

**GRANDVIEW CITY COUNCIL
REGULAR MEETING AGENDA
TUESDAY, AUGUST 28, 2018**



REGULAR MEETING – 7:00 PM		<u>PAGE</u>
1.	CALL TO ORDER & ROLL CALL	
2.	PLEDGE OF ALLEGIANCE	
3.	PRESENTATIONS	
A.	2017 Wastewater Treatment Plant Outstanding Performance Award	1
4.	PUBLIC COMMENT – At this time, the public may address the Council on any topic whether on the agenda or not, except those scheduled for public hearing.	
5.	CONSENT AGENDA – Items on the Consent Agenda will be voted on together by the Council, unless a Councilmember requests that items be removed from the Consent Agenda and discussed and voted upon separately. An item removed from the Consent Agenda will be placed under Unfinished and New Business.	
A.	Minutes of the July 24, 2018 Committee-of-the-Whole meeting	2-3
B.	Minutes of the July 24, 2018 Council meeting	4-5
C.	Minutes of the August 6, 2018 Council Budget Retreat	6-7
D.	Minutes of the August 14, 2018 special Council meeting	8-9
E.	Payroll Electronic Fund Transfers (EFT) Nos. 5987-5992 in the amount of \$95,111.20	
F.	Payroll Electronic Fund Transfers (EFT) Nos. 55960-59964 in the amount of \$82,567.27	
G.	Payroll Check Nos. 10418-10490 in the amount of \$124,743.50	
H.	Payroll Direct Deposit 7/16/18 – 7/31/18 in the amount of \$110,445.36	
I.	Payroll Direct Deposit 8/1/18 – 8/15/18 in the amount of \$106,356.79	
J.	Claim Check Nos. 115756-115952 in the amount of \$543,446.55	
6.	ACTIVE AGENDA – Notice: Items discussed at the 6:00 pm Committee-of-the-Whole meeting of an urgent or time sensitive nature may be added to the active agenda pursuant to City Council Procedures Manual Section 3.18(c).	
A.	Fire Truck Purchase – USDA RD Loan Closing Documents	10-41
	• Ordinance No. 2018-12 providing for the issuance of a limited tax general obligation bond, in the principal amount of \$550,000 to provide funds to purchase a new fire truck; fixing the form, terms and covenants of such bond; approving the sale of the bond to the United State of America, acting through the United States Department of Agriculture; and providing for other matters relating thereto	(11-20)
	• Resolution No. 2018-35 authorizing and providing for the incurrence of indebtedness for the purpose of providing a portion of the cost of acquiring, constructing, enlarging, improving, and/or extending its purchase fire truck and equipment to serve an area lawfully within its jurisdiction to serve	(28-30)
	• Resolution No. 2018-36 accepting the 2019 KME Custom Pumper Fire Truck as complete	(31)
7.	UNFINISHED AND NEW BUSINESS	
8.	CITY ADMINISTRATOR AND/OR STAFF REPORTS	
9.	MAYOR & COUNCILMEMBER REPORTS	
10.	ADJOURNMENT	



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DEPARTMENT OF ECOLOGY

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July 23, 2018

The Honorable Norm Childress
Mayor of Grandview
207 W Second St.
Grandview, WA 98930

RECEIVED

JUL 30 2018

CITY OF GRANDVIEW

Dear Mayor Childress:

Congratulations! The Grandview Wastewater Treatment Plant is receiving the 2017 "Wastewater Treatment Plant Outstanding Performance" award. Of approximately 300 wastewater treatment plants statewide, yours is one of 111 that achieved full compliance with its National Pollutant Discharge Elimination System (NPDES) permit in 2017.

My staff evaluated wastewater treatment plants in Washington for compliance with the effluent limits, monitoring and reporting requirements, spill prevention planning, pretreatment, and overall operational demands of the NPDES permit.

It takes diligent operators and a strong management team, working effectively together, to achieve this high level of compliance. It is not easy to operate a wastewater treatment plant 24 hours a day, 365 days a year, without violations. Ecology appreciates the extraordinary level of effort your plant operators demonstrated throughout 2017. Talented and proficient operators are critical to successful plant operations and protecting the health of Washington's waters. Your excellent record is a credit to the dedicated operators who are responsible for running the award-winning Grandview Wastewater Treatment Plant.

We will announce the 2017 award recipients, including the Grandview Wastewater Treatment Plant, in the coming weeks.

Please call Donna Smith at 509-575-2612 if you have any questions or comments about your award.

Thank you for the excellent service your operators provide to your community and the waters of Washington.

Sincerely,

Heather R. Bartlett
Water Quality Program Manager

**GRANDVIEW CITY COUNCIL
COMMITTEE-OF-THE-WHOLE MEETING MINUTES
JULY 24, 2018**

1. CALL TO ORDER

Mayor Norm Childress called the Committee-of-the-Whole meeting to order at 6:00 p.m., in the Council Chambers at City Hall.

2. ROLL CALL

Present were: Mayor Childress and Councilmembers Mike Everett, Dennis McDonald, Gloria Mendoza, Bill Moore and Joan Souders.

Councilmembers Gay Brewer and Javier Rodriguez arrived at 6:10 p.m.

Staff present were: City Administrator/Public Works Director Cus Arteaga, City Attorney Quinn Plant, City Treasurer Matt Cordray, Parks & Recreation Director Gretchen Chronis and City Clerk Anita Palacios.

3. PUBLIC COMMENT – None

4. NEW BUSINESS

A. Pros and Cons: Considering a Hearing Examiner System for Land Use Decision Making – Ken Harper, Attorney at Law

Ken Harper, Attorney at Law, presented a PowerPoint presentation entitled “Pros and Cons: Considering a Hearing Examiner System for Land Use Decision Making.”

In addition, legal opinions from the Washington Cities Insurance Authority regarding the use of a Hearing Examiner for Land Use Decision-Making were presented.

Discussion took place. No action was taken.

B. Resolution approving an amended Site Use Agreement between People For People and the City of Grandview Community Center

Parks & Recreation Director Chronis explained that on January 9, 2018, the City approved the annual Site Use Agreement between People For People and the City of Grandview to provide food and nutrition services for area senior citizens. The current agreement provided for the use of the Grandview Community Center kitchen/dining facility on Monday, Tuesday, Thursday and Friday at a monthly rental rate of \$425 per month. People For People recently received more funding to increase their senior nutrition program to area seniors. They would like to extend their lease with the City of Grandview for the Community Center kitchen/dining area from four days per week to five days per week (to include Wednesday). The amended agreement also included a revised monthly rental rate of \$500 per month.

Discussion took place.

On motion by Councilmember Everett, second by Councilmember Brewer, the C.O.W. moved a resolution approving an amended Site Use Agreement between People For People and the City of Grandview Community Center for consideration at the July 24, 2018 regular Council meeting.

Councilmember Souders recused herself from the vote due to her position on the People For People Board of Directors.

C. Fire Truck Purchase – USDA RD Loan Closing Documents

City Treasurer Cordray explained that on March 14, 2017, Council approved the Letter of Conditions and Request for Obligation of Funds that allowed the City to apply for a loan from USDA to purchase a new fire truck. The City was preparing to close on the loan and receive the funds from USDA. In order for this to take place, the following must be approved: resolution accepting the fire truck as complete, an ordinance for a general obligation bond to secure the loan and a loan resolution. The monthly principal and interest payments to USDA totaling \$2,959 from the Current Expense Fund would begin September 2018 and end in August 2040.

Discussion took place.

On motion by Councilmember Moore, second by Councilmember Rodriguez, the C.O.W. moved a resolution accepting the 2019 KME Custom Pumper Fire Truck as complete; and a resolution authorizing and providing for the incurrence of indebtedness for the purpose of providing a portion of the cost of acquiring, constructing, enlarging, improving, and/or extending its purchase fire truck and equipment to serve an area lawfully within its jurisdiction to serve for consideration at a regular Council meeting.

On motion by Councilmember Moore, second by Councilmember Rodriguez, the C.O.W. moved an ordinance providing for the issuance of a limited tax general obligation bond, in the principal amount of \$550,000 to provide funds to purchase a new fire truck; fixing the form, terms and covenants of such bond; approving the sale of the bond to the United State of America, acting through the United States Department of Agriculture; and providing for other matters relating thereto for consideration at a regular Council meeting.

5. **OTHER BUSINESS** – None

6. **ADJOURNMENT**

The C.O.W. meeting adjourned at 7:00 p.m.

Mayor Norm Childress

Anita Palacios, City Clerk

**GRANDVIEW CITY COUNCIL
REGULAR MEETING MINUTES
JULY 24, 2018**

1. CALL TO ORDER

Mayor Norm Childress called the regular meeting to order at 7:00 p.m. in the Council Chambers at City Hall.

Present were: Mayor Childress and Councilmembers Gay Brewer, Mike Everett, Dennis McDonald, Gloria Mendoza, Bill Moore, Javier Rodriguez and Joan Souders.

Staff present were: City Administrator/Public Works Director Cus Arteaga, City Attorney Quinn Plant, City Treasurer Matt Cordray and City Clerk Anita Palacios.

2. PLEDGE OF ALLEGIANCE

Councilmember Souders led the pledge of allegiance.

3. PRESENTATIONS – None

4. PUBLIC COMMENT – None

5. CONSENT AGENDA

On motion by Councilmember Moore, second by Councilmember Souders, Council approved the Consent Agenda consisting of the following:

- A. Minutes of the June 26, 2018 Council meeting
- B. Minutes of the July 10, 2018 Committee-of-the-Whole meeting
- C. Minutes of the July 10, 2018 Council meeting
- D. Payroll Electronic Fund Transfers (EFT) Nos. 5979-5983 in the amount of \$80,553.75
- E. Payroll Check Nos. 10387-10417 in the amount of \$87,761.65
- F. Payroll Direct Deposit 7/1/18 – 7/15/18 in the amount of \$101,854.95
- G. Claim Check Nos. 115654-115755 in the amount of \$385,787.04

6. ACTIVE AGENDA

- A. Ordinance No. 2018-10 amending the 2018 Annual Budget

On motion by Councilmember Mendoza, second by Councilmember Rodriguez, Council approved Ordinance No. 2018-10 amending the 2018 Annual Budget.

- B. Resolution No. 2018-33 approving an amended Site Use Agreement between People For People and the City of Grandview Community Center

On motion by Councilmember Everett, second by Councilmember McDonald, the Council approved Resolution No. 2018-33 approving an amended Site Use Agreement between People For People and the City of Grandview Community Center.

Councilmember Souders recused herself from the vote due to her position on the People For People Board of Directors.

7. **UNFINISHED AND NEW BUSINESS** – None

8. **CITY ADMINISTRATOR AND/OR STAFF REPORTS**

Ambulance Service Report – Due to councilmember absences at the August 14th C.O.W. meeting, City Administrator Arteaga advised that the ambulance service report would be presented at the August 28th C.O.W. meeting.

City Administrator Vacation – City Administrator Arteaga reported that he would be on vacation July 27th – August 3rd.

9. **MAYOR & COUNCILMEMBER REPORTS**

Council Meeting Attendance – Councilmember Mendoza reported that she would be absent from the August 14, 2018 C.O.W. and Council meetings.

Downtown Improvements – Councilmember Mendoza reported that at the last Chamber of Commerce General Membership meeting she discussed the downtown improvements with the members. She indicated that the members were happy with the improvements in the downtown area with respect to the street trees and parking enforcement.

Swim Pool Improvements – Councilmember Souders reported that she has received many compliments on the swim pool improvements during swim meets that she attended.

10. **ADJOURNMENT**

On motion by Councilmember Moore, second by Councilmember Rodriguez, Council adjourned the regular meeting at 7:20 p.m.

Mayor Norm Childress

Anita Palacios, City Clerk

**GRANDVIEW CITY COUNCIL
COUNCIL BUDGET RETREAT
AUGUST 6, 2018**

1. CALL TO ORDER

Mayor Norm Childress called the Council Budget Retreat to order at 6:00 p.m., in the Council Chambers at City Hall.

2. ROLL CALL

Present were: Mayor Childress and Councilmembers Mike Everett, Bill Moore, Javier Rodriguez and Joan Souders.

Councilmember Gloria Mendoza arrived at 6:05 p.m.

Councilmembers Gay Brewer and Dennis McDonald were absent.

Staff present were: City Administrator/Public Works Director Cus Arteaga, City Treasurer Matt Cordray, Fire Chief Pat Mason, Parks & Recreation Director Gretchen Chronis, Police Chief Kal Fuller, Assistant Police Chief Mike Hopp, WWTP Superintendent Dave Lorenz and City Clerk Anita Palacios.

3. BUDGET RETREAT GOALS

Councilmember Everett

- Obtain financial participation from the School District, Port District, industries and the public at-large towards the purchase of street trees for Tree City USA designation
- Ban plastic straws and cups
- Development of a Grandview ambulance service
- Construction of a digital sign at the City's east entrance
- Expand economic development efforts
- Hire an additional police officer to reduce overtime
- Excessive force training for police officers
- Staff prepare report on projects that have been completed in the year

Councilmember Mendoza

- Downtown outdoor seating for restaurants
- Downtown outdoor stage for performing arts with participation from the School District
- Grandview Rolls "Meals, Deals and Wheels" community event
- Downtown Christmas Tree lighting event
- Development of assisted living facilities
- Promote Country Park use and events

Councilmember Moore

- Work with businesses and residences along Wine Country Road to clean-up
- Continue sealcoating program
- Budget for the annual economic development convention
- Budget for future City Administrator and Public Works Director positions
- Continue to communicate and work as a team on future City projects

Councilmember Souders

- Reinststate the presentation of the Beautification Awards at Council meetings
- Create City Council liaison position for high school student
- Budget for retail recruiter
- Budget for future City Administrator and Public Works Director positions
- Budget for additional pool improvements and development of dog park
- Development of higher income residences
- Development of senior housing
- Ban the use of plastic bags
- Work with lenders on foreclosure/vacant housing

Councilmember Rodriguez

- Budget for street tree sidewalk improvements (trip hazards)
- Budget for additional police officer
- Budget for Council chairs
- Reinststate 3-on-3 basketball tournament
- Clean up the east entrance automotive businesses
- Reinststate employee appreciation picnic

Mayor Childress

- Contract with economic development promotion retailer (Buxton Group & Navi Retailer)
- Ambulance service presentation
- Artificial trees for downtown
- Tiny housing developments

4. ADJOURNMENT

The retreat adjourned at 7:25 p.m.

Mayor Norm Childress

Anita Palacios, City Clerk

**GRANDVIEW CITY COUNCIL
SPECIAL MEETING MINUTES
AUGUST 14, 2018**

1. CALL TO ORDER

Mayor Norm Childress called the special meeting to order at 5:30 p.m. in the Council Chambers at City Hall.

Present were: Mayor Childress and Councilmembers Gay Brewer, Dennis McDonald, Bill Moore and Javier Rodriguez.

Councilmember Joan Souders arrived at 5:35 p.m.

Absent were: Councilmembers Mike Everett and Gloria Mendoza

Staff present were: City Administrator/Public Works Director Cus Arteaga, City Treasurer Matt Cordray and City Clerk Anita Palacios.

2. PLEDGE OF ALLEGIANCE

Mayor Childress led the pledge of allegiance.

3. PUBLIC COMMENT – None

4. ACTIVE AGENDA

A. Resolution No. 2018-34 authorizing the Mayor to sign the Street Lighting Agreement with PacifiCorp dba Pacific Power for the LED Streetlight Conversion

City Administrator Arteaga explained that a proposal was submitted to the Washington State Transportation Improvement Board (TIB) and the City was selected for the Relight Washington Grant Program in the amount of \$217,820. The program aims to reduce streetlight operating costs while saving energy and renewing dated infrastructure. The City would benefit from lower rates after installation. The project would convert existing street lights to energy efficient LED street lights. On February 13, 2018, Council approved Resolution No. 2018-11 authorizing the Mayor to sign the State of Washington Transportation Improvement Board Relight Washington Grant Agreement S-E-183(002)-1 for the LED Streetlight Conversion. Pacific Power opened bids for the streetlight conversion projects and has a contractor ready to retrofit the streetlights for three different cities (including Grandview). It was very important that all three cities approve the Street Lighting Agreement with Pacific Power at the same time in order for Pacific Power to place the order for the LED fixtures. The total project was funded by TIB and Pacific Power and when completed the City would reduce the annual street lighting budget by 50%. The intent of the Relight Washington Program was to reduce the street lighting budget and to redirect the savings for additional street projects as appropriate.

Discussion took place.

On motion by Councilmember Moore, second by Councilmember Rodriguez, the Council approved Resolution No. 2018-34 authorizing the Mayor to sign the Street Lighting Agreement with PacifiCorp dba Pacific Power for the LED Streetlight Conversion.

B. Ordinance No. 2018-11 amending the 2018 Annual Budget

City Treasurer Cordray explained that staff monitoring and review of fund and department budgets identified a budget account to be amended. By Fund, the highlights of the budget changes were as follows:

- Street Fund: Increased revenues for TIB Grant – Relight Washington Streetlights and Pacific Power Incentives. Increased appropriations for Relight Washington Streetlights. Net effect was no change to estimated ending fund balance.

Discussion took place.

On motion by Councilmember Brewer, second by Councilmember Souders, the Council approved Ordinance No. 2018-11 amending the 2018 Annual Budget.

5. ADJOURNMENT

On motion by Councilmember Moore, second by Councilmember McDonald, Council adjourned the special meeting at 5:40 p.m.

Mayor Norm Childress

Anita Palacios, City Clerk

CITY OF GRANDVIEW, WASHINGTON
\$550,000
LIMITED TAX GENERAL OBLIGATION BOND, 2018 (TAXABLE)

INDEX OF PROCEEDINGS

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CITY OF GRANDVIEW, WASHINGTON

ORDINANCE NO. 2018-12

AN ORDINANCE OF THE CITY OF GRANDVIEW, WASHINGTON, PROVIDING FOR THE ISSUANCE OF A LIMITED TAX GENERAL OBLIGATION BOND, IN THE PRINCIPAL AMOUNT OF \$550,000, TO PROVIDE FUNDS TO PURCHASE A NEW FIRE TRUCK; FIXING THE FORM, TERMS AND COVENANTS OF SUCH BOND; APPROVING THE SALE OF THE BOND TO THE UNITED STATES OF AMERICA, ACTING THROUGH THE UNITED STATES DEPARTMENT OF AGRICULTURE; AND PROVIDING FOR OTHER MATTERS RELATING THERETO.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GRANDVIEW, WASHINGTON, DO ORDAIN as follows:

Section 1. Recitals. The City Council of the City of Grandview, Washington (the "City") finds and determines that:

(a) The City is a municipal corporation duly organized and existing under the laws of the State of Washington (the "State").

(b) The United States of America, acting through the United States Department of Agriculture, Rural Housing Service (the "USDA") provided the City with a Letter of Conditions dated March 7, 2017, and amended June 1, 2018 (together, the "Letter of Conditions"), establishing the conditions under which the USDA would loan and grant money to the City to finance a new fire truck for the City (the "Project"). RCW 39.69.020 authorizes the City to enter into a loan agreement with the United States government and to evidence the City's obligation to repay the loan under the terms and conditions of such loan agreement. Chapter 39.48 RCW authorizes the City to sell the Bond to the USDA by private sale at a price of not less than par plus accrued interest. The USDA has offered to purchase the Bond according to the terms set forth herein and in the Letter of Conditions.

(c) It is advisable for the City to purchase a new fire truck for the City. The City has estimated that the total costs of the Project will be \$600,000. It is advisable for the City to provide funds for defraying all or a portion of the cost of the Project from the proceeds of the sale of a limited tax general obligation bond (the "Bond").

(d) Based on the foregoing, it is in the City's best interest to authorize the issuance of the Bond to evidence the City's obligation to repay the loan from the USDA and to authorize the delivery of the Bond to the USDA upon the terms set forth in this ordinance.

Section 2. Debt Capacity. The assessed valuation of the taxable property within the City as ascertained by the last preceding assessment for City purposes for the calendar year 2018 is \$480,981,494, and the City has outstanding general indebtedness evidenced as of December 31, 2017, evidenced by State loans in the principal amount of \$1,266,415 incurred within the limit of up to 1-1/2% of the value of the taxable property within the City permitted for general municipal purposes without a vote of the qualified voters therein, and no unlimited tax general obligation bonds or notes incurred within the limit of up to 2 1/2% of the value of the taxable property within the City for capital purposes issued pursuant to a vote of the qualified voters of the City. The amount of indebtedness for which the bond is authorized herein to be issued is \$550,000.

Section 3. Authorization and Description of the Bond. For the purpose of paying part of the costs of the Project, including paying the costs of issuing the Bond, the City shall cause to be issued a limited tax general obligation bond as set forth in this ordinance. Bond proceeds shall be used to pay or reimburse the City for the Project.

The Bond shall be dated as of the date of its delivery to the United States of America, acting through the USDA (the "Purchaser"); shall be designated as the "Limited Tax General Obligation Bond, 2018" of the City and shall be in the principal amount of \$550,000; the Bond shall mature on the Installment Payment Date that occurs on (or nearest to) the 22nd anniversary of the date the Bond is issued (or such earlier date that the principal of and interest on the Bond is fully paid); shall bear interest from its date at the per annum rate of 3.375% or such other interest rate as set by the Purchaser as of the date of its issuance (the "Interest Rate") on its outstanding principal balance (computed on the basis of a 365-day year for actual number of days elapsed); shall be numbered R-1, with any additional designation as the Registrar deems necessary for purposes of identification; and shall be issued only in registered form as to both principal and interest on the Bond Register. The principal of and interest on the Bond shall be payable in equal monthly amortized installments on each Installment Payment Date in an amount required to amortize the Bond over the remaining term thereof, except that the last such payment shall be in an amount equal to the remaining principal and interest due on the Bond. For purposes of this ordinance, "Installment Payment Date" shall mean the date that is one month from the dated date of the Bond and that day of every month thereafter to and including the final maturity of the Bond. If the dated date of the Bond is the 29th, 30th or 31st day of the month, the Installment Payment Date will be the 28th day of the month after the dated date and on the 28th day of every month thereafter to and including the final maturity of the Bond.

Section 4. Extra Payments. To the extent the City's scheduled principal and interest payment obligation on the Bond are current (or will be made current upon such payment), the City may make payments to the entity or person named as the registered owner of the Bond on the Bond Register, initially the United States of America (the "Registered Owner"), on any Installment Payment Date, that are in addition to the regularly scheduled payments of principal and interest on the Bond. The amount of such extra payment shall be applied first to interest on the Bond accrued to the date of receipt of such extra payment, and shall be applied second to the outstanding principal of the Bond. After such extra payment is received by the Registered Owner, the amount of the installments of principal and interest on the Bond shall remain unchanged but shall be recalculated to reflect the reduction in the outstanding principal balance of the Bond and the resulting increase in the portion of each future installment payment credited to the principal of the Bond. The final Installment Payment Date of the Bond, and the amount payable on such date, shall be adjusted to

reflect such extra payment and the increased amount of future installment payments that is applied to principal. Notice of any such extra payment shall be given at least 10 days prior to the Installment Payment Date by mailing to the Registered Owner a notice specifying the amount of such extra payment.

Section 5. Failure to Pay Installments. If any installment of principal of and interest on the Bond is not paid when due, the City shall be obligated to pay interest on that installment at the same rate provided in the Bond from and after its payment date until that installment, both principal and interest, is paid in full.

Section 6. Execution, Issuance and Delivery of the Bond and Related Documents.

(a) The City will issue and deliver the Bond to the USDA on the date the USDA pays the City \$550,000 in exchange therefor. The Bond shall be in a form consistent with the provisions of this ordinance and State law, shall be signed by the Mayor and City Clerk, either or both of whose signatures may be manual or in facsimile, and shall have the seal of the City (or a facsimile reproduction thereof) impressed or printed thereon.

(b) The Bond shall not be valid or obligatory for any purpose, or entitled to the benefits of this ordinance, unless such bond bears a certificate of authentication manually signed by the Registrar stating: "This Bond is the fully registered City of Grandview, Washington, Limited Tax General Obligation Bond, 2018 (Taxable), described in the Bond Ordinance." A minor deviation in the language of such certificate shall not void a certificate of authentication that otherwise is substantially in the form of the foregoing. The authorized signing of a certificate of authentication shall be conclusive evidence that the Bond so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this ordinance.

(c) The Mayor and City Clerk, or their designees, are severally authorized and directed to: (i) do everything necessary for the execution, issuance and delivery of the Bond; and (ii) execute and deliver any documents, agreements, certificates, receipts and instruments that are necessary or appropriate in their discretion to give effect to this ordinance and to consummate the borrowing of money authorized herein.

(d) The City directs Foster Pepper PLLC, as the City's bond counsel, to prepare the Bond and such other documents, agreements, certificates, receipts and instruments as may be necessary and appropriate to properly document the issuance and delivery of the Bond to the USDA and the receipt of money by the City from the USDA. Such law firm shall coordinate the execution and delivery of such documents on behalf of the City, and shall compile and distribute to the City and the USDA a transcript containing such documents (or copies thereof) as it deems necessary to support its legal opinions rendered in connection with the issuance of the Bond.

Section 7. Appointment of Registrar, Registration and Transfer of the Bond.

(a) The City Treasurer is appointed as the initial Registrar for the Bond. The Registrar shall keep, or cause to be kept, at its office, sufficient books for purposes of registering the name and mailing address of the Registered Owner of the Bond, and for registering any transfer of Bond ownership. The books and records maintained by the Registrar for such purpose shall be considered the Bond Register for purposes of this ordinance. The Bond

Register shall at all times be open to inspection by the City. In addition to maintaining the Bond Register, the Registrar is authorized and directed to perform the following duties with respect to the Bond: (i) to authenticate the Bond upon the initial issuance thereof by executing the Certificate of Authentication contained thereon; (ii) to authenticate and deliver the Bond that is transferred in accordance with the provisions thereof and this ordinance; (iii) to serve as the City's paying agent for the Bond; (iv) to imprint on the Bond transferred or exchanged pursuant to this ordinance the name of the Registered Owner, the principal amount of the Bond, the interest rate borne by the Bond, and the maturity date of the Bond; (v) to cancel the Bond returned to the Registrar upon the payment in full thereof; and (vi) to carry out all of the Registrar's duties otherwise described in this ordinance.

(b) The Bond may be transferred only if endorsed in the manner provided thereon and surrendered to the Registrar. Any transfer shall be without cost to the Registered Owner or transferee and shall be noted in the Bond Register. The Registrar shall not be obligated to transfer the Bond during the 15 days preceding any Installment Payment Date.

Section 8. Payment of the Bond. Installments of principal and interest on the Bond shall be payable in lawful money of the United States of America and shall be paid by check, draft or preauthorized debit and sent to the Registered Owner so that the Registered Owner receives said payments when due at the address appearing on the Bond Register; provided, if the Registered Owner of the Bond is other than the United States of America, then the last installment of principal and interest on the Bond shall be payable only upon presentation and surrender of the Bond by the Registered Owner at the office of the Registrar. So long as USDA is the Registered Owner of the Bond, the City shall request the Treasurer to establish a Preauthorized Debit Payment ("PAD") process whereby the Registrar authorizes funds to be withdrawn electronically from the City's bank account on the exact day that the payment is due. Notwithstanding the foregoing, the City may engage in any payment program established by the Purchaser from time to time, so long as the City can engage in such program under State law. The Registrar shall destroy the Bond when surrendered for final payment and furnish the City a certificate of destruction within 30 days following the surrender and payment in full of the Bond.

Section 9. Deposit of Bond Proceeds; Bond Account. The Treasurer is authorized and directed to deposit the proceeds of the Bond into a fund designated by the City to finance or refinance the Project (the "Project Fund").

The Limited Tax General Obligation Bond Fund, 2018 (the "Bond Fund") is created as a special fund of the City for the sole purpose of paying principal of and interest on the Bond. Bond proceeds in excess of the amounts needed to pay or reimburse the City for the Project and pay the costs of issuance of the Bond, if any, shall be deposited into the Bond Fund. All amounts allocated to the payment of the principal of and interest on the Bond shall be deposited in the Bond Fund as necessary for the timely payment of amounts due with respect to the Bond. The principal of and interest on the Bond shall be paid out of the Bond Fund. Until needed for that purpose, the City may invest money in the Bond Fund temporarily in any legal investment, and the investment earnings shall be retained in the Bond Fund and used for the purposes of that fund.

Section 10. Pledge of Taxes. For as long as the Bond is outstanding, the City irrevocably pledges to include in its budget and levy taxes annually, within the constitutional and statutory tax limitations provided by law without a vote of the voters of the City, on all of the taxable property within the City in an amount sufficient, together with other money legally available and to be used therefor, to pay when due the principal of and interest on the Bond. The full faith, credit and resources of the City are pledged irrevocably for the annual levy and collection of those taxes and for the prompt payment of that principal and interest.

Section 11. Refunding or Defeasance of the Bond. The City may issue refunding bonds pursuant to the laws of the State or use money available from any other lawful source to pay when due the principal of and interest on the Bond, or any portion thereof included in a refunding or defeasance plan, and to redeem and retire, refund or defease all of the principal amount of the Bond (hereinafter collectively called the “defeased Bond”) and to pay the costs of the refunding or defeasance. If money and/or noncallable “government obligations” (as defined by chapter 39.53 RCW) maturing at a time or times and bearing interest in amounts (together with money, if necessary) sufficient to redeem and retire, refund or defease the defeased Bond in accordance with its terms are set aside in a special trust fund or escrow account irrevocably pledged to that redemption, retirement or defeasance of the defeased Bond (hereinafter called the “trust account”), then all right and interest of any Registered Owner of the defeased Bond in the covenants of this ordinance and in the funds obligated to the payment of the defeased Bond shall cease and become void. Any Registered Owner of the defeased Bond shall have the right to receive payment of the principal of and interest on the defeased Bond from the trust account. The City shall include in the refunding or defeasance plan such provisions as the City deems necessary for notice of the defeasance to be given to any Registered Owner of the defeased Bond and to such other persons as the City shall determine, and for any required replacement of a Bond certificate for the defeased Bond. The defeased Bond shall be deemed no longer outstanding, and the City may apply any money in any other fund or account established for the payment or redemption of the defeased Bond to any lawful purposes as it shall determine.

NOTWITHSTANDING THE ABOVE, FOR AS LONG AS THE UNITED STATES OF AMERICA IS THE REGISTERED OWNER OF THE BOND, THE CITY AGREES NOT TO DEFEASE THE BOND.

Section 12. Reporting Requirements. The City hereby covenants and agrees with the Registered Owner of the Bond as follows:

(a) For so long as the United States of America is the Registered Owner of the Bond, the City will: (i) for the first year of the Bond, submit quarterly reports to the USDA, (ii) after the first year of the Bond, annually submit to the USDA the City’s operating budget; (iii) submit to the USDA the City’s audits, as determined by the USDA on an annual basis; and (iv) provide such additional information and reports as may be reasonably requested by the USDA from time to time.

(b) It will abide by the conditions of the Rural Development Form Loan Resolution (Form RD 1942-47) for so long as the United States of America is the Registered Owner of the Bond.

(c) The City must maintain position fidelity bonds and real property insurance as required in the Letter of Conditions for so long as the United States of America is the Registered Owner of the Bond.

Section 13. General Authorization; Ratification of Prior Acts. The Mayor, Treasurer and City Clerk of the City and each of the other appropriate officers of the City are each hereby authorized and directed to take any actions and to execute documents as in their judgment may be necessary or desirable in order to carry out the terms of, and complete the transactions contemplated by this ordinance. All acts taken pursuant to the authority of this ordinance but prior to its effective date are hereby ratified.

Section 14. Severability. If any provision in this ordinance is declared by any court of competent jurisdiction to be contrary to law, then such provision shall be null and void and shall be deemed separable from the remaining provisions of this ordinance and shall in no way affect the validity of the other provisions of this ordinance.

Section 15. Effective Date. This ordinance shall be effective five days from and after its passage and publication as required by law.

PASSED by the City Council of the City of Grandview, Washington, and approved by its Mayor at a regular meeting thereof held this 28th day of August, 2018.

CITY OF GRANDVIEW, WASHINGTON

By _____
Mayor Norm Childress

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

Published: August 29, 2018
Effective: September 3, 2018

CERTIFICATE

I, the undersigned, City Clerk of the City of Grandview, Washington, (the "City") and keeper of the records of the City Council (herein called the "Council"), DO HEREBY CERTIFY:

1. That the attached ordinance is a true and correct copy of Ordinance No. 2018-12 of the Council (herein called the "Ordinance"), duly passed at a regular meeting thereof held on the 28th day of August, 2018.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a quorum was present throughout the meeting and a legally sufficient number of members of the Council voted in the proper manner for the passage of the Ordinance; that all other requirements and proceedings incident to the proper passage of the Ordinance have been duly fulfilled, carried out and otherwise observed; and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 28th day of August, 2018.

City Clerk

**UNITED STATES OF AMERICA
STATE OF WASHINGTON
CITY OF GRANDVIEW
LIMITED TAX GENERAL OBLIGATION BOND, 2018 (TAXABLE)**

The CITY OF GRANDVIEW, WASHINGTON (the "City"), a municipal corporation duly organized and existing under the laws of the State of Washington, promises to pay to the UNITED STATES OF AMERICA, ACTING THROUGH THE RURAL HOUSING SERVICE (the "Registered Owner"), from the City's Limited Tax General Obligation Bond Fund, 2018 (the "Bond Fund") maintained by the City to pay this Bond, the principal amount of \$550,000, together with interest thereon, in accordance with the terms of this Bond and Ordinance No. 2018-12 of the City (the "Bond Ordinance").

This Bond shall bear interest at the rate of 3.375% per annum (computed on the basis of a 365-day year for actual number of days elapsed). Principal of and interest on this Bond shall be payable in equal monthly amortized payments of \$2,959 due on the 7th day of each month, commencing October 7, 2018. This Bond shall mature on September 7, 2040 (the "Maturity Date"). The 7th day of each month through the Maturity Date is an "Installment Payment Date." The last payment shall be in an amount equal to the remaining principal and interest due on this Bond. If any installment of principal and interest is not paid when due, the City shall be obligated to pay interest on such installment at the same rate provided herein until such installment, together with interest, is paid in full.

This Bond, designated as the Limited Tax General Obligation Bond, 2018 (Taxable), is issued by the City in fully registered form to provide the funds required to pay a portion of the costs of purchasing a new fire truck for the City and pay the costs of issuance of this Bond, all as provided by the Bond Ordinance.

Installments of principal and interest on this Bond are payable in lawful money of the United States of America and shall be paid by check, draft or preauthorized debit and sent to the Registered Owner so that the Registered Owner receives said payments when due at the address appearing on the Bond Register; provided, if the Registered Owner of the Bond is other than the United States of America, then the last installment of principal and interest on the Bond shall be payable only upon presentation and surrender of the Bond by the Registered Owner at the office of the Treasurer of the City, as Bond Registrar. Notwithstanding the foregoing, the District may engage in any payment program established by the Registered Owner from time to time, so long as the District can engage in such program under Washington State law.

For as long as this Bond is outstanding, the City irrevocably pledges to include in its budget and to levy taxes annually within the constitutional and statutory tax limitations provided by law without a vote of the electors of the City on all of the taxable property within the City in an amount sufficient, together with other money legally available and to be used therefore, to pay when due the principal of and interest on this Bond, and the full faith, credit and resources of the City are pledged irrevocably for the annual levy and collection of those taxes and the prompt payment of that principal and interest.

Pursuant to the provisions of the Bond Ordinance, the City may make payments to the Registered Owner, on any Installment Payment Date, that are in addition to the regularly scheduled payments of principal and interest on this Bond. Upon prepayment of a portion of the principal of this Bond, the

amount of the annual installments of principal and interest shall remain unchanged but shall be recalculated to reflect the reduction in the principal amount remaining unpaid and the resulting increase in the portion of each subsequent installment payment credited to the principal of this Bond. The final Installment Payment Date, and the amount payable thereon, shall be adjusted to reflect such extra payment and the increased amount applied to principal from each subsequent installment payment.

Notice of any such extra payment shall be given at least 10 days prior to the Installment Payment Date by mailing to the Registered Owner a notice specifying the amount of such extra payment.

Reference is made to the Bond Ordinance for other covenants and declarations of the City and other terms and conditions upon which this Bond has been issued, which terms and conditions are made a part hereof by this reference. The City irrevocably and unconditionally covenants that it will keep and perform all the covenants of this Bond and of the Bond Ordinance. Reference also is made to the Bond Ordinance for the definitions of the capitalized terms used and not otherwise defined herein.

This Bond shall not be valid or become obligatory for any purpose until the Certificate of Authentication hereon has been signed by the Registrar.

This Bond may be transferred by the Registered Owner on surrender of this Bond to the Registrar, but only if that transfer relates to the entire unpaid principal amount of this Bond and only if endorsed in the manner provided hereon and surrendered to the Registrar. Any transfer shall be without cost to the owner or transferee. The Registrar shall not be obligated to transfer this Bond during the 15 days preceding any Installment Payment Date.

The installments of interest or principal and interest on this Bond shall be paid only to the Registered Owner as described herein and to no other person or entity, and this Bond may not be assigned except on the Bond Register.

It is certified that all acts, conditions and things required to be done precedent to and in the issuance of this Bond have been done, have happened and have been performed as required by law.

IN WITNESS WHEREOF, the City has caused this Bond to be manually signed by its Mayor and Clerk and the seal of the City to be impressed hereon as of this 7th day of September, 2018.

CITY OF GRANDVIEW, WASHINGTON

By: _____

Mayor

By: _____

Clerk



(SEAL)

CERTIFICATE OF AUTHENTICATION

Date of Authentication: September 7, 2018

This Bond is the fully registered City of Grandview, Washington, Limited Tax General Obligation Bond, 2018 (Taxable), described in the Bond Ordinance.

CITY OF GRANDVIEW, WASHINGTON

By: _____
Treasurer, as Registrar

ASSIGNMENT

For value received, the undersigned Registered Owner does sell, assign and transfer unto:

(name, address and social security or other identifying number of assignee)

the within-mentioned Bond and irrevocably constitutes and appoints _____
to transfer the same on the Bond Register with full power of substitution in the premises.

DATED: _____.

Registered Owner

(NOTE: The signature above must correspond with the name of the Registered Owner as it appears on Page 1 of this Bond in every particular, without alteration or enlargement or any change whatsoever.)

Signature Guaranteed:

(NOTE: Signature must be guaranteed pursuant to law.)



United States Department of Agriculture

Rural Development

Yakima Area Office

1806 Perry Street,
Suite D; Yakima, WA
98902-5798

Voice 509.454.5740
ext 4
Fax (855) 847-5491

March 7, 2017

City of Grandview
207 West Second Street
Grandview, WA 98930

LETTER OF CONDITIONS – COMMUNITY FACILITIES PROGRAM New Fire truck purchase

Dear Mr. Arteaga:

This letter establishes conditions, which must be understood and agreed to before further consideration may be given to the application. This offer of financial assistance is being made to the City of Grandview through the Community Facilities Program of USDA Rural Housing Service, Rural Development. Any changes in project costs, source of funds, scope of services, or any other significant changes in the project or applicant must be reported to and approved by RD by written amendment to this letter. Any changes not approved by RD shall be cause for discontinuing processing of the application.

No qualified handicapped person shall, solely on the basis of handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity that receives federal financial assistance, as required under, "Section 504 of the Rehabilitation Act".

This letter is not to be considered as loan approval or as representation that funds are available. The required documents may be completed on the basis of a loan not to exceed \$550,000. These funds will be used for the purchase of a new fire truck using an interlocal agreement with Yakima County Fire District #12 to satisfy procurement requirements.

Please complete the following forms:

RD 1942-46 Letter of Intent to Meet Conditions
RD 1940-1 Request for Obligation of Funds

The loan will be considered approved on the date a signed copy of Form RD 1940-1, "Request for Obligation of Funds", is mailed to you. This approval will still be contingent on your meeting the conditions herein.

USDA is an equal opportunity provider and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form (PDF), found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

Guidance from RD Instructions 1942 may be obtained from this office to assist you with questions on particular phases of grant processing. You may also call our office at any time for assistance or access the instructions on the Internet at http://rdinit.usda.gov/regs/regs_toc.html.

PROJECT FUNDING

The financing proposal is based upon funds from:

USDA Rural Development	\$550,000
Applicant	\$ 50,000
TOTAL	\$600,000

Funds have been budgeted for the following estimated expenditures:

Purchase of New Fire Truck	\$600,000
TOTAL	\$600,000

Evidence of funds from the applicant must be provided by City of Grandview prior to USDA Rural Development concurrence with procurement of the new fire truck. Any changes in funding sources following obligation of RD funds must be reported to the RD office.

PROCUREMENT

All procurement activities will be conducted to meet the applicable requirements of RD. Guidance is located in Instruction 1942-A and 1942.18 which can be accessed on the internet at http://rdinit.usda.gov/regs/regs_toc.html.

SECURITY

The loan must be secured by a General Obligation Bond. Additional security requirements are contained in RD 1942-47 "Loan Resolution" which is mentioned later.

LOAN REPAYMENT

The loan will be scheduled for repayment over a period of 22 years. 264 equal amortized Monthly installments consisting of principal and interest will be paid on the date of loan closing each consecutive month. The first installment is due one month from the date of closing. For planning purposes use a 3.375% interest rate and an amortization factor of 5.38, which provides for a monthly approximate payment of \$2,959.

The interest rate will be the lower of the rate in effect at the time of loan approval or the time of loan closing, whichever is less, unless you choose otherwise. Should the interest rate be reduced, the payment will be recalculated to the lower amount. The payment due date will be established as the day that the loan closes.

You will be required to complete SF-5510, "Authorization Agreement for Preauthorized Payments" for all new and existing indebtedness to the Agency. It will allow for your payment to be electronically debited from your account on the day your payment is due.

RESERVES

Reserves must be properly budgeted to maintain the financial viability of any operation. Reserves are important to fund unanticipated emergency maintenance and repairs, and assist with debt service should the need arise. Reserves can also be established and maintained for the anticipated and expected expenses including but not limited to operation and maintenance.

As a part of this Agency loan proposal you must establish and fund monthly a debt service reserve fund equal to 10% of the monthly payment each month over the life of the loan until you accumulate one annual installment. This reserve is required to establish an emergency fund for a debt repayment should the need arise. Ten percent of the proposed loan installment would equal \$295.90 per month.

The following form will need to be completed for transfer of funds.

ACH Automated Clearing House {bank info. used to transfer funds to borrower account}

ENVIRONMENTAL

The project scope of work as proposed has been evaluated to be consistent with all applicable environmental 1970 requirements. If the project or any project element deviates from or is modified from the original approved project scope of work, RD must be contacted to determine whether additional environmental review may be required.

PAY REQUESTS

Payments through RD are made on a reimbursable basis. Pay requests regardless of funding source, must be reviewed by RD. An outlay report of expenditures will be provided to the applicant for requesting reimbursement (request must be supported by submittal of invoices) on the full project after a final inspection by RD has taken been completed.

INSURANCE REQUIREMENTS

Prior to loan closing or contracting for purchase of the new fire truck, whichever occurs first, you must acquire the types of insurance shown below. The use of deductibles may be allowed providing you have the financial resources to cover potential claims requiring payment of the deductible. The Agency strongly recommends that you have your attorney and insurance provider(s) review proposed types and amounts of coverage, including any exclusions and deductible provisions. It is your responsibility and not that of the Agency to assure that adequate insurance and fidelity or employee dishonesty bond coverage is maintained.

- a. General Liability Insurance – Include vehicular coverage.
- b. Workers' Compensation - In accordance with appropriate State laws.
- c. Position Fidelity Bond(s) - All positions occupied by persons entrusted with the receipt and/or disbursement of funds must be bonded. You should have each position bonded in an amount equal to the maximum amount of funds to be under the control of that position at any one time. The minimum coverage acceptable to the Agency will be for each position to be bonded for an amount at least equal to one annual installment on your loan(s). The coverage may be increased during construction of this project based

on the anticipated monthly advances. The amount of coverage should be discussed and approved by the Agency.

- d. National Flood Insurance - If the project involves acquisition or construction in designated special flood or mudslide prone areas, you must purchase a flood insurance policy at the time of loan closing.
- e. Real Property Insurance - Fire and extended coverage will normally be maintained on all structures. Prior to the acceptance of the new fire truck from the contracted vendor you must obtain real property insurance (fire and extended coverage) on all facilities that the new fire truck will be housed in.

COMPLIANCE WITH SPECIAL LAWS AND REGULATIONS

The City of Grandview must comply with Federal, State, and local laws and any regulatory commission rules and regulations pertaining to; organization and authority to operate and maintain the facility, borrowing money, giving security therefore, and raising revenues for the repayment thereof; fire truck standards.

The facility must be operated in accordance with, Title VI of the Civil Rights Act of 1964.

If all conditions set forth in this letter are not met within 12 months from the date hereof, RD reserves the right to discontinue the processing of the application. In addition, it is expected that closing will take place within 36 months from the date of loan approval in order for RD to retain the obligation.

Sincerely,



Marti Canatsey
Community Programs Specialist

Cc: Peter McMillin, Community Programs Program Director

CALCULATION of AMORTIZATION FACTORS & PAYMENTS
(This document is not an official Rural Development document)

The calculated amortization factor may coincide with amortization factors in the Rural Development Amortization book; however, a comprehensive validation was not completed. This document is provided as a tool and users should validate calculations using a published amortization table.

Enter the principal, interest rate, repayment years, and payments per year. Text fields for the amortization factor, periodic payment and annual payment contain formulas that calculate the amortization factor, periodic payment, and annual amount due in Adobe Java Script. Calculated fractional cents are rounded up to the displayed amount in the amortization factor. Calculated cents are rounded up to the next dollar for payments.

Loan Amount: \$550,000

Interest Rate: 3.3750 Percent

Interest Basis 365 Days Actual 360 (365/360)

Amortization in Years: 22

Payments per Year: 1 2 4 12
 3 6 24 26

Amortization Factor: \$5.38 (per \$1,000)

Periodic Payment: \$2,959

Annual Payment: \$35,508

Note: Annual = 1, Semi-annual = 2, Quarterly = 4, Monthly = 12.

Selections of 3, 6, 24, and 26 are not used by Rural Development but are included for private use.

The Actual 360 interest basis is not used by Rural Development; however, it is used by some commercial lenders and the factor is calculated by adjusting the interest rate to an effective annual interest rate.

LETTER OF INTENT TO MEET CONDITIONS

Date 3/14/17

TO: United States Department of Agriculture

Rural Housing Service

(Name of USDA Agency)

1606 Perry Street, Suite D
Yakima, WA 98902

(USDA Agency Office Address)

We have reviewed and understand the conditions set forth in your letter dated 3/7/17. It is our intent to meet all of them not later than 3-17-18.

Grandview, City Of

(Name of Association)

BY Bell Moran

Mayor Pro Tem

(Title)

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a persons is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0015 and 0570-0062. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data, needed, and completing and reviewing the collection of information.



Rural Development

Yakima Area Office

1606 Perry Street,
Suite D; Yakima, WA
98902-5798

Voice 509.367-8570
Fax (855) 847-5491

June 1, 2018

City of Grandview
207 West Second Street
Grandview, WA 98930

AMENDED LETTER OF CONDITIONS – COMMUNITY FACILITIES PROGRAM New
Fire truck purchase

Dear Mr. Arteaga:

This letter amends the March 7, 2018 Letter of Conditions requirement outlined on page 3 "RESERVES". The debt service reserve requirement is hereby withdrawn because the debt is being secured by a General Obligation bond. All other requirements of the March 7, 2018 Letter of Conditions remain in effect. Any changes in project costs, source of funds, scope of services, or any other significant changes in the project or applicant must be reported to and approved by RD by written amendment to this letter. Any changes not approved by RD shall be cause for discontinuing processing of the application.

Sincerely,

Marti Canatsey
Community Programs Specialist

USDA is an equal opportunity provider and employer and lender.
Esta Institución es un proveedor de servicios con igualdad de oportunidades

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.escc.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 890-7442 or email at program.intake@usda.gov.

LOAN RESOLUTION
(Public Bodies)

A RESOLUTION OF THE City Council (RESOLUTION NO. 2018-35)

OF THE Grandview, City Of

AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING A PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS

Purchase fire truck and equipment

FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE.

WHEREAS, it is necessary for the Grandview, City Of
(Public Body)

(herein after called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of 550,000.00

pursuant to the provisions of RCW 35; and

WHEREAS, the Association intends to obtain assistance from the Rural Housing Service, Rural Business - Cooperative Service, Rural Utilities Service, or their successor Agencies with the United States Department of Agriculture, (herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) in the planning, financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event that no other acceptable purchaser for such bonds is found by the Association:

NOW THEREFORE in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U. S. C. 1983 (c)).
3. To provide for, execute, and comply with Form RD 400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$ 10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legal permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contract or agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.
9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by the Government. No free service or use of the facility will be permitted.

CERTIFICATION TO BE EXECUTED AT LOAN CLOSING

I, the undersigned, as City Clerk of the Grandview, City Of
 hereby certify that the City Council of such Association is composed of
7 members, of whom _____, constituting a quorum, were present at a meeting thereof duly called and
 held on the 28th day of August, 2018; and that the foregoing resolution was adopted at such meeting
 by the vote shown above. I further certify that as of 08-28-2018, the date of closing of the loan from the Government, said resolution
 remains in effect and has not been rescinded or amended in any way.

Dated, this 28th day of August, 2018.

 Title Anita Palacios, City Clerk

RESOLUTION NO. 2018-36

**A RESOLUTION OF THE CITY OF GRANDVIEW, WASHINGTON,
ACCEPTING THE 2019 KME CUSTOM PUMPER FIRE TRUCK AS COMPLETE**

WHEREAS, the City purchased a 2019 KME Custom Pumper Fire Truck, VIN 1K9AF4S89KN058747 utilizing loan funding through the United State Department of Agriculture Rural Development; and,

WHEREAS, the City's Fire Chief has determined that the truck received is complete and ready for final acceptance by the City Council,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GRANDVIEW, AS FOLLOWS:

The City of Grandview has received and accepts the 2019 KME Custom Pumper Fire Truck VIN 1K9AF4S89KN058747 purchase as complete.

PASSED by the **CITY COUNCIL** and **APPROVED** by the **MAYOR** at its regular meeting on August 28, 2018.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

CITY OF GRANDVIEW, WASHINGTON
LIMITED TAX GENERAL OBLIGATION BOND, 2018 (TAXABLE)
CALCULATION OF DEBT LIMIT

Value of taxable property within the City of Grandview, Washington (the "City"), as fixed in 2017 for purpose of 2018 regular tax levies, per the report of the Yakima County Assessor (the "Assessor Report"): \$480,981,494

NONVOTED DEBT CAPACITY
(per RCW 39.36.020) 1½% of the value of taxable property: \$7,214,722

Less: Nonvoted Debt Outstanding as of December 31, 2017, per the City's Certificate of General Debt Outstanding, dated as of September 7, 2018 (the "Debt Certificate"): (1,266,415)

Less: The above-captioned bond (the "Bond"): (550,000)

REMAINING NONVOTED DEBT CAPACITY: \$5,398,307

TOTAL DEBT CAPACITY: FOR GENERAL PURPOSES
(Nonvoted and Voted, per RCW 39.36.020) 2½% of the value of taxable property: \$12,024,537

Less: Voted Debt Outstanding as of December 31, 2017, per the Debt Certificate: 0

Less: Nonvoted Debt Outstanding as of December 31, 2017: (1,266,415)

Less: The Bond: (550,000)

REMAINING DEBT CAPACITY: \$10,208,122

Based upon the Assessor Report and the Debt Certificate, the issuance of the Bond is within the applicable constitutional and statutory debt capacity of the City.

DATED as of September 7, 2018.

CERTIFICATE OF GENERAL OBLIGATION DEBT OUTSTANDING

I, Matthew Cordray, as the Treasurer of the City of Grandview, Washington (the "City"), hereby certify that the outstanding general obligation debt of the City, as of December 31, 2017, is as follows:

(1) Nonvoted Debt: The nonvoted debt of the City (including, but not limited to, nonvoted general obligation bonds, long-term leases and other contracts) is \$1,266,415.

(2) Voted Debt: The City has no voted debt.

I further certify that the City has not incurred additional nonvoted or voted debt, other than the City's Limited Tax General Obligation Bond, 2018 (Taxable) in the aggregate principal amount of \$550,000, since December 31, 2017.

DATED as of September 7, 2018.

CITY OF GRANDVIEW, WASHINGTON

Matthew Cordray, Treasurer

CLOSING CERTIFICATE

I, Matthew Cordray, certify that I am the duly appointed and acting Treasurer of the City of Grandview, Washington (the "City"), authorized to execute and deliver this certificate and further certify on behalf of the City as follows:

1. This certificate is delivered in connection with the issuance of the \$550,000 par value Limited Tax General Obligation Bond, 2018 (Taxable) (the "Bond"), of the City.

2. No litigation of any nature is now pending or, to my knowledge, threatened, seeking to restrain or enjoin the issuance and delivery of the Bond or the levy and collection of taxes pledged to pay the principal of and interest on the Bond, or in any manner questioning the proceedings and authority under which the Bond is issued or the validity of the Bond thereunder; neither the corporate existence or boundaries of the City nor the title of the present officers to their respective offices is being contested; and no authority or proceeding for the issuance of the Bond has been repealed, revoked or rescinded.

3. Ordinance No. 2018-12 of the City, the ordinance authorizing the issuance and sale of the Bond, has not been modified or repealed.

DATED as of September 7, 2018.

CITY OF GRANDVIEW, WASHINGTON

Matthew Cordray, Treasurer

SIGNATURE IDENTIFICATION CERTIFICATE

STATE OF WASHINGTON)
) ss.
COUNTY OF YAKIMA)

I, ANITA PALACIOS, certify that I am the City Clerk of the City of Grandview, Washington (the "City"), and that NORM CHILDRESS is the Mayor of the City.

I further certify that the \$550,000 principal amount Limited Tax General Obligation Bond, 2018 (Taxable), of the City dated September 7, 2018, bears my signature as City Clerk of the City and the signature of NORM CHILDRESS as Mayor of the City.

CITY OF GRANDVIEW, WASHINGTON

Anita Palacios, City Clerk

SUBSCRIBED AND SWORN TO before me this _____ day of _____, 2018.

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)

Notary public in and for the State of Washington,
residing at _____

My appointment expires _____

BOND REGISTER
CITY OF GRANDVIEW, WASHINGTON
\$550,000
LIMITED TAX GENERAL OBLIGATION BOND, 2018 (TAXABLE)

Name of Registered Owner: United States Department of Agriculture,
acting through the Rural Housing Service

Address of Registered Owner: 1606 Perry Street, Suite D
Yakima, Washington 98902-5798

Bond No.: R-1

Dated: September 7, 2018.

**Treasurer, City of Grandview,
Bond Registrar**

GENERAL CERTIFICATE AND RECEIPT FOR PAYMENT

I, Matthew Cordray, as the duly appointed and acting Treasurer of the City of Grandview, Washington (the "City"), with regard to the \$550,000 principal amount Limited Tax General Obligation Bond, 2018 (Taxable) (the "Bond"), dated the date hereof and authorized to be issued pursuant to Ordinance No. 2018-12 passed by the City Council on August 28, 2018 (together, the "Bond Ordinance"), maturing, bearing interest and subject to redemption as set forth in the Bond Ordinance, DO HEREBY CERTIFY as follows:

1. For purposes of RCW 39.46.030(4), I acknowledge that I will serve as the City's fiscal agent, bond registrar, authenticating agent, transfer agent, exchange agent and paying agent (the "Bond Registrar") with respect to the Bond.

2. In my capacity as Bond Registrar, I duly and properly authenticated and registered, pursuant to the instructions given to me by the United States Department of Agriculture, a single, fully registered Bond and acknowledge that, as Bond Registrar, I am responsible and liable for the authentication of the Bond and for the performance of my duties and obligations as specifically set forth herein and in the Bond Ordinance.

3. I acknowledge receipt from the United States Department of Agriculture of \$550,000, representing full payment for the Bond.

DATED as of September 7, 2018.

CITY OF GRANDVIEW, WASHINGTON

Matthew Cordray, Treasurer

PURCHASER'S RECEIPT FOR BOND

UNITED STATES OF AMERICA ACTING THROUGH THE DEPARTMENT OF AGRICULTURE, RURAL HOUSING SERVICE ("USDA"), acknowledges receipt this day of the \$550,000 aggregate principal amount Limited Tax General Obligation Bond, 2018 (Taxable) (the "Bond"), of the City of Grandview, Washington, dated September 7, 2018.

DATED: September 7, 2018.

UNITED STATES OF AMERICA ACTING
THROUGH THE DEPARTMENT OF
AGRICULTURE, RURAL HOUSING SERVICE

Marti Canatsey, Community Program Specialist

PURCHASER'S CERTIFICATE

This Certificate is furnished by the United States of America, acting through the Rural Housing Service, United States Department of Agriculture as the purchaser (the "Purchaser") of the City of Grandview, Washington (the "District"), Limited Tax General Obligation Bond, 2018 (Taxable), in the aggregate principal amount of \$550,000 (the "Bond").

Purchaser hereby certifies:

1. The Purchaser is purchasing the Bond on the date hereof for its own account and not with the intent to resell or distribute the Bond.
2. The Purchaser for the Bond will not receive a fee for this Bond.
3. We understand that bond counsel may rely upon this certificate in, among other things, providing an opinion with respect to the Bond.

DATED as of September 7, 2018.

UNITED STATES DEPARTMENT OF
AGRICULTURE

Marti Canatsey, Community Program Specialist

September 7, 2018

City of Grandview, Washington

and

United States of America
Department of Agriculture

Re: City of Grandview, Washington,
\$550,000 Limited Tax General Obligation Bond, 2018 (Taxable)

We have served as bond counsel to the City of Grandview, Washington (the "City"), in connection with the issuance of the above-referenced bond (the "Bond"), and in that capacity have examined such law and such certified proceedings and other documents as we have deemed necessary to render this opinion. As to matters of fact material to this opinion, we have relied upon representations contained in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

The Bond is issued pursuant to the Constitution and laws of the State of Washington and Ordinance No. 2018-12 (the "Bond Ordinance"), passed by the City Council on August 28, 2018, for the purpose of purchasing a new fire truck for the City and to pay the costs of issuance and sale of the Bond, all as provided by the Bond Ordinance.

For as long as the Bond is outstanding, the City irrevocably has pledged to include in its budget and to levy taxes annually within the constitutional and statutory tax limitations provided by law without a vote of the electors of the City on all of the taxable property within the City in an amount sufficient, together with other money legally available and to be used therefor, to pay when due the principal of and interest on the Bond, and the full faith, credit and resources of the City have been pledged irrevocably for the annual levy and collection of those taxes and the prompt payment of that principal and interest.

Reference is made to the Bond and the Bond Ordinance for the definitions of the capitalized terms used and not otherwise defined herein.

We have not been engaged to review and thus express no opinion concerning the completeness or accuracy of any official statement, offering circular or other sales or disclosure material relating to the issuance of the Bond or otherwise used in connection with the Bond.

Based upon the foregoing, as of the date of initial delivery of the Bond to the purchaser thereof and full payment therefor, it is our opinion that under existing law:

1. The City is a duly organized and legally existing code city under the laws of the State of Washington;
2. The Bond has been duly authorized and executed by the City and is issued in full compliance with the provisions of the Constitution and laws of the State of Washington and the ordinances of the City relating thereto;
3. The Bond constitutes a valid and binding general obligation of the City payable from annual *ad valorem* taxes to be levied within the constitutional and statutory tax limitations provided by law without a vote of the electors of the City on all of the taxable property within the City, except only to the extent that enforcement of payment may be limited by bankruptcy, insolvency or other laws affecting creditors' rights and by the application of equitable principles and the exercise of judicial discretion in appropriate cases; and
4. Interest on the Bond is not excluded from gross income for federal income tax purposes.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

We bring to your attention the fact that the foregoing opinions are expressions of our professional judgment on the matters expressly addressed and do not constitute guarantees of result.

No attorney-client relationship has existed or exists between our firm and the United States of America, Department of Agriculture in connection with the Bond or by virtue of this opinion.

Respectfully submitted,

FOSTER PEPPER PLLC