	<p>City Council Study Session Community Wellness Special Focus Area May 11, 2020 - 5:30 PM Virtual AGENDA Watch the meeting LIVE!</p> <p>Watch the meeting video Meeting videos are not available until 72 hours after the meeting has concluded.</p>
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I. CALL TO ORDER

II. Virtual Participation Link

A. Virtual Participation Link

The Auburn City Council Study Session Meeting scheduled for Monday, May 11, 2020 at 5:30 p.m. will be held virtually and telephonically. To attend the meeting virtually please click the link or enter the meeting ID into the Zoom app or call into the meeting at the phone number listed below.

Per the Governor's Emergency Proclamation 20-28, the City of Auburn is prohibited from holding an in-person meeting at this time. All meetings will be held virtually and telephonically.

The link to the Virtual Meeting or phone number to listen to the Council Meeting is:

Please click the link below to join the webinar:
<https://zoom.us/j/98841391835>

Or iPhone one-tap :
US: +12532158782,,98841391835#

Or Telephone:
Dial
1 253 215 8782
877 853 5257 (Toll Free)

Webinar ID: 988 4139 1835

B. Roll Call

III. NEW BUSINESS

A. Council Rules of Procedure

(RECOMMENDED ACTION: Move to extend the suspension of Council Rules of Procedure 3.1(H), 4.1, 10.1, 11.2(B) and 16.1 that were amended on April 6, 2020 during the City Council Meeting through June 2, 2020 and allow the virtual and telephonic participation in Council meetings.)

IV. ANNOUNCEMENTS, PROCLAMATIONS, AND PRESENTATIONS

- A. National Police Week & Peace Officers Memorial Day Proclamation
Mayor Backus to proclaim May 10-16, 2020 as National Police Week and observe May 13, 2020 as National Peace Officers Memorial Day in the City of Auburn

V. AGENDA ITEMS FOR COUNCIL DISCUSSION

- A. Ordinance No. 6774 (Thomas)(20 Minutes)
An Ordinance providing for the issuance of one or more series of Utility System Revenue and Refunding Bonds
- B. Interlocal Agreements for Homelessness Assistance (Backus)(15 Minutes)
- C. Parks, Arts and Recreation Covid Update (Faber)(20 Minutes)
Presentation of past actions and recovery planning as it relates to Parks, Arts and Recreation and Covid-19 restrictions

VI. COMMUNITY WELLNESS DISCUSSION ITEMS

- A. Overview of the 2021/2022 Human Services Grant Funding Application and Review Process (Tate)(10 Minutes)
- B. Status of Human Service Agencies Amidst COVID Pandemic (Tate)(10 Minutes)
Staff to provide a status report of how Human Service agencies are performing and coping during the COVID-19 pandemic
- C. Overview of CDBG CV Federal Funds (Tate)(30 Minutes)
Staff to provide an overview of the process and restrictions related to allocating CDBG CV funds

VII. OTHER DISCUSSION ITEMS

VIII. ADJOURNMENT

Agendas and minutes are available to the public at the City Clerk's Office, on the City website (<http://www.auburnwa.gov>), and via e-mail. Complete agenda packets are available for review at the City Clerk's Office.



AGENDA BILL APPROVAL FORM

Agenda Subject:

Ordinance No. 6774 (Thomas)(20 Minutes)

Date:

May 6, 2020

Department:

Finance

Attachments:

[Ordinance No. 6774](#)

Budget Impact:**Administrative Recommendation:**

For discussion only.

Background Summary:

Ordinance No. 6774 seeks City Council authorization to issue new utility system revenue debt and to refund outstanding revenue debt.

By way of background, the City's adopted 2020-2025 Capital Facilities Plan provides for an issuance of revenue bonded debt as a financing vehicle to undertake a number of utility system capital projects within the current planning horizon. In addition, the City has outstanding Utility System Revenue Bonds which were issued in 2010. With the current low interest rate environment, the opportunity exists to recognize future interest cost savings by refunding these outstanding bonds. Pacifica Law Group has been retained to serve as Bond Counsel.

Pacifica Law Group has prepared a "Bonds 101" primer/refreshers presentation which will precede discussion of Ordinance No. 6774.

In closing, the issuance and refunding of bonds is necessary to capture presently favorable market conditions and the City as a matter of practice has routinely engaged in these types of transactions in the past.

Reviewed by Council Committees:**Councilmember:****Staff:**

Thomas

Meeting Date: May 11, 2020

Item Number:

CITY OF AUBURN, WASHINGTON
UTILITY SYSTEM REVENUE AND REFUNDING BONDS, 2020
ORDINANCE NO. 6774

AN ORDINANCE OF THE CITY OF AUBURN, WASHINGTON, PROVIDING FOR THE ISSUANCE OF ONE OR MORE SERIES OF UTILITY SYSTEM REVENUE AND REFUNDING BONDS OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$28,000,000 TO FINANCE COSTS ASSOCIATED WITH THE CONSTRUCTION OF AND IMPROVEMENTS TO THE CITY'S COMBINED UTILITY SYSTEM AND TO REFUND CERTAIN OUTSTANDING COMBINED UTILITY SYSTEM REVENUE BONDS OF THE CITY; APPROVING THE SALE OF THE BONDS; AND DELEGATING THE AUTHORITY TO APPROVE THE FINAL TERMS OF THE BONDS.

PASSED: MAY 18, 2020

PREPARED BY:

PACIFICA LAW GROUP LLP
Seattle, Washington

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* This Table of Contents is provided for convenience only and is not a part of this ordinance.

CITY OF AUBURN, WASHINGTON

ORDINANCE NO. 6774

AN ORDINANCE OF THE CITY OF AUBURN, WASHINGTON, PROVIDING FOR THE ISSUANCE OF ONE OR MORE SERIES OF UTILITY SYSTEM REVENUE AND REFUNDING BONDS OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$28,000,000 TO FINANCE COSTS ASSOCIATED WITH THE CONSTRUCTION OF AND IMPROVEMENTS TO THE CITY'S COMBINED UTILITY SYSTEM AND TO REFUND CERTAIN OUTSTANDING COMBINED UTILITY SYSTEM REVENUE BONDS OF THE CITY; APPROVING THE SALE OF THE BONDS; AND DELEGATING THE AUTHORITY TO APPROVE THE FINAL TERMS OF THE BONDS.

WHEREAS, the City of Auburn, Washington (the "City"), owns, operates and maintains a water supply and distribution system and a sanitary sewage system, which systems were combined pursuant to RCW 35.67.320 by Ordinance No 961, passed on March 7, 1950, and further combined with the storm drainage system by Ordinance No. 4945, passed on February 18, 1997 (the combined systems, including all additions, betterments and extensions at any time made, are collectively referred to herein as the "Combined Utility System of the City" or the "System"); and

WHEREAS, the City has previously issued and has outstanding certain obligations of the System payable from and secured by Gross Revenue of the System, subject only to the prior payment of Maintenance and Operation Expense (each as defined herein) (the "Outstanding Parity Bonds"); and

WHEREAS, the ordinances authorizing the Outstanding Parity Bonds provide that additional revenue bonds may be issued with a lien on Gross Revenue of the System on a parity with the lien of the Outstanding Parity Bonds if certain conditions are met; and

WHEREAS, the Council now determines that it is in the best interest of the City to issue one or more series of utility system revenue and refunding bonds (the "Bonds") in order to provide funds (a) to finance and/or reimburse the City for costs associated with the construction of and improvements to the System, (b) depending on market conditions, to defease and refund certain Outstanding Parity Bonds, (c) to fund the reserve account, if necessary, and (d) to pay costs of issuing the Bonds; and

WHEREAS, the Council wishes to delegate authority to the Designated Representatives specified herein, for a limited time, to approve the interest rates, maturity dates, redemption terms and principal maturities for the Bonds within the parameters set by this ordinance; and

WHEREAS, the City expects to receive a purchase contract from Piper Sandler & Co. (the "Underwriter") to underwrite the Bonds, and now desires to issue and sell the Bonds to the Underwriter as set forth herein;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, DOES ORDAIN as follows:

Section 1. Definitions and Interpretation of Terms.

(a) *Definitions.* As used in this ordinance, the following words shall have the following meanings:

Acquired Obligations means the Government Obligations acquired by the City under the terms of this ordinance and the Escrow Agreement to effect the defeasance and refunding of the Refunded Bonds, but only to the extent that the same are acquired at Fair Market Value.

Alternate Security means any bond insurance, reserve insurance, collateral, security, letter of credit, guaranty, surety bond or similar credit enhancement device providing for or securing the payment of all or part of the principal of and interest on Parity Bonds, which (i) is non-cancelable, and (ii) is issued by an institution which has been assigned, at the time of issuance of the particular issue of Parity Bonds in connection with which the Alternate Security is acquired, a credit rating equal to or better than the highest two rating categories by both Moody's Investors Service, Inc., and S&P Global Ratings (without regard to gradations within those categories). Alternate Security includes, in lieu of cash and investments, such a security obtained by the City for the purpose of satisfying part or all of the Reserve Requirement for the Parity Bonds then outstanding. After the maturity, redemption or defeasance of all of the Outstanding Parity Bonds, this definition shall read as follows: ***Alternate Security*** means any bond insurance, reserve insurance, collateral, security, letter of credit, guaranty, surety bond or similar credit enhancement device providing for or securing the payment of all or part of the principal of and interest on Parity Bonds, which (i) is non-cancelable, and (ii) is issued by an institution which has been assigned, at the time of issuance of the particular issue of Parity Bonds in connection with which the Alternate Security is acquired, a credit rating equal to or better than the highest two rating categories by Moody's Investors Service, Inc., S&P Global Ratings or any other rating agency then maintaining a rating on such Parity Bonds (without regard to gradations within those categories). Alternate Security includes, in lieu of cash and investments, such a security obtained by the City for the purpose of satisfying part or all of the Reserve Requirement for the Parity Bonds then outstanding.

Annual Debt Service means for any calendar year for the Parity Bonds (or for any series thereof, as applicable), all the interest, plus all principal (except principal of Term Bonds due in any calendar year in which such Term Bonds are scheduled to mature), plus all mandatory redemption and sinking fund installments for that year, less all bond interest payable from the proceeds of any such Parity Bonds in that year.

After the maturity, redemption or defeasance of all of the Outstanding Parity Bonds, for purposes of calculating the Coverage Requirement and satisfying the Parity Conditions, adjustments shall be made to Annual Debt Service for each calendar year by subtracting any amount scheduled to be received in that calendar year by the City as a Tax Credit Subsidy Payment if the City has elected to exclude such Tax Credit Subsidy Payments from Gross Revenue.

Assessment Bonds mean the original principal amount of any issue of Parity Bonds equal to the total principal amount (or, if refunding bonds, the remaining unpaid principal amount) of ULID Assessments on any final assessment roll or rolls of one or more ULIDs formed in connection with the improvements being financed by such issue of bonds (or bonds being refunded). The original principal amount of such issue of bonds in excess of Assessment Bonds shall be referred to as “bonds (or bonds) that are not Assessment Bonds.” Assessment Bonds shall be allocated to each \$5,000 of bonds in proportion to their percentage of the entire issue of bonds. When a bond of any issue of bonds containing Assessment Bonds is redeemed or purchased, and retired, the same percentage of that bond as the percentage of Assessment Bonds is to the total issue of those bonds shall be treated as Assessment Bonds being redeemed or purchased and retired.

Average Annual Debt Service means, as of its date of calculation, the sum of the Annual Debt Service for the remaining calendar years to the last scheduled maturity of the applicable issue or issues of bonds divided by the number of those calendar years. For purposes of computing the Reserve Requirement the estimated amount of bonds to be redeemed prior to maturity may be taken into account if required under federal arbitrage regulations.

Beneficial Owner means any person that has or shares the power, directly or indirectly to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

Bond Counsel means Pacifica Law Group LLP or another firm selected by the City that is nationally recognized in matters concerning bonds and other securities issued by states and local governments, including the tax status of interest on such bonds and other securities.

Bond Fund means that special fund of the City known as the Utility System Revenue Bond Fund created by Ordinance No 4945 for the payment of the principal of and interest on the Parity Bonds.

Bond Purchase Contract means the contract for the purchase of the Bonds between the Underwriter and City, executed pursuant to Section 18.

Bond Register means the registration books showing the name, address and tax identification number of each Registered Owner of the Bonds, maintained for the Bonds in the manner required pursuant to Section 149(a) of the Code.

Bond Registrar means, initially, the fiscal agent of the State, for the purposes of registering and authenticating the Bonds, maintaining the Bond Register, effecting transfer of ownership of the Bonds and paying interest on and principal of the Bonds.

Bonds means the bonds of the City issued pursuant to and for the purposes provided in this ordinance in one or more series and with such additional series and other designation as a Designated Representative may deem appropriate.

Call Date means the call date for the Refunded Bonds selected by a Designated Representative and set forth in the Escrow Agreement.

City means the City of Auburn, Washington, a municipal corporation duly organized and existing by virtue of the laws of the State.

City Attorney means the duly appointed and acting City Attorney of the City, including anyone acting in such capacity for the position, or the successor to the duties of that office.

City Clerk means the duly appointed and acting City Clerk of the City or the successor of such office.

Closing means the date of delivery of the Bonds to the Underwriter.

Code means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Bonds, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

Commission means the United States Securities and Exchange Commission.

Continuing Disclosure Certificate means the written undertaking for the benefit of the holders of the Bonds as required by Section (b)(5) of the Rule.

Contract Resource Obligation means an obligation of the City, designated as a Contract Resource Obligation and entered into pursuant to this ordinance, to make payments for water supply, sewer service, water, sewage or stormwater transmission or other commodity or service to another person or entity (including without limitation a Separate System).

Council or City Council means the City Council as the general legislative authority of the City, as duly and regularly constituted from time to time.

Coverage Requirement in any calendar year means an amount of Net Revenue at least equal to 1.25 times the Annual Debt Service in that calendar year on all Parity Bonds that are not Assessment Bonds. If any Assessment Bonds are outstanding, the Coverage Requirement shall also mean, in any calendar year, an amount of ULID Assessments at least equal to 1.0 times the Annual Debt Service in that calendar year on all Parity Bonds that are Assessment Bonds.

Designated Representative means the Mayor and the Finance Director of the City and any successor to the functions of such offices, and their designees. The signature of one Designated Representative shall be sufficient to bind the City.

DTC means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York.

Escrow Agent means the trust company or state or national bank having powers of a trust company selected by the City to serve as escrow agent pursuant to Section 7 of this ordinance.

Escrow Agreement means the Escrow Deposit Agreement between the City and the Escrow Agent to be dated as of the date of Closing of the Bonds.

Escrow Fund means the fund or account established by the Escrow Agent under the Escrow Agreement executed in connection with the defeasance and redemption of the Refunded Bonds.

Event of Default or ***Events of Default*** has the meaning set forth in Section 21 of this ordinance.

Fair Market Value means the price at which a willing buyer would purchase an investment from a willing seller in a bona fide, arm's length transaction, except for specified investments as described in Treasury Regulation § 1.148-5(d)(6), including United States Treasury obligations, certificates of deposit, guaranteed investment contracts, and investments for yield restricted defeasance escrows. Fair Market Value is generally determined on the date on which a contract to purchase or sell an investment becomes binding, and, to the extent required by the applicable regulations under the Code, the term "investment" will include a hedge.

Federal Tax Certificate means the certificate executed by a Designated Representative setting forth the requirements of the Code for maintaining the tax exemption of interest on the Tax-Exempt Bonds, and attachments thereto.

Finance Director means the City's Finance Director or the successor to such officer.

Future Parity Bond Authorizing Ordinance means an ordinance of the City authorizing the issuance and sale and establishing the terms of Future Parity Bonds.

Future Parity Bonds means any and all utility system revenue bonds or obligations of the City issued after the date of the issuance of the Bonds, the payment of the principal of and interest on which constitutes a charge or lien on the Net Revenue and ULID Assessments equal in rank with the charge and lien upon such revenue and assessments required to be paid into the Bond Fund to pay and secure the payment of the principal of and interest on the Outstanding Parity Bonds and the Bonds.

Government Obligations mean those obligations now or hereafter defined as such in chapter 39.53 RCW constituting direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, as such chapter may be hereafter amended or restated.

Gross Revenue of the System or ***Gross Revenue*** means all of the earnings and revenues received by the City from the maintenance and operation of the System and all earnings from the investment of money in the Bond Fund which earnings are deposited in the Principal and Interest Account, and connection and capital improvement charges collected for the purpose of defraying the costs of capital facilities of the System. Gross Revenue shall not include: ULID Assessments, government grants, proceeds from the sale of system property, City taxes collected by or through the System, principal proceeds of bonds or other obligations and earnings or proceeds from any investments in a trust, defeasance or escrow fund created to defease or refund System obligations (until commingled with other earnings and revenues of the System) or held in a special account for the purpose of paying a rebate to the United States Government under the Code, or earnings of a Separate System that may be created under this ordinance.

As long as any Outstanding Parity Bonds remain outstanding, Gross Revenue shall include any Tax Credit Subsidy Payments received by the City in respect of any Parity Bonds. After the maturity, redemption or defeasance of all of the Outstanding Parity Bonds, Gross Revenue may exclude any Tax Credit Subsidy Payments received by the City in respect of any Parity Bonds and as designated by the City at the time such Parity Bonds are issued.

Independent Utility Consultant means either (1) an independent licensed professional engineer experienced in the design, construction or operation of municipal utilities of comparable size and character to the System, or (2) an independent certified public accountant or other professional consultant experienced in the development of rates and charges for municipal utilities of comparable size and character to the System.

Letter of Representations means the Blanket Issuer Letter of Representations given by the City to DTC, as amended from time to time.

Maintenance and Operation Expense means all reasonable expenses incurred by the City in causing the System to be operated and maintained in good repair, working order and condition, including without limitation payments made to any other municipal corporation or private entity as Contract Resource Obligations, and payments with respect to any other expenses of the System that are properly treated as maintenance and operation expenses under generally accepted accounting principles applicable to municipal corporations. The term Maintenance and Operation Expense does not include any depreciation or capital additions or capital replacements to the System.

Maximum Annual Debt Service means at the time of calculation, the maximum amount of Annual Debt Service that will mature or come due in the current calendar year or any future calendar year on the outstanding Parity Bonds.

Mayor means the duly elected Mayor of the City or the successor to such officer.

Net Revenue means the Gross Revenue less Maintenance and Operation Expense. For purposes of calculating the Coverage Requirement, Net Revenue shall be calculated as the Gross Revenue (a) less (1) Maintenance and Operation Expense and (2) deposits into the Rate Stabilization Fund, and (b) plus withdrawals from the Rate Stabilization Fund.

Official Statement means the disclosure documents prepared and delivered in connection with the issuance of the Bonds.

Outstanding Parity Bond Ordinances means, together, the ordinances authorizing the issuance of the Outstanding Parity Bonds, as described herein.

Outstanding Parity Bonds means the utility system revenue bonds of the City outstanding as of the date of issuance of the Bonds, the payment of the principal of and interest on which constitutes a charge or lien on the Net Revenue and ULID Assessments equal in rank with the charge and lien upon such revenue and assessments required to be paid into the Bond Fund to pay and secure the payment of the principal of and interest on the Bonds. As of the date of this ordinance, the Outstanding Parity Bonds include the 2010A Bonds, the 2010B Bonds and

the 2013B Bonds. As of the date of issuance of the Bonds, the Outstanding Parity Bonds will not include any Refunded Bonds.

Parity Bond Ordinances means, as applicable to each series of Parity Bonds, the Outstanding Parity Bond Ordinances, this ordinance, and any Future Parity Bond Authorizing Ordinance.

Parity Bonds means the Outstanding Parity Bonds, the Bonds and any Future Parity Bonds.

Parity Conditions means, as conditions to the issuance of Future Parity Bonds, the requirements set forth in Section 14 of this ordinance.

Principal and Interest Account means the account of that name previously created in the Bond Fund for the payment of the principal of and interest on all Parity Bonds.

Project has the meaning set forth in Section 2 of this ordinance.

Project Fund has the meaning set forth in Section 7 of this ordinance.

Rate Stabilization Fund means the fund of that name created pursuant to Ordinance No. 4945.

Record Date means the close of business for the Bond Registrar that is 15 days preceding any interest and/or principal payment or redemption date.

Refunded Bonds mean the Refunding Candidates selected for refunding by the Designated Representative under the terms of this ordinance.

Refunding Candidates mean all or a portion of the 2010B Bonds.

Registered Owner means the person named as the registered owner of a Bond in the Bond Register. For so long as the Bonds are held in book-entry only form, DTC shall be deemed to be the sole Registered Owner.

Reserve Account means the account of that name originally created in the Bond Fund.

Reserve Requirement means,

(a) As long as any of the Outstanding Parity Bonds remain outstanding, for all Parity Bonds, the lesser of (i) Maximum Annual Debt Service on those bonds or (ii) 125% of Average Annual Debt Service on those bonds, but at no time shall the Reserve Requirement exceed 10% of the proceeds of those bonds. Variable Interest Rate Bonds shall be assumed to bear interest at a fixed rate equal to the higher of (1) the highest variable rate borne during the preceding 24 months by any outstanding variable rate revenue bonds of the System or, (2) if no such Variable Interest Rate Bonds are outstanding at the time of calculation, the rate borne by other variable rate debt the interest rate for which is determined by reference to an index comparable to the index to be used to determine the interest rate on the Future Parity Bonds proposed to be issued.

Notwithstanding the above, the deposit to be made in the Reserve Account shall be decreased for any issue of Parity Bonds when and to the extent that the City provides for an Alternate Security to be deposited into the Reserve Account to secure the payment of the principal of and interest on that issue of bonds. The amount payable under any Alternate Security shall be credited against the amount otherwise required to be made into the Reserve Account to meet the Reserve Requirement for that issue of bonds. When calculating the Reserve Requirement with reference to any year in which Tax Credit Subsidy Bonds are outstanding, the City shall exclude the amount of Tax Credit Subsidy Payment that the City is then eligible to receive from Annual Debt Service; or

(b) After the maturity, redemption or defeasance of all of the Outstanding Parity Bonds, the amount set forth in the Parity Bond Ordinance if the related Parity Bonds are secured by the Reserve Account or another reserve account.

Rule means the Commission's Rule 15c2-12 under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Separate System means any water supply, sewage collection or treatment, stormwater or other utility service or facilities that may be created, acquired or constructed by the City as provided in Section 15 of this ordinance.

State means the State of Washington.

System or **Utility System** means the City's existing combined water supply and distribution system, sanitary sewage system, storm and surface water utility, together with all additions thereto and betterments and extensions thereof at any time made or constructed, and shall include any utility systems hereafter combined with the System. The System shall not include any additional systems for water supply, sewer service, water, sewage or stormwater transmission, treatment or other commodity or service that may be created, acquired or constructed by the City as a Separate System.

System Funds mean, collectively, the Water Fund, Sewer Fund and Storm Drainage Fund including without limitation any accounts or subaccount created therein.

Tax Credit Subsidy Bond means any bond that is designated by the City as a "build America bond" or other tax credit bond, pursuant to the Code, and which is further designated as a "qualified bond" under Section 6431 of the Code, and with respect to which the City is eligible to receive a Tax Credit Subsidy Payment.

Tax Credit Subsidy Payment means the amounts which the City is entitled to receive as a tax credit payable by the United States Treasury to the City under Section 6431 of the Code, in respect of any bonds issued as Tax Credit Subsidy Bonds.

Tax-Exempt Bonds means any series of Bonds issued pursuant to this ordinance a tax-exempt basis under the Code.

Term Bonds means those Bonds designated as such by a Designated Representative pursuant to Section 4 of this ordinance.

ULID means a utility local improvement district of the City.

ULID Assessments means all assessments levied and collected in any ULID of the City created for the acquisition or construction of additions to and extensions and betterments of the System if such assessments are pledged to be paid into the Bond Fund (less any prepaid assessments paid or to be paid into a construction fund or account). ULID Assessments shall include installments thereof and any interest or penalties that may be due thereon.

Underwriter means Piper Sandler & Co., and its successors.

Variable Interest Rate means a variable interest rate or rates to be borne by a series of Future Parity Bonds or any one or more maturities within a series of Future Parity Bonds. The method of computing such a variable interest rate shall be specified in the ordinance authorizing such Future Parity Bonds or related document, which also shall specify either (i) the particular period or periods of time or manner of determining such period or periods of time for which each value of such variable interest rate shall remain in effect or (ii) the time or times upon which any change in such variable interest rate shall become effective.

Variable Interest Rate Bonds means, for any period of time, Future Parity Bonds which bear a Variable Interest Rate during that period, except that Future Parity Bonds the interest rate or rates on which shall have been fixed for the remainder of the term thereof no longer shall be deemed to be Variable Interest Rate Bonds.

2010 Bond Ordinance means Ordinance No. 6335 passed by the City Council on November 29, 2010.

2010A Bonds means the outstanding Utility System Revenue Bonds, 2010A, of the City issued pursuant to the 2010 Bond Ordinance.

2010B Bonds means the outstanding Utility System Revenue Bonds, 2010B (Taxable Build America Bonds - Direct Payment), of the City issued pursuant to the 2010 Bond Ordinance.

2013 Bond Ordinance means Ordinance No. 6451 passed by the City Council on February 19, 2013.

2013B Bonds means the outstanding Utility System Revenue Bonds, 2013B, of the City issued pursuant to the 2013 Bond Ordinance.

(b) *Interpretation.* In this ordinance, unless the context otherwise requires:

(1) The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this ordinance, refer to this ordinance as a whole and not to any particular article, section, subdivision or clause hereof, and the term “hereafter” shall mean after, and the term “heretofore” shall mean before, the date of this ordinance;

(2) Words of the masculine gender shall mean and include correlative words of any gender and words importing the singular number shall mean and include the plural number and vice versa;

(3) Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons;

(4) Any headings preceding the text of the several articles and sections of this ordinance, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this ordinance, nor shall they affect its meaning, construction or effect; and

(5) All references herein to “articles,” “sections” and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof.

Section 2. Findings; Parity Requirements; Authorization of Bonds and Bond Details.

(a) *Findings; Parity Requirements.*

(1) Pursuant to the terms of the Outstanding Parity Bond Ordinances, the City has authorized a revenue bond borrowing program, which authorizes the City to issue, from time to time, series of Parity Bonds to finance and refinance costs of the System. The City has identified certain improvements to the System as part of its capital facilities planning process that are needed for overall operations. Financing costs of such capital facilities through the issuance of debt is consistent with City financial policies and capital planning. The City has also established a debt management policy which provides that the City may issue refunding bonds when, among other reasons, such refunding results in a sufficient net present value benefit after expenses. City Council approval is required prior to the issuance of debt under City policy and State law. The City Council hereby finds (A) it is in the best interest of the City and ratepayers of the System that it finance the capital improvements identified herein and refinance, for aggregate net present value debt service savings, the outstanding System obligations identified herein; (B) market conditions are changing and in order to accomplish such financing and refinancing on terms that are in the best interest of the City and its ratepayers it is necessary that the City Council adopt this ordinance; (C) the bonds authorized herein will be issued without further Council approval only if the parameters provided for herein are satisfied; and (D) the adoption of this ordinance and the authorization of the bonds is necessary, routine and consistent with City policy.

(2) The City Council finds and determines that the Gross Revenue and benefits to be derived from the operation and maintenance of the System at the rates to be charged for services from the System will be more than sufficient to meet all Maintenance and Operation Expense and to permit the setting aside into the Bond Fund out of the Gross Revenue of amounts sufficient to pay the principal of and interest on the Outstanding Parity Bonds and the Bonds when due. The City Council declares that in fixing the amounts to be paid into the Bond Fund under this ordinance it has exercised due regard for Maintenance and Operation Expense and has not obligated the City to set aside and pay into the Bond Fund a greater amount of Gross

Revenue of the System than in its judgment will be available over and above such Maintenance and Operation Expense.

The City Council finds and declares that the amounts required to have been paid into the Bond Fund for the Outstanding Parity Bonds have been paid and maintained as required therein, and that all other Parity Conditions for the issuance of the Bonds as Future Parity Bonds will have been met and satisfied before the Bonds are delivered to the original purchaser thereof.

(b) *Additions and Betterments to the System.* The Council hereby finds that the public interest, welfare and convenience require the construction of and improvements to the System, including improvements to and extensions of street utilities, pump stations, meters, mains, and service lines, and other capital improvements to the System as identified in the City's capital facilities plans, as such plans may be amended from time to time (the "Project"), and that such improvements are legally required and/or economically sound, and will contribute to the conduct of the business of the System in an efficient manner.

The City shall provide all equipment, connections and appurtenances together with all work as may be incidental and necessary to complete the Project. The Project facilities shall be integrated into the System as required to provide a fully operational facility. The City may make such changes in or additions to the Project or in the construction or design of other facilities of the System as may be found necessary or desirable. Implementation or completion of any specified improvement shall not be required if the City Council determines that, due to substantially changed circumstances, such construction has become inadvisable or impractical. If the Project has either been completed, or its completion duly provided for, or its completion found to be inadvisable or impractical, the City may apply the Bond proceeds or any portion thereof to other improvements to the System, as the City Council in its discretion shall determine. In the event that the proceeds of sale of the Bonds, plus any other moneys of the City legally available, are insufficient to accomplish all of the Project provided by this section, the City shall use the available funds for paying the cost of those improvements for which the Bonds were approved, deemed by the City Council most necessary and to the best interest of the City.

The City shall acquire by purchase, lease or condemnation, all property, both real and personal, or any interest therein, or rights-of-way and easements that may be found necessary to acquire, construct and install the Project.

(c) *Authorization of Bonds.* For the purpose of (1) financing and/or reimbursing the City for costs associated with the Project, (2) depending on market conditions, defeasing and refunding the Refunded Bonds, (3) funding the Reserve Account, if necessary, and (4) paying costs of issuance, the City is hereby authorized to issue one or more series of Utility System Revenue and Refunding Bonds (the "Bonds") in the aggregate principal amount of not to exceed \$28,000,000.

(d) *Description of Bonds.* The Bonds shall be designated the "City of Auburn, Washington, Utility System Revenue and Refunding Bonds, 2020" with such series designation as set forth in the Bonds and approved by a Designated Representative. The Bonds of each series shall be dated as of Closing; shall be fully registered as to both principal and interest; shall be in the denomination of \$5,000 each, or any integral multiple thereof, within a series and

maturity; shall be numbered separately in such manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification; shall bear interest from their date payable on the dates and commencing as provided in the Bond Purchase Contract; and shall mature on the dates and in the principal amounts set forth in the Bond Purchase Contract, as approved and executed by a Designated Representative pursuant to this ordinance.

Section 3. Registration, Exchange and Payments.

(a) *Bond Registrar/Bond Register.* The City hereby specifies and adopts the system of registration approved by the Washington State Finance Committee from time to time through the appointment of a State fiscal agent. The City shall cause a Bond Register to be maintained by the Bond Registrar. So long as any Bonds remain outstanding, the Bond Registrar shall make all necessary provisions to permit the exchange or registration or transfer of Bonds at its designated office. The Bond Registrar may be removed at any time at the option of the Finance Director upon prior notice to the Bond Registrar and a successor Bond Registrar appointed by the Finance Director. No resignation or removal of the Bond Registrar shall be effective until a successor shall have been appointed and until the successor Bond Registrar shall have accepted the duties of the Bond Registrar hereunder. The Bond Registrar is authorized, on behalf of the City, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of such Bonds and this ordinance and to carry out all of the Bond Registrar's powers and duties under this ordinance. The Bond Registrar shall be responsible for its representations contained in the Certificate of Authentication of the Bonds.

(b) *Registered Ownership.* The City and the Bond Registrar, each in its discretion, may deem and treat the Registered Owner of each Bond as the absolute owner thereof for all purposes (except as provided in the Continuing Disclosure Certificate), and neither the City nor the Bond Registrar shall be affected by any notice to the contrary. Payment of any such Bond shall be made only as described in Section 3(g), but such Bond may be transferred as herein provided. All such payments made as described in Section 3(g) shall be valid and shall satisfy and discharge the liability of the City upon such Bond to the extent of the amount or amounts so paid.

(c) *DTC Acceptance/Letters of Representations.* The Bonds initially shall be held by DTC acting as depository. The City has executed and delivered to DTC a Blanket Issuer Letter of Representations. Neither the City nor the Bond Registrar shall have any responsibility or obligation to DTC participants or the persons for whom they act as nominees (or any successor depository) with respect to the Bonds in respect of the accuracy of any records maintained by DTC (or any successor depository) or any DTC participant, the payment by DTC (or any successor depository) or any DTC participant of any amount in respect of the principal of or interest on Bonds, any notice which is permitted or required to be given to Registered Owners under this ordinance (except such notices as shall be required to be given by the City to the Bond Registrar or to DTC (or any successor depository)), or any consent given or other action taken by DTC (or any successor depository) as the Registered Owner. For so long as any Bonds are held by a depository, DTC or its successor depository or its nominee shall be deemed to be the Registered Owner for all purposes hereunder, and all references herein to the Registered Owners shall mean DTC (or any successor depository) or its nominee and shall not mean the owners of any beneficial interest in such Bonds.

(d) *Use of Depository.*

(1) The Bonds shall be registered initially in the name of “Cede & Co.”, as nominee of DTC, with one Bond maturing on each of the maturity dates for the Bonds in a denomination corresponding to the total principal therein designated to mature on such date. Registered ownership of such Bonds, or any portions thereof, may not thereafter be transferred except (A) to any successor of DTC or its nominee, provided that any such successor shall be qualified under any applicable laws to provide the service proposed to be provided by it; (B) to any substitute depository appointed by the Finance Director pursuant to subsection (2) below or such substitute depository’s successor; or (C) to any person as provided in subsection (4) below.

(2) Upon the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository or a determination by the Finance Director to discontinue the system of book-entry transfers through DTC or its successor (or any substitute depository or its successor), the Finance Director may hereafter appoint a substitute depository. Any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it.

(3) In the case of any transfer pursuant to clause (A) or (B) of subsection (1) above, the Bond Registrar shall, upon receipt of all outstanding Bonds together with a written request on behalf of the Finance Director, issue a single new Bond for each maturity then outstanding, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such written request of the Finance Director.

(4) In the event that (A) DTC or its successor (or substitute depository or its successor) resigns from its functions as depository, and no substitute depository can be obtained, or (B) the Finance Director determines that it is in the best interest of the beneficial owners of the Bonds that such owners be able to obtain physical Bond certificates, the ownership of such Bonds may then be transferred to any person or entity as herein provided, and shall no longer be held by a depository. The Finance Director shall deliver a written request to the Bond Registrar, together with a supply of physical Bonds, to issue Bonds as herein provided in any authorized denomination. Upon receipt by the Bond Registrar of all then outstanding Bonds together with a written request on behalf of the Finance Director to the Bond Registrar, new Bonds of such series shall be issued in the appropriate denominations and registered in the names of such persons as are requested in such written request.

(e) *Registration of Transfer of Ownership or Exchange; Change in Denominations.* The transfer of any Bond may be registered and Bonds may be exchanged, but no transfer of any such Bond shall be valid unless it is surrendered to the Bond Registrar with the assignment form appearing on such Bond duly executed by the Registered Owner or such Registered Owner’s duly authorized agent in a manner satisfactory to the Bond Registrar. Upon such surrender, the Bond Registrar shall cancel the surrendered Bond and shall authenticate and deliver, without charge to the Registered Owner or transferee therefor, a new Bond (or Bonds at the option of the new Registered Owner) of the same date, maturity, and interest rate and for the same aggregate principal amount in any authorized denomination, naming as Registered Owner the person or persons listed as the assignee on the assignment form appearing on the surrendered Bond, in exchange for such surrendered and cancelled Bond. Any Bond may be surrendered to the Bond

Registrar and exchanged, without charge, for an equal aggregate principal amount of Bonds of the same date, maturity, and interest rate, in any authorized denomination. The Bond Registrar shall not be obligated to register the transfer of or to exchange any Bond during the period from the Record Date to the redemption or payment date.

(f) *Bond Registrar's Ownership of Bonds.* The Bond Registrar may become the Registered Owner of any Bond with the same rights it would have if it were not the Bond Registrar and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the right of the Registered Owners or beneficial owners of Bonds.

(g) *Place and Medium of Payment.* Both principal of and interest on the Bonds shall be payable in lawful money of the United States of America. Interest on the Bonds shall be calculated on the basis of a year of 360 days and twelve 30-day months. For so long as all Bonds are held by DTC, payments of principal thereof and interest thereon shall be made as provided in accordance with the operational arrangements of DTC referred to in the Letter of Representations. In the event that the Bonds are no longer held by DTC or other depository, interest on the Bonds shall be paid by check or draft mailed to the Registered Owners at the addresses for such Registered Owners appearing on the Bond Register on the Record Date, or upon the written request of a Registered Owner of more than \$1,000,000 of Bonds (received by the Bond Registrar at least by the Record Date), such payment shall be made by the Bond Registrar by wire transfer to the account within the United States designated by the Registered Owner. Principal of the Bonds shall be payable upon presentation and surrender of such Bonds by the Registered Owners at the designated office of the Bond Registrar.

If any Bond is duly presented for payment and funds have not been provided by the City on the applicable payment date, then interest will continue to accrue thereafter on the unpaid principal thereof at the rate stated on the Bond until the Bond is paid.

Section 4. Redemption Prior to Maturity and Purchase of Bonds.

(a) *Mandatory Redemption of Term Bonds and Optional Redemption, if any.* The Bonds shall be subject to optional redemption on the dates, at the prices and under the terms set forth in the Bond Purchase Contract approved by a Designated Representative pursuant to Section 18. The Bonds shall be subject to mandatory redemption to the extent, if any, set forth in the Bond Purchase Contract and as approved by a Designated Representative pursuant to Section 18.

(b) *Purchase of Bonds.* The City further reserves the right and option to purchase any or all of the Bonds offered to it at any time at any price acceptable to the City plus accrued interest to the date of purchase.

(c) *Selection of Bonds for Redemption.* For as long as the Bonds are held in book-entry only form, the selection of particular Bonds within a series and maturity to be redeemed shall be made in accordance with the operational arrangements then in effect at DTC. If the Bonds are no longer held in book-entry form, the selection of such Bonds to be redeemed and the surrender and reissuance thereof, as applicable, shall be made as provided in the

following provisions of this subsection (c). If the City redeems at any one time fewer than all of the Bonds having the same maturity date, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot (or in such manner determined by the Bond Registrar) in increments of \$5,000. In the case of a Bond of a denomination greater than \$5,000, the City and the Bond Registrar shall treat each Bond as representing such number of separate Bonds each of the denomination of \$5,000 as is obtained by dividing the actual principal amount of such Bond by \$5,000. In the event that only a portion of the principal sum of a Bond is redeemed, upon surrender of such Bond at the designated office of the Bond Registrar there shall be issued to the Registered Owner, without charge therefor, for the then-unredeemed balance of the principal sum thereof, at the option of the Registered Owner, a Bond or Bonds of like maturity and interest rate in any of the denominations herein authorized.

(d) *Notice of Redemption.*

(1) Official Notice. For so long as the Bonds are held in book-entry form, notice of redemption (which notice may be conditional) shall be given in accordance with the operational arrangements of DTC as then in effect, and neither the City nor the Bond Registrar will provide any notice of redemption to any Beneficial Owners. Thereafter (if the Bonds are no longer held in book-entry form), notice of redemption shall be given in the manner hereinafter provided. Unless waived by any owner of Bonds to be redeemed, official notice of any such redemption (which redemption may be conditioned by the Bond Registrar on the receipt of sufficient funds for redemption or otherwise) shall be given by the Bond Registrar on behalf of the City by mailing a copy of an official redemption notice by first class mail at least 20 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Register or at such other address as is furnished in writing by such Registered Owner to the Bond Registrar.

All official notices of redemption shall be dated and shall state: (A) the redemption date, (B) the redemption price, (C) if fewer than all outstanding Bonds are to be redeemed, the identification by maturity (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed, (D) any conditions to redemption, (E) that (unless such notice is conditional) on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and (F) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the designated office of the Bond Registrar.

On or prior to any redemption date, unless any condition to such redemption has not been satisfied or waived or notice of such redemption has been rescinded, the City shall deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

The City retains the right to rescind any redemption notice and the related optional redemption of Bonds by giving notice of rescission to the affected registered owners at any time on or prior to the scheduled redemption date. Any notice of optional redemption that is so rescinded shall be of no effect, and the Bonds for which the notice of optional redemption has been rescinded shall remain outstanding.

(2) Effect of Notice; Bonds Due. If an unconditional notice of redemption has been given and not rescinded, or if the conditions set forth in a conditional notice of redemption have been satisfied or waived, the Bonds or portions of Bonds to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and, if the Bond Registrar then holds sufficient funds to pay such Bonds at the redemption price, then from and after such date such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Bond Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. All Bonds which have been redeemed shall be canceled by the Bond Registrar and shall not be reissued.

(3) Additional Notice. In addition to the foregoing notice, further notice shall be given by the City as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed. Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (A) the CUSIP numbers of all Bonds being redeemed; (B) the date of issue of the Bonds as originally issued; (C) the rate of interest borne by each Bond being redeemed; (D) the maturity date of each Bond being redeemed; and (E) any other descriptive information needed to identify accurately the Bonds being redeemed. Each further notice of redemption may be sent at least 20 days before the redemption date to each party entitled to receive notice pursuant to Section 18 and with such additional information as the City shall deem appropriate, but such mailings shall not be a condition precedent to the redemption of such Bonds.

(4) Amendment of Notice Provisions. The foregoing notice provisions of this Section 4, including but not limited to the information to be included in redemption notices and the persons designated to receive notices, may be amended by additions, deletions and changes in order to maintain compliance with duly promulgated regulations and recommendations regarding notices of redemption of municipal securities.

Section 5. Form of Bonds. The Bonds shall be in substantially the form set forth in Exhibit A, which is incorporated herein by this reference, with such changes thereto as may be approved by a Designated Representative, consistent with the provisions of Section 18 hereof.

Section 6. Execution of Bonds. The Bonds shall be executed on behalf of the City by the facsimile or manual signature of the Mayor and shall be attested to by the facsimile or manual signature of the City Clerk, and shall have the seal of the City impressed or a facsimile thereof imprinted, or otherwise reproduced thereon.

In the event any officer who shall have signed or whose facsimile signatures appear on any of the Bonds shall cease to be such officer of the City before said Bonds shall have been authenticated or delivered by the Bond Registrar or issued by the City, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issuance, shall be as binding upon the City as though said person had not ceased to be such officer. Any Bond may be signed and attested on behalf of the City by such persons who, at the actual date of execution of such Bond shall be the proper officer of the City, although at the original date of such Bond such persons were not such officers of the City.

Only such Bonds as shall bear thereon a Certificate of Authentication manually executed by an authorized representative of the Bond Registrar shall be valid or obligatory for any purpose or entitled to the benefits of this ordinance. Such Certificate of Authentication shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this ordinance.

Section 7. Application of Bond Proceeds; Plan of Refunding.

(a) *Project Fund.* The Finance Director is hereby authorized to create a fund or account (the "Project Fund"), and subaccounts therein as necessary, for the purposes set forth in this section. A portion of the proceeds of the Bonds, net of any Underwriter's discount and fees, shall be deposited in the Project Fund in the amounts specified in the closing memorandum prepared in connection with the issuance of the Bonds. Such proceeds shall be used to pay and/or reimburse the City for the costs of the Project and, unless otherwise provided by the City, to pay costs of issuance of the Bonds.

The Finance Director shall invest money in the Project Fund and the subaccounts contained therein in such obligations as may now or hereafter be permitted by law to cities of the State and which will mature prior to the date on which such money shall be needed, but only to the extent that the same are acquired, valued and disposed of at Fair Market Value. Any remaining Bond proceeds (including interest earnings thereon) after any reimbursements or payment of costs of the Project may be used for other capital projects of the System approved by the City Council or shall be transferred to the Bond Fund for the Bonds.

(b) *Refunding Plan.* For the purpose of realizing a debt service savings, upon the issuance of the Bonds, the City proposes to defease and refund the Refunded Bonds as set forth herein. The Refunded Bonds shall include all or a portion of the Refunding Candidates which are designated by a Designated Representative for refunding and set forth in the Escrow Agreement. A portion of the proceeds of the Bonds shall be deposited with the Escrow Agent pursuant to the Escrow Agreement to be used immediately upon receipt thereof to defease the Refunded Bonds as authorized by the applicable Outstanding Parity Bond Ordinances and to pay costs of issuance allocable to that portion of the Bonds.

The proceeds of the Bonds and other available funds of the City, if any, deposited with the Escrow Agent shall be used to defease the Refunded Bonds and discharge the obligations thereon by the purchase of Acquired Obligations bearing such interest and maturing as to principal and interest in such amounts and at such times which, together with any necessary beginning cash balance, will provide for the payment of interest and/or principal and the redemption price of the Refunded Bonds on the Call Date.

Such Acquired Obligations shall be purchased at a yield not greater than the yield permitted by the Code and regulations relating to acquired obligations in connection with refunding bond issues.

(c) *Escrow Agent/Escrow Agreement.* The City hereby appoints U.S. Bank National Association, Seattle, Washington, as the Escrow Agent for the Refunded Bonds. A beginning cash balance, if any, and the Acquired Obligations shall be deposited irrevocably with the

Escrow Agent in an amount sufficient to defease the Refunded Bonds. The proceeds of the Bonds remaining after the required deposit to the Project Fund, acquisition of the Acquired Obligations and provision for the necessary beginning escrow cash balance shall be utilized to pay expenses of the acquisition and safekeeping of the Acquired Obligations and costs of issuance of the Bonds and the administrative costs of the refunding. In order to carry out the purposes of this Section 7, each Designated Representative is authorized and directed to execute and deliver to the Escrow Agent, one or more Escrow Agreements.

(d) *Call for Redemption of Refunded Bonds.* The City hereby sets aside sufficient funds out of the purchase of Acquired Obligations from proceeds of the Bonds to make the payments described above. The City calls the Refunded Bonds for redemption on the Call Date in accordance with the provisions of the Outstanding Parity Bond Ordinance authorizing the redemption and retirement of the Refunded Bonds prior to their fixed maturities. Said defeasance and call for redemption of the Refunded Bonds shall be irrevocable after the issuance of the Bonds and funding of the Escrow Fund.

The Escrow Agent is hereby authorized and directed to provide for the giving of notices of the redemption of the Refunded Bonds. The costs of publication of such notices shall be an expense of the City. The Escrow Agent is hereby authorized and directed to pay to the Finance Director, or, at the direction of the Finance Director, to the paying agent for the Refunded Bonds, sums sufficient to pay, when due, the payments specified in this Section 7. All such sums shall be paid from the moneys and Acquired Obligations deposited with the Escrow Agent, and the income therefrom and proceeds thereof. All such sums so paid to or to the order of the Finance Director shall be credited to the Escrow Fund (which is hereby authorized to be created) or other funds created under the Escrow Agreement. All moneys and Acquired Obligations deposited with the Escrow Agent and any income therefrom shall be held, invested (but only at the direction of the Finance Director) and applied in accordance with the provisions of this ordinance, the Escrow Agreement, and with the laws of the State for the benefit of the City and owners of the Refunded Bonds.

The City will take such actions as are found necessary to see that all necessary and proper fees, compensation and expenses of the Escrow Agent for the Refunded Bonds shall be paid when due.

Section 8. Tax Covenants. The City will take all actions necessary to assure the exclusion of interest on the Tax-Exempt Bonds from the gross income of the owners of the Tax-Exempt Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the Tax-Exempt Bonds, including but not limited to the following:

(a) *Private Activity Bond Limitation.* The City will assure that the proceeds of the Tax-Exempt Bonds are not so used as to cause the Tax-Exempt Bonds to satisfy the private business tests of Section 141(b) of the Code or the private loan financing test of Section 141(c) of the Code.

(b) *Limitations on Disposition of Project.* The City will not sell or otherwise transfer or dispose of (i) any personal property components of the projects financed or refinanced with

proceeds of Tax-Exempt Bonds other than in the ordinary course of an established government program under Treasury Regulation Section 1.141-2(d)(4) or (ii) any real property components of the projects financed or refinanced with proceeds of Tax-Exempt Bonds, unless it has received an opinion of nationally recognized bond counsel to the effect that such disposition will not adversely affect the treatment of interest on the Tax-Exempt Bonds as excludable from gross income for federal income tax purposes.

(c) *Federal Guarantee Prohibition.* The City will not take any action or permit to suffer any action to be taken if the result of such action would be to cause any of the Tax-Exempt Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Code.

(d) *Rebate Requirement.* The City will take any and all actions necessary to assure compliance with Section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Tax-Exempt Bonds.

(e) *No Arbitrage.* The City will not take, or permit or suffer to be taken, any action with respect to the proceeds of the Tax-Exempt Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Tax-Exempt Bonds would have caused the Tax-Exempt Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code.

(f) *Registration Covenant.* The City will maintain a system for recording the ownership of each Tax-Exempt Bond that complies with the provisions of Section 149 of the Code until all Tax-Exempt Bonds have been surrendered and canceled.

(g) *Record Retention.* The City will retain its records of all accounting and monitoring it carries out with respect to the Tax-Exempt Bonds for at least three years after the Tax-Exempt Bonds mature or are redeemed (whichever is earlier); however, if the Tax-Exempt Bonds are redeemed and refunded, the City will retain its records of accounting and monitoring at least three years after the earlier of the maturity or redemption of the obligations that refunded the Tax-Exempt Bonds.

(h) *Compliance with Federal Tax Certificate.* The City will comply with the provisions of the Federal Tax Certificate with respect to the Tax-Exempt Bonds, which are incorporated herein as if fully set forth herein. The covenants of this section will survive payment in full or defeasance of the Tax-Exempt Bonds.

Section 9. Payments into the Bond Fund.

(a) *Payments Into the Bond Fund.* The Bond Fund has been previously created and established in the office of the Finance Director as a special fund of the City and is divided into two accounts: the Principal and Interest Account and the Reserve Account. So long as any Bonds are outstanding, the City shall set aside and pay into the Bond Fund all ULID Assessments on their collection and, out of the Net Revenue of the System, certain fixed amounts without regard to any fixed proportion, namely:

(1) Into the Principal and Interest Account, on or before each interest and principal and interest payment date, an amount, together with other money on deposit therein, sufficient to pay the next ensuing interest or principal and interest payments on the Parity Bonds;

(2) Into the Reserve Account an amount necessary to provide for or maintain the Reserve Requirement, and after the maturity, redemption or defeasance of all of the Outstanding Parity Bonds, into any other reserve account created to secure the payment of the principal of and interest on Parity Bonds, an amount necessary to provide for or maintain the Reserve Requirement applicable to such Parity Bonds.

The City may create sinking fund subaccounts or other subaccounts in the Bond Fund for the payment or securing of the Parity Bonds as long as the maintenance of such subaccounts does not conflict with the rights of the owners of any such Parity Bonds.

If the City fails to set aside and pay into the Bond Fund the amounts set forth above, the owner of any of the outstanding Parity Bonds may bring action against the City and compel such setting aside and payment. When the total amount in the Bond Fund equals the total amount of principal and interest due with respect to all outstanding Parity Bonds to the last maturity thereof, no further payment need be made into the Bond Fund.

(b) *Application and Investment of Funds.* The City may provide for the purchase, redemption or defeasance of Parity Bonds by the use of money on deposit in any account in the Bond Fund as long as the money remaining in those accounts is sufficient to satisfy the required deposits in those accounts for the remaining Parity Bonds.

All money in the Bond Fund may be kept in cash or invested in legal investments maturing not later than the date when the funds are required for the payment of principal of or interest on the outstanding Parity Bonds (for investments in the Principal and Interest Account) or having a guaranteed redemption price prior to maturity and, in no event maturing later than the last maturity of any remaining outstanding Parity Bonds (for investments in the Reserve Account), but only to the extent that the same are acquired, valued and disposed of at Fair Market Value. Earnings from investments in the Principal and Interest Account shall be deposited in that account. Earnings from investments in the Reserve Account shall be deposited in that account.

(c) *The Reserve Account.* The Reserve Account has been created in the Bond Fund as a common debt service reserve account. The Reserve Account may be divided into subaccounts for each issue of Parity Bonds secured by the Reserve Account. The Bonds shall be secured by the Reserve Account.

After the maturity, redemption or defeasance of all of the Outstanding Parity Bonds, the City may create separate reserve funds and/or accounts and establish separate Reserve Requirements, if any, to secure the payment of the principal of and interest on Future Parity Bonds. Terms related to any such reserve funds and/or accounts shall be provided for in the Parity Bond Ordinance authorizing the issuance of such Future Parity Bonds.

Except for withdrawals as authorized below, the amount on deposit in the Reserve Account (including any subaccounts) shall meet the Reserve Requirement at all times so long as

any of the Parity Bonds secured by the Reserve Account are outstanding. The amount required to be deposited in the Reserve Account (or any subaccount) shall be decreased when and to the extent the City has provided for the Reserve Requirement by means of Alternate Security.

If there is a deficiency in the Principal and Interest Account to meet maturing installments of either principal or interest, as the case may be, that deficiency shall be made up ratably from the Reserve Account and its subaccounts based on the amount of the total Reserve Requirement to be paid into each subaccount (except when Alternative Security requires all cash and investments in the Reserve Account be withdrawn before draws on the Alternate Security) by the withdrawal of cash for that purpose. Any deficiency created in the Reserve Account (and its subaccounts) by reason of any such withdrawal shall then be made up from ULID Assessment payments and the Net Revenue of the System first available after making necessary provisions for the required payments into the Principal and Interest Account.

Except for withdrawals described above, the money in the Reserve Account and its subaccounts otherwise shall be held intact and may be applied against the last outstanding Parity Bonds secured by the Reserve Account. However, if at any time the Reserve Account or any subaccount is fully funded, money in excess of the Reserve Requirement shall be withdrawn and deposited, first, in any other subaccount having a deficiency in its Reserve Requirement, and second, at the option of the Finance Director, either in the Principal and Interest Account and spent for the purpose of retiring Parity Bonds secured by the Reserve Account or in any of the System Funds and spent for other lawful System purposes.

Section 10. Pledge of Net Revenue and Lien Position. All Parity Bonds are special limited obligations of the City payable from the funds and secured as provided herein. The Net Revenue and all ULID Assessments are hereby pledged for the payment of the Parity Bonds. This pledge shall constitute a lien and charge upon the Net Revenue and ULID Assessments prior and superior to any other liens and charges whatsoever, except that the amounts so pledged are of equal lien to the charges upon the Net Revenue and ULID Assessments which have been pledged to pay and secure the payment of the principal of and interest on the Outstanding Parity Bonds, and which may hereafter be made to pay and secure the payment of the principal of and interest on any Future Parity Bonds.

All Parity Bonds shall be equally and ratably payable and secured hereunder without priority by reason of date of adoption of the ordinance providing for their issuance or by reason of their number or date of sale, issuance, execution or delivery, or by the liens, pledges, charges, trusts, assignments and covenants made herein, except as otherwise expressly provided or permitted in this ordinance.

The Bonds shall not in any manner or to any extent constitute general obligations of the City or of the State, or any political subdivision of the State, or a charge upon any general fund or upon any money or other property of the City or of the State, or of any political subdivision of the State, not specifically pledged thereto by this ordinance. The full faith and credit of the City is not pledged to the repayment of the Bonds.

Section 11. Covenants of the City. The City covenants and agrees with the owner of each Bond at any time outstanding, as follows:

(a) *ULID Assessments.* All ULID Assessments shall be paid into the Bond Fund and may be used to fund the required reserves in the Reserve Account or any other reserve account securing Parity Bonds and to pay the principal of and interest on the Parity Bonds, without those ULID Assessments' being particularly allocated to the payment of the principal of and interest on any particular issue of Parity Bonds.

(b) *Maintenance and Operation.* The City will at all times maintain, preserve and keep the properties of the System in good repair, working order and condition, will make all necessary and proper additions, betterments, renewals and repairs thereto, and improvements, replacements and extensions thereof, and will at all times operate or cause to be operated the properties of the System and the business in connection therewith in an efficient manner and at a reasonable cost.

(c) *Establishment and Collection of Rates and Charges.* The City will establish, maintain and collect rates and charges for all services and facilities provided by the System which will be fair and nondiscriminatory. To the extent allowable by law and subject to City ordinance or policy, those to which service of the System is available will be charged for that service at the prevailing rate within 30 days of the availability of that service. Furthermore, the City will adjust those rates and charges from time to time so that:

(1) The Gross Revenue of the System will at all times be sufficient to (A) pay all Maintenance and Operation Expense on a current basis, (B) pay when due all amounts that the City is obligated to pay into the Bond Fund and the accounts therein, and (C) pay all taxes, assessments or other governmental charges lawfully imposed on the System or the revenue therefrom or payments in lieu thereof and any and all other amounts which the City may now or hereafter become obligated to pay from the Gross Revenue of the System by law or contract; and

(2) The Net Revenue of the System and ULID Assessments in each calendar year will be at least equal to the Coverage Requirement.

(d) *Sale or Disposition of the System.* The City will not sell or otherwise dispose of the System in its entirety unless, simultaneously with such sale or other disposition, all Parity Bonds are redeemed and retired, or defeased pursuant to the provisions of this ordinance. Furthermore, it will not sell, lease, mortgage or in any manner encumber or otherwise dispose of any part of the System, including all additions and improvements thereto and extensions thereof at any time made, that is used, useful or material in the operation of the System (each, as used in this subparagraph, a "transfer"), unless provision is made for the replacement thereof or for payment into the Bond Fund of the greatest of the following:

(1) An amount which will be in the same proportion to the net amount of Parity Bonds then outstanding (defined as the total amount of those bonds less the amount of cash and investments in the Bond Fund and accounts therein) that the Gross Revenue of the System from the portion of the System sold or disposed of for the preceding year bears to the total Gross Revenue of the System for that period; or

(2) An amount which will be in the same proportion to the net amount of Parity Bonds then outstanding (as defined above) that the Net Revenue from the portion of the

System sold or disposed of for the preceding year bears to the total Net Revenue of the System for such period; or

(3) An amount which will be in the same proportion to the net amount of Parity Bonds then outstanding (as defined above) that the cost of the assets sold or disposed of (less depreciation) bears to the cost of the assets of the entire System (less depreciation) immediately prior to such sale or disposition; or

(4) An amount which will be in the same proportion to the net amount of Parity Bonds then outstanding (as defined above) that the number of customers served by the portion of the System sold or disposed bears to the number of customers served by the entire System prior to such sale or disposition.

Before any such transfer under this subsection (d) with respect to greater than 5% of the total assets of the System (measured by cost of the assets less depreciation) the City must obtain a certificate of an Independent Utility Consultant to the effect that in such consultant's professional opinion, upon such transfer of assets, the remaining System will retain its operational integrity and the Net Revenue of the System will be at least equal to the Coverage Requirement during the five fiscal years following the fiscal year in which the transfer is to occur, taking into account (i) the reduction in revenue resulting from the transfer, (ii) the use of any proceeds of the transfer for the redemption of Parity Bonds, and (iii) the Independent Utility Consultant's estimate of revenue from customers anticipated to be served by any additions to and betterments and extensions of the System financed in part by the proposed portion of the proceeds of the transfer.

Notwithstanding any other provision of this subsection (d), (i) the City in its discretion may sell or otherwise dispose of any of the works, plant, properties or facilities of the System or any real or personal property comprising a part of the same which shall have become unserviceable, inadequate obsolete or unfit to be used in the operation of the System, or no longer necessary, material to or useful to the operation of the System without making any deposit into the Bond Fund, (ii) the City may transfer the System to another municipal corporation so long as ULID Assessments and Net Revenue with respect to the portion of the System so transferred are used for payment of debt service on Parity Bonds prior to any other purpose, or (iii) the City in its discretion may carry out such a transfer if the aggregate cost of the facilities, property or other assets (less depreciation) being transferred under this subparagraph comprises no more than 5% of the costs of all of the assets of the System (less depreciation).

(e) *Liens Upon the System.* The City will not at any time create or permit to accrue or to exist any lien or other encumbrance or indebtedness upon the Gross Revenue of the System, or any part thereof, prior or superior to the lien thereon for the payment of Parity Bonds, and will pay and discharge, or cause to be paid and discharged, any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien or charge upon the Gross Revenue of the System, or any part thereof, prior to or superior to the lien of the Parity Bonds, or which might impair the security of the Parity Bonds.

(f) *Books and Accounts.* The City will keep proper books, records and accounts with respect to the operations, income and expenditures of the System in accordance with proper

accounting procedures and any applicable rules and regulations prescribed by the State. It will prepare annual financial and operating statements within 270 days of the close of each fiscal year showing in reasonable detail the financial condition of the System as of the close of the previous year, and the income and expenses for such year, including the amounts paid into the Bond Fund and into any and all special funds or accounts created pursuant to the provisions of this ordinance, the status of all funds and accounts as of the end of such year, and the amounts expended for maintenance, renewals, replacements and capital additions to the System. Such statements shall be sent to the owner of any Parity Bonds upon written request therefor being made to the City.

(g) *No Free Service.* Except to aid the poor or infirm, to provide for resource conservation or to provide for the proper handling of hazardous materials, the City will not furnish or supply or permit the furnishing or supplying of any service or facility in connection with the operation of the System free of charge to any person, firm or corporation, public or private, other than the City, so long as any Parity Bonds are outstanding.

(h) *Collection of Delinquent Accounts.* On at least an annual basis, the City will determine all accounts that are delinquent and will take all necessary action to enforce payment of such accounts against those property owners whose accounts are delinquent.

(i) *Fire and Extended Coverage Insurance.* The City will carry the types of insurance on its System properties in the amounts normally carried by private water, sewer and storm drainage utility companies engaged in the operation of water sewer and storm drainage systems, and the cost of such insurance shall be considered a part of Maintenance and Operation Expense, or it will implement and maintain a self-insurance program or an insurance pool program with reserves adequate, in the reasonable judgment of the City, to protect the owners of the Parity Bonds against loss.

(j) *Condemnation Awards.* Any condemnation awards received by the City in excess of 1% of cost of the assets of the System (less depreciation) shall be applied to one or more of the following: (1) to the damaged property, (2) to retiring Parity Bonds, and (3) to improvements of the System.

Section 12. Flow of Funds. The Gross Revenue of the System shall be deposited in the System Funds and used for the following purposes only in the following order of priority.

(a) To pay Maintenance and Operation Expense;

(b) To pay, together with ULID Assessments, first, the interest on and, second, the principal of the Parity Bonds when due or as the principal is required to be paid and to make all payments required to be made into any mandatory redemption or sinking fund account created to provide for the payment of the principal of Term Bonds;

(c) To make, together with ULID Assessments, all payments required to be made into the Reserve Account or its subaccounts and, after the maturity, redemption or defeasance of all of the Outstanding Parity Bonds, into any other reserve account created to secure the payment of the principal of and interest on Parity Bonds, and to make all payments required to be made pursuant to a reimbursement agreement in connection with an Alternate Security, except that if

there is not sufficient money to make all payments under reimbursement agreements, the payments will be made on a pro rata basis;

(d) To make all payments required to be made into any revenue bond, note, warrant or other revenue obligation redemption fund, debt service account or reserve account created to pay or secure the payment of the principal of and interest on any revenue bonds, notes, warrants or other obligations of the City having a lien upon Net Revenue of the System subordinate to the lien thereon for the payment of the principal of and interest on any Parity Bonds; and

(e) To make necessary additions, betterments and improvements and repairs to or extensions and replacements of the System, to retire by redemption or purchase in the open market any outstanding revenue obligations or other obligations of the System, to make deposits into the Rate Stabilization Fund, or to provide for any other lawful City purpose.

To meet the required payments to be made into the Bond Fund, the City may transfer any money from any funds or accounts of the System legally available therefor, except bond redemption funds, refunding escrow funds, defeasance or other trust funds.

Section 13. Rate Stabilization Fund. The Utility System Rate Stabilization Fund has been previously established by Ordinance No. 4945. The City may at any time, as determined by the City and as consistent with this ordinance, deposit in the Rate Stabilization Fund Gross Revenue and any other money received by the System and available to be so deposited, excluding principal proceeds of any Future Parity Bonds or other borrowing. No deposit of Gross Revenue shall be made into the Rate Stabilization Fund to the extent that such deposit would prevent the City from meeting the Coverage Requirement in the relevant fiscal year.

The City may upon authorization by ordinance, at any time withdraw money from the Rate Stabilization Fund for inclusion in the Net Revenue for the then-current fiscal year of the System, except that the total amount withdrawn from the Rate Stabilization Fund in any fiscal year of the System may not exceed the total debt service of the System in that year. Such deposits or withdrawals may be made up to and including the date 90 days after the end of the fiscal year for which the deposit or withdrawal will be included as Net Revenue for that fiscal year.

Earnings from investments in the Rate Stabilization Fund shall be deposited in that fund and shall not be included as Net Revenue of the System unless and until withdrawn from that fund as provided herein. The City may also deposit earnings from investments in the Rate Stabilization Fund into any System fund as authorized by ordinance, and such deposits shall be included as Net Revenue in the year of deposit.

Section 14. Future Parity Bonds.

(a) *Future Parity Bonds Authorized.* The City reserves the right to issue Future Parity Bonds if the Parity Conditions are met and complied with at the time of the issuance of those Future Parity Bonds. Notwithstanding the foregoing, nothing in this ordinance shall prevent the City from issuing Future Parity Bonds to refund maturing Parity Bonds then outstanding, money for the payment of which is not otherwise available. Furthermore, nothing contained in this ordinance shall prevent the City from issuing revenue bonds or other

obligations that are a charge upon the Gross Revenue of the System subordinate to the payments required to be made into the Bond Fund for the payment of any Parity Bonds, or from pledging the payment of ULID assessments into a bond redemption fund created for the payment of the principal of and interest on those subordinate bonds or obligations if such ULID assessments are levied for improvements constructed from the proceeds of those subordinate bonds.

(b) *Parity Conditions.* The City may issue Future Parity Bonds on a parity with the Bonds and the Outstanding Parity Bonds if and only if the following conditions are met and complied with at the time of issuance of those proposed Future Parity Bonds:

(1) There shall be no deficiency in the Bond Fund.

(2) If the Future Parity Bonds are being issued as Assessment Bonds, the Future Parity Bond Authorizing Ordinance shall provide that all ULID Assessments and interest thereon, shall be paid directly into the Bond Fund, except for any prepaid assessments permitted by law to be paid into a construction fund or account.

(3) The Future Parity Bond Authorizing Ordinance shall provide for the payment of the principal of and interest on such Future Parity Bonds out of the Bond Fund.

(4) With respect to Future Parity Bonds secured by the Reserve Account or a separate reserve account, the Future Parity Bond Ordinance shall provide for the deposit into the Reserve Account or a subaccount therein or separate reserve account of (i) an amount equal to the Reserve Requirement for those Future Parity Bonds from the Future Parity Bond proceeds or other money legally available, (ii) an Alternate Security (or an amount of cash plus Alternate Security) equal to the Reserve Requirement for those Future Parity Bonds, or (iii) to the extent that the Reserve Requirement is not funded from Future Parity Bond proceeds, other legally available money or Alternate Security at the time of issuance of those Future Parity Bonds, within five years from the date of issue of the Future Parity Bonds from ULID Assessments, if any, levied and first collected for the payment of the principal of and interest on those Future Parity Bonds and, to the extent that ULID Assessments are insufficient, then from the Net Revenue of the System in five approximately equal annual payments.

(5) The Future Parity Bond Authorizing Ordinance shall provide for the payment of mandatory redemption or sinking fund requirements into the Bond Fund for any Term Bonds to be issued and for regular payments to be made for the payment of the principal of such Term Bonds on or before their maturity, or, as an alternative, the mandatory redemption of those Term Bonds prior and up to their maturity date from money in the Principal and Interest Account.

(6) There shall be on file with the City either:

(i) A certificate from an Independent Utility Consultant showing that in such consultant's professional opinion, Net Revenue of the System plus any ULID Assessment collections (which may or may not be audited) for any 12 consecutive calendar months out of the immediately preceding 24 calendar months shall be equal to or greater than 1.25 times the Maximum Annual Debt Service due on Parity Bonds that are not Assessment Bonds and 1.0 times the Annual Debt Service due on Assessment Bonds (including the Future

Parity bonds proposed to be issued). The certificate, in estimating the Net Revenue of the System available for debt service, may adjust Net Revenue of the System to reflect: (A) any changes in rates in effect and being charged or expressly committed by ordinance to be made in the future; (B) income derived from customers of the System who have become customers during the 12 consecutive month period or thereafter adjusted to reflect one year's net revenue from those customers; (C) income from any customers to be connected to the System who have paid the required connection charges; (D) the Independent Utility Consultant's estimate of the Net Revenue of the System to be derived from customers anticipated to connect for whom new building permits have been issued; (E) the Independent Utility Consultant's estimate of the Net Revenue of the System to be derived from customers with existing homes or buildings which will be required to connect to any additions to and improvements and extensions of the System constructed and to be paid for out of the proceeds of the sale of the additional Future Parity Bonds or other additions to and improvements and extensions of the System then under construction and not fully connected to the facilities of the System when such additions, improvements and extensions are completed; (F) income received or to be received which is derived from any person, firm, corporation or municipal corporation under any executed contract for utility service, which revenue was not included in the historical Net Revenue of the System; and (G) any increases or decreases in Net Revenue as a result of any actual or reasonably anticipated changes in Maintenance and Operation Expense subsequent to the 12-month period.

(ii) In lieu of the certificate of an Independent Utility Consultant as described in paragraph (b)(6)(i), there may be on file from the Finance Director, a certificate showing that in the Finance Director's professional opinion, and without the adjustments described in paragraph (b)(6)(i) above, Net Revenue of the System plus any ULID Assessment collections (which may or may not be audited) for any 12 consecutive calendar months out of the immediately preceding 24 calendar months shall be equal to or greater than 1.25 times the Maximum Annual Debt Service due on Parity Bonds that are not Assessment Bonds and 1.0 times the Annual Debt Service due on Assessment Bonds (including the Future Parity bonds proposed to be issued).

No certificate provided for in this paragraph (b)(6) shall be required in connection with the issuance of a bond issue if the amount of bonds proposed to be issued does not exceed the ULID Assessments levied in support of such bond issue by more than \$5,000.00 plus any amount of the proceeds of such bonds deposited in the Reserve Account as capitalized reserve. Furthermore, if the Future Parity Bonds proposed to be so issued are for the sole purpose of refunding outstanding Parity Bonds, no such certification of coverage shall be required if the Annual Debt Service in each year for the refunding bonds is not increased by \$5,000.00 over the amount required for the bonds to be refunded thereby and the maturities of those refunding bonds are not extended beyond the maturities of the bonds to be refunded thereby.

Section 15. Separate Utility Systems. The City may create, acquire, construct, finance, own and operate one or more additional systems for water supply, sewer service, water, sewage or stormwater transmission, treatment or other commodity or service. The revenue of that separate utility system ("Separate System"), and any ULID assessments payable solely with respect to improvements to a Separate System, shall not be included in the Gross Revenue of the System and may be pledged to the payment of revenue obligations issued to purchase, construct, condemn or otherwise acquire or expand the Separate System. Neither the Gross Revenue nor

the Net Revenue of the System shall be pledged by the City to the payment of any obligations of a Separate System except (a) as a Contract Resource Obligation upon compliance with Section 16 hereof and/or (b), with respect to the Net Revenue, on a basis subordinate to the lien of the Parity Bonds on that Net Revenue.

Section 16. Contract Resource Obligations.

(a) The City may at any time enter into one or more contracts or other obligations for the acquisition (from facilities yet to be constructed) of water supply, sewer service, water sewer or stormwater transmission, treatment or other commodity or service relating to the System. The City may determine that such contract or other obligation is a Contract Resource Obligation, and may provide that all payments under that Contract Resource Obligation (including payments prior to the time that water supply, transmission, treatment or other commodity or service is being provided, or during a suspension or after termination of supply or service) shall be Maintenance and Operation Expense if the following requirements are met at the time such Contract Resource Obligation is entered into:

(1) No Event of Default has occurred and is continuing.

(2) There is on file a certificate of an Independent Utility Consultant stating that (i) the payments to be made by the City in connection with the Contract Resource Obligation are reasonable for the supply, transmission, treatment or other service rendered; (ii) the source of any new supply, and any facilities to be constructed to provide the supply, transmission, treatment or other service, are sound from a water, sewerage, or other commodity supply or transmission planning standpoint, are technically and economically feasible in accordance with prudent utility practice, and are likely to provide supply or transmission or other service no later than a date set forth in the Independent Utility Consultant's certification; and (iii) the Net Revenue (further adjusted by the Independent Utility Consultant's estimate of the payments to be made in accordance with the Contract Resource Obligation) for the five fiscal years following the year in which the Contract Resource Obligation is incurred, as such Net Revenue is estimated by the Independent Utility Consultant (with such estimate based on such factors as he or she considers reasonable) will be at least equal to the Coverage Requirement.

(b) Payments required to be made under Contract Resource Obligations shall not be subject to acceleration.

Nothing in this Section 16 shall be deemed to prevent the City from entering into other agreements for the acquisition of water supply, sewer service, water, sewage or stormwater transmission, treatment or other commodity or service from existing facilities and from treating those payments as Maintenance and Operation Expense. Nothing in this Section 16 shall be deemed to prevent the City from entering into other agreements for the acquisition of water supply, transmission, treatment or other commodity or service from facilities to be constructed and from agreeing to make payments with respect thereto, such payments constituting a lien and charge on Net Revenue subordinate to that of the Parity Bonds.

Section 17. Defeasance. In the event that the City, to effect the payment, retirement or redemption of any Bond, sets aside in the Bond Fund or in another special account, cash or

noncallable Government Obligations, or any combination of cash and/or noncallable Government Obligations, in amounts and maturities which, together with the known earned income therefrom, are sufficient to redeem or pay and retire such Bond in accordance with its terms and to pay when due the interest and redemption premium, if any, thereon, and such cash and/or noncallable Government Obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made into the Bond Fund for the payment of the principal of and interest on such Bond. The owner of a Bond so provided for shall cease to be entitled to any lien, benefit or security of this ordinance except the right to receive payment of principal, premium, if any, and interest from the Bond Fund or such special account, and such Bond shall be deemed to be not outstanding under this ordinance.

The City shall give written notice of defeasance to the owners of all Bonds so provided for within 20 days of the defeasance and to each party entitled to receive notice in accordance with Section 19.

If the refunding plan provides that the defeased Bonds or the refunding bonds to be issued be secured by cash and/or Government Obligations pending the prior redemption of those Bonds being refunded and if such refunding plan also provides that certain cash and/or Government Obligations are irrevocably pledged for the prior redemption of the defeased Bonds, then only the debt service on the Bonds which are not defeased Bonds and the refunding bonds, the payment of which is not so secured by the refunding plan, shall be included in the computation of the Coverage Requirement for the issuance of Future Parity Bonds and the annual computation of coverage for determining compliance with the rate covenants.

Section 18. Sale of Bonds.

(a) *Bond Sale.* The Bonds shall be sold by negotiated public sale to the Underwriter pursuant to the terms of a Bond Purchase Contract. The Council has determined that it would be in the best interest of the City to delegate to each Designated Representative, for a limited time, the authority to select the Refunded Bonds from the Refunding Candidates, determine the number of series, designate one or more series of Bonds as Tax-Exempt Bonds, and approve the final interest rates, maturity dates, redemption terms and principal maturities for each series of Bonds.

(b) *Sale Parameters.* Subject to the terms and conditions set forth in this Section 18, each Designated Representative is hereby authorized to select the Refunded Bonds from the Refunding Candidates, designate one or more series of Bonds as Tax-Exempt Bonds, and approve the final interest rates, aggregate principal amount, principal maturities, and redemption rights for each series of Bonds in the manner provided hereafter so long as:

(1) the aggregate principal amount of all Bonds issued under this ordinance does not exceed \$28,000,000,

(2) the final maturity date for the Bonds is no later than 2045,

(3) the aggregate purchase price for the Bonds shall not be less than 95% or more than 125% of the aggregate stated principal amount of the Bonds,

(4) the true interest cost for the Bonds (in the aggregate) does not exceed 4.0%,

(5) any Bonds (or portion thereof) issued for the purpose of refunding the Refunded Bonds are sold for a price that results in net present value debt service savings over the Refunded Bonds (in the aggregate) of at least 4.0%, as adjusted for the federal subsidy net of the sequestration factor in effect at the time of such sale, and

(6) the Bonds conform to all other terms of this ordinance.

Subject to the terms and conditions set forth in this section, each Designated Representative is hereby authorized to execute the Bond Purchase Contract on behalf of the City. The signature of one Designated Representative shall be sufficient to bind the City.

Following the execution of the Bond Purchase Contract, a Designated Representative shall provide a report to the Council describing the final terms of the Bonds approved pursuant to the authority delegated in this section. The authority granted to each Designated Representative by this Section 18 shall expire 180 days after the effective date of this ordinance. If a Bond Purchase Contract for the Bonds has not been executed within 180 days after the effective date of this ordinance, the authorization for the issuance of the Bonds shall be rescinded, and the Bonds shall not be issued nor their sale approved unless such Bonds are re-authorized by ordinance of the Council. The ordinance re-authorizing the issuance and sale of such Bonds may be in the form of a new ordinance repealing this ordinance in whole or in part or may be in the form of an amendatory ordinance approving a Bond Purchase Contract or establishing terms and conditions for the authority delegated under this Section 18.

(c) *Delivery of Bonds; Documentation.* Upon the passage and approval of this ordinance, the proper officials of the City, including the Designated Representatives, are authorized and directed to undertake all action necessary for the prompt execution and delivery of the Bonds to the Underwriter and further to execute all closing certificates and documents required to effect the closing and delivery of the Bonds in accordance with the terms of the Bond Purchase Contract.

(d) *Preliminary and Final Official Statements.* The Finance Director is hereby authorized to ratify and to deem final the preliminary Official Statement relating to the Bonds for the purposes of the Rule. The Finance Director is further authorized to ratify and to approve for purposes of the Rule, on behalf of the City, the final Official Statement relating to the issuance and sale of the Bonds and the distribution of the final Official Statement pursuant thereto with such changes, if any, as may be deemed to be appropriate.

Section 19. Undertaking to Provide Ongoing Disclosure. The City covenants to execute and deliver at the time of Closing a Continuing Disclosure Certificate. Each Designated Representative is hereby authorized to execute and deliver a Continuing Disclosure Certificate upon the issuance, delivery and sale of the Bonds with such terms and provisions as such officer shall deem appropriate and in the best interest of the City.

Section 20. Amendatory and Supplemental Ordinances. This ordinance shall not be modified or amended in any respect after the issuance of the Bonds, except as provided in and in

accordance with and subject to the provisions of this section. For purposes of this provision, the passage of an ordinance authorizing the issuance of Future Parity Bonds shall not be considered a supplemental ordinance.

(a) *Certain Supplemental or Amendatory Ordinances Permitted Without Bond Owner Consent.* The City, from time to time, and at any time, without the consent of or notice to the registered owners of the Bonds or the Parity Bonds, may pass supplemental or amendatory ordinances as set forth in this subsection (a). Before the City shall pass any such supplemental or amendatory ordinance pursuant to this subsection, there shall have been delivered to the City and the Bond Registrar an opinion of Bond Counsel, stating that such ordinance is authorized or permitted by this ordinance and, upon the execution and delivery thereof, will be valid and binding upon the City in accordance with its terms and will not adversely affect the exclusion from gross income for federal income tax purposes of interest on any tax-exempt Parity Bonds then outstanding. The permitted purposes under this subsection (a) are:

(1) To cure any formal defect, omission, inconsistency or ambiguity in this ordinance in a manner not adverse to the owner of any Parity Bond;

(2) To impose upon the Bond Registrar (with its consent) for the benefit of the registered owners of the Bonds any additional rights, remedies, powers, authority, security, liabilities or duties which may lawfully be granted, conferred or imposed and which are not contrary to or inconsistent with this ordinance as theretofore in effect;

(3) To add to the covenants and agreements of, and limitations and restrictions upon, the City in this ordinance, other covenants, agreements, limitations and restrictions to be observed by the City which are not contrary or inconsistent with this ordinance as theretofore in effect;

(4) To confirm, as further assurance, any pledge under, and the subjection to any claim, lien or pledge created or to be created by this ordinance of any other money, securities or funds;

(5) To authorize different denominations of the Bonds and to make correlative amendments and modifications to this ordinance regarding exchangeability of Bonds of different authorized denominations, redemptions of portions of Bonds of particular authorized denominations and similar amendments and modifications of a technical nature;

(6) To modify, alter, amend or supplement this ordinance in any other respect which is not materially adverse to the registered owners of Parity Bonds and which does not involve a change described in subsections (b) or (c) of this section;

(7) Because of change in federal law or rulings, to maintain the exclusion from gross income of the interest on the Tax-Exempt Bonds from federal income taxation; and

(8) To add to the covenants and agreements of, and limitations and restrictions upon, the City in this ordinance, other covenants, agreements, limitations and restrictions to be observed by the City which are requested by a bond insurer (if any) or provider

of an Alternate Security and which changes are not materially adverse to the registered owners of Parity Bonds.

(b) *Supplemental or Amendatory Ordinances Requiring Consent of All Registered Owners.* Unless approved in writing by the registered owners of all Parity Bonds then outstanding, nothing contained in this section shall permit, or be construed as permitting: (1) a change in the times, amounts or currency of payment of the principal of or interest on any outstanding Parity Bond or a reduction in the principal amount or redemption price of any outstanding Parity Bond or a change in the redemption price of any outstanding Parity Bond or a change in the method of determining the rate of interest thereon; (2) a preference of priority of any Parity Bonds or any other bond or bonds, or (3) a reduction in the aggregate principal amount of any Parity Bond.

(c) *Supplemental or Amendatory Ordinances Requiring Consent of Registered Owners of 60% of Parity Bonds Outstanding.* In addition to any ordinance permitted pursuant to paragraph (a) and subject to the terms and conditions contained in subsection (d) and not otherwise, registered owners of not less than 60% in aggregate principal amount of the Parity Bonds then outstanding shall have the right from time to time to consent to and approve the adoption by the City of any supplemental or amendatory ordinance deemed necessary or desirable by the City for the purpose of modifying, altering, amending, supplementing or rescinding, in any particular, any of the terms or provisions contained in this ordinance, as follows:

(1) If at any time the City shall propose any supplemental or amendatory ordinance under this subsection (c), the City shall cause the Bond Register to give notice of the proposed supplemental or amendatory ordinance by first-class United States mail to all registered owners of any then outstanding Parity Bonds, to a bond insurer (if any), and to the rating agency then maintaining a rating on the Bonds at the request of the City. Such notice shall briefly set forth the nature of the proposed supplemental or amendatory ordinance and shall state that a copy thereof is on file at the office of the Bond Registrar for inspection by all registered owners of the outstanding Parity Bonds.

(2) At any time within two years after the date of the mailing of such notice, the City may pass such supplemental or amendatory ordinance in substantially the form described in such notice, but only if there shall have first been delivered to the Bond Registrar (i) the required consents, in writing, of the registered owners of the Parity Bonds, and (ii) an opinion of Bond Counsel stating that such ordinance is authorized or permitted by this ordinance and, upon the execution and delivery thereof, will be valid and binding upon the City in accordance with its terms and will not adversely affect the exclusion from gross income for federal income tax purposes of interest on any tax-exempt Parity Bonds then outstanding.

(3) If registered owners of not less than the percentage of then outstanding Parity Bonds required by this subsection (c) shall have consented to and approved the proposed ordinance, no owner of outstanding Parity Bonds shall have any right (i) to object to the passage of such ordinance, (ii) to object to any of the terms and provisions contained therein or the operation thereof, (iii) in any manner to question the propriety of the passage thereof, or (iv) to

enjoin or restrain the City or the Bond Registrar from adopting the same or taking any action pursuant thereto.

Upon the adoption of the supplemental or amendatory ordinance pursuant to the provisions of this section, this ordinance shall be, and shall be deemed to be, supplemented and amended accordingly. The respective rights, duties and obligations under this ordinance of the City, the Bond Registrar and all registered owners of Parity Bonds, shall thereafter be determined, exercised and enforced under this ordinance subject in all respects to such supplements and amendments.

Section 21. Events of Default.

(a) *Events of Default.* The following shall constitute “Events of Default” with respect to the Bonds:

(1) If a default is made in the payment of the principal of or interest on any of the Bonds when the same shall become due and payable; or

(2) If the City defaults in the observance and performance of any other of the covenants, conditions and agreements on the part of the City set forth in this ordinance or any covenants, conditions or agreements on the part of the City contained in any Parity Bond Ordinance and such default or defaults have continued for a period of six months after they have received from the Bondowners’ Trustee (as defined below) or from the registered owners of not less than 25% in principal amount of the Parity Bonds, a written notice specifying and demanding the cure of such default. However, if the default in the observance and performance of any other of the covenants, conditions and agreements is one which cannot be completely remedied within the six months after written notice has been given, it shall not be an Event of Default with respect to the Bonds as long as the City has taken active steps within 90 days after written notice has been given to remedy the default and is diligently pursuing such remedy.

(3) If the City files a petition in bankruptcy or is placed in receivership under any state or federal bankruptcy or insolvency law.

(b) *Bondowners’ Trustee.* So long as such Event of Default has not been remedied, a bondowners’ trustee (the “Bondowners’ Trustee”) may be appointed by the registered owners of 25% in principal amount of the Parity Bonds then outstanding, by an instrument or concurrent instruments in writing signed and acknowledged by such registered owners of the Parity Bonds or by their attorneys-in-fact duly authorized and delivered to such Bondowners’ Trustee, notification thereof being given to the City. That appointment shall become effective immediately upon acceptance thereof by the Bondowners’ Trustee. Any Bondowners’ Trustee appointed under the provisions of this Section 21(b) shall be a bank or trust company organized under the laws of the State or the State of New York or a national banking association. The bank or trust company acting as Bondowners’ Trustee may be removed at any time, and a successor Bondowners’ Trustee may be appointed, by the registered owners of a majority in principal amount of the Parity Bonds, by an instrument or concurrent instruments in writing signed and acknowledged by such registered owners of the Bonds or by their attorneys- in-fact duly authorized. The Bondowners’ Trustee may require such security and indemnity as may be

reasonable against the costs, expenses and liabilities that may be incurred in the performance of its duties. If any Event of Default is, in the sole judgment of the Bondowners' Trustee, cured and the Bondowners' Trustee furnishes to the City a certificate so stating, that Event of Default shall be conclusively deemed to be cured and the City, the Bondowners' Trustee and the registered owners of the Parity Bonds shall be restored to the same rights and position which they would have held if no Event of Default had occurred. The Bondowners' Trustee appointed in the manner herein provided, and each successor thereto, is declared to be a trustee for the registered owners of all the Parity Bonds and is empowered to exercise all the rights and powers herein conferred on the Bondowners' Trustee.

(c) *Suits at Law or in Equity.* Upon the happening of an Event of Default and during the continuance thereof, the Bondowners' Trustee may (and, upon the written request of the registered owners of not less than 25% in principal amount of the Parity Bonds outstanding, must) take such steps and institute such suits, actions or other proceedings, all as it may deem appropriate for the protection and enforcement of the rights of the registered owners of the Parity Bonds, to collect any amounts due and owing to or from the City, or to obtain other appropriate relief, and may enforce the specific performance of any covenant, agreement or condition contained in this ordinance or in any of the Parity Bonds.

Nothing contained in this Section 21 shall, in any event or under any circumstance, be deemed to authorize the acceleration of maturity of principal on the Parity Bonds, and the remedy of acceleration is expressly denied to the registered owners of the Parity Bonds under any circumstances including, without limitation, upon the occurrence and continuance of an Event of Default.

Any action, suit or other proceedings instituted by the Bondowners' Trustee hereunder shall be brought in its name as trustee for the Bondowners and all such rights of action upon or under any of the Parity Bonds or the provisions of this ordinance may be enforced by the Bondowners' Trustee without the possession of any of those Parity Bonds and without the production of the same at any trial or proceedings relative thereto except where otherwise required by law. Any such suit, action or proceeding instituted by the Bondowners' Trustee shall be brought for the ratable benefit of all of the registered owners of those Parity Bonds, subject to the provisions of this ordinance. The respective registered owners of the Parity Bonds, by taking and holding the same, shall be conclusively deemed irrevocably to appoint the Bondowners' Trustee the true and lawful trustee of the respective registered owners of those Parity Bonds, with authority to institute any such action, suit or proceeding; to receive as trustee and deposit in trust any sums becoming distributable on account of those Parity Bonds; to execute any paper or documents for the receipt of money; and to do all acts with respect thereto that the registered owner himself or herself might have done in person. Nothing herein shall be deemed to authorize or empower the Bondowners' Trustee to consent to accept or adopt, on behalf of any registered owner of the Parity Bonds, any plan of reorganization or adjustment affecting the Parity Bonds or any right of any registered owner thereof, or to authorize or empower the Bondowners' Trustee to vote the claims of the registered owners thereof in any receivership, insolvency, liquidation, bankruptcy, reorganization or other proceeding to which the City is a party.

(d) *Application of Money Collected by Bondowners' Trustee.* Any money collected by the Bondowners' Trustee at any time pursuant to this Section 21 shall be applied in the following order of priority:

(1) First, to the payment of the charges, expenses, advances and compensation of the Bondowners' Trustee and the charges, expenses, counsel fees, disbursements and compensation of its agents and attorneys.

(2) Second, to the payment to the persons entitled thereto of all installments of interest then due on the Parity Bonds in the order of maturity of such installments and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon to the persons entitled thereto, without any discrimination or preference.

(3) Third, to the payment to the persons entitled thereto of the unpaid principal amounts of any Parity Bonds which shall have become due (other than Parity Bonds previously called for redemption for the payment of which money is held pursuant to the provisions hereto), whether at maturity or by proceedings for redemption or otherwise, in the order of their due dates and, if the amount available shall not be sufficient to pay in full the principal amounts due on the same date, then to the payment thereof ratably, according to the principal amounts due thereon to the persons entitled thereto, without any discrimination or preference.

(e) *Duties and Obligations of Bondowners' Trustee.* The Bondowners' Trustee shall not be liable except for the performance of such duties as are specifically set forth herein. During an Event of Default, the Bondowners' Trustee shall exercise such of the rights and powers vested in it hereby, and shall use the same degree of care and skill in its exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs. The Bondowners' Trustee shall have no liability for any act or omission to act hereunder except for the Bondowners' Trustee's own negligent action, its own negligent failure to act or its own willful misconduct. The duties and obligations of the Bondowners' Trustee shall be determined solely by the express provisions of this ordinance, and no implied powers, duties or obligations of the Bondowners' Trustee shall be read into this ordinance. The Bondowners' Trustee shall not be required to expend or risk its own funds or otherwise incur individual liability in the performance of any of its duties or in the exercise of any of its rights or powers as the Bondowners' Trustee, except as may result from its own negligent action, its own negligent failure to act or its own willful misconduct. The Bondowners' Trustee shall not be bound to recognize any person as a registered owner of any Bond until such person's title thereto, if disputed, has been established to its reasonable satisfaction. The Bondowners' Trustee may consult with counsel and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel. The Bondowners' Trustee shall not be answerable for any neglect or default of any person, firm or corporation employed and selected by it with reasonable care.

(f) *Suits by Individual Bondowners Restricted.* Neither the registered owner nor the beneficial owner of any one or more of Parity Bonds shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of same unless:

- (1) an Event of Default has happened and is continuing; and
- (2) a Bondowners' Trustee has been appointed, and
- (3) such owner previously shall have given to the Bondowners' Trustee written notice of the Event of Default on account of which such suit, action or proceeding is to be instituted; and
- (4) the registered owners of 25% in principal amount of the then outstanding Parity Bonds have made, after the occurrence of such Event of Default, written request of the Bondowners' Trustee and have afforded the Bondowners' Trustee a reasonable opportunity to institute such suit, action or proceeding; and
- (5) there have been offered to the Bondowners' Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby; and
- (6) the Bondowners' Trustee has refused or neglected to comply with such request within a reasonable time.

No registered owner or beneficial owner of any Parity Bond shall have any right in any manner whatever by such owner's action to affect or impair the obligation of the City to pay from the Net Revenue the principal of and interest on such Parity Bonds to the respective owners thereof when due.

Section 22. Lost, Stolen or Destroyed Bonds. In case any Bond or Bonds shall be lost, stolen or destroyed, the Bond Registrar may execute and deliver a new Bond or Bonds of like date, number and tenor to the Registered Owner thereof upon the Registered Owner's paying the expenses and charges of the City and the Bond Registrar in connection therewith and upon his/her filing with the City evidence satisfactory to the City that such Bond was actually lost, stolen or destroyed and of his/her ownership thereof, and upon furnishing the City and/or the Bond Registrar with indemnity satisfactory to the City and the Bond Registrar.

Section 23. Severability; Ratification. If any one or more of the covenants or agreements provided in this ordinance to be performed on the part of the City shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements of this ordinance and shall in no way affect the validity of the other provisions of this ordinance or of the Bonds. All acts taken pursuant to the authority granted in this ordinance but prior to its effective date are hereby ratified and confirmed.

Section 24. Corrections by Clerk. Upon approval of the City Attorney and Bond Counsel, the City Clerk is hereby authorized to make necessary corrections to this ordinance, including but not limited to the correction of clerical errors; references to other local, state or

federal laws, codes, rules or regulations; ordinance numbering and section/subsection numbering; and other similar necessary corrections.

Section 25. Effective Date. This ordinance will become effective five days from and after its passage, approval and publication.

PASSED by the City Council of the City of Auburn, Washington, at a regular meeting of the City Council held on May 18, 2020.

FIRST READING: _____

SECOND READING: _____

PASSED: _____

APPROVED: _____

CITY OF AUBURN, WASHINGTON

Nancy Backus, Mayor

ATTEST:

Shawn Campbell, City Clerk

APPROVED AS TO FORM:

Pacifica Law Group LLP, Bond Counsel

EXHIBIT A
FORM OF BOND
[DTC LANGUAGE]

UNITED STATES OF AMERICA

NO. _____ \$ _____

STATE OF WASHINGTON

CITY OF AUBURN

UTILITY SYSTEM REVENUE AND REFUNDING BOND, 2020

INTEREST RATE: % MATURITY DATE: CUSIP NO.:

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The City of Auburn, Washington (the “City”), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, the Principal Amount indicated above and to pay interest thereon from _____, 2020, or the most recent date to which interest has been paid or duly provided for until payment of this bond at the Interest Rate set forth above, payable on _____ 1, 2020, and semiannually thereafter on the first days of each succeeding _____ and _____. Both principal of and interest on this bond are payable in lawful money of the United States of America. The fiscal agent of the State of Washington has been appointed by the City as the authenticating agent, paying agent and registrar for the bonds of this issue (the “Bond Registrar”). For so long as the bonds of this issue are held in fully immobilized form, payments of principal and interest thereon shall be made as provided in accordance with the operational arrangements of The Depository Trust Company (“DTC”) referred to in the Blanket Issuer Letter of Representations (the “Letter of Representations”) from the City to DTC.

The bonds of this issue are issued under and in accordance with the provisions of the Constitution and applicable statutes of the State of Washington and Ordinance No. ____ duly passed by the City Council on May 18, 2020 (the “Bond Ordinance”). Capitalized terms used in this bond have the meanings given such terms in the Bond Ordinance.

Proceeds of the bonds of this issue will be to finance and/or reimburse the City for costs associated with the construction of and improvements to the System, to defease and refund certain Outstanding Parity Bonds, to fund the reserve account, if necessary, and to pay costs of issuing the bonds.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Ordinance until the Certificate of Authentication hereon shall have been manually signed by or on behalf of the Bond Registrar or its duly designated agent.

This bond is one of an authorized issue of bonds of like series, date, tenor, rate of interest and date of maturity, except as to number and amount in the aggregate principal amount of \$_____.

The bonds of this issue are subject to redemption prior to maturity as provided in the Bond Ordinance and the Bond Purchase Contract.

As security for the payment of the principal of, premium, if any, and interest on all Parity Bonds the City has pledged, in accordance with the provisions of the Bond Ordinance, Net Revenue and all ULID Assessments. This pledge shall constitute a lien and charge upon the Net Revenue and ULID Assessments prior and superior to any other liens and charges whatsoever, except that the amounts so pledged are of equal lien to the charges upon the Net Revenue and ULID Assessments which have been pledged to pay and secure the payment of the principal of and interest on the Outstanding Parity Bonds, and which may hereafter be made to pay and secure the payment of the principal of and interest on any Future Parity Bonds.

The City hereby irrevocably covenants and agrees with the registered owner of this bond that it will keep and perform all the covenants of this bond and of the Bond Ordinance to be by it kept and performed. Reference is hereby made to the Bond Ordinance for a complete statement of such covenants.

The bonds of this issue have [not] been designated by the City as “qualified tax-exempt obligations” for investment by financial institutions under Section 265(b) of the Code.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Washington to exist and to have happened, been done and performed precedent to and in the issuance of this bond exist and have happened, been done and performed and that the issuance of this bond and the bonds of this issue does not violate any constitutional, statutory or other limitation upon the amount of bonded indebtedness that the City may incur.

IN WITNESS WHEREOF, the City of Auburn, Washington, has caused this bond to be executed by the manual or facsimile signatures of the Mayor and the City Clerk and the seal of the City imprinted, impressed or otherwise reproduced hereon as of this ____ day of _____, 2020.

[SEAL]

CITY OF AUBURN, WASHINGTON

By _____ /s/ manual or facsimile
Mayor

ATTEST:

/s/ manual or facsimile
City Clerk

The Bond Registrar's Certificate of Authentication on the Bonds shall be in substantially the following form:

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within-mentioned Bond Ordinance and is one of the Utility System Revenue and Refunding Bonds, 2020, of the City of Auburn, Washington, dated _____, 2020.

WASHINGTON STATE FISCAL AGENT,
as Bond Registrar

By _____



AGENDA BILL APPROVAL FORM

Agenda Subject:

Interlocal Agreements for Homelessness Assistance (Backus)
(15 Minutes)

Date:

May 5, 2020

Department:

Administration

Attachments:

[KC-Partner-Agency_Privacy-and-DSA-2019-2](#)

[ITKC-Partner-Agency-Privacy-and-DSA-2019-2](#)

[DSHS Interlocal Agreement](#)

Budget Impact:

Current Budget: \$0

Proposed Revision: \$0

Revised Budget: \$0

Administrative Recommendation:

For discussion only.

Background Summary:

The reason for the Interlocal Agreement between the City of Auburn and King County Coordinated Entry is to access the Homelessness Management Information System. This allows for the City to have access to services and funding through King County and provides a coordinated effort through data collection to keep accurate numbers of people utilizing these services in the system.

The reason for the Interlocal Agreement between the City of Auburn and Department of Social and Health Services is allow for completion of applications to provide assistance to clients that are in need of access to food assistance and other social services assistance provided by the state.

Reviewed by Council Committees:**Councilmember:**

Meeting Date: May 11, 2020

Staff:

Mayor Backus

Item Number:



King County Homeless Management and Information System (HMIS)

PARTNER AGENCY PRIVACY AND DATA SHARING AGREEMENT

The Homeless Management Information System (“HMIS”) is a shared database software application which confidentially collects, uses, and releases client-level information related to homelessness. Client information is collected in the HMIS and released to nonprofit housing and services providers, use the information to improve housing and services quality.

On behalf of the Seattle/King County Continuum of Care (“CoC”), HMIS is administered by King County Department of Community and Human Services (“County”) in a software application called Clarity Human Services (“Clarity”), a product of Bitfocus, Inc. (“Bitfocus”). The County has contracted with Bitfocus to serve as the System Administrator for the HMIS.

This Partner Agency Privacy and Data Sharing Agreement (the “Agreement”), dated _____, (the “Effective Date”), is entered into by and between the County and _____ (“Partner Agency,” or “Agency”) (collectively “the Parties”), in order to further clarify the rights and responsibilities of the Parties regarding access to and use of the HMIS data by the Partner Agency.

HMIS has a steering committee (the “All Home System Performance Committee,” or simply the “System Performance Committee”) to oversee and support the implementation. The group is composed of various stakeholders including: agencies funded by the U.S. Department of Housing and Urban Development (“HUD”), homeless services providers, people experiencing homelessness, local governments, and other funders. The procedures for the qualifications and meetings of members of the System Performance Committee, and related matters, shall be set forth in the HMIS Governance Charter of the System Performance Committee, which may be amended from time to time according to the terms therein.

Agency and County agree as follows:

1. General Understandings:

- a. In this Agreement, the following terms will have the following meanings:
 1. “Client” refers to a consumer of services;
 2. “Partner Agency” refers generally to any Agency participating in HMIS.
 3. “Agency staff” refers to both paid employees and volunteers.
 4. “HMIS” refers to the Homeless Management Information System administered King County Department of Community and Human Services.
 5. “Enter(ing)” or “entry” refers to the entry of any Client information into HMIS.

-
6. “Shar(e)(ing),” or “Information Shar(e)(ing)” refers to the sharing of information which has been entered in HMIS with another Partner Agency.
 7. “Identified Information” refers to Client data that can be used to identify a specific Client. Also referred to as “Confidential” data or information.
 8. “De-identified Information” refers to data that has specific Client demographic information removed. Also referred to as “non-identifying” information.
- b. Client information is collected in the HMIS, and shared with housing and services providers (each, a “Partner Agency,” and collectively, the “Partner Agencies”), which include community based organizations and government agencies. Partner Agencies use the information in HMIS to: improve housing and services quality; coordinate referral and placements for housing and services, identify patterns and monitor trends over time; conduct needs assessments and prioritize services for certain homeless and low-income subpopulations; enhance inter-agency coordination; and monitor and report on the delivery, impact, and quality of housing and services.
 - c. Subject to the direction of the County, in its role as HMIS Lead, Bitfocus will act as the HMIS System Administrator and Software as a Service (“SaaS”) provider, and will assume responsibility for overall project administration; hosting of the HMIS technical infrastructure; and restricting or allowing access to the HMIS to the Partner Agencies in accordance with the direction of the County.
 - d. The Agency recognizes the County as the HMIS Lead to be the decision-making and direction-setting authority regarding the HMIS, including, without limitation, with regard to process updates, policy and practice guidelines, data analysis, and software or hardware upgrades.
 - e. The Agency will designate a staff member to attend HMIS Agency Administrators meetings regularly, and the Agency understands that Bitfocus, as the agent of the County, will be responsible for coordinating HMIS Agency Administrator activities subject to the direction of the County as the HMIS Lead.

2. Confidentiality:

- a. Agency will not:
 1. enter information into HMIS which it is not authorized to enter; and
 2. designate information for sharing which it is not authorized to share, under any relevant federal, state, or local confidentiality laws, regulations or other restrictions applicable to Client information.
- b. Agency represents that **(check applicable items)** for the purposes of the organization's participation in the HMIS:

☐ it is; ☒ is not; a “covered entity” whose disclosures are restricted under HIPAA (45 CFR 160 and 164); More information about “covered entities” can be found <http://www.hhs.gov/ocr/privacy/hipaa/understanding/coveredentities/index.html>

☐ it is; ☒ is not; a program whose disclosures are restricted under Federal Drug and Alcohol Confidentiality Regulations: 42 CFR Part 2;

If Agency is subject to any laws or requirements which restrict Agency’s ability to either enter or authorize sharing of information, Agency will ensure that any entry it makes and all designations for sharing fully comply with all applicable laws or other restrictions.

- c. To the extent that information entered by Agency into HMIS is or becomes subject to additional restrictions, Agency will immediately inform County in writing of such restrictions.
- d. Agency shall comply with the Violence Against Women and Department of Justice Reauthorization Act of 2005 (VAWA) and Washington State RCW 43.185C.030. No Identified Information may be entered into HMIS for Clients in licensed domestic violence programs (Victim Service Providers) or for clients actively fleeing domestic violence situations.
- e. Agency shall not enter confidential information regarding HIV/AIDS status, in accordance with RCW 70.02.220. If funding (i.e., HOPWA) requires HMIS use, those clients’ data shall be entered without Identifying Information.

3. Information Collection, Release and Sharing Consent:

- a. Collection of Client Identified information: An agency shall collect client identified information only when appropriate to the purposes for which the information is obtained or when required by law. An Agency must collect client information by lawful and fair means and, where appropriate, with the knowledge or consent of the individual.
 - 1. The Agency will use the Client Consent to Data Collection and Release of Information form, describing how client information may be collected, used, and released by the County and the CoC in the administration of the HMIS. Only the standard, County-issued Client Consent to Data Collection and Release of Information form may be used.
 - 2. The Agency must maintain appropriate documentation of informed client consent, in writing and signed by each client, to participate in the HMIS. All documentation must be provided to the County within ten (10) days upon request.
- b. Obtaining Client Consent: In obtaining client consent, each adult Client in the household must sign the approved King County HMIS Client Consent to Data Collection and Release of Information form to indicate consent to enter Client identified

information into HMIS. If minors are present in the household, at least one adult in the household must consent minors by writing their names on the Client Consent to Data Collection and Release of Information form. If any adult member of a household does not provide written consent, identifying information may not be entered into HMIS for *anyone* in the household. Unaccompanied youth aged 13 or older may consent to have their personally identifying information entered in HMIS.

- a. **Revoking Consent:** A Client may withdraw or revoke consent for Client identified information collection by signing the Client Revocation of Consent form. The Agency will follow King County's policies for creating de-identified clients and all non-identifying information for the client shall be entered into the HMIS. If a Client revokes their consent, Agency is responsible for obtaining a Client Revocation of Consent form signed by the client and immediately contacting the HMIS System Administrator (Bitfocus Inc) at: kcsupport@bitfocus.com or 206.444.4001 x2 to have the client record de-identified according to King County's policies.

Consent may be revoked verbally for records pertaining to drug/alcohol treatment and for records where client is actively fleeing domestic violence. If consent is revoked verbally to the Agency, the Agency will inform Bitfocus of such revocation immediately.

The Agency is prohibited from removing identified information from HMIS directly but is responsible for notifying Bitfocus Inc and the CEA program to ensure that Client can be contacted for a housing referral if applicable.

4. **No Conditioning of Services:** Agency will not condition any services upon or decline to provide any services to a Client based upon a Client's refusal to allow entry of identified information into HMIS.
5. **Re-release Prohibited:** Agency shall not release any Client identifying information received from HMIS to any other person or organization without written Client consent, except when required by law. Any requests for information from or related to HMIS that are for purpose other than providing services to clients in the routine course of business, should be sent to Bitfocus and the County. The Agency will also been encouraged to seek its own legal advice if required by law to provide identifying confidential client information.
6. **Client Inspection/Correction:** Agency will allow a Client to inspect and obtain a copy of his/her own personal information. Agency will also allow a Client to correct information that is inaccurate. Corrections may be made by way of a new entry that is in addition to but is not a replacement for an older entry.
7. **Training/Assistance:** Agency will permit access to HMIS only after the authorized user receives appropriate confidentiality training including that provided by Bitfocus, the County, and/or WA Department of Commerce. Agency will also conduct ongoing basic confidentiality training for all persons with access to HMIS and will train all persons who may receive information produced from HMIS on the confidentiality of such information. Agency will participate in such training provided from time to time by the HMIS System

Administrator. The HMIS System Administrator will be reasonably available during defined weekday business hours for technical assistance (i.e. troubleshooting and report generation).

- 8. Retention of paper copies of personally identifying information:** Agencies must develop and adopt policies governing the retention of paper records containing personally identifying information. The policy must define how long paper records are retained after they are no longer being actively utilized, and the process that will be used to destroy the records to prevent the release of personally identifying information. The policy must require the destruction of the paper records derived from an HMIS no longer than seven years after the last day the person was served by the Agency.

9. Information Entry Standards:

- a. Information entered into HMIS by Agency will be truthful, accurate and complete to the best of Agency's knowledge.
- b. Agency will **not** solicit from Clients or enter information about Clients into the HMIS database unless the information is required for a legitimate business purpose such as to provide services to the Client, to conduct program evaluation, to administer the program, or to comply with regulatory requirements.
- c. Agency will only enter information into HMIS database with respect to individuals that it serves or intends to serve, including through referral.
- d. The Agency will adhere to the King County HMIS Standard Operating Policies ("SOPs"), HMIS Security Plan, Continuous Data Quality Improvement Process, HMIS Data Standards Manual, HMIS Data Standards Data Dictionary, and other HMIS regulations issued by the U.S. Department of Housing and Urban Development ("HUD").
- e. Agency will not alter or over-write information entered by another Agency.
- f. Discriminatory comments based on race, ethnicity, ancestry, skin color, religion, sex, gender identity, sexual orientation, national origin, age, familial status, or disability are not permitted in the HMIS and will subject a user or Agency to immediate suspension.

10. Use of HMIS:

- a. Agency shall be responsible for complying with all HMIS policies and procedures, and for establishing and maintaining the HMIS Security Plan that is designed to ensure the security and confidentiality of the data from HMIS to which Agency has access. This includes protection against any anticipated threats or hazards to the security or integrity of HMIS data, and protection against unauthorized access to or use of HMIS Data that could result in substantial harm or inconvenience to the County or any client or HMIS user.
- b. The Agency will utilize the HMIS as part of the Coordinated Entry for All (CEA) system in accordance with the CEA Standard Operating Procedures. Use of HMIS for CEA

includes, but is not limited to, entering data for the approved CEA tools in order to place clients into the priority pool for referral to housing programs, and accepting referrals for clients from the Coordinated Entry for All system.

- c. Agency will not access identifying information for any individual for whom services are neither sought nor provided by the Agency.
- d. If the Agency wishes to provide information from HMIS beyond information related solely to services provided by the Agency, it must first inform and receive approval from the County as the HMIS lead.
- e. Agency will use HMIS database for legitimate business purposes only.
- f. Agency will not use HMIS in violation of any federal or state law, including, but not limited to, copyright, trademark and trade secret laws, and laws prohibiting the transmission of material, which is threatening, harassing, or obscene.

Agency will not use the HMIS database to defraud federal, state or local governments, individuals or entities, or conduct any illegal activity.

11. **Monitoring and audits:** County reserves the right to monitor agency privacy practices and compliance with the provisions of this agreement through document review and site visits. Monitoring and audit visits may be performed by County staff or by Bitfocus.

12. **Proprietary Rights of the HMIS:** The Agency and Bitfocus as the HMIS System Administrator, understand and recognize that they are custodians of HMIS data and not owners of HMIS data.

13. **Technical Administrator and Security Officer:**

- a. Each HMIS Partner Agency must also designate a Technical Administrator (the “Partner Agency Technical Administrator”) and a Security Officer (the “Partner Agency Security Officer”) to fulfill the responsibilities detailed in the HMIS Partner Agency Technical Administrator and Security Officer Agreement.
- b. The Agency will comply with the HMIS Security Plan which includes completing the semi-annual Security Compliance Checklist.
- c. The Partner Agency must perform a background check on any End User:
 - 1. Designated as a Partner Agency Technical Administrator,
 - 2. Designated as a Partner Agency Security Officer, or
 - 3. Granted administrator-level access in HMIS.

Such background check must be completed and the results approved by the Partner Agency Executive Director before the End User is (i) granted with a Technical Administrator or Security Officer title, or both, as applicable, and (ii) granted administrator- level access in HMIS. The results of the background check must be retained by the Partner Agency in the End User’s personnel file and must be provided to the County upon request.

14. Incidents of unauthorized access: As outlined in the [HMIS Security Plan](#), should confidential and/or legally protected client data be divulged to unauthorized third parties, Agency shall be responsible for complying with all applicable federal and state laws and regulations and shall be solely responsible for the costs associated with any and all activities and actions required. Agency shall take appropriate action to address any incident of unauthorized access to HMIS. These actions must include:

- a. Immediately working to remedying or mitigating the issue that resulted in such unauthorized access;
- b. Notifying County within 24 hours of any incident of unauthorized access to HMIS data, or any other breach in the Agency's security that materially affects County or HMIS;
- c. Upon request from County, Agency shall provide a corrective action plan that addresses the incident and is designed to ensure compliance by its officers, employees, agents, and subcontractors with the confidentiality provisions in this Agreement; and
- d. Agency will be responsible for notifying all impacted clients.

15. Guidelines on Removing Partner Agencies or Users

Voluntary Removal: If a Partner Agency or user no longer wants to access the HMIS, they simply need to inform Bitfocus of such decision. In the case of user removal, it is the Partner Agency's responsibility to contact Bitfocus in a timely manner so the User ID can be deactivated to prevent unauthorized access to the system. A Partner Agency requesting removal from the HMIS understands the following:

- a. The Partner Agency will receive one copy of the data it has input into the HMIS. Such copy will be in a format determined by Bitfocus and approved by the System Performance Committee. The Partner Agency will be given an appropriate description of the data format.
- b. The data the Partner Agency enters into the system will remain in the system for the purposes of producing aggregate non-identifying reports. Any Partner Agency information will remain in the system but will be marked as inactive.
- c. The Partner Agency understands and accepts any ramifications of not participating in the HMIS, including impacts on coordinated entry (among other things).

Involuntary Removal: It is vital for the King County and Bitfocus to provide a secure service for all Users. Any action(s) that threaten the integrity of the system will not be tolerated.

- a. Bitfocus reserves the right to modify, limit, or suspend any user account or remove any Partner Agency at any time if there is a security risk to the system.

-
- b. Any improper use of the HMIS is subject to immediate suspension of the user's account. The penalties imposed on a user for improper system use will vary based on the level of the offense. Typically the user will receive a warning upon the first offense. However, if the offense is severe enough, Bitfocus reserves the right to disable the account immediately and, in extreme cases, to disable all users' access at the Partner Agency in question.
 - c. Bitfocus will contact the Partner Agency within one business day of any such suspension.
 - d. If a user's account is suspended, only the Executive Director (or acting Executive Director) for a Partner Agency may request account re-activation. Suspended users may be required to attend additional training before having their access reinstated.
 - e. In the event that a Partner Agency is removed from the system, it must submit a written request for reinstatement to the County and Bitfocus. If the Partner Agency is not reinstated into the system after review of its reinstatement request, the Partner Agency will be given one copy of its data in a format that will be determined by Bitfocus and approved by the System Performance Committee. (The Partner Agency will also be provided with a description of the data format.) Data will not be given to the Partner Agency until all hardware (firewalls, etc.) belonging to Bitfocus is returned. Any fees paid for participation in the HMIS will not be returned.
- 16. Limitation of Liability and Indemnification:** No party to this Agreement shall assume any additional liability of any kind due to its execution of this agreement of participation in the HMIS. It is the intent of the parties that each party shall remain liable, to the extent provided by law, regarding its own acts and omissions; but that no party shall assume additional liability on its own behalf or liability for the acts of any other person or entity except for the acts and omissions of their own employees, volunteers, agents or contractors through participation in HMIS. The parties specifically agree that this agreement is for the benefit of the parties only and this agreement creates no rights in any third party.

17. Standard Terms and Conditions

- a. This Agreement is the complete and exclusive statement of agreement between the parties, and it supersedes all prior agreements, oral or written, relating to the subject matter of this Agreement.
- b. Neither party shall have the right to assign or transfer any rights or obligations under this Agreement without the prior written consent of the other party.
- c. This Agreement shall remain in force until revoked in writing by either party with thirty (30) days' advance written notice. Notwithstanding the foregoing, if there is credible evidence regarding potential or actual breach of this Agreement and the nature of the breach threatens the integrity of the HMIS, the County as the HMIS Lead will have the right to immediately suspend or restrict the access rights of the breaching party to the

HMIS pending investigation and resolution of the matter to the extent reasonably required to protect the integrity of the system.

- d. If this Agreement is terminated, the County and all participating Partner Agencies maintain their rights to the use of all client information previously entered into the HMIS, subject to the terms of this Agreement and other applicable rules, regulations, and agreements.
- e. Upon any such termination of this Agreement, the Agency may request and receive one export copy of all data entered by it into the HMIS from the Effective Date up to the date of termination. If such a copy is requested, the Partner Agency will be responsible for reimbursing the County for the costs associated with producing the report.
- f. This Agreement may be amended or modified only by a written agreement signed and executed by both parties.
- g. This Agreement is made for the purpose of defining and setting forth the rights and responsibilities of the County as the HMIS Lead, Bitfocus as an agent of the County, and the Agency. It is made solely for the protection of the County, Bitfocus, the Agency, and their respective heirs, personal representatives, successors, and assigns. No other individual or entity shall have any rights of any nature under this Agreement or by reason hereof. Without limiting the generality of the preceding sentence, no End User of the HMIS in her or his capacity as such and no current, former, or prospective client of any Partner Agency shall have any rights of any nature under this Agreement or by reason hereof.
- h. Unless otherwise prohibited by law or County policy, the parties agree that an electronic copy of a signed contract, or an electronically signed contract, has the same force and legal effect as a contract executed with an original ink signature. The term “electronic copy of a signed contract” refers to a transmission by facsimile, electronic mail, or other electronic means of a copy of an original signed contract in a portable document format. The term “electronically signed contract” means a contract that is executed by applying an electronic signature using technology approved by the County.

KING COUNTY Homeless Management Information System (HMIS)

PARTNER AGENCY PRIVACY AND DATA SHARING AGREEMENT

This Partner Agency Privacy and Data Sharing Agreement (the “Agreement”) is entered into by and between the County and City of Auburn
(“Partner Agency,” or “Agency”) (collectively “the Parties”), in order to clarify the rights and responsibilities of the Parties regarding access to and use of the HMIS data by the Partner Agency.

By signing, I agree to fulfill all of the responsibilities enumerated in the HMIS Partner Agency Privacy and Data Sharing Agreement.

Executive Director Printed Name

Executive Director Signature

Date

King County Department of Community and Human Services

Designated Department Representative Printed Name

Designated Department Representative Signature

Date



King County Homeless Management and Information System (HMIS)

PARTNER AGENCY PRIVACY AND DATA SHARING AGREEMENT

The Homeless Management Information System (“HMIS”) is a shared database software application which confidentially collects, uses, and releases client-level information related to homelessness. Client information is collected in the HMIS and released to nonprofit housing and services providers, use the information to improve housing and services quality.

On behalf of the Seattle/King County Continuum of Care (“CoC”), HMIS is administered by King County Department of Community and Human Services (“County”) in a software application called Clarity Human Services (“Clarity”), a product of Bitfocus, Inc. (“Bitfocus”). The County has contracted with Bitfocus to serve as the System Administrator for the HMIS.

This Partner Agency Privacy and Data Sharing Agreement (the “Agreement”), dated _____, (the “Effective Date”), is entered into by and between the County and _____ (“Partner Agency,” or “Agency”) (collectively “the Parties”), in order to further clarify the rights and responsibilities of the Parties regarding access to and use of the HMIS data by the Partner Agency.

HMIS has a steering committee (the “All Home System Performance Committee,” or simply the “System Performance Committee”) to oversee and support the implementation. The group is composed of various stakeholders including: agencies funded by the U.S. Department of Housing and Urban Development (“HUD”), homeless services providers, people experiencing homelessness, local governments, and other funders. The procedures for the qualifications and meetings of members of the System Performance Committee, and related matters, shall be set forth in the HMIS Governance Charter of the System Performance Committee, which may be amended from time to time according to the terms therein.

Agency and County agree as follows:

1. General Understandings:

- a. In this Agreement, the following terms will have the following meanings:
 1. “Client” refers to a consumer of services;
 2. “Partner Agency” refers generally to any Agency participating in HMIS.
 3. “Agency staff” refers to both paid employees and volunteers.
 4. “HMIS” refers to the Homeless Management Information System administered King County Department of Community and Human Services.
 5. “Enter(ing)” or “entry” refers to the entry of any Client information into HMIS.

-
6. "Shar(e)(ing)," or "Information Shar(e)(ing)" refers to the sharing of information which has been entered in HMIS with another Partner Agency.
 7. "Identified Information" refers to Client data that can be used to identify a specific Client. Also referred to as "Confidential" data or information.
 8. "De-identified Information" refers to data that has specific Client demographic information removed. Also referred to as "non-identifying" information.
- b. Client information is collected in the HMIS, and shared with housing and services providers (each, a "Partner Agency," and collectively, the "Partner Agencies"), which include community based organizations and government agencies. Partner Agencies use the information in HMIS to: improve housing and services quality; coordinate referral and placements for housing and services, identify patterns and monitor trends over time; conduct needs assessments and prioritize services for certain homeless and low-income subpopulations; enhance inter-agency coordination; and monitor and report on the delivery, impact, and quality of housing and services.
 - c. Subject to the direction of the County, in its role as HMIS Lead, Bitfocus will act as the HMIS System Administrator and Software as a Service ("SaaS") provider, and will assume responsibility for overall project administration; hosting of the HMIS technical infrastructure; and restricting or allowing access to the HMIS to the Partner Agencies in accordance with the direction of the County.
 - d. The Agency recognizes the County as the HMIS Lead to be the decision-making and direction-setting authority regarding the HMIS, including, without limitation, with regard to process updates, policy and practice guidelines, data analysis, and software or hardware upgrades.
 - e. The Agency will designate a staff member to attend HMIS Agency Administrators meetings regularly, and the Agency understands that Bitfocus, as the agent of the County, will be responsible for coordinating HMIS Agency Administrator activities subject to the direction of the County as the HMIS Lead.

2. Confidentiality:

- a. Agency will not:
 1. enter information into HMIS which it is not authorized to enter; and
 2. designate information for sharing which it is not authorized to share, under any relevant federal, state, or local confidentiality laws, regulations or other restrictions applicable to Client information.
- b. Agency represents that **(check applicable items)** for the purposes of the organization's participation in the HMIS:

☐ it is; ☒ is not; a “covered entity” whose disclosures are restricted under HIPAA (45 CFR 160 and 164); More information about “covered entities” can be found <http://www.hhs.gov/ocr/privacy/hipaa/understanding/coveredentities/index.html>

☐ it is; ☒ is not; a program whose disclosures are restricted under Federal Drug and Alcohol Confidentiality Regulations: 42 CFR Part 2;

If Agency is subject to any laws or requirements which restrict Agency’s ability to either enter or authorize sharing of information, Agency will ensure that any entry it makes and all designations for sharing fully comply with all applicable laws or other restrictions.

- c. To the extent that information entered by Agency into HMIS is or becomes subject to additional restrictions, Agency will immediately inform County in writing of such restrictions.
- d. Agency shall comply with the Violence Against Women and Department of Justice Reauthorization Act of 2005 (VAWA) and Washington State RCW 43.185C.030. No Identified Information may be entered into HMIS for Clients in licensed domestic violence programs (Victim Service Providers) or for clients actively fleeing domestic violence situations.
- e. Agency shall not enter confidential information regarding HIV/AIDS status, in accordance with RCW 70.02.220. If funding (i.e., HOPWA) requires HMIS use, those clients’ data shall be entered without Identifying Information.

3. Information Collection, Release and Sharing Consent:

- a. Collection of Client Identified information: An agency shall collect client identified information only when appropriate to the purposes for which the information is obtained or when required by law. An Agency must collect client information by lawful and fair means and, where appropriate, with the knowledge or consent of the individual.
 - 1. The Agency will use the Client Consent to Data Collection and Release of Information form, describing how client information may be collected, used, and released by the County and the CoC in the administration of the HMIS. Only the standard, County-issued Client Consent to Data Collection and Release of Information form may be used.
 - 2. The Agency must maintain appropriate documentation of informed client consent, in writing and signed by each client, to participate in the HMIS. All documentation must be provided to the County within ten (10) days upon request.
- b. Obtaining Client Consent: In obtaining client consent, each adult Client in the household must sign the approved King County HMIS Client Consent to Data Collection and Release of Information form to indicate consent to enter Client identified

information into HMIS. If minors are present in the household, at least one adult in the household must consent minors by writing their names on the Client Consent to Data Collection and Release of Information form. If any adult member of a household does not provide written consent, identifying information may not be entered into HMIS for *anyone* in the household. Unaccompanied youth aged 13 or older may consent to have their personally identifying information entered in HMIS.

- a. **Revoking Consent:** A Client may withdraw or revoke consent for Client identified information collection by signing the Client Revocation of Consent form. The Agency will follow King County's policies for creating de-identified clients and all non-identifying information for the client shall be entered into the HMIS. If a Client revokes their consent, Agency is responsible for obtaining a Client Revocation of Consent form signed by the client and immediately contacting the HMIS System Administrator (Bitfocus Inc) at: kcsupport@bitfocus.com or 206.444.4001 x2 to have the client record de-identified according to King County's policies.

Consent may be revoked verbally for records pertaining to drug/alcohol treatment and for records where client is actively fleeing domestic violence. If consent is revoked verbally to the Agency, the Agency will inform Bitfocus of such revocation immediately.

The Agency is prohibited from removing identified information from HMIS directly but is responsible for notifying Bitfocus Inc and the CEA program to ensure that Client can be contacted for a housing referral if applicable.

4. **No Conditioning of Services:** Agency will not condition any services upon or decline to provide any services to a Client based upon a Client's refusal to allow entry of identified information into HMIS.
5. **Re-release Prohibited:** Agency shall not release any Client identifying information received from HMIS to any other person or organization without written Client consent, except when required by law. Any requests for information from or related to HMIS that are for purpose other than providing services to clients in the routine course of business, should be sent to Bitfocus and the County. The Agency will also been encouraged to seek its own legal advice if required by law to provide identifying confidential client information.
6. **Client Inspection/Correction:** Agency will allow a Client to inspect and obtain a copy of his/her own personal information. Agency will also allow a Client to correct information that is inaccurate. Corrections may be made by way of a new entry that is in addition to but is not a replacement for an older entry.
7. **Training/Assistance:** Agency will permit access to HMIS only after the authorized user receives appropriate confidentiality training including that provided by Bitfocus, the County, and/or WA Department of Commerce. Agency will also conduct ongoing basic confidentiality training for all persons with access to HMIS and will train all persons who may receive information produced from HMIS on the confidentiality of such information. Agency will participate in such training provided from time to time by the HMIS System

Administrator. The HMIS System Administrator will be reasonably available during defined weekday business hours for technical assistance (i.e. troubleshooting and report generation).

- 8. Retention of paper copies of personally identifying information:** Agencies must develop and adopt policies governing the retention of paper records containing personally identifying information. The policy must define how long paper records are retained after they are no longer being actively utilized, and the process that will be used to destroy the records to prevent the release of personally identifying information. The policy must require the destruction of the paper records derived from an HMIS no longer than seven years after the last day the person was served by the Agency.

9. Information Entry Standards:

- a. Information entered into HMIS by Agency will be truthful, accurate and complete to the best of Agency's knowledge.
- b. Agency will **not** solicit from Clients or enter information about Clients into the HMIS database unless the information is required for a legitimate business purpose such as to provide services to the Client, to conduct program evaluation, to administer the program, or to comply with regulatory requirements.
- c. Agency will only enter information into HMIS database with respect to individuals that it serves or intends to serve, including through referral.
- d. The Agency will adhere to the King County HMIS Standard Operating Policies ("SOPs"), HMIS Security Plan, Continuous Data Quality Improvement Process, HMIS Data Standards Manual, HMIS Data Standards Data Dictionary, and other HMIS regulations issued by the U.S. Department of Housing and Urban Development ("HUD").
- e. Agency will not alter or over-write information entered by another Agency.
- f. Discriminatory comments based on race, ethnicity, ancestry, skin color, religion, sex, gender identity, sexual orientation, national origin, age, familial status, or disability are not permitted in the HMIS and will subject a user or Agency to immediate suspension.

10. Use of HMIS:

- a. Agency shall be responsible for complying with all HMIS policies and procedures, and for establishing and maintaining the HMIS Security Plan that is designed to ensure the security and confidentiality of the data from HMIS to which Agency has access. This includes protection against any anticipated threats or hazards to the security or integrity of HMIS data, and protection against unauthorized access to or use of HMIS Data that could result in substantial harm or inconvenience to the County or any client or HMIS user.
- b. The Agency will utilize the HMIS as part of the Coordinated Entry for All (CEA) system in accordance with the CEA Standard Operating Procedures. Use of HMIS for CEA

includes, but is not limited to, entering data for the approved CEA tools in order to place clients into the priority pool for referral to housing programs, and accepting referrals for clients from the Coordinated Entry for All system.

- c. Agency will not access identifying information for any individual for whom services are neither sought nor provided by the Agency.
- d. If the Agency wishes to provide information from HMIS beyond information related solely to services provided by the Agency, it must first inform and receive approval from the County as the HMIS lead.
- e. Agency will use HMIS database for legitimate business purposes only.
- f. Agency will not use HMIS in violation of any federal or state law, including, but not limited to, copyright, trademark and trade secret laws, and laws prohibiting the transmission of material, which is threatening, harassing, or obscene.

Agency will not use the HMIS database to defraud federal, state or local governments, individuals or entities, or conduct any illegal activity.

11. **Monitoring and audits:** County reserves the right to monitor agency privacy practices and compliance with the provisions of this agreement through document review and site visits. Monitoring and audit visits may be performed by County staff or by Bitfocus.

12. **Proprietary Rights of the HMIS:** The Agency and Bitfocus as the HMIS System Administrator, understand and recognize that they are custodians of HMIS data and not owners of HMIS data.

13. **Technical Administrator and Security Officer:**

- a. Each HMIS Partner Agency must also designate a Technical Administrator (the “Partner Agency Technical Administrator”) and a Security Officer (the “Partner Agency Security Officer”) to fulfill the responsibilities detailed in the HMIS Partner Agency Technical Administrator and Security Officer Agreement.
- b. The Agency will comply with the HMIS Security Plan which includes completing the semi-annual Security Compliance Checklist.
- c. The Partner Agency must perform a background check on any End User:
 - 1. Designated as a Partner Agency Technical Administrator,
 - 2. Designated as a Partner Agency Security Officer, or
 - 3. Granted administrator-level access in HMIS.

Such background check must be completed and the results approved by the Partner Agency Executive Director before the End User is (i) granted with a Technical Administrator or Security Officer title, or both, as applicable, and (ii) granted administrator- level access in HMIS. The results of the background check must be retained by the Partner Agency in the End User’s personnel file and must be provided to the County upon request.

14. Incidents of unauthorized access: As outlined in the [HMIS Security Plan](#), should confidential and/or legally protected client data be divulged to unauthorized third parties, Agency shall be responsible for complying with all applicable federal and state laws and regulations and shall be solely responsible for the costs associated with any and all activities and actions required. Agency shall take appropriate action to address any incident of unauthorized access to HMIS. These actions must include:

- a. Immediately working to remedying or mitigating the issue that resulted in such unauthorized access;
- b. Notifying County within 24 hours of any incident of unauthorized access to HMIS data, or any other breach in the Agency's security that materially affects County or HMIS;
- c. Upon request from County, Agency shall provide a corrective action plan that addresses the incident and is designed to ensure compliance by its officers, employees, agents, and subcontractors with the confidentiality provisions in this Agreement; and
- d. Agency will be responsible for notifying all impacted clients.

15. Guidelines on Removing Partner Agencies or Users

Voluntary Removal: If a Partner Agency or user no longer wants to access the HMIS, they simply need to inform Bitfocus of such decision. In the case of user removal, it is the Partner Agency's responsibility to contact Bitfocus in a timely manner so the User ID can be deactivated to prevent unauthorized access to the system. A Partner Agency requesting removal from the HMIS understands the following:

- a. The Partner Agency will receive one copy of the data it has input into the HMIS. Such copy will be in a format determined by Bitfocus and approved by the System Performance Committee. The Partner Agency will be given an appropriate description of the data format.
- b. The data the Partner Agency enters into the system will remain in the system for the purposes of producing aggregate non-identifying reports. Any Partner Agency information will remain in the system but will be marked as inactive.
- c. The Partner Agency understands and accepts any ramifications of not participating in the HMIS, including impacts on coordinated entry (among other things).

Involuntary Removal: It is vital for the King County and Bitfocus to provide a secure service for all Users. Any action(s) that threaten the integrity of the system will not be tolerated.

- a. Bitfocus reserves the right to modify, limit, or suspend any user account or remove any Partner Agency at any time if there is a security risk to the system.

-
- b. Any improper use of the HMIS is subject to immediate suspension of the user's account. The penalties imposed on a user for improper system use will vary based on the level of the offense. Typically the user will receive a warning upon the first offense. However, if the offense is severe enough, Bitfocus reserves the right to disable the account immediately and, in extreme cases, to disable all users' access at the Partner Agency in question.
 - c. Bitfocus will contact the Partner Agency within one business day of any such suspension.
 - d. If a user's account is suspended, only the Executive Director (or acting Executive Director) for a Partner Agency may request account re-activation. Suspended users may be required to attend additional training before having their access reinstated.
 - e. In the event that a Partner Agency is removed from the system, it must submit a written request for reinstatement to the County and Bitfocus. If the Partner Agency is not reinstated into the system after review of its reinstatement request, the Partner Agency will be given one copy of its data in a format that will be determined by Bitfocus and approved by the System Performance Committee. (The Partner Agency will also be provided with a description of the data format.) Data will not be given to the Partner Agency until all hardware (firewalls, etc.) belonging to Bitfocus is returned. Any fees paid for participation in the HMIS will not be returned.
- 16. Limitation of Liability and Indemnification:** No party to this Agreement shall assume any additional liability of any kind due to its execution of this agreement of participation in the HMIS. It is the intent of the parties that each party shall remain liable, to the extent provided by law, regarding its own acts and omissions; but that no party shall assume additional liability on its own behalf or liability for the acts of any other person or entity except for the acts and omissions of their own employees, volunteers, agents or contractors through participation in HMIS. The parties specifically agree that this agreement is for the benefit of the parties only and this agreement creates no rights in any third party.

17. Standard Terms and Conditions

- a. This Agreement is the complete and exclusive statement of agreement between the parties, and it supersedes all prior agreements, oral or written, relating to the subject matter of this Agreement.
- b. Neither party shall have the right to assign or transfer any rights or obligations under this Agreement without the prior written consent of the other party.
- c. This Agreement shall remain in force until revoked in writing by either party with thirty (30) days' advance written notice. Notwithstanding the foregoing, if there is credible evidence regarding potential or actual breach of this Agreement and the nature of the breach threatens the integrity of the HMIS, the County as the HMIS Lead will have the right to immediately suspend or restrict the access rights of the breaching party to the

HMIS pending investigation and resolution of the matter to the extent reasonably required to protect the integrity of the system.

- d. If this Agreement is terminated, the County and all participating Partner Agencies maintain their rights to the use of all client information previously entered into the HMIS, subject to the terms of this Agreement and other applicable rules, regulations, and agreements.
- e. Upon any such termination of this Agreement, the Agency may request and receive one export copy of all data entered by it into the HMIS from the Effective Date up to the date of termination. If such a copy is requested, the Partner Agency will be responsible for reimbursing the County for the costs associated with producing the report.
- f. This Agreement may be amended or modified only by a written agreement signed and executed by both parties.
- g. This Agreement is made for the purpose of defining and setting forth the rights and responsibilities of the County as the HMIS Lead, Bitfocus as an agent of the County, and the Agency. It is made solely for the protection of the County, Bitfocus, the Agency, and their respective heirs, personal representatives, successors, and assigns. No other individual or entity shall have any rights of any nature under this Agreement or by reason hereof. Without limiting the generality of the preceding sentence, no End User of the HMIS in her or his capacity as such and no current, former, or prospective client of any Partner Agency shall have any rights of any nature under this Agreement or by reason hereof.
- h. Unless otherwise prohibited by law or County policy, the parties agree that an electronic copy of a signed contract, or an electronically signed contract, has the same force and legal effect as a contract executed with an original ink signature. The term “electronic copy of a signed contract” refers to a transmission by facsimile, electronic mail, or other electronic means of a copy of an original signed contract in a portable document format. The term “electronically signed contract” means a contract that is executed by applying an electronic signature using technology approved by the County.

KING COUNTY Homeless Management Information System (HMIS)

PARTNER AGENCY PRIVACY AND DATA SHARING AGREEMENT

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(“Partner Agency,” or “Agency”) (collectively “the Parties”), in order to clarify the rights and responsibilities of the Parties regarding access to and use of the HMIS data by the Partner Agency.

By signing, I agree to fulfill all of the responsibilities enumerated in the HMIS Partner Agency Privacy and Data Sharing Agreement.

Executive Director Printed Name

Executive Director Signature

Date

King County Department of Community and Human Services

Designated Department Representative Printed Name

Designated Department Representative Signature

Date

RESOLUTION NO. 5515

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, AUTHORIZING THE MAYOR TO EXECUTE AN INTERLOCAL DATASHARE AGREEMENT WITH THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

WHEREAS, individuals within the City of Auburn are experiencing homelessness, and desire available governmental resources to assist them with their housing challenges and economic needs;

WHEREAS, the novel coronavirus and its impacts to the local economy are likely to create greater housing and economic needs;

WHEREAS, the City of Auburn wishes to join the Interlocal Datashare Agreement with the Department of Social and Health Services (“DSHS”) to allow City staff to assist individuals with completing an online application to provide more effective access to available federal, state, and local services through the Washington connection benefit portal and carry out other activities designed to help them maintain eligibility; and,

WHEREAS, there is no additional cost to the City in joining the Interlocal Datashare Agreement with DSHS.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, RESOLVES as follows:

Section 1. The Mayor is authorized to execute the Interlocal Datashare with DSHS, which agreement will be in substantial conformity with the agreement attached as Exhibit A.

Section 2. The Mayor is authorized to implement those administrative procedures necessary to carry out the directives of this legislation.

Section 3. This Resolution will take effect and be in full force on passage and signatures.

Dated and Signed this _____ day of _____, 2020.

CITY OF AUBURN

NANCY BACKUS, MAYOR

ATTEST:

APPROVED AS TO FORM:

Shawn Campbell, MMC, City Clerk

Kendra Comeau, City Attorney



AGENDA BILL APPROVAL FORM

Agenda Subject:

Parks, Arts and Recreation Covid Update (Faber)(20 Minutes)

Date:

May 5, 2020

Department:

Parks, Arts and Recreation

Attachments:

[2020 City Council Par Covid Response](#)

Budget Impact:

Current Budget: \$0

Proposed Revision: \$0

Revised Budget: \$0

Administrative Recommendation:

Review Presentation and Discussion

Background Summary:

Covid-19 has had a significant impact on the Parks, Arts and Recreation System in Auburn. This presentation will provide a review of actions and next steps in an effort to remain consistent with the Social Separation guidelines while working to keep the community engaged in the benefits of Parks, Arts and Recreation during these difficult times.

Reviewed by Council Committees:

Other: Study Session

Councilmember:**Staff:**

Faber

Meeting Date: May 11, 2020

Item Number:

CITY OF AUBURN PARKS, ARTS & RECREATION



COVID-19 IMPACTS



City of Auburn Parks, Arts & Recreation
253-931-3043
www.auburnwa.gov/play

AUBURN
MORE THAN YOU IMAGINED

COVID CLOSURE TIMELINE

March 5

CLOSED
Senior
Activity
Center



Dear City of Auburn Parks, Arts & Recreation
Participants –

The City of Auburn Parks, Arts and Recreation Department continues to be in communication with, and following the guidance of, Public Health—Seattle & King County, the City's Office of Emergency Management, and Washington Department of Health regarding COVID-19.

**Parks, Arts & Recreation Department Impacts
as of 3/5/2020 at 12:00 pm**

The City of **AUBURN SENIOR ACTIVITY CENTER** will **CLOSE** for the rest of the day and will remain **CLOSED** until further notice. Additionally, programs offered through the Auburn Senior Activity Center will be suspended through March 31. Seniors are one of the highest at-risk groups for the COVID-19 virus. In consideration of our priority for participant safety we believe this is the appropriate measure to take. For additional information, please call the Auburn Senior Activity Center at 253-931-3016.

The **WHITE RIVER VALLEY MUSEUM** will be **CLOSED** until Wednesday, March 11.

Currently, all programs of the **AUBURN COMMUNITY & EVENT CENTER**, the **REC TEEN CENTER**, and the **AUBURN AVE THEATER** are occurring as scheduled.

We will continue to notify patrons (either by direct email or phone message for registered participants, or by notices via web, social media, and media for the general public).

If you have registered for an upcoming class, program, or performing arts

March 6

CLOSED
Auburn
Community
& Event Center,
REC Teen Center,
Auburn Avenue
Theater, &



City of Auburn Declares State of Emergency

AUBURN, March 6, 2020 — Mayor Nancy Backus has declared a proclamation of local emergency for Auburn, Washington, due to the growing public health impacts of the COVID-19 (Coronavirus).

In an effort to take proactive measures to protect the health and safety of the Auburn community, the Auburn Community & Event Center, Auburn Senior Activity Center, REC Center, Auburn Avenue Theater and White River Valley Museum will be closed to the public effective March 6, 2020. Customers with private rentals at any of these facilities should contact Parks, Arts & Recreation customer service at 253-931-3043.

Following recommendations by Public Health – Seattle & King County for social distancing, City-sponsored events and gathering, including the State of the City scheduled for March 12, will be postponed until further notice. Residents are encouraged to check the City's website regularly for updates to other scheduled events.

To read the proclamation, visit auburnwa.gov/COVID19.

We encourage community members to follow public health guidelines to protect against COVID-19 including:

- Wash your hands with soap and water for at least 20 seconds

March 22

CLOSED
All active
recreation
areas within



Dear City of Auburn Parks & Trail users –

As part of its evolving response to the COVID-19 outbreak and with guidance from Public Health – Seattle & King County, the City of Auburn has **CLOSED** all active recreation areas in parks. This includes playground equipment, sports courts (tennis, basketball, pickleball), baseball fields, mod-soccer fields, and picnic shelters. All recreation areas where it could be difficult to maintain recommended social distancing guidelines.

Parks, trails and open playfields where social distancing can be maintained remain **OPEN**.

Pick-up games, picnics, and other large gatherings will not be permitted.

Restrooms within the parks are currently closed. Park users are encouraged to GO before you GO to a park.

The Centers for Disease Control and Prevention (CDC) has flagged mental health as a top concern associated with the COVID-19 outbreak. We recognize that social distancing may take a toll on our mental health.



March 24

CLOSED
Auburn Golf
Course,
Disc Golf Course,
Game Farm
Wilderness
Campground



Parks, Arts & Recreation Department COVID-19 Impacts and Closures as of 3/24/2020 at 5:00 pm

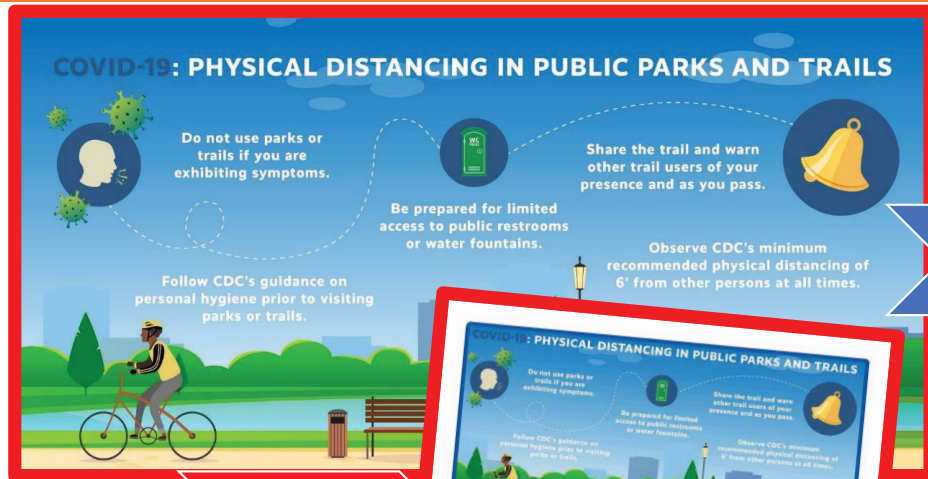
Across the nation and especially at the State and local level, we are all feeling the impacts of COVID-19.

- [State of Washington Coronavirus Information](#)
- [King County Coronavirus Information](#)
- [City of Auburn Coronavirus Information](#)

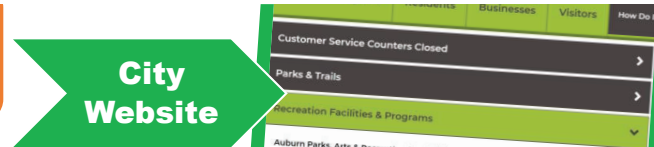
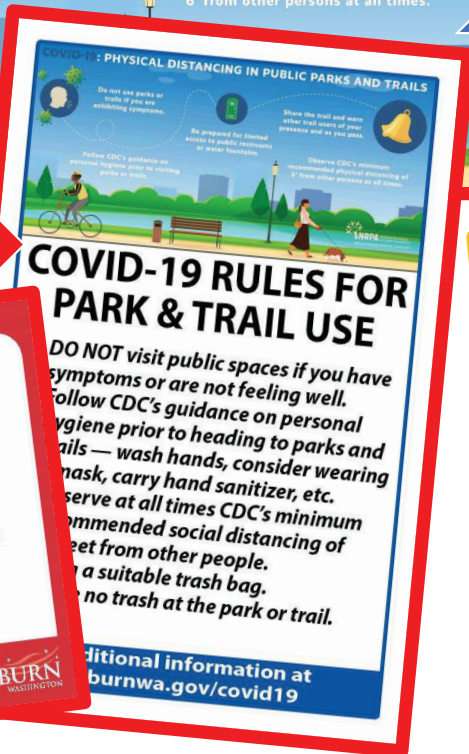
Washington Governor Jay Inslee issued a **STAY AT HOME, STAY HEALTHY** order in Washington state on 3/23/2020. This will be effective for a minimum of two weeks. The order requires every Washingtonian to stay at home, except for people:

- Pursuing an essential activity, like shopping for groceries or going to a medical appointment

PUBLIC MESSAGING

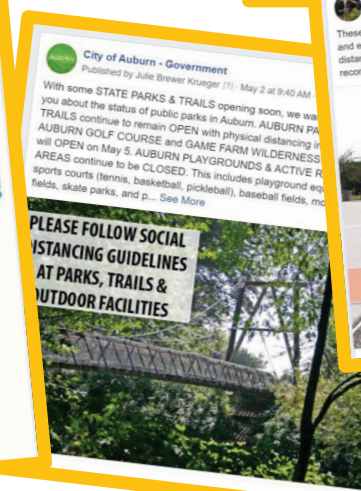


Park Signage



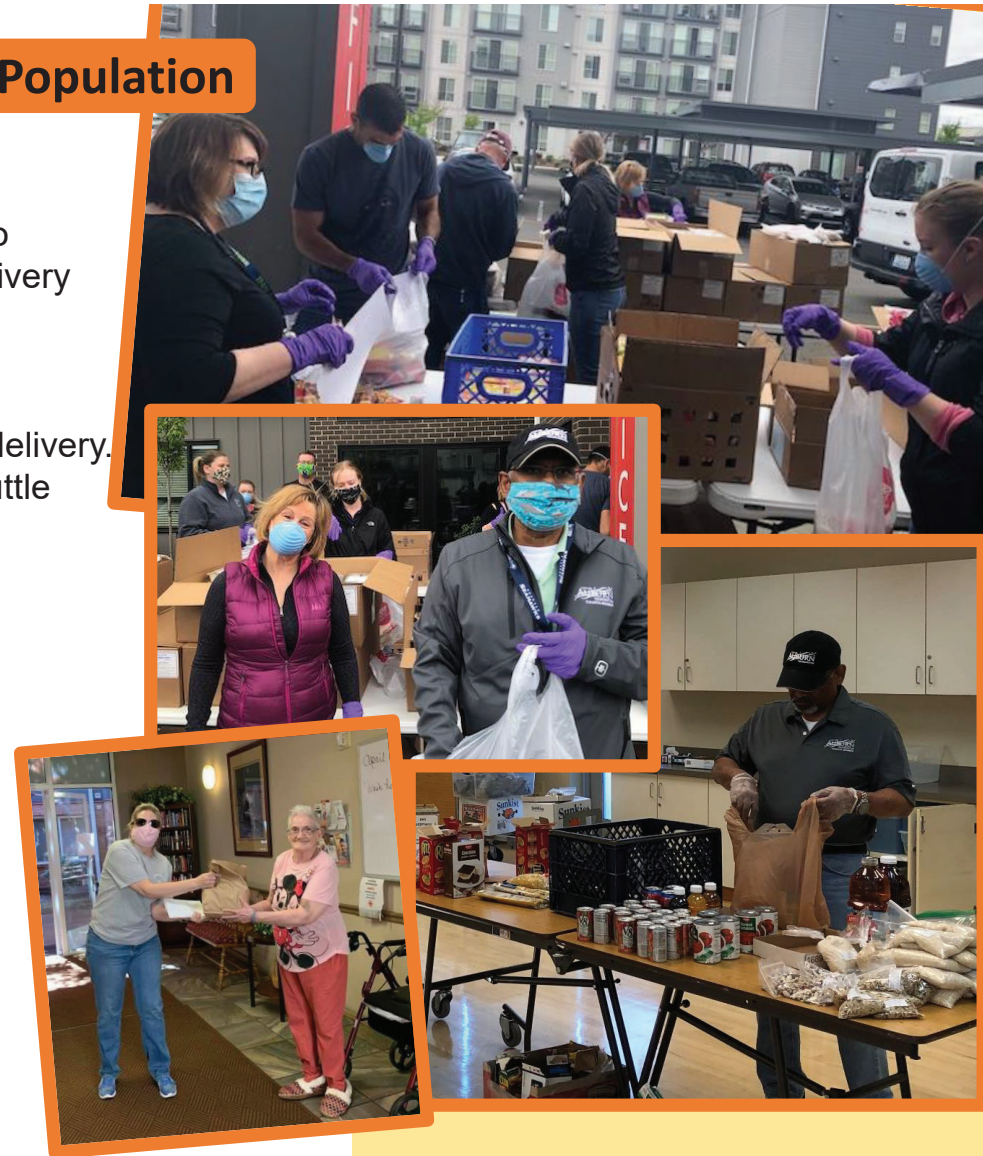
Email Blasts

Social Media



Immediate Innovations for vulnerable Senior Population

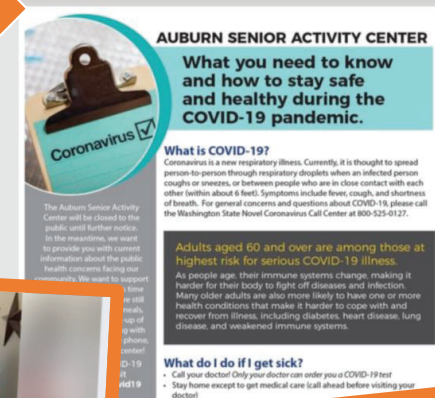
- **Monday-Friday Hot Lunch Program for Seniors**
 - Initially transitioned to Pick-Up Only and then transitioned to delivery only (through Hyde Shuttle) for Monday-Friday Delivery
 - Currently delivering 100 hot meals M-F (*as of May 4*)
- **Meals on Wheels**
 - Weekly program previously relied on senior volunteers for delivery. Since they are not available to assist at this time, Hyde Shuttle is now delivery to approximately 30 clients every Friday.
- **Partnership with Auburn Food Bank**
 - Picking up food and delivering sack of groceries weekly with hot meals, Meals on Wheels, and frozen food distribution (over 1,000 bags delivered so far)
- **Coordinated with Emergency Management**
 - Frozen Meal delivery to Senior only Apartment Complexes in Auburn – Auburn Court, The Reserve, The Estates at Hillside Gardens (750 units)
 - Using funds from Senior Levy Grant Award
 - Funding from Donations



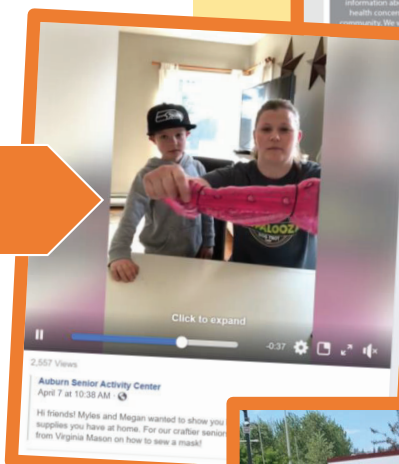
Additional Innovations for vulnerable Senior Population

- **Check-in Phone Calls –made to 700 registered participants**
 - Follow up calls and support services provided as requested
 - Assistance with delivering of groceries (partnered with Auburn Main Street Market), Prescription delivery etc.
 - Sent posts cards to over 1,000 Auburn Seniors, letting them know that we are here to help
 - Over the phone tech support – Zoom instructions, ordering on line instructions, how to set up Face Book account
- **Additional Outreach:**
 - Weekly Senior Focused Newsletter
 - Multiple Facebook and email posts weekly
 - Staff Videos for Seniors featuring messages about:
 - Self-Care, Mask Making Tips, Stay Home Stay Healthy, & Stay Active
 - Weekly Zoom meetings with different senior volunteer groups
 - “We Miss You” Parade - driving by and waving to participants in advertised locations

Weekly Newsletter



Safety Videos



Social Connections



Event Cancellations – pivot to virtual opportunities

Cancel Petpalooza

Auburn Parks, Arts & Recreation
Published by Julie Brewer Krueger [?] · April 13 at 5:32 PM · 🌐

Unleashing sad news today for our Petpalooza fans. The pet festival scheduled for Saturday, May 16 at Auburn's Game Farm Park has been cancelled. #walkthedog #stayhome #stayhealthy #wegotthisauburn



Pivot to Mutt Sturt

Auburn's Petpalooza
Published by Kristy Healey Pachciarz [?] · April 22 at 1:33 PM · 🌐

Check out what we just unleashed! We hope you plan to join us participating in Auburn Petpalooza's "Virtual" Mutt Sturt on Saturday, May 16. It's FREE!! Hop on over to the event page to find out more details: <https://www.facebook.com/events/2931151250273153/> Consider it a training opportunity for the Fall Dog Trot event!! 🐾



Cancel In-Person Fitness Classes



Auburn Parks, Arts & Recreation was live.
Published by Auburn Rec [?] · April 30 at 11:33 AM · 🌐

Prior to Covid 19 we would come together every Thursday and work hard together. I thought it would be fun to do my old normal. Today's class will be a short version way LESS equipment. You need water, hand weights if you have them and your favorite playlist. LETS do this thing!!!!

*If you happen to hear any background music, know that I don't own rights to it.



Pivot to Online Classes

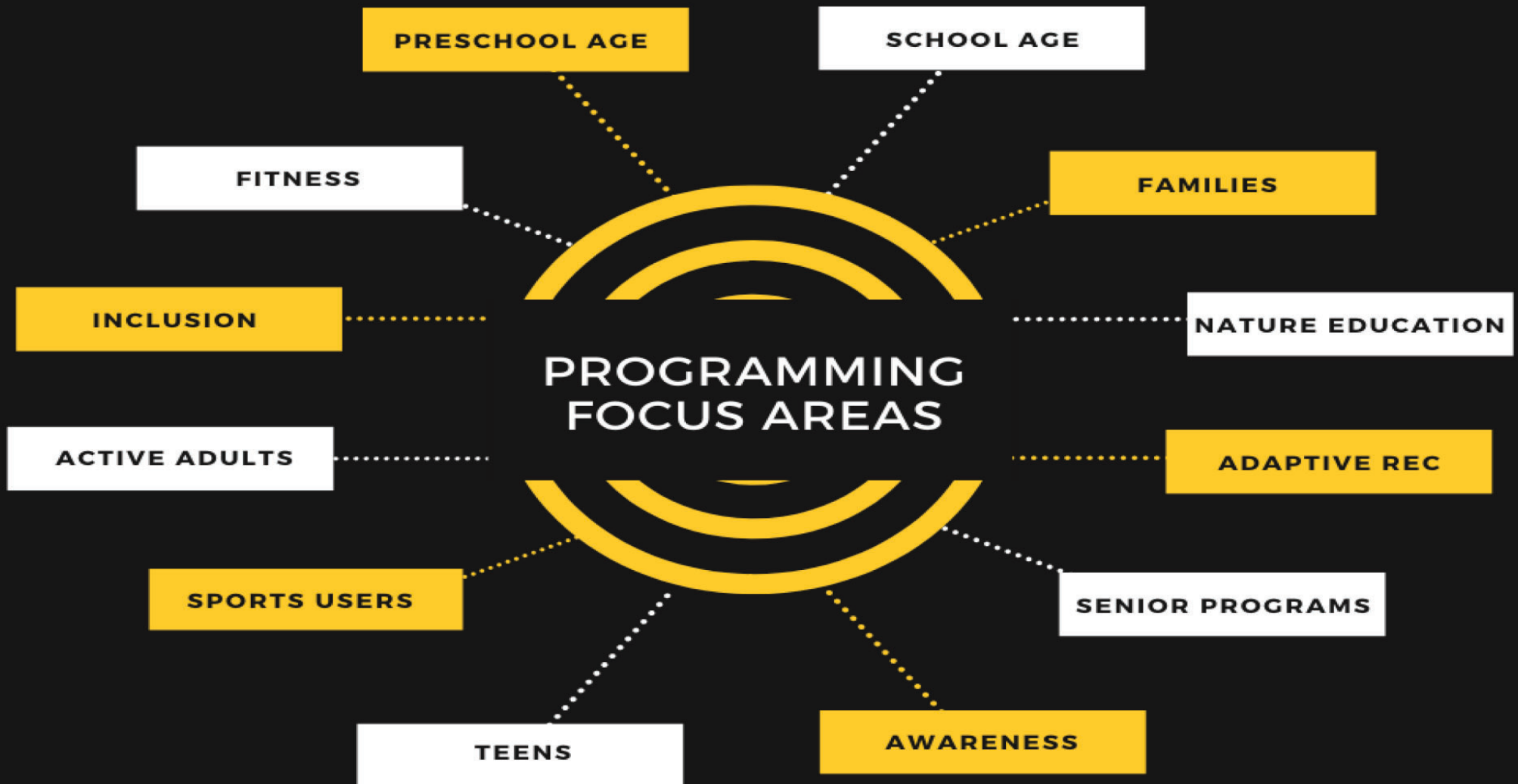


Cancel Spring Special Olympics



Pivot to Cyber Cycling & Track Meets





State of Washington Phased Approach to Reopening

	<div>1</div> Phase 1	<div>2</div> Phase 2	<div>3</div> Phase 3	<div>4</div> Phase 4
High-Risk Populations*	Continue to Stay Home, Stay Healthy	Continue to Stay Home, Stay Healthy	Continue to Stay Home, Stay Healthy	Resume public interactions, with physical distancing
Recreation	Some outdoor recreation (hunting, fishing, golf, boating, hiking)	All outdoor recreation involving fewer than 5 people outside your household (camping, beaches, etc.)	<ul style="list-style-type: none"> - Outdoor group rec. sports activities (5-50 people) - Recreational facilities at <50% capacity (public pools, etc.) 	Resume all recreational activity
Gatherings (social, spiritual)	<ul style="list-style-type: none"> - None - Drive in spiritual service with one household per vehicle 	Gather with no more than 5 people outside your household per week	Allow gatherings with no more than 50 people	Allow gatherings with >50 people
Travel	Only essential travel	Limited non-essential travel within proximity of your home	Resume non-essential travel	Continue non-essential travel
Business/ Employers	<ul style="list-style-type: none"> - Essential businesses open - Existing construction that meet agreed upon criteria - Landscaping - Automobile sales - Retail (curb-side pick-up orders only) - Car washes - Pet walkers 	<ul style="list-style-type: none"> - Remaining manufacturing - New construction - In-home/domestic services (nannies, housecleaning, etc.) - Retail (in-store purchases allowed with restrictions) - Real estate - Professional services/office-based businesses (telework remains strongly encouraged) - Hair and nail salons/Barbers - Housecleaning - Restaurants <50% capacity table size no larger than 5 	<ul style="list-style-type: none"> - Restaurants <75% capacity/ table size no larger than 10 - Bars at <25% capacity - Indoor gyms at <50% capacity - Movie theaters at <50% capacity - Government (telework remains strongly encouraged) - Libraries - Museums - All other business activities not yet listed except for nightclubs and events with greater than 50 people 	<ul style="list-style-type: none"> - Nightclubs - Concert venues - Large sporting events - Resume unrestricted staffing of worksites, but continue to practice physical distancing and good hygiene

Potential Dates for Phased Openings (as provided by King County)



BEGINNING MAY 5:

- Auburn Golf Course OPENED
- Park construction projects can begin



EARLIEST DATE TO OPEN: MAY 25

- Outdoor recreation involving fewer than 5 people
- Camping (Game Farm Wilderness Campground can OPEN)



EARLIEST DATE TO OPEN: JUNE 15

- Outdoor group recreational sports (capped at groups of 50)
- Recreational Facilities (operating at <50% capacity)
- Indoor Gyms (under 50% capacity)
- Theaters (under 50% capacity)
- Museums
- All gatherings (capped at 50 people)



EARLIEST DATE TO OPEN: JULY 6

- All recreational activity can resume
- Gatherings of more than 50 people can resume



CURRENT STATUS

(as of 5/5/2020)

All programming and facility rentals cancelled through May 31;
all special events cancelled through July 6

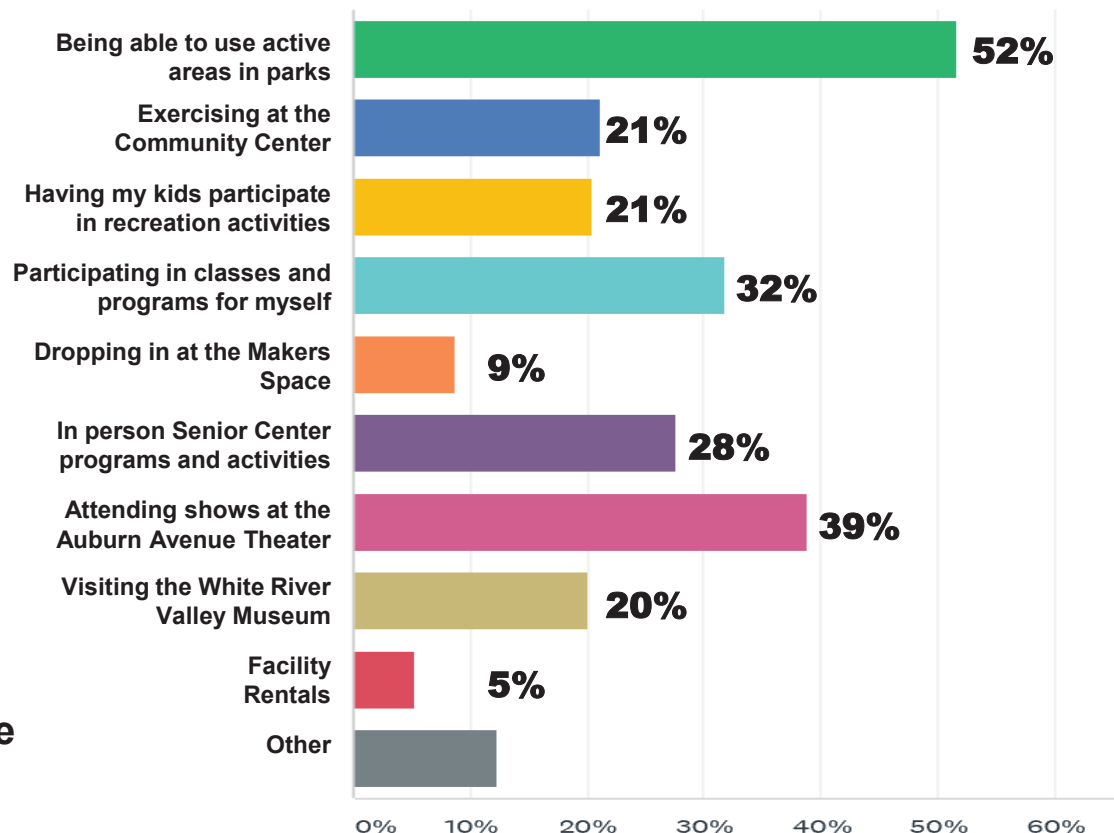
CUSTOMER SURVEY



Released Customer Survey on May 1;
Questions to help identify:

- What customer were looking forward to when re-open
- Summer Camp needs of community
- Fitness & Wellness programming needs
- Senior specific needs
- General recreation needs/wants in the future
- Outdoor recreation programming options
- Facility Rentals
- As of May 6; 350+ responses

Q1. What do you most look forward to when Auburn Parks, Arts & Recreation re-opens? Please check all that apply



SUMMER CAMP TIMELINE

JUNE 1

Make decision on what camps to run; communicate with customers about camp status; advertise options to the public by June 5

JUNE 12

New beginning registration date for summer camps; ramp up staffing plan based on registrations

JUNE 19

Staff re-hired, trained, supplies purchased and in-place for new operation model

JUNE 26

Confirm camps and new camp operations with registered families

JULY 6

Summer Camps Begin





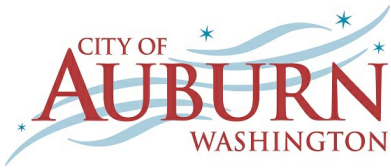
King County Public Health has approved the Auburn Farmers Market for a Phase 1 opening on Sunday, June 7, from 10am-3pm

Phase 1: farm (produce), flowers, food, health, and sanitation (soap) with the following requirements:

- Revised one-way only market layout
- Additional staff to monitor social distancing
- Self-screening checklist for all customers before entry
- Vendor safety plan required
- Market Manager to submit report weekly to KC Public Health for weekly approval
- No entertainment, no dogs (except service animals), no smoking, & limited to two people per booth

Phase 2: addition of craft vendors

Phase 3: addition of non-profit, sponsors, and service vendors



AGENDA BILL APPROVAL FORM

Agenda Subject:

Overview of the 2021/2022 Human Services Grant Funding Application and Review Process (Tate)(10 Minutes)

Date:

May 6, 2020

Department:

Community Development

Attachments:

[PowerPoint Presentation HS Funding](#)

Budget Impact:

Current Budget: \$0

Proposed Revision: \$0

Revised Budget: \$0

Administrative Recommendation:

For discussion only.

Background Summary:

This item is brought forward to City Council while under various orders of the Governor of the State of Washington because it pertains to COVID 19 and the City's response efforts.

See Powerpoint Presentation

Reviewed by Council Committees:

Councilmember: Trout-Manuel

Staff: Tate

Meeting Date: May 11, 2020

Item Number:

CITY COUNCIL STUDY SESSION

**2021-2022
HUMAN SERVICES
FUNDING CYCLE UPDATE**

**PRESENTED BY DEPARTMENT OF
COMMUNITY DEVELOPMENT
MAY 11, 2020**

Department of Community Development
Planning • Building • Development Engineering • Permit Center
Sustainability • Community Services • Code Enforcement

AUBURN
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GENERAL FUND VS CDBG



■ General Fund Human Services dollars

- \$680,000
- Competitive funding for direct service nonprofit agencies
- Guided by Human Services Funding Priorities set by Council
- Approved by City Council every other year during budget process

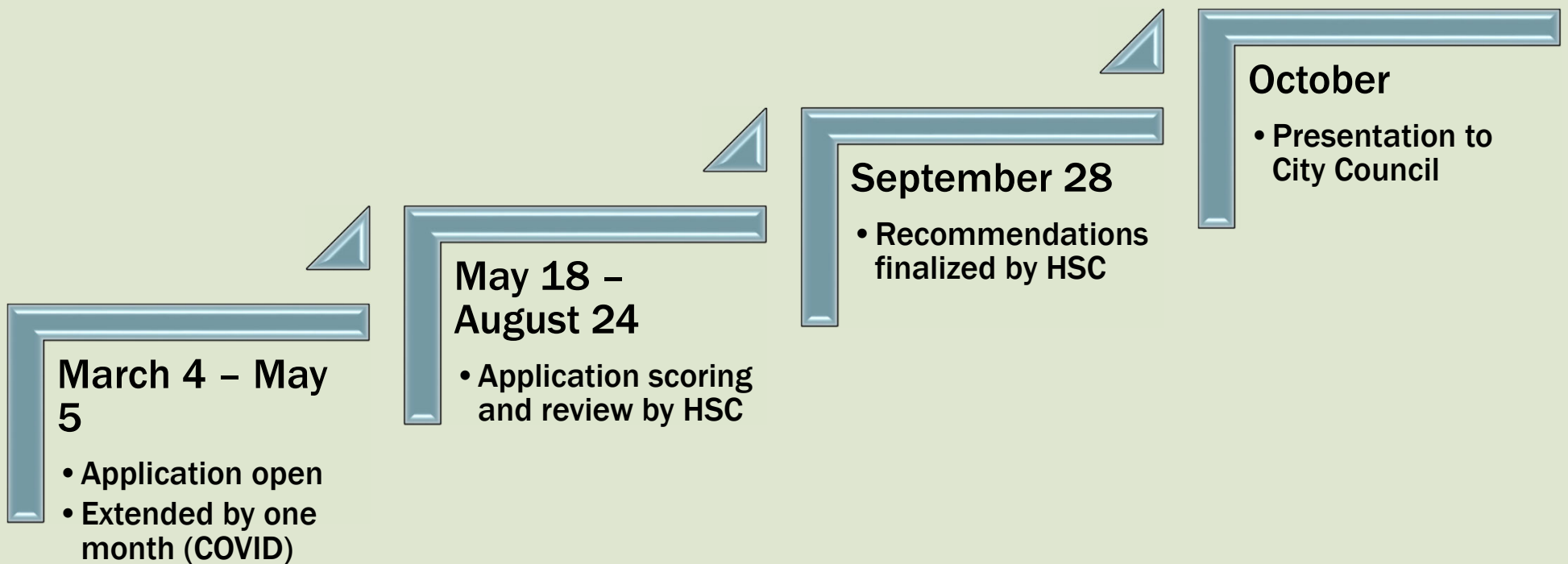
■ CDBG dollars

- \$632,034*
- Funds support city's Housing Repair program, public facility ADA improvements, public services (limited), and some economic development activities
- Guided by Consolidated Plan and Annual Action Plans
- Approved by City Council every year

APPLICATION BASICS

- Auburn participates in Share1App, a common Human Services application process shared by 16 King County cities
- In order to be considered for funding, agencies must:
 - Meet one or more of the City of Auburn's funding priorities
 - Have 501(c)(3) status, or have a 501(c)(3) fiscal sponsor in place by the time the application period closes
 - Have a nondiscrimination policy in place
 - Meet minimum insurance requirements
 - Be willing and able to accept reimbursement for funds based on service unit completion
 - If funded, regularly track and submit required reports regarding services and demographics, and undergo regular monitoring
- Applications are reviewed and scored by the Human Services Committee, with funding recommendations made to City Council in the fall

2021-2022 APPLICATION REVIEW TIMELINE



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OUTREACH

- **Email outreach to all prior applicants, interested agency lists, and community groups**
 - December 2019 – May 2020
 - February 2020: Auburn supplemental information for applicant agencies emailed out and posted on the application website, detailing info on Technical Assistance, scoring, Auburn-specific priorities and requirements, and contact info for city staff
 - Weekly outreach and reminders once application opened
- **Information on City website**
- **Presentations and outreach to community groups**
 - South King County Forum on Homelessness
 - Auburn Community Roundtable
 - South King Council of Human Services
 - Seattle-King County Coalition on Homelessness

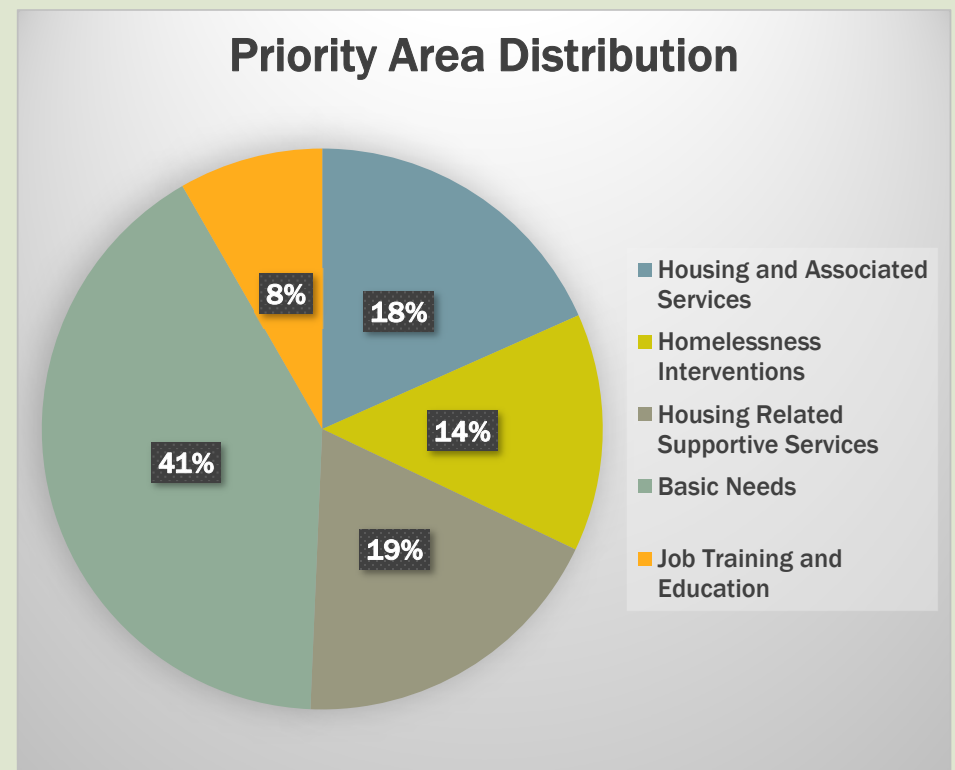
TECHNICAL ASSISTANCE AND SUPPORT

- **Application workshops with a question-by-question walkthrough**
 - In person (March 4) and online (March 9, 10)
 - Recording available on application website
- **Help guides and FAQ documents**
- **Auburn virtual TA sessions (drop in support for any application content):**
 - March 11, 8am – 11am (1)
 - March 19, 1pm – 4pm (2)
 - March 27, 8am – 11am (0)
 - April 2, 1pm – 4pm (0)
 - April 8, 1pm – 4pm (1)
 - April 17, 8am – 11am (0)
 - April 21, 1pm – 4pm (2)
 - April 29, 8am – 11am (3)
- **One-on-one TA provided over phone and email as needed, through 5pm on May 1 (40)**
- **Answers to any TA questions updated on Auburn website**

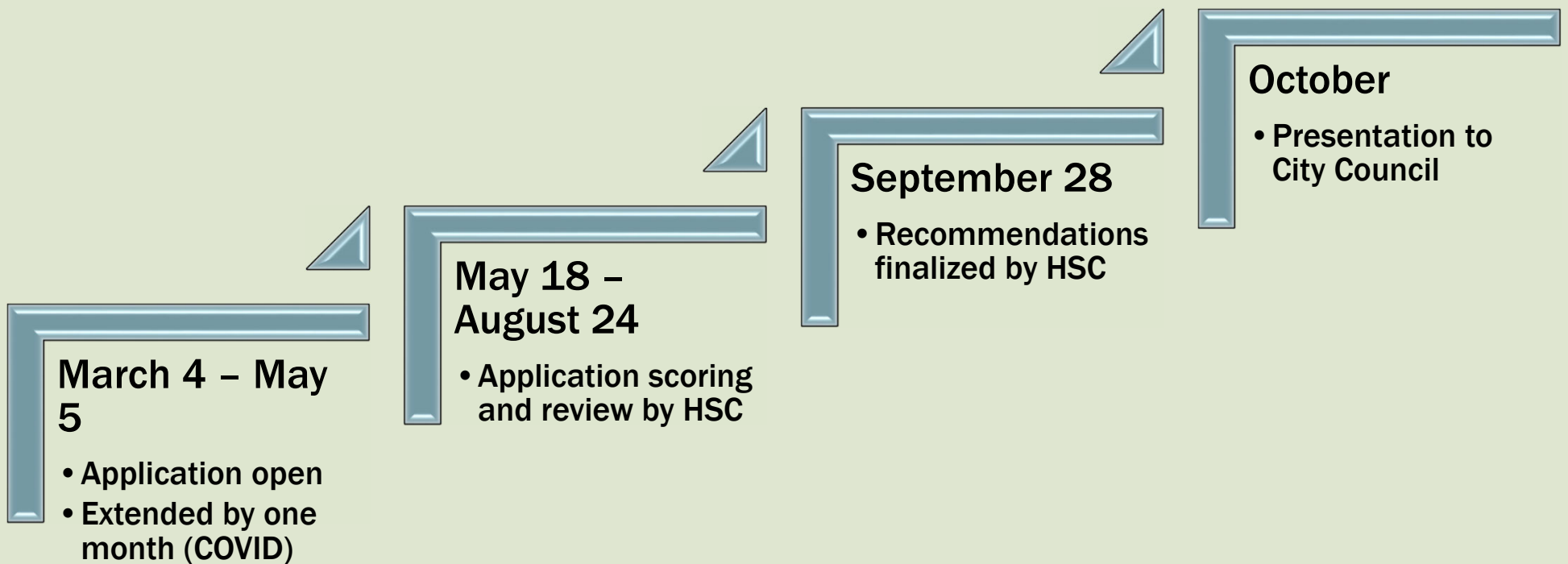
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INITIAL DATA

- 79 Applications received
 - 60 Agencies
 - Total requested: \$1,497,791

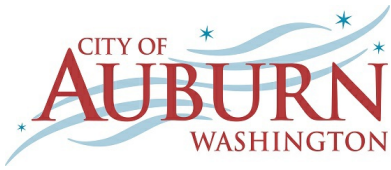


2021-2022 APPLICATION REVIEW TIMELINE



SERVICE • ENVIRONMENT • ECONOMY • CHARACTER • SUSTAINABILITY • WELLNESS • CELEBRATION

THANK YOU



AGENDA BILL APPROVAL FORM

Agenda Subject:

Status of Human Service Agencies Amidst COVID Pandemic
(Tate)(10 Minutes)

Date:

May 6, 2020

Department:

Community Development

Attachments:

[PowerPoint Presentation - State of Agencies](#)

Budget Impact:

Current Budget: \$0
Proposed Revision: \$0
Revised Budget: \$0

Administrative Recommendation:

For discussion only.

Background Summary:

This item is brought forward to City Council while under various orders of the Governor of the State of Washington because it pertains to COVID-19 and the City's response efforts.

See Powerpoint Presentation

Reviewed by Council Committees:

Councilmember: Trout-Manuel

Staff: Tate

Meeting Date: May 11, 2020

Item Number:

CITY COUNCIL STUDY SESSION

IMPACTS OF COVID-19 ON HUMAN SERVICE AGENCIES IN AUBURN

**PRESENTED BY DEPARTMENT OF
COMMUNITY DEVELOPMENT
MAY 11, 2020**

Department of Community Development
Planning • Building • Development Engineering • Permit Center
Sustainability • Community Services • Code Enforcement

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CITY OF AUBURN HUMAN SERVICES PROGRAM

- Allocates funding through a competitive application process to nonprofit agencies to provide direct services to community members.
- Currently manages contracts for 52 programs
- Supports coordination, collaboration, and capacity building for nonprofit agencies
- Staff work closely with regional partners to better assess need and advocate for the Auburn and South King County community

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COVID-19 IMPACTS

- **Agencies are experiencing increased costs**
 - Technology to support remote service delivery
 - Supplies and PPE to continue in-person service delivery
 - Additional space and staffing to facilitate space de-intensification
 - Hazard pay and incentives to support staff retention

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COVID-19 IMPACTS

- Agencies are concerned about reaching their clients
 - Access to technology is a barrier on both sides
 - Some services (e.g. legal, behavioral health) face additional logistical challenges in remote work
 - Need for interpretation services can create added accessibility challenge
 - Some clients may be sheltering in place with abusers
 - School closures create unique youth engagement barriers
 - Outreach programs – fewer gathering places for people in the community

COVID-19

- **Agencies are concerned about capacity**
 - Navigating reduced or interrupted staffing due to illness
 - Technology for staff and agency not always readily available
 - Agencies that rely on volunteers facing unique challenges balancing safety and service delivery
 - Expect demand for services to overwhelm capacity in coming months
 - Space for having safe group programming in the future

CITY STAFF EFFORTS

- Continuing to convene provider and partner groups virtually
- Payment on contracts
- Supporting regional efforts to reduce data collection burden on Auburn agencies
- Working to assess community gaps and needs
- Dissemination of changing protocol to agency partners
- Providing support and input to regional response efforts

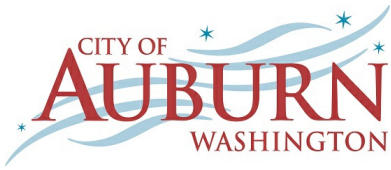
REGIONAL EFFORTS

- King County Public Health
 - Stakeholder groups for homeless service providers, street outreach workers, agencies providing basic needs services
 - Centralized PPE and other supply ordering to address supply chain issues
 - Mobile assessments and health services
 - Onsite environmental assessments and support for sanitation guideline implementation
- Seattle Foundation COVID-19 Response Fund
- UWKC Rental Assistance Funds



THANK YOU

Joy Scott
Community
Services Manager



AGENDA BILL APPROVAL FORM

Agenda Subject:

Overview of CDBG CV Federal Funds (Tate)(30 Minutes)

Date:

May 6, 2020

Department:

Community Development

Attachments:

[PowerPoint Presentation - CDBG Covid](#)

Budget Impact:

Current Budget: \$0

Proposed Revision: \$0

Revised Budget: \$0

Administrative Recommendation:

For discussion only.

Background Summary:

This item is brought forward to City Council while under various orders of the Governor of the State of Washington because it pertains to COVID 19 and the City's response efforts.

See Powerpoint Presentation

Reviewed by Council Committees:

Councilmember: Trout-Manuel

Staff: Tate

Meeting Date: May 11, 2020

Item Number:

CITY COUNCIL STUDY SESSION

CDBG-CV FUNDS

**PRESENTED BY DEPARTMENT OF
COMMUNITY DEVELOPMENT
MAY 11, 2020**

Department of Community Development
Planning • Building • Development Engineering • Permit Center
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GENERAL FUND VS CDBG



CDBG-CV dollars

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- **CDBG dollars**
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BACKGROUND

The Coronavirus Aid, Relief and Economic Security Act (CARES Act) makes available \$5 billion in supplemental Community Development Block Grant (CDBG) funding for grants to prevent, prepare for, and respond to coronavirus (CDBG-CV grants)

The Department of Housing and Urban Development has announced the allocations of the first \$2 billion in CARES Act funding for CDBG grantees

- Auburn's initial CDBG-CV allocation: \$371,805

COMPARISON OF CDBG FUNDS

CDBG-EN

- Allocated annually
- Supports Housing Repair, fair housing activities, some public services, and sidewalk ADA improvements
- Plan for spending is incorporated into an Annual Action Plan adopted by City Council in the 4th quarter of the prior year
- Typically subject to 15% Public Services Cap
- Includes robust public input process that starts mid-year

CDBG-CV

- In addition to our regular annual allocation
- Can only be used in direct response to COVID-19
- Requires substantial amendment to Annual Action Plan that details spending plan
- No Public Services Cap
- Waivers available to support rapid deployment of funds

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CDBG-CV FUNDS

- Action plan amendment must provide plan for allocating all known CDBG-CV funds
- A portion of funds can be used for Planning and Administration (City staff time).
- CDBG-CV Funds cannot supplant any existing funding, including from the City's General Fund. For public services, funds may be used to support a new service or demonstrably increase or expand existing services.
- City must ensure that no duplication of benefits occurs with CDBG Funds
- Funds must support direct response to COVID-19.

COUNCIL PROCESS FOR CDBG-CV ACTION PLAN AMENDMENT

May 8: City staff notifies HUD through electronic process of intent to use waivers allowed by CARES Act

May 18: City Council takes action allowing for a modified Citizen Participation Plan for 2020 and reduced public comment timeframe for Annual Action Plan Amendment to incorporate CDBG-CV funds

Substantial Amendment to 2019 CDBG Annual Action Plan is drafted with Human Services Committee input

May 20: Minimum 5 day public comment period provided

June 1: City Council adopts resolution approving AAP amendment

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IMPLEMENTATION CONSIDERATIONS

- Development and implementation of a new program will likely take more staff capacity than is currently available.
 - Staff's recommendation will be to subcontract or partner with existing programs in order to deploy funds quickly and efficiently.
- Staff are working to assess the multiple funding sources becoming available to develop a plan that best serves Auburn residents
 - Important to leverage funding opportunities to provide support to businesses and residents in our community

IMPLEMENTATION CONSIDERATIONS, CONTINUED

- City staff are exploring opportunities to create a simplified RFP process for funds to be used for public service activities. Utilizing this method, a specific amount of funding would be set aside for a public service category and nonprofit organizations would apply to the City to provide those services using CDBG funds.
- The Annual Action Plan amendment would identify the amounts set aside for each activity as decided upon by the City, but not the specific agencies providing services. The application process will be detailed in the amendment.

OPPORTUNITIES FOR DISTRIBUTION: PUBLIC SERVICES

- **Rental assistance paid on behalf of a resident to a third party**
- **COVID Health services and expansion of local COVID-19 testing**
- **Legal assistance to prevent or defend eviction**
- **COVID-19 Related trauma counseling**

OPPORTUNITIES FOR DISTRIBUTION: MICROENTERPRISE ASSISTANCE

- **Microenterprise:** a commercial enterprise that has five (5) or fewer employees, one (1) or more of whom owns the enterprise.
- **Micro-enterprise Business Technical Assistance**
- **Micro-enterprise Stabilization Grants**
 - Possible for microenterprises owned by low to moderate income individuals

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THANK YOU

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