. No agent, employee, contractor, subcontractor, consultant, volunteer or other representative of the parties hereto shall be deemed an agent, employee, contractor, subcontractor, consultant, volunteer or other representative of any other party hereto.
20. SEVERABILITY. In the event any term or condition of this Partnership Agreement or application thereof to any person or circumstances is held invalid by a court of competent jurisdiction, such invalidity shall not affect other terms, conditions or application of this Partnership Agreement which can be given effect without the invalid term, condition or application. To this extent and end the terms and conditions of this Partnership Agreement are declared severable.
21. COMPLIANCE WITH LAWS. The parties to this Partnership Agreement shall comply with all applicable federal, state and local laws, rules and regulations in carrying out the terms and conditions of this Partnership Agreement. The parties shall obtain and comply with any and all necessary permits, approvals, consents and notice from or to all applicable jurisdictions prior to commencing any work or action related to this Partnership Agreement.
22. CAPTIONS AND COUNTERPARTS. The captions in this Partnership Agreement are for convenience and reference only, and do not define, limit, or describe the scope or intent of this Partnership Agreement. This Partnership Agreement may be executed in any number of counterparts, and each such counterpart hereof shall be deemed to be an original instrument, but all such counterparts together shall constitute one agreement.
23. NO SEPARATE LEGAL ENTITY. This Partnership Agreement establishes a cooperative undertaking, and it is not the intention of the parties to create a new or separate legal entity by this Partnership Agreement. Notwithstanding the title of this Partnership Agreement and the use of the term "partnership" herein, this Partnership Agreement does not establish or create a joint venture or partnership entity between the parties, and no party shall be responsible for the liabilities and debts of the other parties hereto.

24. INTEGRATED AGREEMENT. This Partnership Agreement is one of the three ILAs between the parties that were negotiated and executed simultaneously. Neither party has relied on any representation other than those expressly set forth in the three ILAs in entering this Partnership Agreement.
25. NEUTRAL AUTHORSHIP. Each of the terms and conditions of this Partnership Agreement have been reviewed and negotiated with resort to legal counsel, and represents the combined work product of the parties hereto, and this Partnership Agreement shall not interpreted for or against any party hereto. The parties represent that they have had a full and fair opportunity to seek legal advice with respect to the terms of this Partnership Agreement, and have either done so or have voluntarily chosen not to do so. The parties represent and warrant that they and their authorized representatives executing this Partnership Agreement have fully read this Partnership Agreement, that they understand its meaning and effect, and that they enter into this Partnership Agreement with full knowledge of its terms.
26. FURTHER ACTS. The parties agree to take such further actions and to execute documents as in their reasonable judgment may be necessary or desirable in order to carry out the terms of, and complete the transactions contemplated by, this Partnership Agreement.
27. FILING. A copy of this Partnership Agreement shall be filed with the Skagit County Auditor or, alternatively, listed by subject on the City's web site or other electronically retrievable public source.
28. AMENDMENT. This Partnership Agreement may not be amended except by an agreement in writing executed by both the City and the District.

[signature pages to follow]

DATED this 20th day of July, 2017.

CENTRAL SKAGIT RURAL PARTIAL
COUNTY LIBRARY DISTRICT



Mary Alice Grobins, Chair

DATED this 12th day of July, 2017.

CITY OF SEDRO-WOOLLEY

Keith L. Wagoner
Mayor Keith L. Wagoner

Attest:

Patsy K. Nelson
Patsy Nelson, Finance Director

Approved as to form:

Eron Berg
Eron Berg, City Attorney

BUILDING JOINT DEVELOPMENT AND OWNERSHIP AGREEMENT

This Building Joint Development and Ownership Agreement (this “**Agreement**”) is by and between the City of Sedro-Woolley (the “**City**”) and the Central Skagit Rural Partial County Library District (the “**District**”), pursuant to RCW Chapters 27.12 and 39.34.

RECITALS

- A. The City and the District operate and maintain public libraries located in the City of Sedro-Woolley, each open to the public and available for full service use without fees for residents of each entities’ geographical limits.
- B. The existing libraries are inadequately sized to serve the population as it exists today or is projected to grow into the future. The City and the District desire to form a partnership to develop, construct and own a new library (the “**New Library**”) that will be operated by the District for the benefit of both the City and the District.
- C. The City and the District formed a Joint Negotiating Committee which met on four occasions in 2016 and proposed a “Library Partnership Concept” on November 28, 2016.
- D. The Library Partnership Concept was the subject of lengthy public process by both the City Council and the District Board of Trustees (the “**Board**”).
- E. Consistent with Resolution 943-16, the City Council held a special meeting on February 24, 2017, in a workshop format, to answer questions and take input on the proposal. A second meeting was held on March 8, 2017, at which testimony was taken from the public on the proposal and ultimately the City Council voted 6-1 to proceed with the Library Partnership Concept.
- F. At its regular meeting held on March 16, 2017, the Board voted 4-0 to proceed with the Library Partnership Concept.
- G. Consistent with the Library Partnership Concept, the City and the District have documented their intent to work cooperatively to provide library services more efficiently and effectively in the combined territorial limits of the District and the City through three interlocal agreements: (1) the Library Partnership Agreement; (2) this Agreement; and (3) the Library Services Agreement (collectively, the “**ILAs**”).
- H. The City Council held a public hearing to consider the ILAs on June 14, 2017 and a second meeting with public comment on July 12, 2017, after which the City Council voted 5-0 to approve the ILAs.

1. The Board considered and took public comments on the ILAs at its regular meeting held on June 15, 2017, and again took public comment and voted 3 - 0 to approve the ILAs at its regular meeting held on July 20, 2017.

NOW, THEREFORE, in consideration of the foregoing, the parties agree and contract as follows:

AGREEMENT

1. **EFFECTIVE DATE OF AGREEMENT.** This Agreement shall become effective when the conditions set forth in Paragraph 2 of the Partnership Agreement have occurred (the "**Effective Date**").
2. **PURPOSE.** The parties desire to more efficiently and effectively serve their residents by jointly developing and owning the New Library building, sized to service the combined service areas of the parties.
3. **OWNERSHIP/POSSESSION.** In exchange for the services to be provided by the District pursuant to the Library Services Agreement and other good and valuable consideration, including, but not limited to, the operation of the New Library and the provision of library services described in Paragraphs 2 and 3 of the Library Services Agreement, the City agrees to transfer a 59% ownership interest in the New Library to the District. The deed of transfer from the City to the District shall include a power of termination in favor of the City in the event of the dissolution of the District in order to carry out the intent and obligation of the District as provided below in Section 12. B. Such transfer shall result in legal title to the New Library building and associated real property and site improvements (collectively, the "**Premises**") being held in the names of the City of Sedro-Woolley and the Central Skagit Rural Partial County Library District, as tenants-in-common, with the City's ownership at 41% and the District's ownership at 59%. For the term of this Agreement and for the purpose of implementing the ILAs, the District shall have possession of the Premises and shall maintain and operate the Premises at its sole expense.
4. **INSURANCE.** The City, its officers, employees and agents, shall not be liable for any injury (including death) or damage to any persons or to any property sustained or alleged to have been sustained by the District or by others as a result of any condition (including existing or future defects in the premises), or occurrence whatsoever related in any way to the Premises or related in any way to the District's use of the Premises, except to the extent of such damage caused by negligence of the City. The District agrees to defend, indemnify and hold and save the City, its officers, employees and agents, harmless from any and all liability or expense (including expense of litigation) in connection with any such items of actual or alleged injury or damage. In addition, the District shall, at its

own expense, maintain throughout its occupancy of the premises, proper liability insurance with a reputable insurance company or companies in the minimum of \$5,000,000.00 single limit liability, including fire legal liability and a comprehensive general liability broadening endorsement to indemnify both the City and the District against any such liability or expense. The City shall be named as one of the insured, and shall be furnished a copy of such policy or policies of insurance or certificate of such insurance coverage by the District, or both, at the City's election. Each certificate of insurance shall provide that the insurance policy or policies are not subject to cancellation without at least thirty (30) days advance written notice of such cancellation having been first given to the City.

5. PROPERTY INSURANCE.

- A. The District will carry structural insurance for fire and casualty in the amount of the full replacement value of the New Library structure, and the City shall receive any and all proceeds thereof up to the amount of any outstanding indebtedness incurred by the City to finance the Project, in case of fire or other casualty. The City shall be named as additional insured on the District's policy and such policy shall not be cancellable without a minimum of sixty days prior written notice to the City. In the event that the District fails to maintain an adequate policy of insurance, the City may insure the New Library structure for fire and other casualty and deduct the cost of said policy from the payment due under the Library Services Agreement.
- B. INSURED CASUALTY. Following the occurrence of any insured casualty to the New Library Structure and receipt of any insurance proceeds, the City and the District will work together and use best efforts to apply those proceeds to rebuild, repair or replace such facilities as may be necessary or appropriate to enable the District to continue to provide library services at the New Library.

6. FUNDING/BUDGET.

- A. ISSUANCE OF BONDS. In order to finance the acquisition, design, construction and equipping of the New Library (the "**Project**"), the City agrees to issue, sell and deliver its limited tax general obligation bonds (the "**Bonds**"). The total budget for the Project has not been determined, but the maximum principal face amount of the Bonds shall not exceed \$5,000,000, exclusive of interest and costs, without written agreement of the parties. The Bonds shall have a maximum term of twenty (20) years from the date of issuance. The Bonds shall be a general obligation of the City within the constitutional and statutory debt limitations applicable to cities in the State of Washington. The payment of principal of or interest on the Bonds shall not be an obligation or debt of the District for purposes of any constitutional or statutory debt limitations.

Net proceeds of the Bonds and any other funding for the Project shall be placed in an account in the Library Construction Fund, which will be managed by the City. Following the completion of the Project, the City will provide the District with a complete accounting for the Project.

It is anticipated that interest on the Bonds will be excludable from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"). The City and the District hereby agree that they will take all actions necessary to prevent interest on the Bonds from being included in gross income for federal tax purposes, and they will neither take any action nor make or permit any use of the New Library at any time while the Bonds are outstanding which will cause interest on the Bonds to be included in gross income for federal income tax purposes.

- B. INTENT TO REIMBURSE. Funds expended by either party after the Effective Date of this Agreement and prior to the issuance of Bonds for acquisition or design of the Project, other than deposits into the Library Construction Fund under Paragraph 7, shall be reimbursed by the proceeds of the Bonds to the extent permitted by the Code.
- C. REFUNDING BONDS. The City agrees to not extend or renegotiate the term of the Bonds beyond their original final maturity date without the consent of the District. The City reserves the right to refund and/or defease the Bonds without the consent of the District when the final maturity will not be extended and there will be aggregate debt service savings. The term "Bonds" as used herein and in the Library Partnership Agreement and the Library Services Agreement shall include any debt issued to refund and/or defease the bonds originally issued by the City to finance costs of the Project.
- 7. LIBRARY CONSTRUCTION FUND. For the period of time between the Effective Date of this Agreement and the December prior to the year in which the first debt service payment is due on the Bonds, the City and the District agree to place \$30,000 per month into an account held within the Library Construction Fund in the same proportions as identified above in Section 3 of this Agreement (City \$12,300.00/District \$17,700.00). Such funds shall be used for the purpose of acquisition, designing, and constructing the New Library.
- 8. JOINT RESERVE FUND. Beginning the January following the final Bond payment, the City and the District agree to place \$30,000 per month in a Joint Reserve Fund which will be held by the City for the restricted purpose of major repair, expansion and/or future reconstruction in the same proportions as identified above in Section 3 of this Agreement (City \$12,300.00/District \$17,700.00); each party will "own" its share of the reserve fund which may be

spent upon the approval of both parties or distributed consistent with Paragraph 12 below. By April 1 of each year, the City shall provide an accounting to the District showing the reserve fund balance and any activity in the reserve fund from the prior year.

9. CONTRACT ADMINISTRATION. Using the Conceptual Design, budget and location approved by both the City and the District, the Lead Entity, which is the City, will negotiate and administer the professional services agreements with architects, engineers and other professionals as needed for the design process and contractors and other professionals as needed for the construction phase, in accordance with required processes. Reasonable administrative costs in the amount of 5% of the construction contract shall be reimbursable by the Lead Entity and shall be part of the project budget.
10. DESIGN & CONSTRUCTION MANAGEMENT. The City Supervisor and the District Director shall be designated as joint owner representatives during the design and construction processes. The owner representatives shall manage the design and construction based upon the approved conceptual design and project budget, and through meaningful public engagement. The owner representatives may select architects, engineers and other professionals as needed and contractors for the construction phase, in accordance with required processes. The owner representatives shall provide regular progress reports of the status of the project to both the City Council and District Board of Trustees. This provision is intended to allow for the timely and efficient development of the new library, while including both parties and stakeholders in the process.
11. PARTITION. Neither party shall partition or attempt to partition the Premises during the life of the Bonds. In the event either party desires to partition the Premises after the life of the Bonds, the parties shall first meet and confer, provide written notice to the other party of its intent and no earlier than 90 days from the written notice and no later than 180 days, select and meet with a mediator in an effort to find an amicable separation. This process shall be a requirement prior to any legal recourse and is in addition to the Dispute Resolution provisions in Paragraph 16.
12. FUTURE CONDITIONS:
 - A. If the City's voters approve annexation into the District, full title to the Premises and the Joint Reserve Fund will be transferred to the District at no cost to the District, *provided*, that the District will be responsible to the City for any outstanding Bonds issued by the City under Paragraph 6 herein which shall become due in full to the City no later than (1) the final maturity of the Bonds, or (2) six years, whichever is sooner. The District shall make required payments under this section annually, at least sixty days in advance of any

required payments from the City to its bondholders beginning the year in which the District first collects taxes from City residents.

- B. If the District's voters approve dissolution of the District pursuant to RCW 27.12.320, full title to the Premises (including the then-existing collection and all the furniture, fixtures & equipment in the New Library) and the Joint Reserve Fund will be transferred to the City at no cost to the City to allow the City to maintain a public library in Sedro-Woolley and a power of termination in favor of the City to enforce this obligation shall be included in the deed for the Premises.
- C. If a ballot proposition is approved in Skagit County creating a countywide rural county library district pursuant to RCW 27.12.470, resulting in the dissolution of the District, unless the new rural county library district assumes the rights and responsibilities of the District under the ILAs, full title to the Premises (including the then-existing collection and all the furniture, fixtures & equipment in the New Library) and the Joint Reserve Fund will be transferred to the City at no cost to the City to allow the City to maintain a public library in Sedro-Woolley and a power of termination in favor of the City to enforce this obligation shall be included in the deed for the Premises.

13. INDEMNIFICATION.

- a. District Indemnification. To the extent permitted by law, the District shall indemnify and hold harmless the City, its officers, agents, and employees from any and all claims, actions suits, liability, loss, costs, expenses and damages of any nature whatsoever, by any reason of or arising out of any negligent act or omission of the District, its officers, agents and employees, or any of them relating to or arising out of the performance under this Agreement and the other ILAs. In the event that any such claim, action or suit is brought against the City, the District shall defend the same at its sole cost and expense, including attorney fees. THE DISTRICT SPECIFICALLY AND EXPRESSLY WAIVES THE IMMUNITY THAT MAY BE GRANTED IT UNDER THE WASHINGTON STATE INDUSTRIAL INSURANCE ACT, TITLE 51, FROM THE REVISED CODE OF WASHINGTON. FURTHER, THE INDEMNIFICATION OBLIGATIONS UNDER THIS AGREEMENT SHALL NOT BE LIMITED IN ANY WAY BY ANY LIMITATION ON THE AMOUNT OR TYPE OF DAMAGES, COMPENSATION OR BENEFITS PAYABLE TO OR FOR ANY THIRD-PARTY UNDER WORKMAN'S COMPENSATION ACTS, DISABILITY BENEFIT ACTS OR OTHER EMPLOYEE BENEFIT ACTS; PROVIDED, THAT THE DISTRICT'S WAIVER OF IMMUNITY BY THE PROVISIONS OF THIS PARAGRAPH EXTENDS ONLY TO CLAIMS AGAINST THE DISTRICT BY THE CITY, AND DOES NOT INCLUDE OR EXTEND TO ANY CLAIM BY THE DISTRICT'S EMPLOYEES DIRECTLY AGAINST

THE DISTRICT. THIS WAIVER HAS BEEN MUTUALLY NEGOTIATED BY THE PARTIES.

- b. City Indemnification. To the extent permitted by law, the City shall indemnify and hold harmless the District and its officers, agents, and employees from any and all claims, actions, suits liability, loss, costs, expenses, and damages of any nature whatsoever, by any reason or arising out of any negligent act or omission of the City, its officers, agents, and employees, or any of them relating to or arising out of the performance under this Agreement and the other ILAs. In the event that any such claims, action or suit is brought against the District, the City shall defend the same at its sole cost and expense, including attorney fees. THE CITY SPECIFICALLY AND EXPRESSLY WAIVES THE IMMUNITY THAT MAY BE GRANTED IT UNDER THE WASHINGTON STATE INDUSTRIAL INSURANCE ACT, TITLE 51, FROM THE REVISED CODE OF WASHINGTON. FURTHER, THE INDEMNIFICATION OBLIGATIONS UNDER THIS AGREEMENT SHALL NOT BE LIMITED IN ANY WAY BY ANY LIMITATION ON THE AMOUNT OR TYPE OF DAMAGES, COMPENSATION OR BENEFITS PAYABLE TO OR FOR ANY THIRD-PARTY UNDER WORKMAN'S COMPENSATION ACTS, DISABILITY BENEFIT ACTS OR OTHER EMPLOYEE BENEFIT ACTS; PROVIDED, THAT THE CITY'S WAIVER OF IMMUNITY BY THE PROVISIONS OF THIS PARAGRAPH EXTENDS ONLY TO CLAIMS AGAINST THE CITY BY THE DISTRICT, AND DOES NOT INCLUDE OR EXTEND TO ANY CLAIM BY THE CITY'S EMPLOYEES DIRECTLY AGAINST THE CITY. THIS WAIVER HAS BEEN MUTUALLY NEGOTIATED BY THE PARTIES.
- c. Concurrent Negligence. If any claims are caused or result from the concurrent negligence of the City and the District these indemnity provisions shall be valid and enforceable only to the extent of the negligence of each entity.
- 14. TERM. This Agreement shall remain in effect from the Effective Date until the Bonds are no longer outstanding, which shall not be more than 20 years in duration from the date of issuance. Once the Bonds are no longer outstanding, this Partnership Agreement shall not automatically terminate, but from and after such date this Partnership Agreement shall be terminable by either party on one (1) year's written notice to the other. The City shall give written notice to the District one (1) year prior to the final date on which the principal amount of the Bonds shall be paid in full.
- 15. SURVIVAL. The provisions of paragraphs 6, 7, 8, 12, 13 and 16 shall survive the termination or expiry of this Agreement.

16. VENUE AND DISPUTE RESOLUTION. This paragraph establishes the sole and exclusive remedy for disputes arising under this Agreement, except as otherwise set forth herein. In the event of any dispute arising under this Agreement, the parties shall, as a material condition precedent to any suit under this Agreement, provide formal written notice of the dispute to the other party, and engage in formal mediation using a mutually agreed upon mediator. If the parties are unable to agree on a mediator within fifteen (15) days of written notice, either party may bring suit in Skagit County Superior Court for the sole purpose of seeking appointment of a mediator. If the parties are unable to resolve their differences within thirty (30) days after mediation, venue and jurisdiction for any action arising under this Agreement shall lie in the Courts of Skagit County, Washington. In the event of any dispute arising under this Agreement, the Court shall award attorney fees, costs, expert witness fees, mediation costs, and all other costs related to the dispute to the prevailing party.
17. NO THIRD PARTY BENEFICIARIES. This Agreement is not intended to benefit any person, entity or municipality not a party to this Agreement, and no other person, entity or municipality shall be entitled to be treated as beneficiary of this Agreement. This Agreement is not intended to nor does it create any third party beneficiary or other rights in any third person or party, including, but limited to, any agent, contractor, subcontractor, consultant, volunteer, or other representative of either party. No agent, employee, contractor, subcontractor, consultant, volunteer or other representative of the parties hereto shall be deemed an agent, employee, contractor, subcontractor, consultant, volunteer or other representative of any other party hereto.
18. SEVERABILITY. In the event any term or condition of this Agreement or application thereof to any person or circumstances is held invalid by a court of competent jurisdiction, such invalidity shall not affect other terms, conditions or applications of this Agreement which can be given effect without the invalid term, condition or application. To this extent and end the terms and conditions of this Agreement are declared severable.
19. COMPLIANCE WITH LAWS. The parties to this Agreement shall comply with all applicable federal, state and local laws, rules and regulations in carrying out the terms and conditions of this Agreement. The parties shall obtain and comply with any and all necessary permits, approvals, consents and notice from or to all applicable jurisdictions prior to commencing any work or action related to this Agreement.
20. CAPTIONS AND COUNTERPARTS. The captions in this Agreement are for convenience and reference only, and do not define, limit, or describe the scope or intent of this Agreement. This Agreement may be executed in any

number of counterparts, and each such counterpart hereof shall be deemed to be an original instrument, but all such counterparts together shall constitute one Agreement.

21. NO SEPARATE LEGAL ENTITY. This Agreement establishes a cooperative undertaking, and it is not the intention of the parties to create a new or separate legal entity by this Agreement. This Agreement does not establish or create a joint venture or partnership entity between the parties, and no party shall be responsible for the liabilities and debts of the other parties hereto.
22. INTEGRATED AGREEMENT. This agreement is one of the three ILAs between the parties that were negotiated and executed simultaneously. Neither party has relied on any representation other than those expressly set forth in the three ILAs in entering this Agreement.
23. NEUTRAL AUTHORSHIP. Each of the terms and conditions of this Agreement have been reviewed and negotiated with resort to legal counsel, and represents the combined work product of the parties hereto, and this Agreement shall not be interpreted for or against any party hereto. The parties represent that they have had a full and fair opportunity to seek legal advice with respect to the terms of this Agreement, and have either done so or have voluntarily chosen not to do so. The parties represent and warrant that they and their authorized representatives executing this Agreement have fully read this Agreement, that they understand its meaning and effect, and that they enter into this Agreement with full knowledge of its terms.
24. FURTHER ACTS. The parties agree to take such further actions and to execute documents as in their reasonable judgment may be necessary or desirable in order to carry out the terms of, and complete the transactions contemplated by, this Agreement.

A. Anticipated New Library Development Schedule. To best serve the community, it is the intent of the Parties to fund, design and build the New Library without unnecessary delay. Both Parties are required to take further actions to complete this project, including, for example, issuance of bonds, contracting, bidding, purchasing FF&E, and purchasing library collection materials. The parties anticipated schedule is as follows:

- I. Begin design phase, 30-60 days following effective date;
- II. Design phase, including construction documents, 9-12 months;
- III. Bid phase including issuance of bonds if not already complete, bid award and contracting, 3-4 months;
- IV. Construction phase, approximately 12 months; and
- V. Commissioning, purchase and installation of FF&E and opening day collection, move-in, 2-3 months.

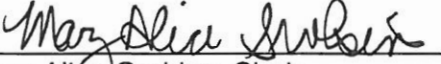
VI. Property acquisition may occur at any time.

25. FILING. A copy of this Agreement shall be filed with the Skagit County Auditor or, alternatively, listed by subject on the City's web site or other electronically retrievable public source.
26. AMENDMENT. This Agreement may not be amended except by an agreement in writing executed by both the City and the District.

[signature pages to follow]

DATED this 20th day of July, 2017.

**CENTRAL SKAGIT RURAL PARTIAL
COUNTY LIBRARY DISTRICT**



Mary Alice Grobins, Chair

DATED this 12th day of July 2017

CITY OF SEDRO-WOOLLEY

Keith L. Wagoner
Mayor Keith L. Wagoner

Attest:

Patsy K. Nelson
Patsy Nelson, Finance Director

Approved as to form:

Eron Berg
Eron Berg, City Attorney

LIBRARY DISTRICT PRE-ANNEXATION AGREEMENT

This Library District Pre-Annexation Agreement (this “**Agreement**”) is by and between the City of Sedro-Woolley, a Washington municipal corporation (the “**City**”), and the Central Skagit Rural Partial County Library District, a Washington library district (the “**District**”), pursuant to RCW Chapters 27.12 and 39.34. It is dated for reference purposes as of August 1, 2026.

RECITALS

A. The City and the District are parties to (1) the Library Partnership Agreement dated July 2017 (the “**Partnership Agreement**”); (2) the Library Services Agreement dated July 2017 (the “**Library Services Agreement**”); and (3) the Building Joint Development and Ownership Agreement dated July 2017, as amended by the First Amendment to the Building Joint Development and Ownership Agreement dated March–April 2019 (as so amended, the “**Building Agreement**,” and together with the Partnership Agreement and the Library Services Agreement, the “**ILAs**”).

B. The ILAs were negotiated and executed simultaneously as an integrated set of agreements governing the development, construction, ownership, and operation of the new library building (the “**New Library**”) and the provision of library services to residents of both the City and the District.

C. Section 14 of the Partnership Agreement currently provides that “[n]o earlier than November 30, 2032, the City agrees to consider initiating the procedure for annexation of the City to the District pursuant to RCW 27.12.360.” The parties now wish to clarify their agreement that the City may consider and initiate such proceedings at any time, provided that the six-year accelerated repayment obligation described in Recital D is also removed from the Building Agreement, as discussed in the next paragraph.

D. Section 12(A) of the Building Agreement currently provides that upon voter approval of annexation of the City into the District, full title to the Premises (as defined in the Building Agreement) and the Joint Reserve Fund shall transfer to the District, but that the District shall be responsible to the City for any outstanding Bonds (as defined in the ILAs) due in full no later than the final Bond maturity or six years from annexation, whichever is sooner. The parties wish to eliminate the six-year accelerated repayment obligation and to substitute an arrangement under which the City retains its bond obligations and the District reimburses the City for required Bond payments following the Revenue Commencement Date (as defined below).

E. The parties anticipate that City voters may approve annexation of the City into the District. If annexation is approved and becomes effective, the District will begin receiving property tax revenues from the annexed City area on a subsequent date (the “**Revenue Commencement Date**”). As of this writing, the Parties anticipate that the annexation may be approved by voters in November of 2026, which would cause the Revenue Commencement Date to fall on or about January 1, 2028. The parties wish to address the transitional period between the effective date of

annexation and the Revenue Commencement Date, and to confirm the ongoing Bond payment obligations of the parties thereafter.

F. The parties wish to confirm that, following annexation and the transfer of full title to the Premises to the District, the District shall hold one hundred percent (100%) fee simple title to the New Library building and associated real property, and to clarify the consequences for title if the District dissolves under RCW 27.12.320 or 27.12.470, consistent with and supplementing Sections 3, 12(B), and 12(C) of the Building Agreement.

G. Section 3 of the Building Agreement anticipated that the City would convey a fifty-nine percent (59%) ownership interest in the New Library to the District by deed, which was anticipated to include a “power of termination” in favor of the City in the event of the District’s dissolution under RCW 27.12.320 or 27.12.470. To the Parties’ current knowledge, such a deed has not yet actually been executed or delivered by the City to the District.

H. The parties have conferred and agreed that the most pragmatic way to document the anticipated “power of termination” contemplated by the ILAs shall be through a carefully structured right of first refusal (the “**Right of First Refusal**”), which shall be recorded or memorialized on the New Library’s title.

I. The parties now intend to fulfill the transfer obligation contemplated by Section 3 of the Building Agreement, by executing, delivering and recording a deed of transfer substantially concurrently with the execution of this Pre-Annexation Agreement, in the form attached hereto as Exhibit A (the “**Interim Deed**”). The Interim Deed shall convey the contemplated fifty-nine percent (59%) undivided ownership interest in the Premises to the District.

J. To carry out their anticipated “power of termination” in favor of the City, the Parties also now intend to execute, deliver and record a Right of First Refusal, in the form attached hereto as Exhibit B (the “**Right of First Refusal**”), to carry out the intent of Sections 3, 12(B) and 12(C) thereof.

K. For optimal efficiency, the parties now wish to agree to the form of permanent deed (the “**Permanent Deed**”) attached hereto as Exhibit C, and to clarify the terms and conditions upon which the Permanent Deed shall be executed, delivered, and recorded.

L. The City Council approved this Pre-Annexation Agreement by Ordinance No. [*] at its [regular] meeting held on July [22], 2026.

M. The Board of Trustees of the District approved this Pre-Annexation Agreement by Resolution no. [*] at its [special] meeting held on July [23], 2026.

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated herein, and the mutual covenants and agreements set forth in this Pre-Annexation Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree and contract as follows:

AGREEMENT

1. DEFINED TERMS. Capitalized terms used but not defined in this Pre-Annexation Agreement have the meanings assigned to them in the ILAs. In the event of any conflict between this Pre-Annexation Agreement and any of the ILAs, the terms of this Pre-Annexation Agreement shall control. All provisions of the ILAs not expressly modified by this Pre-Annexation Agreement remain in full force and effect.

2. REVISION OF BUILDING AGREEMENT SECTION 3. Section 3 of the Building Agreement is stricken in its entirety and replaced with the following:

“3. OWNERSHIP/POSSESSION. In exchange for the services to be provided by the District pursuant to the Library Services Agreement and other good and valuable consideration, including, but not limited to, the operation of the New Library and the provision of library services described in Paragraphs 2 and 3 of the Library Services Agreement, the City agrees to transfer a 59% ownership interest in the New Library to the District. This 59% transfer shall result in legal title to the New Library building and associated real property and site improvements (collectively, the “Premises”) being held in the names of the City of Sedro-Woolley and the Central Skagit Rural Partial County Library District, as tenants-in-common, with the City's ownership at 41% and the District's ownership at 59%. For the term of this Agreement and for the purpose of implementing the ILAs, the District shall have possession of the Premises and shall maintain and operate the Premises at its sole expense. In consideration for the 59% transfer and the other obligations herein, the District shall grant the City a right of first refusal in the event of the dissolution of the District under RCW 27.12.320 and which right shall run with the land and transfer to successors under RCW 27.12.470.

3. REVISION OF BUILDING AGREEMENT SECTION 12. Section 12 of the Building Agreement is stricken in its entirety and replaced with the following:

“12. FUTURE CONDITIONS:

A. If the City’s voters approve annexation into the District, full title to the Premises and the Joint Reserve Fund will be transferred to the District at no cost to the District, subject to a Right of First Refusal that will be exercisable by the City if the District dissolves under RCW 27.12.320 and which right shall run with the land and transfer to successors under RCW 27.12.470. Following such transfer, the City shall retain its obligations with respect to the Bonds and the City’s Bond payment obligations and the District’s reimbursement obligations shall be governed by the Pre-Annexation Agreement dated as of August 1, 2026.

B. If the District’s voters approve dissolution of the District pursuant to RCW 27.12.320, the City shall have the right to acquire full title to the Premises (including the then-existing collection and all the furniture, fixtures & equipment in the New Library), and the Joint Reserve Fund will be transferred to the City, at no cost to the City, to allow the City to maintain a public library in Sedro-Woolley. One or more Rights of First Refusal in favor

of the City to memorialize this right shall be executed and recorded on title to the New Library in the form of a Right of First Refusal Agreement.

C. The Right(s) of First Refusal Agreement shall provide that if a dissolution of the District is caused by ballot proposition creating a successor countywide rural county library district or any other successor district pursuant to RCW 27.12.470, the statutorily assumed responsibilities shall include the ROFR as well as those responsibilities under the interlocal agreements referenced in the Pre-Annexation Agreement (the “ILAs”). Such an event shall not be considered a Dissolution Event for the purpose of triggering the City’s ROFR, but the ROFR shall continue to run with the land.”

4. REVISION OF PARTNERSHIP AGREEMENT SECTION 14. Section 14 of the Partnership Agreement is stricken in its entirety and replaced with the following:

“14. ANNEXATION. At any time, and without regard to any prior date restriction, the City may consider initiating the procedure for annexation of the City to the District pursuant to RCW 27.12.360.”

The phrase “No earlier than November 30, 2032,” and any temporal restriction derived from Section 14 of the Partnership Agreement, are hereby deleted and shall be of no further force or effect. All other provisions of the Partnership Agreement remain unchanged.

5. POST-ANNEXATION CONTRACT FEE; TRANSITION TO PROPERTY TAX REVENUES. This Section 5 shall become operative upon the effective date of annexation of the City into the District.

A. Continuation of Contract Fee During Transition Period. During the period beginning on the effective date of annexation and ending on the day before the Revenue Commencement Date (such period, the “*Transition Period*”), the City shall continue to pay to the District the contract fee computed and payable in accordance with Section 5 of the Library Services Agreement, in the same manner and on the same schedule as if the Library Services Agreement had not terminated. For the avoidance of doubt, the Parties intend that the City’s payment obligation remain equivalent to the payment obligation set forth in Section 5 of the Library Services Agreement through the end of the Transition Period, notwithstanding the likely termination of the Library Services Agreement prior to the end of the Transition Period. As of this writing, the Transition Period is anticipated to end on December 31, 2027, based on the anticipated Revenue Commencement Date of January 1, 2028.

B. City Retention of Bond Obligations; District Reimbursement. Commencing on the Revenue Commencement Date and continuing through the date the Bonds are no longer outstanding (the “*Reimbursement Period*”), the following shall apply:

(i) City Bond Payments. The City shall retain the Bonds as its general obligation and shall continue to make all required payments of principal and interest on the Bonds in accordance with the Bond documents and applicable law, at the City’s primary expense. The City shall not extend or renegotiate the Bonds beyond their original final maturity date without the consent of the District, but the City reserves the right to refund or defease the Bonds without the

consent of the District provided the final maturity will not be extended and the refunding or defeasing will result in aggregate debt service savings.

(ii) District Reimbursement. The District shall reimburse the City for one hundred percent (100%) of each required payment of principal and interest on the Bonds. No later than January 31 of each calendar year during which Bond payments are due, the City shall deliver written notice to the District specifying the total reimbursement amount due to the City for that calendar year, the applicable Bond payment schedule or coupon, and the actual due date(s) of each Bond payment during that calendar year. The District shall remit each calendar year's reimbursement payment to the City no later than (a) May 31 of that calendar year or (b) fifteen (15) days before the earliest Bond payment due date during that calendar year, whichever is earlier.

(iii) Annual Accounting. The City shall provide the District with a written accounting of all Bond payments made during the preceding calendar year, including copies of relevant Bond payment documentation, no later than January 31 of each year during the Reimbursement Period.

(iv) Outstanding Bond Information. As of June 1, 2026, the Bonds had an outstanding principal balance of approximately \$3,703,338 and a final maturity date of December 1, 2039.

C. No Contract Fee During Reimbursement Period. For the avoidance of doubt, during the Reimbursement Period the City shall not be required to make contract fee payments to the District under Section 5 of the Library Services Agreement (which will have terminated pursuant to Section 7 of the Library Services Agreement), and the District's sole payment obligation to the City shall be the Bond reimbursement payments described in Section 5(B)(ii) of this Pre-Annexation Agreement.

6. ACQUISITION, HOLDING AND DISPOSITION OF PROPERTY.

A. Interim Deed. The City and the District acknowledge that Section 3 of the Building Agreement required the City to convey a fifty-nine percent (59%) undivided ownership interest in the New Library to the District by deed of transfer, but the Parties have no information about whether that contemplated deed was actually executed or delivered following execution of the Building Agreement. The parties agree that, substantially concurrently with the execution of this Pre-Annexation Agreement, the City shall execute, acknowledge, and deliver to the District the Interim Deed, in substantially the form attached hereto as Exhibit A, conveying a fifty-nine percent (59%) undivided ownership interest in the Premises to the District and establishing a tenants-in-common ownership arrangement with the City holding forty-one percent (41%) and the District holding fifty-nine percent (59%) of the Premises, consistent with Section 3 of the Building Agreement.

(i) Condition to Effectiveness of Deed. The parties intend that the Interim Deed shall be executed and delivered at substantially the same time as this Pre-Annexation Agreement, and subsequently recorded. The obligations of the parties under Sections 5 and 6 of this Pre-Annexation Agreement are not conditioned on or delayed by the execution or delivery of the Interim Deed, but each party agrees to cooperate and take all reasonably

necessary steps to ensure the prompt execution, delivery, and recording of the Interim Deed. If, for any reason, the Interim Deed has not been executed and delivered prior to or concurrently with the effectiveness of this Pre-Annexation Agreement, the parties shall execute and deliver the Interim Deed as promptly as practicable thereafter.

(ii) **Recording.** Following execution and delivery of the Interim Deed, the District shall record or cause the Interim Deed to be recorded in the real property records of Skagit County, Washington. The City shall cooperate with and assist the District in all reasonable respects to facilitate recording of the Interim Deed.

B. Right of First Refusal. The parties shall execute and deliver a Right of First Refusal in the form attached hereto as Exhibit B. They shall record the Right of First Refusal (or a Memorandum of Right of First Refusal) immediately after the Interim Deed. The Parties agree that the Right of First Refusal fulfills the purposes of Sections 3 and 12 of the Building Agreement, as modified by this Pre-Annexation Agreement.

C. Permanent Deed. Upon the effective date of annexation, and pursuant to Section 12(A) of the Building Agreement (as modified by Section 3 of this Pre-Annexation Agreement), the City shall execute, acknowledge, and deliver the Permanent Deed in substantially the form attached hereto as Exhibit C, conveying the City's remaining forty-one percent (41%) undivided ownership interest in the Premises to the District and vesting the District with one hundred percent (100%) fee simple title to the Premises.

(i) **Right of First Refusal Applicable to Permanent Deed.** The Permanent Deed shall include, a reference to the Right of First Refusal, to make clear that the Right of First Refusal shall be fully applicable to the District's one hundred percent (100%) interest following execution and recording of the Permanent Deed.

(ii) **Recording.** Following execution and delivery of the Permanent Deed, the District shall record or cause the Permanent Deed to be recorded in the real property records of Skagit County, Washington. The City shall cooperate with and assist the District in all reasonable respects to facilitate recording of the Permanent Deed.

7. INDEMNIFICATION.

A. District Indemnification. To the extent permitted by law, the District shall indemnify and hold harmless the City, its officers, agents, and employees from any and all claims, actions, suits, liability, loss, costs, expenses, and damages of any nature whatsoever, by reason of or arising out of any negligent act or omission of the District, its officers, agents, and employees, or any of them, relating to or arising out of the performance under this Pre-Annexation Agreement. In the event that any such claim, action, or suit is brought against the City, the District shall defend the same at its sole cost and expense, including attorney fees.

B. City Indemnification. To the extent permitted by law, the City shall indemnify and hold harmless the District and its officers, agents, and employees from any and all claims, actions, suits, liability, loss, costs, expenses, and damages of any nature whatsoever, by reason of or arising out of any negligent act or omission of the City, its officers, agents, and employees, or any of them, relating to or arising out of the performance under this Pre-Annexation

Agreement. In the event that any such claim, action, or suit is brought against the District, the City shall defend the same at its sole cost and expense, including attorney fees.

C. Concurrent Negligence. If any claims are caused or result from the concurrent negligence of the City and the District, these indemnity provisions shall be valid and enforceable only to the extent of the negligence of each entity.

8. DURATION; TERM AND SURVIVAL. This Pre-Annexation Agreement shall become effective on the date last executed by the parties and shall remain in effect until the Bonds are no longer outstanding and all obligations of the parties hereunder have been fully performed and satisfied. Once the Bonds are no longer outstanding and all such obligations have been satisfied, this Pre-Annexation Agreement shall terminate automatically without further action by the parties. Notwithstanding the foregoing, the Right of First Refusal, the obligation of the City to make Bond payments that have accrued prior to termination, and the obligation of the District to reimburse the City therefor, and the provisions of Sections 5(B)(iv), 6, 9, and 10 of this Pre-Annexation Agreement, shall survive the termination or expiration of this Pre-Annexation Agreement.

9. VENUE AND DISPUTE RESOLUTION. This paragraph establishes the sole and exclusive remedy for disputes arising under this Pre-Annexation Agreement, except as otherwise set forth herein. In the event of any dispute arising under this Pre-Annexation Agreement, the parties shall, as a material condition precedent to any suit, provide formal written notice of the dispute to the other party, and engage in formal mediation using a mutually agreed upon mediator. If the parties are unable to agree on a mediator within fifteen (15) days of written notice, either party may bring suit in Skagit County Superior Court for the sole purpose of seeking appointment of a mediator. If the parties are unable to resolve their differences within thirty (30) days after mediation, venue and jurisdiction for any action arising under this Pre-Annexation Agreement shall lie in the Courts of Skagit County, Washington. In the event of any dispute arising under this Pre-Annexation Agreement, the Court shall award attorney fees and costs to the substantially prevailing party.

10. NO THIRD PARTY BENEFICIARIES. This Pre-Annexation Agreement is not intended to benefit any person, entity, or municipality not a party to this Pre-Annexation Agreement, and no other person, entity, or municipality shall be entitled to be treated as a beneficiary of this Pre-Annexation Agreement. This Pre-Annexation Agreement is not intended to, nor does it, create any third-party beneficiary or other rights in any third person or party, including, but not limited to, any agent, contractor, subcontractor, consultant, volunteer, or other representative of either party. No agent, employee, contractor, subcontractor, consultant, volunteer, or other representative of the parties hereto shall be deemed an agent, employee, contractor, subcontractor, consultant, volunteer, or other representative of any other party hereto.

11. SEVERABILITY. In the event any term or condition of this Pre-Annexation Agreement or application thereof to any person or circumstance is held invalid by a court of competent jurisdiction, such invalidity shall not affect other terms, conditions, or applications of this Pre-Annexation Agreement which can be given effect without the invalid term, condition, or application. To this extent and end the terms and conditions of this Pre-Annexation Agreement are declared severable.

12. COMPLIANCE WITH LAWS. The parties to this Pre-Annexation Agreement shall comply with all applicable federal, state, and local laws, rules, and regulations in carrying out the terms and conditions of this Pre-Annexation Agreement.

13. COUNTERPARTS. This Pre-Annexation Agreement may be executed in any number of counterparts, and each such counterpart hereof shall be deemed to be an original instrument, but all such counterparts together shall constitute one agreement.

14. NO SEPARATE LEGAL ENTITY. This Pre-Annexation Agreement establishes a cooperative undertaking, and it is not the intention of the parties to create a new or separate legal entity by this Pre-Annexation Agreement. This Pre-Annexation Agreement does not establish or create a joint venture or partnership entity between the parties, and no party shall be responsible for the liabilities and debts of the other party hereto. To the extent required by RCW 39.34.030(4)(a), the District's Library Director and the City Manager (or their designees) shall serve as the joint board responsible for administering this interlocal undertaking.

15. INTEGRATED AGREEMENT. This Pre-Annexation Agreement, together with the ILAs (as modified hereby), constitutes the complete and integrated agreement of the parties with respect to the subject matter hereof and supersedes all prior representations, discussions, negotiations, and agreements relating to the subject matter of this Pre-Annexation Agreement.

16. NEUTRAL AUTHORSHIP. Each of the terms and conditions of this Pre-Annexation Agreement has been reviewed and negotiated with assistance from legal counsel, and represent the combined work product of the parties hereto. This Pre-Annexation Agreement shall not be interpreted for or against any party hereto.

17. AUTHORITY. Each party represents and warrants to the other that it has the full right and authority to enter into this Agreement and to consummate or cause to be consummated the actions contemplated by this Agreement, and that all requisite actions necessary to authorize that party's entry into this Agreement and to carry out its obligations hereunder have been taken. Each party further represents and warrants to the other that the person signing this Agreement on behalf of that party is authorized to do so.

18. FURTHER ACTS. The parties agree to take such further actions and to execute documents as in their reasonable judgment may be necessary or desirable in order to carry out the terms of, and complete the transactions contemplated by, this Pre-Annexation Agreement, including without limitation the execution and recording of the deeds described in Section 6.

19. AMENDMENT. This Pre-Annexation Agreement may not be amended except by an agreement in writing executed by both the City and the District.

20. NOTICES. All notices, requests, demands, consents, approvals, and other communications required or permitted under this Pre-Annexation Agreement shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified; (b) one (1) business day after deposit with a nationally recognized overnight courier, addressed to the party to be notified, with charges prepaid; or (c) three (3) business days after deposit in the United States mail, sent by certified or registered mail, return receipt requested, postage prepaid, and addressed as follows:

If to the City:

City of Sedro-Woolley
Attn: City Manager
325 Metcalf Street
Sedro-Woolley, WA 98284

With a copy to:

Thompson, Guildner & Associates, Inc., P.S.
Attn: Dan Curtis 110 Cedar Ave, Ste 102
Snohomish, WA
98290

If to the District:

Central Skagit Rural Partial County Library District
Attn: Library Director
110 W State Street
Sedro-Woolley, WA 98284

With a copy to:

Hillis, Clark, Martin & Peterson
Attn: Josh Friedmann
999 Third Ave., Ste 4600
Seattle, WA 98104

Either party may change its address for notices by delivering written notice to the other party in accordance with this section. Notwithstanding the foregoing, for purposes of Section 4(B)(ii), Bond payment advance notices shall also be delivered by electronic mail to such address as each party may designate in writing from time to time, with hard-copy notice to follow within two (2) business days.

21. FILING. As soon as possible following mutual execution, the Parties shall endeavor to file a copy of this Pre-Annexation Agreement with the Skagit County Auditor or, alternatively, listed by subject on the Parties' web sites or other electronically retrievable public source, in fulfillment of RCW 39.34.040.

[Signature pages follow]

SIGNATURE PAGE TO PRE-ANNEXATION AGREEMENT

DATED this _____ day of _____, 2026.

CENTRAL SKAGIT RURAL PARTIAL COUNTY LIBRARY DISTRICT

Heather Swenson, as Chair of the Board of Trustees

DATED this _____ day of _____, 2026.

CITY OF SEDRO-WOOLLEY

JoEllen Kesti, Mayor

Attest:

Kelly Kohnken, Finance Director

Approved as to form:

Dan Curtis, City Attorney

EXHIBIT A
FORM OF INTERIM DEED

When Recorded Return to:

HILLIS CLARK MARTIN & PETERSON P.S.

ATTENTION: JOSH FRIEDMANN
999 THIRD AVE.
SEATTLE, WA 98104

STATUTORY WARRANTY DEED

Grantor:	<u>CITY OF SEDRO-WOOLLEY, a Washington municipal corporation</u>
Grantee:	<u>CENTRAL SKAGIT RURAL PARTIAL COUNTY LIBRARY DISTRICT, a Washington library district</u>
Legal Description (abbreviated):	Ptn SE 1/4 SW 1/4 24-35-4 E W.M.
Complete on Exhibit A	
Assessor's Tax Parcel Identification No:	<u>350424-3-005-0100, P105654</u>
Related Document Reference No.:	N/A

Grantor, CITY OF SEDRO-WOOLLEY, a Washington municipal corporation, hereby conveys and warrants to Grantee, CENTRAL SKAGIT RURAL PARTIAL COUNTY LIBRARY DISTRICT, a Washington library district, an undivided fifty-nine percent (59%) interest in and to the following-described real property, situated in Skagit County, State of Washington, legally described on Exhibit A attached hereto and made a part hereof, together with all appurtenances, easements and improvements belonging or appertaining thereto.

The interest hereby conveyed, together with the undivided forty-one percent (41%) interest retained by Grantor, is held by Grantor and Grantee as tenants in common, with no rights of survivorship. This conveyance does not create, and shall not be construed to create, a joint tenancy between the parties.

Subject to all matters of record, including, but not limited to that certain Right of First Refusal Agreement between Grantor and Grantee recorded in the real property records of Skagit County, Washington, concurrently herewith.

[Signature and notary blocks to be inserted.]

EXHIBIT B
FORM OF RIGHT OF FIRST REFUSAL

AFTER RECORDING RETURN TO:

Hillis Clark Martin & Peterson P.S.

Attention: Josh Friedmann

999 Third Ave.

Seattle, WA 98104

RIGHT OF FIRST REFUSAL AGREEMENT

Grantor: CENTRAL SKAGIT RURAL PARTIAL COUNTY LIBRARY DISTRICT

Grantee: CITY OF SEDRO-WOOLLEY

Abbrev. Legal Description: Ptn SE 1/4 SW 1/4 24-35-4 E W.M.
Complete on Exhibit A

Assessor's Parcel No.: 350424-3-005-0100, P105654

This Right of First Refusal Agreement (this “**Agreement**”) is made and entered into as of _____, 2026 (the “**Effective Date**”), by and between CENTRAL SKAGIT RURAL PARTIAL COUNTY LIBRARY DISTRICT, a Washington library district (“**Library**”), as grantor, and CITY OF SEDRO-WOOLLEY, a Washington municipal corporation (“**City**”), as grantee.

RECITALS

A. City and Library own as tenants in common that certain real property located in Skagit County, Washington, as legally described on Exhibit A attached hereto (the “**Property**”), with City owning 41% and Library owning 59%, pursuant to the Library District Pre-Annexation Agreement dated as of August 1, 2026 (the “**Pre-Annexation Agreement**”).

B. It is anticipated that City will convey its interest in the Property to Library in the future per the terms of the Pre-Annexation Agreement.

C. City and Library desire to enter into this Agreement to provide the City with a right of first refusal to acquire Library’s interest in the Property upon the dissolution of the Library under RCW 27.12.320 or 27.12.470, consistent with the terms of the Pre-Annexation Agreement.

AGREEMENTS

In consideration of the mutual covenants and promises contained herein and other valuable consideration receipt of which is hereby acknowledged, the parties agree as follows:

Exhibit B to Pre-Annexation Agreement

1. **Grant of Right of First Refusal.** In accordance with the terms and provisions of this Agreement, Library hereby grants to City an exclusive, right of first refusal (the “**ROFR**”) to acquire the Property after the occurrence of a Dissolution Event as described herein. Library agrees that it will not transfer or convey the Property except in compliance with this Agreement.

2. **Right of First Refusal Upon Dissolution.**

a. **Dissolution Event under RCW 27.12.320.** The ROFR shall be triggered upon the occurrence of a dissolution of Library under RCW 27.12.320 (a “**Dissolution Event**”). Upon the occurrence or anticipated occurrence of a Dissolution Event, Library (or its successor or the applicable state official overseeing dissolution) shall provide written notice to the City as promptly as practicable (a “**Dissolution Notice**”).

b. **Successor Event under RCW 27.12.470.** If, pursuant to RCW 27.12.470 a successor library district has assumed all rights and responsibilities of the Library, including through the Library’s merger or consolidation with another Skagit County rural library district, (a “**Successor Event**”) the statutorily assumed responsibilities shall include the ROFR as well as those responsibilities under the interlocal agreements referenced in the Pre-Annexation Agreement (the “**ILAs**”). A Successor Event shall not be considered a Dissolution Event for the purpose of triggering the City’s ROFR, but this Agreement shall continue to run with the land pursuant to Section 5.

c. **Election of ROFR.** City shall have thirty (30) days following its receipt of the Dissolution Notice or ninety (90) days from actual notice if no Dissolution Notice was delivered, in which to give written notice to Library (or its successor or applicable dissolution authority) of its election to exercise the ROFR (“**ROFR Election**”). If City delivers a ROFR Election, then within thirty (30) days thereafter the parties shall cooperate to execute and record all instruments necessary to transfer full title to the Property (including the then-existing library collection and all furniture, fixtures, and equipment in the building on the Property) and to transfer the Joint Reserve Fund (as defined in the ILAs) to the City.

d. **Non-Exercise.** If the City does not timely deliver a ROFR Election within the thirty (30) day period described above, the City’s ROFR shall be deemed waived with respect to the applicable Dissolution Event. If the Library or its successor fails to deliver written notice to the City as outlined under section 2.a above, then the City’s ROFR shall remain exercisable for ninety (90) days following actual notice of a Dissolution event by the City’s own discovery. Notwithstanding the foregoing, this Agreement shall remain in full force and effect unless otherwise terminated pursuant to Section 4.

e. **Cost of Acquisition.** City’s acquisition and consideration under this Agreement after a Dissolution Event shall be for the purpose of allowing the City to maintain a public library in Sedro-Woolley. City’s acquisition of the Property upon exercise of its ROFR shall be at no cost to the City.

3. **Prohibited Transfers Void.** Any attempted transfer or conveyance of Library’s interest in the Property in violation of the terms of this Agreement shall be ineffective, and the City shall have the continuing right and option (but not obligation) to acquire Library’s interest purported to be so transferred pursuant to the terms of this Agreement. For the avoidance of doubt, transfers by Library to a wholly owned subsidiary or affiliate will not give rise to the ROFR; provided that such transferee shall be fully subject to the terms of this Agreement as successor to Library.

4. **Termination.** This Agreement shall commence on the Effective Date and continue in full force and effect until the earliest of (a) City's acquisition of the Property pursuant to a ROFR Election, (b) the date that a written termination agreement executed by both City and Library is properly recorded in Skagit County, Washington, or (c) City delivers written notice to Library that it waives and terminates this Agreement in its entirety. This Agreement is intended to survive the termination or expiration of the Pre-Annexation Agreement.

5. **Binding Effect; Waiver.** This Agreement shall run with the land and be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns, personal representatives, and heirs until terminated. No term or provision of this Agreement shall be considered waived by any party, unless such waiver or consent is in writing signed on behalf of the party against whom the waiver is asserted.

6. **Notices.** Any notice or other communication required or permitted hereunder shall be in writing and shall be deemed to have been duly given on the date of service if served personally or by confirmed facsimile, or five (5) days after the date of mailing if mailed by first class registered or certified mail, postage prepaid. Notices shall be addressed to the applicable party at the address on file with the Washington Secretary of State, or if no such address exists, the address on file with the Skagit County Assessor for the Property.

7. **Attorneys' Fees.** If an action is commenced to enforce or interpret any of the provisions of this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs associated with such action and any appeals related thereto.

8. **Severability.** If any provision of this Agreement is held to be invalid or unenforceable, it shall nevertheless be enforced to the fullest extent allowed by law, and the validity and force of the remainder of this Agreement shall not be affected thereby.

9. **Entire Agreement.** This Agreement shall be recorded in Skagit County, Washington. This is the entire agreement between the parties relating to the right of first refusal described herein and may be modified only in a writing signed by all parties.

10. **Governing Law.** This Agreement shall be governed by and construed in accordance with Washington law, and venue for disputes shall be in Skagit County, Washington.

[Signature and notary blocks to be inserted.]

EXHIBIT C

FORM OF PERMANENT DEED

When Recorded Return to:

HILLIS CLARK MARTIN & PETERSON P.S.

ATTENTION: JOSH FRIEDMANN

999 THIRD AVE.

SEATTLE, WA 98104

STATUTORY WARRANTY DEED

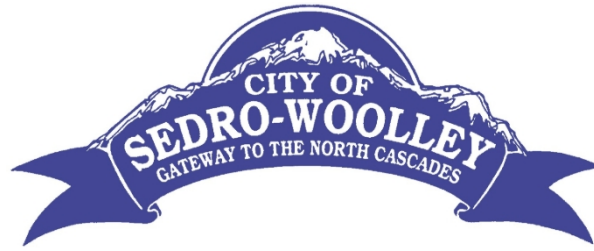
Grantor:	CITY OF SEDRO-WOOLLEY, a Washington municipal corporation
Grantee:	CENTRAL SKAGIT RURAL PARTIAL COUNTY LIBRARY DISTRICT, a Washington library district
Legal Description (abbreviated):	Ptn SE 1/4 SW 1/4 24-35-4 E W.M.
Complete on Exhibit A	
Assessor's Tax Parcel Identification No:	350424-3-005-0100, P105654
Related Document Reference No.:	N/A

Grantor, CITY OF SEDRO-WOOLLEY, a Washington municipal corporation, hereby conveys and warrants to Grantee, CENTRAL SKAGIT RURAL PARTIAL COUNTY LIBRARY DISTRICT, a Washington library district, an undivided forty-one percent (41%) interest in and to the following-described real property, situated in Skagit County, State of Washington, legally described on Exhibit A attached hereto and made a part hereof, together with all appurtenances, easements and improvements belonging or appertaining thereto.

The interest hereby conveyed constitutes the whole of Grantor's remaining undivided ownership interest in said real property. Together with the undivided fifty-nine percent (59%) interest previously conveyed to Grantee by the Statutory Warranty Deed recorded in the real property records of Skagit County, Washington, under Auditor's File No. [] on [], 2026, this conveyance vests in Grantee one hundred percent (100%) fee simple title to the Premises, free of any co-ownership interest of Grantor.

Subject to all matters of record, including, but not limited to that certain Right of First Refusal Agreement recorded in the real property records of Skagit County, Washington, under Auditor's File No. [] on [], 2026].

[Signature and notary blocks to be inserted.]



City Council Agenda Item

Agenda Item No.: m.1.

Date: July 22, 2026

From: Kelly Kohnken, Finance Director / City Clerk

Subject: Resolution 1192 - Appointment of For / Against Committees for Library
Annexation Proposition - Action Requested

RECOMMENDED ACTION:

Motion to approve Resolution 1192-26 appointing members to the "For" and "Against" committees for the ballot measure regarding the City of Sedro-Woolley annexing into the Central Skagit Rural Partial-County Library District.

BACKGROUND/SUMMARY INFORMATION:

The city sought volunteers to be a part of the For (Pro) and Against (Con) committees for the Central Skagit Library annexation ballot proposition in the November 3, 2026, general election.

Each committee shall consist of no more than three members; however, a committee may seek the advice of any other person or persons. The Pro Committee will provide a statement to the Skagit County Elections Department in favor of the city's annexation into the library district. The Con Committee will provide a statement against the city's annexation into the library district. Statements are due on August 14, 2026. The committees may also provide a rebuttal statement due on August 19, 2026.

Any person appointed to one of the two committees must reside within Sedro-Woolley city limits, be a registered voter and have an email address for correspondence with the Skagit County Elections Department.

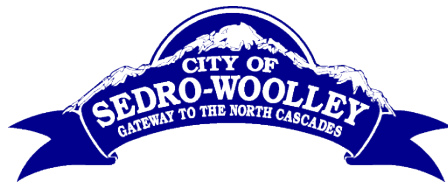
The deadline for submitting an application is 4:30pm on Friday, July 17, 2026. Applications will be reviewed by the Finance Director / City Clerk Kelly Kohnken and Mayor JoEllen Kesti on Monday, July 20, 2026.

FISCAL IMPACT, IF APPROPRIATE:

None

ATTACHMENTS:

1. Resolution 1192-26_For and Against Committees_Library Annexation



RESOLUTION NO. 1192-26

A RESOLUTION OF THE CITY OF SEDRO-WOOLLEY APPOINTING MEMBERS TO THE “FOR” AND “AGAINST” COMMITTEES FOR THE BALLOT MEASURE REGARDING THE CITY OF SEDRO-WOOLLEY ANNEXING INTO THE CENTRAL SKAGIT RURAL PARTIAL-COUNTY LIBRARY DISTRICT.

WHEREAS, the City Council of the City of Sedro-Woolley has placed a ballot measure, designated as Proposition 1 Annexation into Central Skagit Rural Partial-County Library District, and

WHEREAS, RCW 29A.32.280 requires the legislative body to formally appoint committees of no more than three persons to prepare the arguments advocating for and against the measure for inclusion in the local voters’ pamphlet, and

WHEREAS, pursuant to RCW 29A.32.280, if the City fails to appoint for and against committees by the resolution filing deadline of August 4th, the County Auditor’s office will seek out and appoint, if possible, up to three members to each committee; and,

WHEREAS, the City Council has identified qualified registered voters within the jurisdiction who are known to favor the measure, and

WHEREAS, THE City Council was unable to identify qualified registered voters within the jurisdiction who are known to oppose the measure;

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEDRO-WOOLLEY AS FOLLOWS:

Section 1. Appointment of “For” Committee

The following individual is hereby appointed to the “For” Committee to write and submit the pro-argument in favor of Proposition 1 Annexation Into Central Skagit Rural Partial-County Library District.

1. Millissa Macomber

Section 2. Appointment of “Against” Committee

The city had no applicants for the “Against” Committee and was unable to identify qualified registered voters within the jurisdiction who are known to oppose the measure.

PASSED by majority vote of the members of the Sedro-Woolley City Council this 22nd day of JULY 2026.

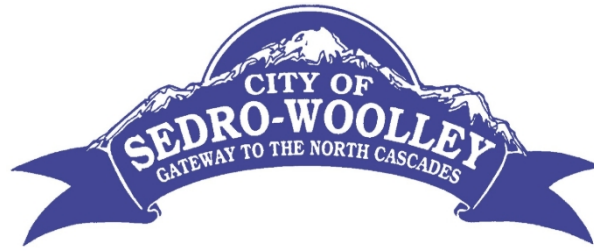
JoEllen Kesti, Mayor

Attest:

Kelly Kohnken, Finance Director

Approved as to form:

Dan Curtis, City Attorney



City Council Agenda Item

Agenda Item No.: m.2.

Date: July 22, 2026

From: Dan McIlraith, Police Chief

Subject: Resolution 1190-26 Police Vehicle and Equipment Surplus - Action Requested

RECOMMENDED ACTION:

Motion to approve Resolution 1190-26 to surplus police vehicles and equipment.

BACKGROUND/SUMMARY INFORMATION:

In maintaining a fleet of vehicles for department use, we determine the end of a vehicle's useful life by its expected cost to repair and/or maintain, for the benefit of the city. We are on a 7-10 year replacement cycle depending on the use. We do keep several spare vehicles for instances where a vehicle is out of service for maintenance for mechanical or autobody shop repairs.

We have 9 vehicles and 1 trailer that have reached the end of their useful life with the police department. Due to the strenuous nature of patrol driving, we typically begin to incur increasingly complex and costly maintenance at about 7 years of service. Some can continue to benefit the city by becoming training vehicles for Sedro-Woolley or repurposed within the city. Electronics and other parts and equipment from vehicles that could be reused or repurposed have been salvaged.

SWFD needs vehicles for hands-on training on extrication techniques, vehicle stabilization, and rescue operations. These vehicles would enable multiple evolutions and practice utilizing the "Jaws of Life" tools in a safe environment for instruction. The process of obtaining viable vehicles, transporting them, and transferring the titles has made it more difficult for SWFD to procure vehicles. SWPD would incur towing transportation fees to the auction house in Snohomish County, auction fees and fees to remove SWPD markings from the patrol vehicles. This solution will be advantageous for both our police department and our fire training program.

VEH #237 VIN #LCAUSO413WT290645; 1998 Long Radar Trailer. This is no longer in use and antiquated. Recommend surplus.

VEH #252 VIN# 2FABP7BV1BX161408; 2011 Ford Crown Vic. This vehicle is the current radar car. The equipment will be transferred over to a newer model for the purpose of a radar car. Recommend surplus to auction..

VEH #254 VIN# 1FM5K8AR2DGA51598; 2013 Ford Explorer. This vehicle has approximately 69181 miles. Recommend surplus to auction.

VEH #255 VIN# 1FM5K8AR9EGB38643 2014 Ford Explorer. This vehicle has approximately 57,384 miles. This vehicle is one of the oldest fleet vehicles, is not safe to drive and needs a new transmission. The cost to repair this vehicle was estimated at \$10k for parts and labor and other maintenance. It would need to be towed for repairs. Recommend this either to be used for training purposes for the fire department or to auction as is for parts, as it will not generate any value for the city.

VEH #256 VIN# 1FM5K8AR2FGB03671; 2015 Ford Explorer. This vehicle has approximately 60,000 miles. Recommended maintenance for water pump, \$4,000. Recommend surplus to auction.

VEH #257 VIN# 1FM5K8AR1FGB98904; 2015 Ford Explorer. This vehicle has approximately 82495 miles. Recommend surplus to auction.

VEH #258 VIN# 1FM5K8AR9GGA19574; 2016 Ford Explorer. This vehicle has approximately 77,961 miles. Recommended maintenance for water pump, \$4,000. Recommend surplus to auction.

VEH #259 VIN# 1FM5K8AR0GGB65801; 2016 Ford Explorer. This vehicle has approximately 79290 miles. Recommend surplus to auction.

VEH #270 VIN# 1FM5K8AB2LGB67689; 2020 Ford Explorer — This vehicle has approximately 60260 miles. This vehicle needs a ton of suspension work all around as well as brakes all around, \$6,500 in repairs. This vehicle is not safe to drive in its current state, but also not worth putting the extra money into the vehicle as it is nearing its 7-year life span. Recommend to surplus and be auctioned as-is or for parts.

2006 Pontiac Vibe VIN# 5Y2SL65866Z460205; This vehicle has been sitting in long-term storage for over a year after being seized following a criminal investigation. This vehicle has no intended purpose for City use. Recommend surplus and this vehicle be used for SWFD and/or SWPD training.

AlcoSensor FST Serial #055652. Broken and not functional. Request surplus and donate to Sedro-Woolley Museum.

FISCAL IMPACT, IF APPROPRIATE:

ATTACHMENTS:

1. Front brakes
2. Front differential
3. Rear differential
4. Transfer case
5. Transmission
6. Tune up
7. CV axle
8. Resolution 1190-26 Surplus Vehicles Police

009599

Estimate for Services

Estimate Date : 1/28/2026

City of Sedro Woolley Police Dep

325 Metcalf St

Sedro Woolley, WA 98284

Cellular: 360-661-2489 Lutnt Office: 360-855-0111

2020 Ford - Police Interceptor Utility - 3.3L,V6 (204CI) VIN(B)

Lic # : 69278D - WA

Odom. In: 68889

VIN # : 1FM5K8AB2 LGB67689

Part Description	Qty	Sale	Ext	Labor Description	Extended
PADS	1.00	264.63	264.63	REPLACE FRONT PADS, ROTORS AND CALIPERS	260.00
ROTORS	2.00	264.58	529.16	Hazardous Materials	30.00
CALIPER	1.00	366.67	366.67		
CALIPER	1.00	264.58	264.58		
Shop Supplies			13.00		

Parts/Supplies: 1,438.04

Labor: 260.00

HazMat/Fees: 30.00

Tax: 148.61

Total : \$ 1,876.65

TEARDOWN ESTIMATE: I understand that my vehicle will be reassembled within____days of the date shown above if I choose not to authorize the service recommended. All Parts removed will be discarded unless instructed otherwise: Save all Parts____. NOT RESPONSIBLE FOR LOSS OR DAMAGE TO CARS OR ARTICLES LEFT IN CARS IN CASE OF FIRE, THEFT OR ANY OTHER CAUSE.

Signature _____ Date _____ Time _____

009599

Estimate for Services

Estimate Date : 1/28/2026

City of Sedro Woolley Police Dep

325 Metcalf St

Sedro Woolley, WA 98284

Cellular: 360-661-2489 Lutnt Office: 360-855-0111

2020 Ford - Police Interceptor Utility - 3.3L,V6 (204CI) VIN(B)

Lic # : 69278D - WA

Odom. In: 68889

VIN # : 1FM5K8AB2 LGB67689

Part Description	Qty	Sale	Ext	Labor Description	Extended
75w140 FULL SYN GEAR OIL	1.00	23.16	23.16	PERFORM FRONT DIFF SERVICE	132.00
Shop Supplies			6.60	Hazardous Materials	1.16

Parts/Supplies: 29.76

Labor: 132.00

HazMat/Fees: 1.16

Tax: 14.01

Total : \$ 176.93

TEARDOWN ESTIMATE: I understand that my vehicle will be reassembled within____days of the date shown above if I choose not to authorize the service recommended. All Parts removed will be discarded unless instructed otherwise: Save all Parts____. NOT RESPONSIBLE FOR LOSS OR DAMAGE TO CARS OR ARTICLES LEFT IN CARS IN CASE OF FIRE, THEFT OR ANY OTHER CAUSE.

Signature _____ Date _____ Time _____

009599

Estimate for Services

Estimate Date : 1/28/2026

City of Sedro Woolley Police Dep

325 Metcalf St

Sedro Woolley, WA 98284

Cellular: 360-661-2489 Lutnt Office: 360-855-0111

2020 Ford - Police Interceptor Utility - 3.3L,V6 (204CI) VIN(B)

Lic # : 69278D - WA

Odom. In: 68889

VIN # : 1FM5K8AB2 LGB67689

Part Description	Qty	Sale	Ext	Labor Description	Extended
75W90 GEAR OIL	2.00	20.20	40.40	PERFORM REAR DIFF SERVICE	99.00
Shop Supplies			4.95	Hazardous Materials	2.02

Parts/Supplies: 45.35

Labor: 99.00

HazMat/Fees: 2.02

Tax: 12.59

Total : \$ 158.96

TEARDOWN ESTIMATE: I understand that my vehicle will be reassembled within____days of the date shown above if I choose not to authorize the service recommended. All Parts removed will be discarded unless instructed otherwise: Save all Parts____. NOT RESPONSIBLE FOR LOSS OR DAMAGE TO CARS OR ARTICLES LEFT IN CARS IN CASE OF FIRE, THEFT OR ANY OTHER CAUSE.

Signature _____ Date _____ Time _____

009599

Estimate for Services

Estimate Date : 1/28/2026

City of Sedro Woolley Police Dep

325 Metcalf St

Sedro Woolley, WA 98284

Cellular: 360-661-2489 Lutnt Office: 360-855-0111

2020 Ford - Police Interceptor Utility - 3.3L,V6 (204CI) VIN(B)

Lic # : 69278D - WA

Odom. In: 68889

VIN # : 1FM5K8AB2 LGB67689

Part Description	Qty	Sale	Ext	Labor Description	Extended
FLUID	1.00	16.68	16.68	PERFORM TRANSFER CASE SERVICE	132.00
Shop Supplies			6.60	Hazardous Materials	0.83

Parts/Supplies: 23.28

Labor: 132.00

HazMat/Fees: 0.83

Tax: 13.43

Total : \$ 169.54

TEARDOWN ESTIMATE: I understand that my vehicle will be reassembled within____days of the date shown above if I choose not to authorize the service recommended. All Parts removed will be discarded unless instructed otherwise: Save all Parts____. NOT RESPONSIBLE FOR LOSS OR DAMAGE TO CARS OR ARTICLES LEFT IN CARS IN CASE OF FIRE, THEFT OR ANY OTHER CAUSE.

Signature _____ Date _____ Time _____

009599

Estimate for Services

Estimate Date : 1/28/2026

City of Sedro Woolley Police Dep

325 Metcalf St

Sedro Woolley, WA 98284

Cellular: 360-661-2489 Lutnt Office: 360-855-0111

2020 Ford - Police Interceptor Utility - 3.3L,V6 (204CI) VIN(B)

Lic # : 69278D - WA

Odom. In: 68889

VIN # : 1FM5K8AB2 LGB67689

Part Description	Qty	Sale	Ext	Labor Description	Extended
SCREEN	1.00	120.38	120.38	PERFORM TRANSMISSION SERVICE	511.50
GASKET	1.00	50.00	50.00	Hazardous Materials	16.36
TRANSMISSION FLUID	12.00	13.06	156.72		
Shop Supplies			25.58		

Parts/Supplies: 352.68

Labor: 511.50

HazMat/Fees: 16.36

Tax: 75.73

Total : \$ 956.27

TEARDOWN ESTIMATE: I understand that my vehicle will be reassembled within____days of the date shown above if I choose not to authorize the service recommended. All Parts removed will be discarded unless instructed otherwise: Save all Parts____. NOT RESPONSIBLE FOR LOSS OR DAMAGE TO CARS OR ARTICLES LEFT IN CARS IN CASE OF FIRE, THEFT OR ANY OTHER CAUSE.

Signature _____ Date _____ Time _____

009599

Estimate for Services

Estimate Date : 1/28/2026

City of Sedro Woolley Police Dep

325 Metcalf St

Sedro Woolley, WA 98284

Cellular: 360-661-2489 Lutnt Office: 360-855-0111

2020 Ford - Police Interceptor Utility - 3.3L,V6 (204CI) VIN(B)

Lic # : 69278D - WA

Odom. In: 68889

VIN # : 1FM5K8AB2 LGB67689

Part Description	Qty	Sale	Ext	Labor Description	Extended
SPARK PLUGS	6.00	8.38	50.28	REPLACE PLUGS, COIL BOOTS AND 2 IGNITION	544.50
COILS	2.00	104.43	208.86	COILS	
Standard Ignition Direct Ignition Coil	4.00	15.74	62.96	Hazardous Materials	18.46
Boot					
Gasket	1.00	36.35	36.35		
GASKET	1.00	5.63	5.63		
GASKET	1.00	5.17	5.17		
Shop Supplies			27.23		

Parts/Supplies: 396.48

Labor: 544.50

HazMat/Fees: 18.46

Tax: 82.51

Total : \$ 1,041.95

TEARDOWN ESTIMATE: I understand that my vehicle will be reassembled within____days of the date shown above if I choose not to authorize the service recommended. All Parts removed will be discarded unless instructed otherwise: Save all Parts____. NOT RESPONSIBLE FOR LOSS OR DAMAGE TO CARS OR ARTICLES LEFT IN CARS IN CASE OF FIRE, THEFT OR ANY OTHER CAUSE.

Signature _____ Date _____ Time _____

009599

Estimate for Services

Estimate Date : 1/28/2026

City of Sedro Woolley Police Dep

325 Metcalf St

Sedro Woolley, WA 98284

Cellular: 360-661-2489 Lutnt Office: 360-855-0111

2020 Ford - Police Interceptor Utility - 3.3L,V6 (204CI) VIN(B)

Lic # : 69278D - WA

Odom. In: 68889

VIN # : 1FM5K8AB2 LGB67689

Part Description	Qty	Sale	Ext	Labor Description	Extended
RIGHT FRONT CV AXLE	1.00	290.38	290.38	REPLACE RIGHT FRONT CV AXLE	297.00
Shop Supplies			14.85	Hazardous Materials	14.52

Parts/Supplies: 305.23

Labor: 297.00

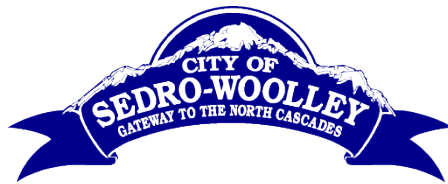
HazMat/Fees: 14.52

Tax: 53.04

Total : \$ 669.79

TEARDOWN ESTIMATE: I understand that my vehicle will be reassembled within____days of the date shown above if I choose not to authorize the service recommended. All Parts removed will be discarded unless instructed otherwise: Save all Parts____. NOT RESPONSIBLE FOR LOSS OR DAMAGE TO CARS OR ARTICLES LEFT IN CARS IN CASE OF FIRE, THEFT OR ANY OTHER CAUSE.

Signature _____ Date _____ Time _____



RESOLUTION NO. 1190-26

A RESOLUTION OF THE CITY OF SEDRO-WOOLLEY REGARDING SURPLUS OF VEHICLES AND EQUIPMENT

WHEREAS, the vehicles identified and listed below has been determined by the Police Chief to no longer be critical to the City of Sedro-Woolley's needs or operational use, and

WHEREAS, the City Council of the City of Sedro-Woolley has determined that it is in the best interest of City to declare as surplus the vehicles, and

WHEREAS, The City Council is authorized to declare as surplus those items no longer deemed to be necessary to the City's service requirements under RCW 35A.11.020 and

WHEREAS, the City Council delegates to the Police Chief the authority to dispose of the property.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEDRO-WOOLLEY AS FOLLOWS:

Section 1. The City Council does hereby declare the following to be surplus:

VEH #237	VIN #LCAUSO413WT290645	1998	Long Radar Trailer
VEH #252	VIN# 2FABP7BV1BX161408	2011	Ford Crown Vic
VEH #254	VIN#1FM5K8AR2DGA51598	2013	Ford Explorer
VEH #255	VIN#1FM5K8AR9EGB38643	2014	Ford Explorer
VEH #256	VIN#1FM5K8AR2FGB03671	2015	Ford Explorer
VEH #257	VIN# 1FM5K8AR1FGB98904	2015	Ford Explorer
VEH #258	VIN# 1FM5K8AR9GGA19574	2016	Ford Explorer
VEH #259	VIN#1FM5K8AR0GGB65801	2016	Ford Explorer
VEH #270	VIN#1FM5K8AB2LGB67689	2020	Ford Explorer
	VIN# 5Y2SL65866Z460205	2006	Pontiac Vibe

AlcoSensor FST Serial #055652

PASSED by majority vote of the members of the Sedro-Woolley City Council this 22nd day of July, 2026.

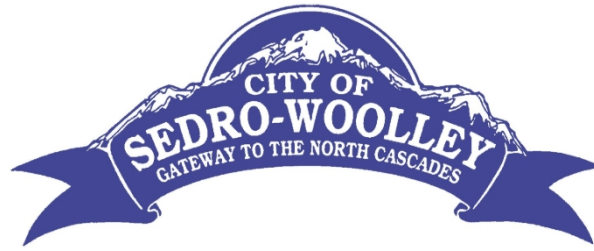
Jo Ellen Kesti, Mayor

Attest:

Kelly Kohnken, Finance Director

Approved as to form:

Dan Curtis, City Attorney



City Council Agenda Item

Agenda Item No.: m.3.

Date: July 22, 2026

From: Peter Lane, City Engineer

Subject: Procedures Update - Right of Way

RECOMMENDED ACTION:

Motion to authorize the Mayor to execute the attached Right of Way Procedures, with any minor corrections as may be required by WSDOT.

BACKGROUND/SUMMARY INFORMATION:

The City periodically acquires property for the purpose of transportation construction using federal and state funding sources. Property acquisitions can be in the form of temporary or permanent easements or fee title ownership. The City performs this work under the provisions of Chapter 25 of the WSDOT Local Agency Guidelines (LAG). The City is required to update the Right of Way Procedures every three years. The Right of Way Procedures and LAG Manual ensure the City complies with all Federal and State laws and funding requirements.

The Right of Way Procedures are comprised of the following elements:

- Right of Way Procedures: Outlines authorities and responsibilities for various Right of Way tasks
- Administrative Settlement Policy: Sets authority for settlement amounts
- Waiver Valuation Policy: Allows the City to use Waiver Valuations instead of full appraisals for smaller acquisition
- Relocation Appeal Procedures: Outlines appeal process when full property acquisitions require relocation

FISCAL IMPACT, IF APPROPRIATE:

None. The Right of Way Procedures is applicable to City property acquisition but does not authorize expenses. Expenses for projects will continue to follow the existing Procurement Policy and be authorized by Council.

ATTACHMENTS:

1. Right of Way Procedures with Exhibits

Right of Way Procedures

Note: Please do not change or alter this document outside of the dark shaded areas.

The **CITY OF SEDRO-WOOLLEY** (Agency), needing to acquire real property (obtain an interest in and/or possession of) in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act and applicable federal regulations (49 CFR Part 24) and state law (Ch. 8.26 RCW), and state regulations (Ch. 468-100 WAC) hereby adopts the following procedures to adhere to all applicable laws, statutes, and regulations. The Agency is responsible for the real property acquisition and relocation activities on projects administered by the Agency and must acquire right of way (ROW) in accordance with the policies outlined in the Washington State Department of Transportation Right of Way Manual M 26-01 and Local Agency Guidelines (LAG) Manual.

1. Below is a list of Agency staff, by name and position titles, who are qualified to perform specific ROW functions. Attached to these procedures are resumes for everyone listed within these procedures, which provide a summary of their qualifications. The procedures shall be updated whenever staffing changes occur.
 - a. The Agency has the staff with the knowledge and experience to accomplish the following ROW Disciplines:
 - i. **PROGRAM ADMINISTRATION:**
Oversee the delivery of the ROW Program on federal aid projects for the Agency. Ensures ROW functions are conducted in compliance with federal and state laws, regulations, policies, and procedures.
Responsibilities/Expectations:
 - Ensures the Agency's approved ROW Procedures are current, including staff qualifications, and provides copies to consultants and Agency staff;
 - Oversight of ROW consultants;
 - Ensure that the hired consultants meet the minimum requirements outlined in ROW Manual Chapters 2 & 8 and Chapter 3 for Appraisal and Appraisal Review.
 - Use of consultant contract approved by WSDOT
 - Management of ROW contracts
 - Management of ROW files
 - Reviews and approves actions and decisions recommended by staff & consultants
 - Overall responsibility for decisions that are outside the purview of consultant functions
 - Sets Just Compensation before offers are made;
 - Oversight and approval of Waiver Valuations per policy;
 - Oversight and approval of Administrative Settlements per policy;
 - Ensure that Administrative Settlements are reviewed and accepted by the Local Agency Coordinator prior to final signature.
 - Ensure the Agency has a relocation appeal process before starting relocation activities;
 - Obligation authority for their Agency;
 - Obtain permits (Non-Uniform Relocation Act (URA));

- Ensures there is a separation of functions to avoid conflicts of interest.
- Verifies whether ROW is needed and that the property rights and/or interests needed are sufficient to construct, operate, and maintain the proposed projects. See LAG Appendix 25.171, 25.1726, and the No ROW Checklist (LPA-008).

William Bullock, PE, MPA, Public Works Director

Note: Staff included under Program Administration must have completed the eLearning Administrative Settlement and No ROW Verification training available at <https://wsdot.wa.gov/business-wsdot/support-local-programs/local-programs-training/right-way-training-education>

ii. APPRAISAL

Prepare and deliver appraisals on federal aid projects for the Agency. Ensures that appraisals are consistent and in compliance with state and federal laws, regulations, policies, and procedures.

Responsibilities/Expectations:

- Use only qualified agency staff or consultants who meet the requirements outlined in ROW Manual Chapter 3 to perform appraisal work;
- Prepare ROW Funding Estimate (not required to be completed by an appraiser & only when there are federal funds in the ROW Phase);
- Prepare Waiver Valuation;
- Obtain specialist reports;
- Coordinate with engineering, program administration, acquisition, relocation, and/or property management.

WSDOT, another local AGENCY with approved procedures or a qualified consultant

iii. APPRAISAL REVIEW:

Review appraisals for federal aid projects for the Agency to ensure they are adequate and reliable, supported by reasonable data, and approve appraisal reports. Ensure appraisals are adequately supported, represent fair market value and applicable costs to cure, and are completed in compliance with state and federal laws, regulations, policies, and procedures.

Responsibilities/Expectations:

- Use only qualified agency staff or consultants that meet the requirements outlined in ROW Manual Chapter 3 to perform appraisal review work;
- Ensures project-wide consistency in approaches to value, use of market data, and costs to cure;
- Coordinate with engineering, program administration, acquisition, relocation, and/or property management.

WSDOT, another local AGENCY with approved procedures or a qualified consultant

iv. **ACQUISITION:**

Acquire, through negotiation with property owners, real property or real property interests (rights) on federal aid projects for the Agency. Ensures acquisitions are completed in compliance with federal and state laws, regulations, policies, and procedures.

Responsibilities/Expectations:

- Use only qualified staff/consultants to perform acquisition activities for real property or real property interests, including donations;
- Staff and consultants must meet the requirements outlined in ROW Manual Chapters 2 & 8
- To avoid a conflict of interest, when the acquisition function prepares a Waiver Valuation, it only acquires property valued at \$15,000 or less;
- Provide and maintain a comprehensive written account of acquisition activities for each parcel;
- Prepare Waiver Valuation justification and obtain approval;
- Prepare Administrative Settlement and obtain approvals;
- Prepare Right of Way Funding Estimate (when there are federal funds in the ROW Phase);
- Review title, and recommend and obtain approval for acceptance of encumbrances;
- Ensure acquisition documents are consistent with ROW plans, valuation, and title reports;
- Provide a negotiator disclaimer;
- Maintain a complete, well-organized parcel file for each acquisition;
- Coordinate with engineering, program administration, appraisal, relocation, and/or property management.

WSDOT, another local AGENCY with approved procedures or a qualified consultant

Note: Staff included under Acquisition must have completed the eLearning Administrative Settlement training available at <https://wsdot.wa.gov/business-wsdot/support-local-programs/local-programs-training/right-way-training-education>

v. **RELOCATION:**

Provide relocation assistance to occupants of property considered displaced by federally funded projects for the Agency. Ensures relocations are completed in compliance with federal and state laws, regulations, policies, and procedures.

Responsibilities/Expectations:

- Only qualified staff/consultants are used to perform relocations that meet the requirements outlined in ROW Manual Chapters 2 & 8.
- Prepare and obtain approval of relocation plan before starting relocation activities;
- Confirm relocation appeal procedure is in place;
- Provide required notices and advisory services;
- Make calculations and provide recommendations for the Agency approving authority before making payment;

- Obtain all necessary items to present and receive approvals for the various move options, including, if applicable, a Moving Cost Estimate, Commercial Mover Estimate, or Move Cost Finding.
- Provide and maintain a comprehensive written account of relocation activities for each parcel;
- Maintain a complete, well-organized parcel file for each displacement;
- Ensure occupants and personal property are removed from the ROW;
- Coordinate with engineering, program administration, appraisal, acquisition, and/or property management.

WSDOT, another local AGENCY with approved procedures or a qualified consultant

vi. **PROPERTY MANAGEMENT:**

Establish property management policies and procedures that will assure the control and administration of ROW, excess lands, and improvements acquired on federal aid projects for the Agency. Ensure that property management activities comply with federal and state laws, regulations, policies, and procedures.

Responsibilities/Expectations:

- Only qualified staff/consultants are used to perform property management that meets the requirements outlined in ROW Manual Chapters 2 & 8.
- Account for use of proceeds from the sale/lease of property acquired with federal funds on other Title 23 eligible activities;
- Keep ROW free of encroachments;
- Obtain WSDOT/FHWA approval for a change in access control along the interstate;
- Maintain property records;
- Ensure occupants and personal property are removed from the ROW;
- Maintain a complete, well-organized property management file;
- Coordinate with engineering, program administration, appraisal, acquisition, and/or property management.

William Bullock, PE, MPA, Public Works Director

- b. Any functions for which the Agency does not have qualified staff, the Agency will contract with another local agency with approved procedures, a qualified consultant, or the WSDOT. An Agency that proposes using qualified consultants for any of the above functions must work closely with its Local Agency Coordinator (LAC) and Local Programs to ensure all requirements are met. **The LAC must be given an opportunity to review all offers and supporting data before offers are made to the property owners.** The number of spot-check reviews depends on the project scope, the complexity of acquisitions, the local agency's level of experience, and past performance. Spot-check reviews will reduce the risk of delays during ROW Certification. The LAC may request additional information or parcel files to ensure local agency compliance.

- c. The Agency's Administrative Settlement Procedures, indicating the approval authorities and the procedures involved in making administrative settlements, need to be included with these procedures (see Exhibit A).
 - d. An Agency wishing to take advantage of the Waiver Valuation process for properties valued up to \$35,000 or less must complete Exhibit B of these procedures.
- 2. All projects shall be available for review by the FHWA and Local Programs ROW at any time, and all project documents shall be retained and available for inspection during the plan development, ROW, and construction stages and for three years following Local Programs' acceptance of the projects.
 - 3. Local Programs ROW may rescind its approval of the agency's procedures at any time the Agency is found to no longer have qualified staff or is found to be in non-compliance with the regulations. The rescission may apply to all or part of the approved functions.
 - 4. The Agency must review these procedures every three years to verify that they are current. Procedures need to be updated for one or more of the following reasons:
 - a. Staff Changes
 - b. If the Agency is considering early acquisition for an unfunded project, the Agency must have current procedures.
 - c. A change is requested regarding staff who can perform specified activities.
 - d. Revisions to the ROW Program, such as statutory, regulatory, or policy changes.

JoEllen Kesti, Mayor

Date

Washington State Department of Transportation

Approved By:

Local Programs Right of Way Manager

EXHIBIT A

Agency's Administrative Settlement Policy

Administrative settlements that exceed Fair Market Value (FMV) as established through the appraisal process, and in accordance with LAG Manual Section 25.11, Administrative Settlement guidelines, shall be documented and thoroughly justified, and shall be set forth in writing. The minimum Administrative Settlement is \$500.

Administrative Settlements shall be subject to the following levels of approval authority: the Acquisition. Consultant shall be authorized to offer up to \$1,000 above the FMV or up to 10% above the FMV, not to exceed \$1,000. The City Attorney of the City of Sedro-Woolley shall have the authority to make administrative settlements of up to \$5,000 above FMV or up to 25% above the FMV, whichever is less. Administrative settlements in excess of the foregoing shall require the approval of the Mayor.

JoEllen Kesti, Mayor

Date

Washington State Department of Transportation

Approved By:

Local Programs Right of Way Manager

EXHIBIT B

Agency's Waiver Valuation

The **CITY OF SEDRO-WOOLLEY**, hereinafter (Agency), desiring to acquire Real Property according to 23 CFR, Part 635, Subpart C, 49 CFR Part 24, and State directives, and desiring to take advantage of the waiver valuation process approved by the Federal Highway Administration (FHWA) for Washington State, hereby agrees to follow the procedure approved for the Washington State Department of Transportation (WSDOT) as follows:

Rules

- A. The Agency may elect to waive the requirement for an appraisal if the acquisition is simple, has a low fair market value, and the compensation estimate (including the cost to cure items) and the estimated property value are under \$35,000.
- B. The Agency must make the property owner(s) aware that an appraisal has not been completed on the property for offers of \$15,000 or less.
- C. The Agency must inform the property owner(s) that an appraisal has not been completed on the property for offers over \$15,001 and up to \$35,000, and that an appraisal will be prepared if requested by the property owner(s).
- D. Special care should be taken in preparing the Waiver Valuation, as no review is mandated, the preparer needs to ensure that the compensation is fair and that all the calculations are correct.

Procedures

- A. A Waiver Valuation is prepared using comparable sales found and verified during preparation.
- B. The Waiver Valuation is approved by the Agency staff listed under Program Administration within these Right of Way Procedures. Once the local agency coordinator has completed a spot check for the project, an offer to the property owner(s) is authorized upon signature.

JoEllen Kesti, Mayor

Date

Washington State Department of Transportation

Approved By:

Local Programs Right of Way Manager

EXHIBIT C

Relocation Appeal Procedures

The following relocation appeal procedures apply only in cases where federal funds are involved, or in cases not involving federal funds, when the City of Sedro-Woolley City Council has not waived relocation assistance.

Appealable Actions

Any aggrieved person may file a written appeal with the City of Sedro-Woolley if the person believes that the City has failed to properly consider the person's eligibility for relocation assistance. Such assistance may include, but is not limited to, the person's eligibility for, or the amount of, a payment required under Chapter 8.26 RCW and/or any other rule or regulation applicable to the Sedro-Woolley duty to provide relocation assistance.

Appeal Requirements

Within 60 calendar days of written notice being given, the displaced person to file a written appeal with the City of Sedro-Woolley Public Works Director, stating specifically the grounds for the appeal. The appeal must contain at a minimum the following:

- Date relocation notice that is being appealed was received.
- Name of the aggrieved persons.
- Project title as it appears on the offer letter or other correspondence
- Parcel number.
- Statement of issues/concerns which explains the aggrieved person's claims including all relevant facts, reasons, and supporting evidence as to the nature of the grievance or why the displaced person is otherwise aggrieved;
- Specific relief requested to resolve the matter; and
- Address, telephone number, and signature of the displaced person or the displaced person's attorney or representative in this matter.

If the appeal application is incomplete, the City will request additional information within fourteen (14) calendar days which must be submitted within fourteen (14) calendar days to complete the appeal application, or the application will be deemed incomplete and closed.

Right to Representation

Right to representation. A person has a right to be represented by legal counsel or other representative in connection with his or her appeal, but solely at the person's own expense.

Appeal Decision

The City Public Works Director will analyze information provided in the request and render a decision to either accept or reject, in whole or in part, the claim or may authorize an alternative agreement for the complaining party and issue a written decision on the appeal within thirty (30) calendar days of the receipt of

a valid appeal.

Request for Reconsideration of Public Works Review Decision

If the appealing party believes the City Public Works Director Review Decision does not correctly evaluate their appeal, they may choose to file a written request for Reconsideration of the Review Decision. A request for reconsideration must be filed within fourteen (14) calendar days of the date of mailing of the Public Works Director's decision. Requests for reconsideration filed after the 14 calendar days have lapsed will not be considered. A request for reconsideration is considered filed if it is hand-delivered to the City's front counter during city business hours within the 14 days or is mailed to the City Attorney and received within the 14 days. If a Request is sent to the City Attorney by mail, the Request shall be deposited in the post office addressed to the City Attorney, with the postage prepaid. The Request shall be deemed received upon the third day following the day upon which it is placed in the mail, unless the third day falls on a Saturday, Sunday or legal holiday, in which event the Request shall be deemed received on the first day other than a Saturday, Sunday or legal holiday, following the third day.

The request must include a copy of the original appeal and Appeal Decision together with a statement from the requester specifically stating the grounds of their second appeal. If the request is incomplete, the City will, within fourteen (14) calendar days of filing, request additional information which must be submitted within fourteen (14) calendar days of receipt of the request, to complete the appeal application, or the application will be deemed incomplete and closed.

Reconsideration Decision

This Reconsideration review will be undertaken by the City Attorney. The City Attorney will analyze the request for reconsideration and the Public Works Review Decision then render a decision to either accept or reject, in whole or in part, the claim or may authorize an alternative agreement for the complaining party within sixty (60) calendar days of receipt of a complete Request for Reconsideration, with written findings and conclusions which represent the City's final decision.

Judicial Review

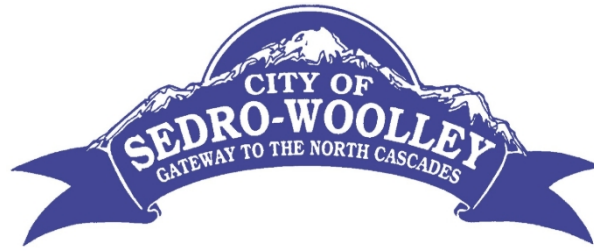
The person submitting the appeal has the right to seek judicial review of the City's final decision from the Skagit County Superior Court within twenty-one (21) calendar days of the written decision. If no formal appeal is filed within twenty-one (21) calendar days, the appeal is closed.

JoEllen Kesti, Mayor

Date

Approved as to Form:

City Attorney



City Council Agenda Item

Agenda Item No.: m.4.

Date: July 22, 2026

From: Bill Bullock, Public Works Director

Subject: Change Order No. 1 - Huber Technologies - WWTP Screw Press Conveyor

RECOMMENDED ACTION:

Motion to authorize the Mayor, or designee, to execute the purchase of a conveyor from Huber Technologies through a change order to the dewatering screw press purchase for an amount not to exceed \$85,471.25 (including tax).

BACKGROUND/SUMMARY INFORMATION:

On March 25, 2026, council approved the purchase of a dewatering screw press to replace the existing belt press, which has exceeded its useful service life, in the biosolids building. This press is expected to be implemented in late 2026.

During verification testing of the Huber screw press, as a bidding requirement, it was found that the superior dewatering capability of this technology produced solids more of the consistency of loose dirt (a very granular material) rather than cakes. The existing belt conveyor is also a very aged piece of equipment and has issues moving “dirt”; much of the “dirt” rolls back down the conveyor. Having the ability to dewater solids to this level is very beneficial and makes the cost of disposal hauling far more economical (less tonnage); but we need another conveyor solution.

The proposed Huber conveyor is an enclosed archimedes screw design instead of an open air belt. Advantages, it is fabricated out of stainless steel to resist corrosion, has fewer moving parts, is specifically compatible to the screw press, and will fall under the same warranty as the screw press.

The conveyor proposal from Huber (attached) is for \$78,486 (\$85,471 including tax).

FISCAL IMPACT, IF APPROPRIATE:

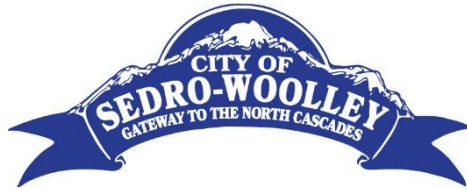
The cost of the Huber conveyor will be paid out of Fund 104 in the amount of not to exceed \$85,471 (including tax).

ATTACHMENTS:

1. Change Order 1 - Screw Conveyor
2. Proposal_Sedro-Woolley WA_Ro8T_7-10-2026_rev1_na



Change Order (CO) No. 01



Owner: City of Sedro-Woolley
Project: Dewatering Equipment Pre-Purchase
Project No: 240132.0099
Engineer: RH2 Engineering, Inc.
Supplier: Huber Technology

Description:

The supplier is directed to provide a screw conveyor to replace the existing belt conveyor, as detailed in the attached proposal.

Document(s) Support Changes: Huber proposal

Bid Items: N/A

Date of Issuance: TBD

Original Contract Price:

\$380,812.00 (without tax)

Original Contract Time:

250 Calendar Days

Previously Approved Change Order(s):

None.

Net Change Approved from Previous Change Orders:

N/A

Total Price of Previous Change Orders:

N/A

Contract Time including Previous Change Orders:

250 Calendar Days

Total Price of Change Order(s) Approved this Form:

\$78,486.00 (without tax)

Net Increase (Decrease) of This Change Order:

0

Contract Price with all Approved Change Orders:

\$459,298.00 (without tax)

Contract Time with all Approved Change Orders

250 Calendar Days

RECOMMENDED:

By _____
Engineer

APPROVED:

By _____
Supplier

APPROVED:

By _____
Owner

By signing this form, the Owner and the Contractor agree to release all claims to additional work or credit or delays, occurring prior to the Date of Issuance, which have not been identified in this Change Order form.

BUDGET PROPOSAL



Sedro-Woolley, WA

HUBER Cake Conveyor Ro8T 273

Represented by:

Goble Sampson Associates
John Simon
(425) 392-0491
jsimon@goblesampson.com

Regional Sales Director:

Ron Maiorana
704-718-4477
Ron.Maiorana@hhusa.net

Project Number: 530395
Revision: 0
Date: 7/10/2026

HUBER Technology, LLC
1009 Airlie Pkwy, Denver, NC 28037
704-949-1010 | www.huber-technology.com

Cake Conveyor	HUBER Ro8T 273
Quantity	1
Material	304L Stainless Steel
Installation Angle	20°
Length	31 ft.
Motor Data	1.5hp, 480 VAC, 60 Hz, 3 ph

Freight and Startup Services	
2 Days, 1 Trip	Startup services for installation inspection and startup supervision.
Freight to jobsite.	

Pricing

Equipment	Model	Quantity	Pricing
HUBER Screw Conveyor (Cake)	Ro8T 273, 31 ft length	1	Included
Freight and Startup Services		2 days, 1 trip	Included
TOTAL:			\$78,486.00

Thank you for your interest in HUBER Technology, LLC. If you have any questions, please do not hesitate to contact our Regional Sales Director or our local sales representative.

This proposal has been reviewed for accuracy and approved for issue by: NJA

Notes and Technical Clarifications

1. Equipment specification and drawings are available upon request.
2. If there are site-specific hydraulic constraints that must be applied, please consult the manufacturer's representative to ensure compatibility with the proposed system.
3. Electrical disconnects required per local NEC code are not included in this proposal.
4. All electrical interconnections, wirings, junction boxes, and terminations between the equipment and electrical components are to be provided by installing contractor.
5. Budget estimate is based on Huber Technology's standard Terms & Conditions and is quoted in US dollars unless otherwise stated.
6. Equipment recommendations are based on information provided to Huber Technology. Subsequent information which differs from what has been provided may alter the equipment recommendation.
7. Any item not specifically listed is not considered part of this scope of supply. Please contact the HUBER Technology representative listed for further clarification.
8. Pricing shown in this proposal is valid for 30 days from the date shown on this proposal.
9. HUBER equipment offered in this proposal is suitable for installation in an unclassified environment. Please note that equipment is NOT suitable for C1D2 or C1D1 areas, and consideration of these ratings requires prompt discussion with HUBER. HUBER will advise implications to design and project cost if this is desired.
10. Equipment delivery to be 16 weeks + International freight. Estimated delivery time to be 20-22 weeks from release to manufacturing.
11. No additional dedicated conveyor control panel has been included in this quote. HUBER assumes that the motor starter will be incorporated into the exist Q-PRESS MCP.
12. HUBER has not included a discharge chute in this proposal. Please inform if HUBER is to modify their scope.
13. The conveyor will be furnished by HUBER Technology as a separate purchase but will be carried within the existing project package. Equipment outlined in this proposal shall not be connected to the liquidated damages associated with the Q-PRESS.

Additional Information Pertinent to HUBER Quotation

Special Information and Exceptions

- Price does not include any unloading or any applicable fees or taxes (Local, Federal, or Final Destination)
- Prices are in U.S. Dollars unless noted otherwise
- Freight is delivered with duty paid (D.D.P.) to Job site
- Price does not include installation or building modifications
- This Budgetary Pricing Quotation is valid for thirty (30) days from the date of this Scope or until withdrawn by HUBER Technology, LLC (hereinafter "HUBER").

Submittals

HUBER will provide documentation to the Purchaser per the following schedule:

- Five (5) copies or the quantity stipulated in the equipment specification of submittal shop drawings 4-6 weeks after acceptance of a written purchase order.
- Three (3) copies or the quantity stipulated in the equipment specification of HUBER O&M manuals prior to equipment start-up.

Shipment

HUBER will make all reasonable efforts to maintain the following schedule:

- Submittals 4-6 weeks after acceptance of a written purchase order.
- Please consult HUBER Technology, LLC for current fabrication lead times on the proposed equipment.
- O&M manuals prior to equipment start-up.

Accessories

This Proposal includes only those items specifically mentioned in the equipment descriptions. Any items which may be necessary for the operation of the equipment, but are not specifically mentioned, such as motors, drives, controls, or supports, are to be supplied via additional quotation separate from this offering.

Abrasion or Corrosive Materials

All of HUBER's machines and systems are manufactured from 304L or 316L grade stainless steel. The environment or materials the equipment may be exposed to may be abrasive or corrosive. This Proposal makes no representation or warranties concerning the service life of the equipment against such abrasion or corrosion. The concentration of chloride and hydrogen sulfide (H₂S) in the equipment operating environment shall be kept below the following values:

- | | | |
|--|-------|------|
| • Maximum Chloride for V2A (304, 304L)* | 100 | mg/L |
| • Maximum Chloride for V4A (316L, 316Ti)* | 400 | mg/L |
| • Maximum Chloride for V4A (316L, 316Ti)** | 250 | mg/L |
| • pH Value of the Wastewater/Washwater | >6.5 | |
| • Iron Content in Washwater | <0.50 | mg/L |

* no hydrogen sulphide in the area of the stainless steel

** with a maximum hydrogen sulphide content of 6 ppm

Machines made from 316 grade stainless steel are available at an additional price for extremely harsh operating environments upon request.

Exhibit A: HUBER General Project Notes

General Information

- Prices are in U.S. Dollars unless noted otherwise
- Freight is delivered with duty paid (D.D.P.) to Job site
- The Price Quotation is valid for (30) days from the date of this Scope or until withdrawn by HUBER Technology, LLC (hereinafter "HUBER"). After expiration of validity HUBER reserves the right to adjust pricing to take into account any increases in components, controls, material costs such as steel, stainless steel finished products, stainless steel coil, etc. Due to the current volatility of raw materials and shipping. HUBER cannot guarantee to hold prices beyond the validity date. HUBER therefore reserves the right to adjust our pricing at time of order.
- If applicable to this Project, any pricing breakouts provided for special testing and/or field services are estimates based on the scope of work required. HUBER will limit invoices for specialized testing to only the days required to complete the services. However, if additional service days are needed due to circumstances beyond HUBER's control, they will be provided through a change order at the manufacturer's prevailing rate at the time of service.
- Control Panel design (if a part of the HUBER scope of work) is based on the specification provided and is inclusive to meet the requirements of a vendor-designed panel, whereas the components and the factory testing of the panel will meet the manufacturer's requirements for function and warranty. Additional requirements or sections of the specification to meet local authority requirements or control panel designs unrelated to the equipment section, including special labeling, testing, or integration, have not
- Factory testing documents will be based on HUBER (or their designated vendors') typical testing forms, modified to match the scope of the equipment outlined in this quote. If specific custom testing forms are required, example documents will need to be provided and evaluated to determine if there will be an impact to project cost.
- Quotation and scope are based on specification sections listed on the cover of the scope of supply. Sections referenced within the section, if not listed, are excluded from the scope and quotation and may require a change order.
- If customer elects to supply control panel(s) for HUBER equipment, HUBER will supply the following information with their submittal: Site specific standard HUBER equipment PID for equipment being delivered, detailed control strategy for HUBER supplied equipment, setpoint names, typical ranges, and initial values, submittal comments outlining any concerns with HUBER equipment requirements as it pertains to project plans and specifications. No additional information other than these items will be shared/reviewed by HUBER during the submittal stage.
- Equipment prices broken out on the HUBER proposal for convenience are only valid when packaged together.

Submittals

HUBER will provide documentation to the Purchaser per the following schedule:

- An electronic copy of the Submittals will be provided via HUBER Share 4-6 weeks after acceptance of a written purchase order and receipt of all technical information
- For projects exceeding \$1 million in total value, involving five (5) or more major equipment components, or requiring fulfillment under multiple purchase orders, the standard submittal delivery timeline shall be a minimum of 6-8 weeks from the date of receipt of a complete and executed purchase order, inclusive of all required technical, commercial, and project-specific information. Submittals may be delivered in staged packages, grouped by system or purchase order structure, at the discretion of the Supplier to support efficient and timely project execution.

- Operation & Maintenance (O&M) manuals will be provided electronically via HUBER Share prior to equipment startup.
- Printed hard copies of the submittals and/or O&M manuals are available at an additional cost.
- CHANGES TO DELIVERY DATE MAY RESULT IF THESE ITEMS ARE NOT ADDRESSED (If applicable)
 - All necessary information including, but not limited to, up-to-date layouts, technical specifications, prints and pertinent specifications. These must be in AutoCAD DWG, DXF, IGES or STEP format and be supplied within 1 Week (5 business days) of P.O. receipt.
 - A more specific date will be set upon the Seller's acknowledgment of the Buyer's order, and is subject to HUBER's timely receipt of all conformed drawings, specification, and other information necessary for the design, manufacture, and factory witness test of the machine or product, if
 - Submittals to be provided within the timeframe specified above from the executed PO and receipt of all required technical information. After receipt of the approval submittal(s), they must be approved as is, or changes noted, and signed by the buyer. The buyer must return the signed approval submittal(s) to HUBER within 4 weeks (20 business days) of receipt.
 - Any changes in the process after purchase order is issued may result in a later delivery date, change order, or an addendum to the proposal. All changes must appear in writing using HUBER C.O. (Change Order) form and signed by a representative of both HUBER and the buyer before any
- HUBER's standard submittal documents, programming (as applicable), testing procedure, and O&M documentation have included for all equipment, and any controls which are included in the HUBER Scope of Supply.

Shipment and Delivery

- HUBER will make all reasonable efforts to maintain the following schedule but cannot guarantee delivery
- Equipment delivery 20-22 weeks after approved submittals and notice to proceed.
- For equipment shipments from the United States with final destination within the continental United States, HUBER will ship equipment to site via flatbed truck.
- For equipment shipments from HUBER facilities outside of the U.S., HUBER will ship all equipment to site inside of 20', 40' or 40'OT ocean containers as deemed appropriate by our factory. HUBER will not ship any equipment via flatbed truck. Flatbed truck shipping for ocean freight containers requires equipment to be transferred at port from factory packaged containers. This operation is out of HUBER's control and HUBER has found that equipment is frequently damaged during this process.
- O&M manuals prior to equipment start-up.

Accessories

This Proposal includes only those items specifically mentioned in the equipment descriptions. Any items which may be necessary for the operation of the equipment, but are not specifically mentioned, such as motors, drives, controls, supports or otherwise, are to be supplied via additional quotation separate from this offering.

Abrasion or Corrosive Materials

All of HUBER's machines, control panels, and systems are manufactured from 304L or 316L grade stainless steel. Purchaser expressly acknowledges that HUBER has no control over the environment or materials where the HUBER equipment will be installed. The environment or materials the equipment may be exposed to may be abrasive or corrosive. This Proposal makes no representation or warranties concerning the service life of the equipment against such structural abrasion or corrosion. The concentration of chloride and hydrogen sulfide (H₂S) in the equipment operating environment shall be kept below the following values:

- Maximum Chloride for V2A (304, 304L)* 100mg/L
- Maximum Chloride for V4A (316L, 316Ti)* 400mg/L
- Maximum Chloride for V4A (316L, 316Ti)** 250mg/L
- pH Value of the Wastewater/Washwater >6.5
- Iron Content in Washwater 2 <0.50mg/L

* NO hydrogen sulfide present in the area of the stainless steel

** Maximum hydrogen sulfide content of 6 ppm present in the area of the stainless steel Control panels are to be located in an environment free from hydrogen sulfide, and tin plated copper wiring is recommended for all customer field wiring installations.

Upon specific request and HUBER approval, machines may be made from Duplex grade stainless steel at an additional price for extremely harsh operating environments.

Purchase Orders

All Purchase Orders are to be faxed or mailed to:

HUBER Technology, LLC
1009 Airlie Parkway
Denver, NC 28037
Phone: (704) 949-1010
Fax: (704) 949-1020

Warranty

Equipment warranty shall follow the earlier of the two dates listed below, and HUBER Terms and Conditions if attached to this proposal.

- 12 Months From completion of installation and start-up, **OR**
- 18 Months From the date of delivery to the Purchaser

LIMITED WARRANTY: HUBER warrants that the equipment and components furnished will be free from defects in workmanship and materials and perform the general process function intended, solely under the conditions defined by HUBER above. HUBER will replace, modify or repair, at its sole option, any such defective component or equipment at no charge provided that HUBER is notified promptly in writing of any claimed defect. If requested by HUBER, any such defective part or component shall be returned to HUBER, freight prepaid. HUBER will provide on-site Field Service when reasonably assured of payment therefore if this warranty does not apply or when such service is required in its judgments. This warranty does not apply to any defect or malfunction arising out of failure to store, install, operate or maintain the equipment in accordance with instructions by HUBER. Warranty shall be voided for any misuse of equipment; operation under conditions other than those defined by HUBER in its operation and maintenance (O&M) manuals for said equipment, or operator negligence. Any unauthorized modification or alteration of the equipment or repair or replacement of components may void this warranty, at the sole option of HUBER. For any billable repairs completed outside of the initial warranty period, a sixty (60) day guarantee on work performed and parts supplied will apply.

HUBER MAKES NO OTHER WARRANTY, EXPRESS OR IMPLIED, WITH REGARD TO THE DESIGN, SALE, MERCHANTABILITY OR FITNESS OF THE GOODS FOR A PARTICULAR PURPOSE OR USE EXCEPT AS EXPRESSLY SET FORTH IN HUBER'S TERMS AND CONDITIONS. HUBER IS NOT SUBJECT TO ANY OTHER OBLIGATIONS OR LIABILITIES ARISING OUT OF BREACH OF CONTRACT OR WARRANTY, TORT CLAIMS INCLUDING NEGLIGENCE, GROSS NEGLIGENCE AND STRICT LIABILITY, OR ANY OTHER THEORIES OF LAW. HUBER IS UNDER NO EVENT LIABLE FOR ANY SPECIFIC, LIQUIDATED, INDIRECT, INCIDENTAL OR CONSEQUENTIAL OF ANY KIND WHATSOEVER.

Exclusions

- Financing
- Cranes and/or lifting devices
- Unloading and/or storage of equipment on job site
- Local, State or Federal taxes or fees
- Foundation design and engineering (HUBER will only furnish equipment drawings and data)
- Installation, erection, operation, or any utilities used for these purposes.
- Gauges and instrumentation not specifically described in HUBER scope of supply
- Rental of Vacuum Trucks, pumping trucks or any other methods for cleaning and removing sludge, water, waste or the like.
- Validation and/or testing of third party or ancillary systems such as polymer dosing, fans, air balancing and the like.
- Interconnecting wiring, conduit, junction boxes, local motor disconnects, piping, tubing, valves, fittings, etc. between the equipment and other equipment and/or control devices and control panel.
- Tools, oil, grease, grease gun, dumpster(s), or bin(s).
- Witnessed factory testing, and site testing and commissioning are not included unless otherwise noted. In addition, custom forms, submittals, and programming, are not included. These items are available as needed and HUBER can provide pricing for these items upon request.
- Customer travel expenses associated with witnessed factory testing (if applicable).
- If outlined explicitly in the OEM process equipment specification(s), control system spare parts *will* be included. Any spare parts will be specifically limited to those items named in OEM equipment specifications. Spare I&C components listed in referenced specification sections are specifically NOT included, as these items are assumed to be provided by the Contractor and/or Systems Integrator. If asked to supply these items after a Purchase Order has been issued, HUBER can offer these items via
- Control panel seismic analysis, loop diagrams, harmonic studies, electrical site studies, PLC logic diagrams, flow charts, project specific P&ID's, ISA data sheets, point-to-point wiring diagrams, etc. unless specifically stated otherwise.
- Software *licenses* for the PLC/HMI program are not included unless stated otherwise. These items are available for additional price adder upon request
- Storage of equipment is not included in the HUBER offer. This must be discussed and quoted separately if required for the project.

Installation Verification, Start-up and Training Assistance

An authorized HUBER Service Technician will be scheduled to provide start-up and commission assistance. To meet demand, HUBER can possibly source from an available international network of authorized technicians. HUBER is able to quote additional installation, start-up supervision, and training, which is not specifically included in the scope of supply, at the Purchaser's written request. For such additional services Purchaser shall pay the current per daily rate, per diem, plus expenses, for eight (8) hours per day.

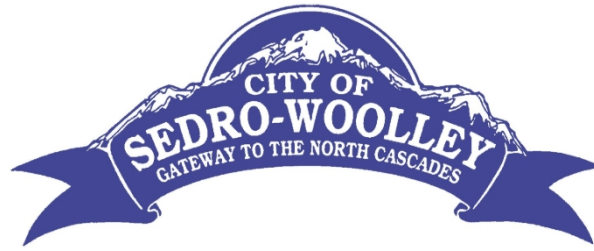
- At the request of the Purchaser, overtime service will be provided at a rate of 1.5 times the regular rate for weekdays, and 2.0 times the regular rate for weekends and/or holidays.
- "Expenses" are defined as the costs of travel from HUBER's location to the point of installation and return; together with accommodation and living expenses during the start-up period of field service. HUBER will make all reasonable efforts to provide a HUBER Rep located within North America. However, some circumstances will require travel from Europe.
- Charges for all time involved will be invoiced. The full net invoice is payable within thirty (30) days of receipt by Purchaser.
- In the event of on-site delays which are beyond HUBER's control, including proper installation, training and start-up, additional charges will be invoiced (the current hourly rate plus expenses).
- Please note that once startup services are scheduled, this time is reserved exclusively for that service(s). Cancellation and/or rescheduling prior to the scheduled dates are subject to airline change fee(s) plus the differences in the cost for the new airline ticket(s) and any additional expenses that may occur (including hotel cancellation fees and airline agent fees).

Equipment Standard

Any deviations from the HUBER standard mechanical and electrical specifications must be discussed with HUBER and agreed upon. If HUBER mechanical and electrical specifications are changed, performance of HUBER equipment may be affected. HUBER reserves the right to charge additional costs to the equipment price for any non-standard mechanical and electrical components required by the Purchaser and not explicitly stated in HUBER's scope of supply in the form of a Change Order.

Shop Painting

The standard HUBER motor and gearbox paint treatment is designed to meet the requirements of the ISO 12944-2 Standard. The paint system will consist of one coat of primer of the MG1500 series, autophoretic, e-coat, or powder coat per 004824-007BY, and a final coat of two-component, solvent based epoxy paint in the MG1025 series. Motors painted under this spec will receive a coating with a total DFT in the range of 3.0 to 5.5 mils, (80 to 140 microns). Other paint specifications described in the sections covered by this proposal shall be superseded by this described paint specification.



City Council Agenda Item

Agenda Item No.: n.1.

Date: July 22, 2026

From: Peter Lane, City Engineer

Subject: Public Works Capital Projects Open House

RECOMMENDED ACTION:

None, information only

BACKGROUND/SUMMARY INFORMATION:

Public Works will be hosting a public open house on August 13 from 6-7:30 at the City Hall Council Chambers to discuss our upcoming large projects, answer questions and listen to comments. Projects include Jones-John Liner Railroad Undercrossing, John Liner Arterial Improvements, SR-20 Cascade Trail West Phase 2A, Wastewater Treatment Plant Upgrades and pedestrian improvements.

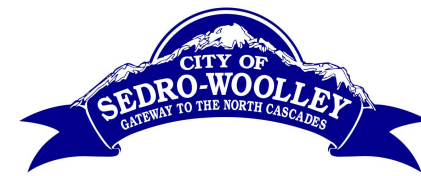
FISCAL IMPACT, IF APPROPRIATE:

None, information only

ATTACHMENTS:

1. Open House Flyer

WE NEED YOUR INPUT!



PUBLIC OPEN HOUSE

The City of Sedro-Woolley will be hosting a public open house on August 13 to answer any questions and listen to any concerns you may have about the public impacts of these projects.

MEETING DISCUSSION TOPICS

- Access During Construction
- Public Impacts
- Project Schedules

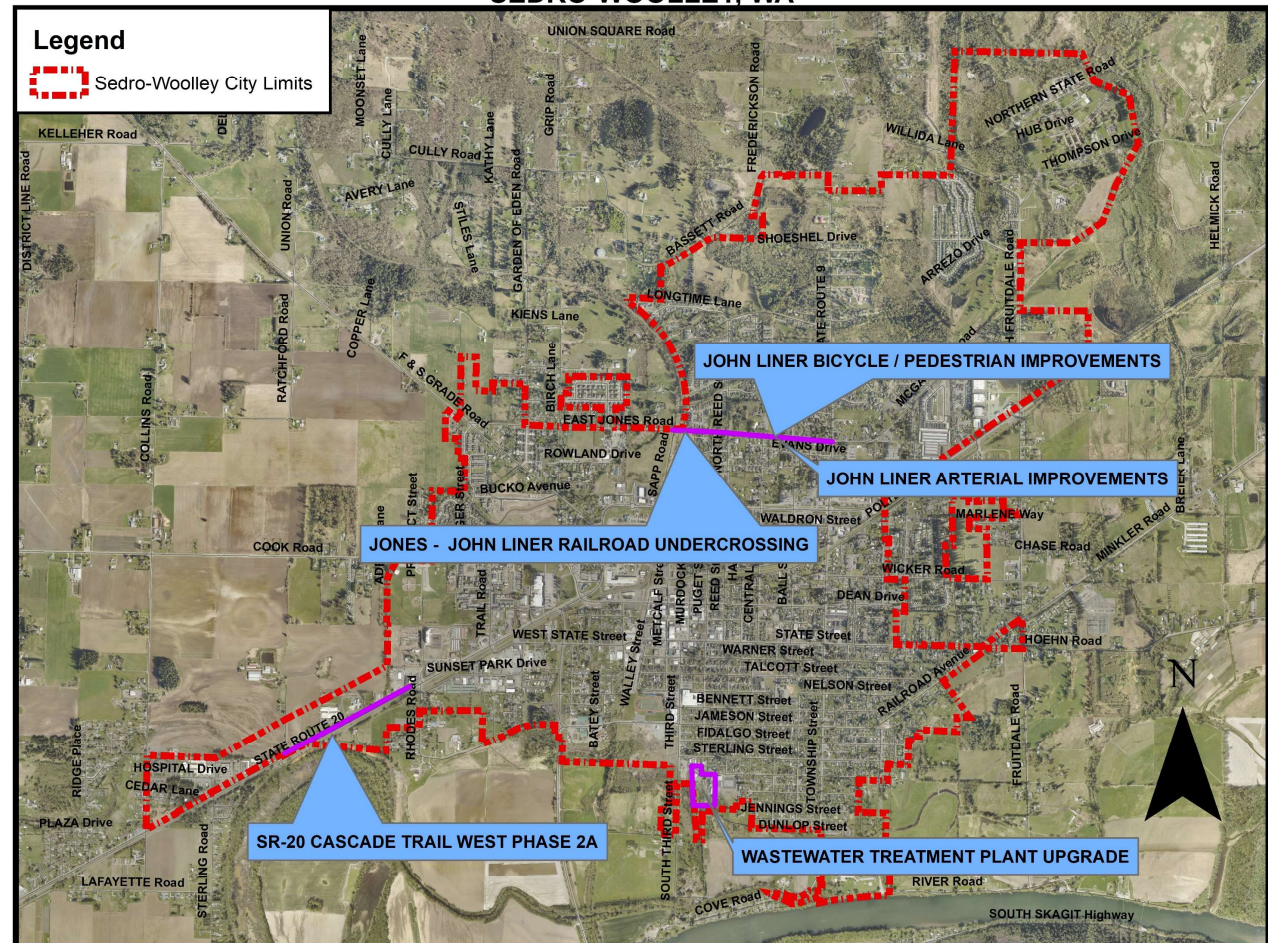
PUBLIC OPEN HOUSE

When:.....August 13, 2026

Time:.....6-7:30 PM

Where:....City Hall Council Chambers
325 Metcalf St.
Sedro-Woolley, WA

2027 - 2028 CAPITAL PROJECT MAP SEDRO-WOOLLEY, WA



For further information, please contact:
Bill Bullock, PE, MPA, Public Works Director
bbullock@sedro-woolley.gov