City of Connell, Washington
CITY COUNCIL AGENDA

Connell City Hall - 104 E. Adams Street
Regular Meeting
September 3, 2025, 6:00 PM

1. COUNCIL OATH OF OFFICE: PATRICE HEBEL (POSITION #5)
2. CALL TO ORDER
3. PLEDGE OF ALLEGIANCE
4. ROLL CALL
5. CORRESPONDENCE

6. CONSENT CALENDAR

   All matters listed within the Consent Calendar have been distributed to each member of the Connell City Council for reading and study, are considered to be routine, and will be enacted by one motion of the Council with no separate discussion. If separate discussion is desired, that item may be removed from the Consent Calendar and placed on the Regular Agenda by request.

   a) Minutes of the Regular Council Meeting August 20, 2025
   b) Accounts payable 9/3/2025 for $83,408.81
   c) Payroll Register 8/20/25 for $75,095.14

7. APPROVAL OF AGENDA

ORDER OF BUSINESS

8. ORDINANCE NO. 1048 – Revision of Exemption Threshold for Business Licenses
9. Interlocal Agreement – Connell Utility Relocation

10. COMMITTEE, CITY ADMINISTRATOR, AND DEPARTMENT REPORTS
11. CITIZEN COMMENT/NON-AGENDA ITEMS
12. CITY COUNCIL CLOSING REMARKS
13. ADJOURNMENT

The public is welcome and encouraged to attend this meeting. The City of Connell wishes to provide reasonable access to all public meetings for individuals with disabilities. Please contact the City Clerk at least three business days prior to the meeting for accommodations to be arranged.

CITY OF CONNELL Washington

THE MISSION OF THE CITY OF CONNELL IS:

To partner with the community, enriching the quality of life and delivering a range of services in a fiscally sustainable manner.

Engaging the public and embracing diversity, we maintain a focus on the future, remaining flexible and responsive, to foster a small-town character that supports growth.

CITY OF CONNELL
CITY COUNCIL MEETING

August 20, 2025

The Regular meeting of the Connell City Council was called to order by Mayor Lee Barrow at 6:00 pm in the City Hall and was opened with the Pledge of Allegiance.

ROLL CALL

Mayor Lee Barrow and Councilmembers: Joe Escalera, Pat Barrera, Shelly Harper, Preston Hart and John White.

STAFF PRESENT:
City Clerk Marissa Ortiz, Treasurer Teresa Steele, City Administrator Cathleen Koch, Police Chief Chris Lee, Public Works Director Hallie Tuck and City Attorney Heidi Ellerd.

CONSENT CALENDAR

Motion: Mayor Pro Tem Harper moved to approve the consent calendar as presented:

a) Minutes of the Regular Council Meeting August 6, 2025
b) Accounts Payable 8/20/25 for $103,432.52
c) Payroll Register 8/5/25 for $106,111.64

Councilmember Barrera seconded the motion. Motion carried unanimously.

APPROVAL OF AGENDA

Motion: Councilmember Hart moved to approve the agenda as presented. Councilmember Escalera seconded the motion. Motion carried unanimously.

ORDER OF BUSINESS

DISCUSSION AND CONSIDERATION OF APPOINTMENT TO FILL A COUNCILMEMBER VACANCY
The Mayor announced that the City Council would move into executive session to discuss the appointment of a new Councilmember to fill the upcoming vacancy announced at the previous meeting. The Council proceeded directly into executive session.

MEETING RECESSED

Mayor Barrow recessed the Regular meeting at 6:01 p.m. to enter Executive Closed Session for 20 minutes. Pursuant to RCW 42.30.110 (1)(h), for the purpose of evaluating the qualifications of a candidate for appointment to elective office.

MEETING RECONVENED

Mayor Barrow called the regular meeting back to order at 6:21 pm.
Following the Executive Session, the Mayor stated that the Council would proceed to hear brief biographies and statements from each candidate at the podium.

The following candidates each gave a brief statement introducing themselves, providing an overview of their background, and explaining the reasons they were seeking appointment to the position.

- Patrice Hebel
- Michelle Welch
- Mich Parks
- Parker Dolezal – was unable to attend but participated via phone call.

Mayor Barrow expressed his appreciation to everyone who showed interest, acknowledging that serving on the City Council is not any easy task. He also commended all the candidates, noting that each brought valuable qualities and strengths to the role.

Before the Council could proceed with any motions related to City Councilmember Position #5, Councilmember Hart officially announced his resignation, effective August 20, 2025. He expressed his gratitude for the opportunity to serve and noted that, although he had recently moved out of town due to a new job, he would have remained on the Council if residency requirements were allowed. Councilmember Hart shared his hope that the next person would be a credible individual and commended them for their courage in stepping forward. He thanked both the Council and the community for their support during his tenure.

Motion: Councilmember Barrera moved to appoint Mitch Parks to the vacant Councilmember Position #5. The motion was not seconded. Motion did not carry.

Motion: Councilmember Escalera moved to appoint Patrice Hebel to the vacant Councilmember Position #5. Mayor Pro Tem Harper seconded the motion. (3-1 vote) Motion carried.

DEPARTMENT REPORTS

Treasurer - Teresa Steele

- Gave an update on the 2026 budget process, has met with the Finance Committee, and noted that the budget was almost ready to be presented to Council.

Chief of Police - Chris Lee

- Reported that all the city vehicles approved as surplus were sold at auction for a total of $24,000.

MEETING ADJOURNED

There being no further business before the City Council of Connell Mayor Barrow adjourned the meeting at 6:40 pm.

_____
Lee Barrow, Mayor

ATTEST: _____
Marissa Ortiz, City Clerk

ACCOUNTS PAYABLE

City Of Connell

Time: 15:10:29 Date: 08/27/2025

As Of: 09/03/2025

Accts Pay #	Received	Date Due	Vendor	Amount	Memo
29047	08/20/2025	09/03/2025 6635	40YR5-0 Consulting, James Arthur Raebel	3,390.00	Background Investigation Exceptional Candidate PD
29074	08/27/2025	09/03/2025 4967	AHBL, Inc	13,213.75	Connell On-Call Planning Support; Comp. Plan Periodic Update FY 25 Work Products; Oasis II Assistance And Final Plat Review; Connell Coyote Run 2 Storage Expansion
29040	08/18/2025	09/03/2025 645	Axon Enterprise, Inc.	15,231.17	PD - 2021 Core+, Body Cams, Fleet Install - Signal/Router/Radar, Signal Unit, Ext.
29049	08/20/2025	09/03/2025 2544	Bernal, Jr.	136.13	Clothing Alteration Reimbursment
29066	08/26/2025	09/03/2025 5189	CR Solutions LLC	569.66	Repair N. Booster Pump
29075	08/27/2025	09/03/2025 6753	Carter, Randall	30.00	Refund Of Business License Fee's. Business Did Not Provide The Proper Documentation To Be Made Active.
29065	08/26/2025	09/03/2025 515	CenturyLink EFT, Centurytel of Washington	400.76	CenturyLink For August 2025. City Hall, PD, Fire Hall, Water & Sewer, And Community Center.
29061	08/26/2025	09/03/2025 6751	Chavarria, Papsi	500.00	Community Center Rental Deposit Refund For Event Date 8/23/2025
29068	08/26/2025	09/03/2025 4356	Core & Main	1,416.24	Neptune 10" Meter Or CRCC And Meter FLG Kit
29048	08/20/2025	09/03/2025 1802	Dept Of Ecology - Permit	5,775.00	Fee For Fiscal Year 2026 Water Quality Program WWTP- Municipalities
29051	08/20/2025	09/03/2025 227	Dept Of Labor/industries	67.60	Pool Inspection-Boiler
29076	08/27/2025	09/03/2025 6752	Dolezal, Parker	30.00	Refund Of Business License Fee's. Business Did Not Provide The Proper Documentation To Be Made Active.
29073	08/27/2025	09/03/2025 6356	Ellerd, Hultgrenn & Delhauser LLP	1,318.50	Attorney Services
29050	08/20/2025	09/03/2025 6749	Ferguson, Andrew	120.00	PD Boot Allowance Per CBA
29041	08/18/2025	09/03/2025 284	Franklin Co Corrections	4,904.66	Inmate Lodging For July 2025 Including Increase On New Contract
29070	08/26/2025	09/03/2025 284	Franklin Co Corrections	76.50	CPD Medical Billing For July 2025
29057	08/26/2025	09/03/2025 3058	Franklin County Treasurer	2,587.65	September 2025 Franklin Co. District Court Services And Prosecutor's Office Services
29058	09/03/2025	09/03/2025 4303	Galls, LLC	454.86	Uniforms
29054	08/21/2025	09/03/2025 364	Irrigation Specialists, Inc	158.24	PVC Pipes, Nipple, And Caps
29052	08/20/2025	09/03/2025 6750	Journal of Business	630.00	Public Notice For Esquatzel Coulee-Clark Street Bridge Deck Repair
29077	08/27/2025	09/03/2025 6754	Koehn, Lindsay	30.00	Business Was Closed Permanently Before Documentation Was Processed. Fee Refunded
29069	08/26/2025	09/03/2025 412	Lep-Re-Kon Mart #4	9.00	5 Gal Water Bottle Refill For Pool/Lifeguards
29067	08/26/2025	09/03/2025 6452	Liberty Lawn & Saw Shop	101.94	Parts For The Mower; Caster Axle, Guard Seal, Bearing Cone, Spacer-nut

ACCOUNTS PAYABLE

City Of Connell

Time: 15:10:29 Date: 08/27/2025

As Of: 09/03/2025

Accts Pay #	Received	Date Due		Vendor	Amount	Memo
29056	08/21/2025	09/03/2025	427	MARC	1,251.23	Ring B Gone, Big Bad Orange Cleaner, Neutron Disinf., Citation Stainless Cleaner, Garbage Liner
29071	08/27/2025	09/03/2025	6739	Menke Jackson Beyer LLP	2,533.00	Attorney Fees For Gigi Homes
29059	09/03/2025	09/03/2025	3549	Mesa Crossroads Service Station LLC, Steven Howard	421.48	Batteries
29062	08/26/2025	09/03/2025	5898	NCG, National Color Graphics	596.69	Cardstock For Utility Bills
29053	08/21/2025	09/03/2025	6727	Pacific Office Automation	299.94	City Hall And PD Lease For Copy Machine
29064	08/26/2025	09/03/2025	521	Pasco Ranch And Home Inc, Attn:A/R	500.45	Clothing Allowance For PW Employee And Waders For Sewer Department
29063	08/26/2025	09/03/2025	2467	Pump Tech, LLC, Dept #2362	16,021.91	New Pump For Oasis, Multiple Service Calls And Drive Time To Connell To Service Pump At Oasis
29060	08/26/2025	09/03/2025	667	TWG Consulting	2,500.00	Labor Relations For CH And PD
29055	08/21/2025	09/03/2025	4017	Verizon Wireless	737.45	July 7-Aug 6 2025 Billing Period PW, CH, FD
29072	08/27/2025	09/03/2025	6443	Washington St. Crim. Just. Training Com.	7,395.00	PD-New Hire Academy Training
				Report Total:	83,408.81	

CERTIFICATION: I, the undersigned do hereby certify under penalty of perjury, that the materials have been furnished, the services rendered or the labor performed as described and that the claim is a due and unpaid obligation against the City of Connell and that I am authorized to authenticate and certify to said claim.

( ) Finance Director ( ) Auditing Officer _____ Date:_____

( ) Deputy Finance Director

CHECK REGISTER

City Of Connell

Time: 13:42:42 Date: 08/20/2025

08/20/2025 To: 08/20/2025

Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
2994	08/20/2025	Payroll	7	EFT		3,442.25	
2995	08/20/2025	Payroll	7	EFT		314.02	
2996	08/20/2025	Payroll	7	EFT		1,244.65	
2997	08/20/2025	Payroll	7	EFT		1,591.16	
2998	08/20/2025	Payroll	7	EFT		1,923.75	
2999	08/20/2025	Payroll	7	EFT		825.96	
3000	08/20/2025	Payroll	7	EFT		365.03	
3001	08/20/2025	Payroll	7	EFT		62.22	
3002	08/20/2025	Payroll	7	EFT		314.02	
3003	08/20/2025	Payroll	7	EFT		2,180.86	
3004	08/20/2025	Payroll	7	EFT		770.52	
3005	08/20/2025	Payroll	7	EFT		763.90	
3006	08/20/2025	Payroll	7	EFT		2,964.45	
3007	08/20/2025	Payroll	7	EFT		314.02	
3008	08/20/2025	Payroll	7	EFT		314.02	
3009	08/20/2025	Payroll	7	EFT		1,568.32	
3010	08/20/2025	Payroll	7	EFT		1,433.88	
3011	08/20/2025	Payroll	7	EFT		1,240.98	
3012	08/20/2025	Payroll	7	EFT		3,586.98	
3013	08/20/2025	Payroll	7	EFT		1,462.97	
3014	08/20/2025	Payroll	7	EFT		922.77	
3015	08/20/2025	Payroll	7	EFT		687.79	
3016	08/20/2025	Payroll	7	EFT		3,822.27	
3017	08/20/2025	Payroll	7	EFT		780.43	
3018	08/20/2025	Payroll	7	EFT		820.14	
3019	08/20/2025	Payroll	7	EFT		2,498.54	
3020	08/20/2025	Payroll	7	EFT		2,039.84	
3021	08/20/2025	Payroll	7	EFT		830.06	
3022	08/20/2025	Payroll	7	EFT		2,798.09	
3023	08/20/2025	Payroll	7	EFT		551.28	
3024	08/20/2025	Payroll	7	EFT		575.31	
3026	08/20/2025	Payroll	7	EFT		373.61	
3027	08/20/2025	Payroll	7	EFT		2,511.94	
3028	08/20/2025	Payroll	7	EFT		1,890.11	
3029	08/20/2025	Payroll	7	EFT		2,254.49	
3030	08/20/2025	Payroll	7	EFT		314.02	
3031	08/20/2025	Payroll	7	EFT		79.51	
3032	08/20/2025	Payroll	7	EFT		634.86	
3083	08/20/2025	Payroll	7	EFT	MT457-306685	350.00	Pay Cycle(s) 08/20/2025 To 08/20/2025 - ICMA-457
3084	08/20/2025	Payroll	7	EFT	Community First Bank	16,669.65	941 Deposit for Pay Cycle(s) 08/20/2025 - 08/20/2025
3085	08/20/2025	Payroll	7	EFT	Department Of Retirement	6,548.29	Pay Cycle(s) 08/20/2025 To 08/20/2025 - PERS 2; Pay Cycle(s) 08/20/2025 To 08/20/2025 - LEOFF 2; Pay Cycle(s) 08/20/2025 To 08/20/2025 - PERS 3
3025	08/20/2025	Payroll	7	45381		458.18	
		001 General Fund				50,872.91	
		101 Street				1,824.50	
		401 Water Fund				11,045.52	
		402 Sewer Fund				11,352.21	
						75,095.14	Payroll: 75,095.14

Trans Date	Type	Acct #	Chk #	Claimant	Amount	Memo

WE, the members of the City Council of the City of Connell, Washington, DO HEREBY certify that the merchandise or services listed above have been received and that the above listed vouchers and the related checks have been reviewed and approved for payment by the City of Connell Council. DATED this _____ day of _____ 20___.

ATTEST:

_____ _____ _____

Councilmember Councilmember Mayor

_____

Finance Director

City of Connell

EASTERN WASHINGTON'S HARVESTLAND

MEMORANDUM

DATE: SEPTEMBER 3, 2025

TO: MAYOR AND COUNCILMEMBERS

FROM: MARISSA ORTIZ, CITY CLERK

RE: **CITY BUSINESS LICENSE EXEMPTION THRESHOLD UPDATE**

In 2018, Washington cities were required to adopt a model ordinance establishing a minimum threshold for business licensing. This included a mandatory definition of "engaging in business" and an exemption for out-of-city or transient businesses that fell below a specified revenue threshold. Cities adopted the initial model threshold by January 1, 2019, with a minimum threshold set at $2,000 in annual revenue.

After a review and update of the model minimum threshold all cities are now required to adopt the updated threshold no later than January 1, 2026. The main change in the update would make a onetime increase to a higher threshold to $4,000 for out-of-city businesses from $2,000 threshold, effective January 1, 2026.

Other changes include:

- Every four years thereafter, the threshold will automatically adjust based on cumulative inflation.
- Inflation will be calculated using the Consumer Price Index – Urban (CPI-U), using data from June of each year.
- The rate of inflation would be calculated as zero in any year in which inflation was negative and capped at 5% per year or 20% over four years if inflation exceeded those amounts.
- To make the threshold easier to administer, the cumulative inflation amount would be rounded to the nearest $100.

Attached is Ordinance No. 1048-2025 amending the exemption threshold.

OPTIONS: 1) Move to approve Ordinance No. 1048-2025 amending CMC 5.04.110(6) exemption threshold. 2) Do not approve **3)** Defer action to a later date.

RECOMMENDATION: Move to Adopt Ordinance No. 1048-2025 amending section 5.04.110(6) of the Connell Municipal Code to revise the exemption threshold for Business License Requirements.

CITY OF CONNELL, WASHINGTON

ORDINANCE NO. 1048-2025

AN ORDINANCE OF THE CITY OF CONNELL, WASHINGTON, AMENDING CHAPTER 5.04 OF THE CONNELL MUNICIPAL CODE TO UPDATE THE THRESHOLD EXEMPTION FOR OUT-OF-CITY BUSINESSES CONDUCTING BUSINESS WITHIN THE CITY.

WHEREAS, pursuant to the Business License Model Ordinance mandated by RCW 35.90.090, CMC 5.04.110(6) sets a business license exemption threshold of $2,000 for businesses not maintaining a place of business within the City; and

WHEREAS, the City Council desires to amend Title 5 of the Connell Municipal Code to conform with guidance from the Department and to comply with the legal requirements in chapter 35.90 RCW; and

WHEREAS,. Effective January 1, 2026, the Business License Model Ordinance increases the exemption threshold to $4,000, which increase must be implemented by the City.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CONNELL, WASHINGTON, do ordain as follows:

Section 1. The following section of Title 5 of the Connell Municipal Code is amended as follows:

5.04.110 Exemptions

The provisions of this chapter shall not apply to:

(1) Any person in respect to insurance business upon which a tax based on gross premiums is paid to the state; provided, however, that the provisions of this subsection shall not exempt any person engaging in the business of representing any insurance company, whether as general or local agent or acting as broker for such companies; and provided further, that the provisions of this subsection shall not exempt any bonding company from tax with respect to the completion of any contract as to which it is a surety, or as to any liability as successor to the liability of the defaulting contractor;

(2) Any person in respect to his employment in the capacity of an employee or servant as distinguished from that of an independent contractor;

(3) Any religious society, association or corporation, through the operation of any hospital, clinic, resort or other institution devoted exclusively to the care or healing of human beings;

provided, that no exemption is granted where the income therefrom inures to the benefit of any physician, surgeon, stockholder, or individual by virtue of ownership or control of such hospital, clinic, resort or other institution;

(4) Any instrumentality of the United States, the state, or political subdivision thereof;

(5) Any farmer, gardener or other person who shall sell, deliver or peddle any fruits, vegetables, berries, butter, eggs, fish, milk, poultry, meats, or any farm produce or edibles raised, caught, produced or manufactured by such person within the state;

(6) Any person to whom at least three of the following apply:

(A) The person is under eighteen years of age,

(B) The business or occupation is part-time,

(C) The person operates a business with no other employees,

(D) The person is not required to file a state business and occupations taxation form,

(E) For purposes of the license, by this chapter, until January 1, 2026 any person or business whose annual value of products, gross proceeds of sales, or gross income of the business in the city is equal to or less than $2,000 and who does not maintain a place of business within the city, shall submit a business license registration to the Director or designee but are exempt from the business license fee. The fee for such business license registrations shall be $0. The threshold does not apply to regulatory license requirements or activities that require a specialized permit.

(F) Beginning January 1, 2026, the amount set forth in (E) will be $4,000. This amount will be adjusted every forty-eight months on January 1, by an amount equal to the increase in the Consumer Price Index ("CPI") for "West Urban, All Urban Consumers" (CPI-U) for each 12-month period ending on June 30 as published by the United States Department of Labor Bureau of Labor Statistics or successor agency. To calculate this adjustment, the current rate will be multiplied by one plus the cumulative four-year (forty-eight months) CPI increase using each 12-month period ending on June 30 of each prior year and rounded to the nearest $100. However, if any of the annual CPI increases are more than five (5) percent, a five (5) percent increase will be used in computing the annual basis and if any of the annual CPI decreased during the forty-eight month period, a zero (0) percent increase will be used in computing the annual basis.

Section 2. This Ordinance shall be in full force and effect five days following its passage and publication in the official newspaper of the City.

PASSED by the City Council for the City of Connell, Washington, this _____ day of _____, 2025; and APPROVED by the Mayor this_____day of _____, 2025.

_____
Lee Barrow, Mayor

ATTEST:

_____
Marissa Ortiz, City Clerk

APPROVED AS TO FORM:

_____
Heidi Ellerd, City Attorney

ADOPTED: _____
APPROVED: _____
PUBLISHED: _____ in the Franklin County Graphic.

City of Connell

EASTERN WASHINGTON'S HARVESTLAND

MEMORANDUM

DATE: SEPTEMBER 3, 2025

TO: CITY COUNCIL

FROM: CATHLEEN KOCH, CITY ADMINISTRATOR

RE: **INTERLOCAL AGREEMENT WITH PORT OF WARDEN TO RELOCATE CONNELL UTILITIES DUE TO RAILROAD PROJECT**

Columbia Basin Railroad, Burlington Northern Santa Fe and the Port of Warden are relocating, reconfiguring, improving and modernizing the rail interchange, specifically the portion of railroad that runs through Connell. Washington State Department of Transportation has provided grant funding for the project. The project requires water and sewer utility infrastructure to be relocated. Grant funds will cover the cost of such relocation work. The City's engineers, Anderson Perry, will be managing the utility relocation project for the City and the Port of Warden. This agreement ensures that the work will be done entirely with grant funds.

Recommendation: Approve the Interlocal Agreement with the Port of Warden to relocate Connell utilities.

CITY OF CONNELL/PORT OF WARDEN
INTERLOCAL AGREEMENT FOR UTILITY RELOCATION

THIS AGREEMENT ("this Agreement") is made _____, 2025, between THE CITY OF CONNELL, WASHINGTON, a Washington municipality ("Connell"), and GRANT COUNTY PORT DISTRICT NO. 8, a Washington Port District (the "Port of Warden") [individually a "Party" and collectively "the Parties"].

RECITALS

WHEREAS, the Port of Warden is relocating, reconfiguring, improving and modernizing the rail interchange in Connell, Washington at which the Columbia Basin Railroad connects with the Burlington Northern Santa Fe Railway (the "BNSF") mainline as more specifically depicted on the Connell Interchange Track Plan and Profile attached hereto as Exhibit "A" (the "Interchange Project"); and

WHEREAS, the Port of Warden is entitled to receive certain grant funds (the "Grant") from the Washington State Department of Transportation ("WSDOT") in connection with the Interchange Project pursuant to that certain Grant Agreement by and between the Port of Warden and WSDOT, signed April 25, 2024 (the "Grant Agreement"); and

WHEREAS, the Interchange Project includes replacing existing Connell utilities that conflict with the Interchange Project as identified in the Utility Conflict Matrix, dated May 20, 2024 (Exhibit "B"), as Conflict No. 10 (water) and No. 12 (sewer) (the "Relocation Work"); and

WHEREAS, the conflicting Connell utilities are located within BNSF right-of-ways and are subject to license agreements between the BNSF and Connell under which the BNSF may require Connell to relocate such utilities at Connell's expense; and

WHEREAS, a portion of the Grant is earmarked to cover the expense of the Relocation Work; and

WHEREAS, Connell retained Anderson Perry & Associates to fulfill its municipal civil engineering requirements following public solicitation for qualifications in accordance with Chapter 39.80 RCW; and

WHEREAS, the Interlocal Cooperation Act, Chapter 39.34 RCW, authorizes a public agency to exercise its powers, privileges and authority jointly with any other public agency having

the same powers, privileges and authority upon entering into an interlocal agreement for joint or cooperative action; and

WHEREAS, the Port of Warden is willing to perform the Relocation Work, utilizing Connell's engineer, Anderson Perry & Associates, the costs of which shall be paid by the Port of Warden from the Grant and Connell is willing to authorize the Port of Warden to perform the Relocation Work on the terms set forth herein; **NOW THEREFORE**

W I T N E S S E T H:

FOR AND IN CONSIDERATION of the mutual terms, covenants, agreements and conditions hereinafter set forth and other good and valuable consideration, the Parties agree as follows:

1. Scope of Work. The Relocation Work consists of:

(a) The Port of Warden shall utilize Connell's engineer, Anderson Perry & Associates, to prepare design and construction engineering, apply for and obtain all necessary permitting and provide project management and supervision for the Relocation Work (the "Engineering Services"); and

(b) The Port of Warden shall accomplish the construction of the Relocation Work through the Port of Warden's award of one (1) or more public works contracts after competitive bidding in accordance with Chapter 39.04 RCW (the "Public Works Contract").

2. Administration.

2.1 The Relocation Work shall be managed and administered by the Port of Warden.

2.2 Prior to advertising for competitive bids for the Public Works Contract, the Port of Warden shall provide Connell with the final design and construction engineering for the Relocation Work and shall not call for competitive bidding without the prior written approval of Connell or its engineer, Anderson Perry & Associates, which approval shall not be unreasonably withheld

2.3 After bid opening for the Public Works Contract and prior to the Port of Warden's award of the Public Works Contract, the Port of Warden shall provide Connell with a copy of the apparent low responsible bid to which the Port of Warden intends to award the Public Works Contract (the "Successful Bid") for review and approval by Connell. The Port of Warden

shall not award the Public Works Contract without the prior written approval of the Successful Bid by Connell or its engineer, Anderson Perry & Associates, which approval shall not be unreasonably withheld.

2.4 After award of the Public Works Contract, the Port of Warden shall not authorize or otherwise approve any adjustments to the price or cost of the Public Works Contract, any changes or amendments to the Public Works Contract, any changes to the scope of the Relocation Work, any change orders to the Public Works Contract or any cost overruns over and above the cost set forth in the Public Works Contract without the prior written approval of Connell or its engineer, Anderson Perry & Associates, which approval shall not be unreasonably withheld.

2.6 In the event the Port of Warden is notified or otherwise learns of conditions or circumstances encountered during the Relocation Work which will or are likely to result in cost overruns over and above the cost set forth in the Public Works Contract, the Port of Warden shall notify Connell or its engineer, Anderson Perry & Associates, in writing, of such conditions or circumstances within three (3) days of the date the Port of Warden is notified or otherwise learns of such conditions and circumstances.

3. Compliance with Terms of Grant Agreement. The Parties acknowledge the costs of the Relocation Work and the Public Works Contract are to be paid by the Grant. The Port of Warden shall administer and conduct the Relocation Work and the Public Works Contract in full accordance with the terms of the Grant Agreement so that the costs of the Relocation Work are eligible to be paid from the Grant. Connell shall provide to the Port of Warden any records, documents, plans and other information requested or required by WSDOT in accordance with the Grant Agreement.

4. Costs. The costs of the Relocation Work, including, without limitation, the Engineering Services provided by Anderson Perry & Associates (those performed after April 25, 2024 for the Relocation work and until the Relocation Work is complete), permitting, inspection, administration, bid advertising, the Public Works Contract and any cost-overruns shall be borne entirely by the Port of Warden and the Grant. The Port of Warden shall defend, indemnify and hold Connell harmless from and against the costs of the Relocation Work.

5. BNSF Approval. A portion of the Relocation Work is to be conducted in the BNSF's right-of-way. The Port of Warden shall obtain all necessary consents and approvals for

the Relocation Work from the BNSF and shall fully comply with the terms, covenants and conditions of such consents and approvals.

6. WSDOT/Dept. of Ecology Oversight. The Port of Warden shall permit WSDOT to place an engineer, project manager and/or other inspection personnel on the site of the Relocation Work to monitor the progress and completion of the Relocation Work and/or to monitor adherence to the Grant Agreement. Port of Warden agrees to comply with any WSDOT and Department of Ecology requirements on the Relocation Work.

7. Duration. The expiration date of this Agreement shall be the earlier of: (i) the date of final acceptance of the Public Works Contract; (ii) June 30, 2027; or (iii) such earlier date upon which this Agreement is terminated, as set forth in Section 8, below.

8. Default/Termination.

8.1 In the event either Party fails to perform or defaults in the performance of its covenants, duties and obligations as herein set forth (a "Default"), the non-defaulting Party may issue written notice to the defaulting Party (a "Default Notice") specifying the nature of the Default and demanding the Default be cured within thirty (30) calendar days of such Default Notice.

8.2 If the defaulting Party does not cure the Default within thirty (30) days of the Default Notice, the non-defaulting Party may upon further written notice to the defaulting Party terminate this Agreement. Upon termination, Connell may transfer the Engineering Services and the Public Works Contract to itself and prosecute the Relocation Work to its completion and the costs incurred by Connell in doing so shall be reimbursed by the Port of Warden.

8.3 Nothing contained herein shall be construed as a limitation on any other rights or remedies available to the Parties or either of them under applicable law.

9. Ownership of Utilities. The utility improvements resultant from the Relocation Work shall be the property of Connell free and clear of any claim or right of the Port of Warden.

10. Insurance

10.1 The Port of Warden shall procure and maintain in force, without cost or expense to Connell, on the commencement date of this Agreement and throughout its term, membership in a joint self-insurance program authorized by Chapter 48.62 RCW with Broad form comprehensive general liability insurance covering bodily injury and property damage, with liability limits of not less than $1,000,000, per occurrence and $5,000,000 in aggregate. The Port of Warden shall furnish Connell with certificates of each policy of insurance required by this section within ten (10) day of the

execution of this Agreement and with renewal certificates within ten (10) days of the annual renewal of each such policy.

11 Hazardous Substances/Environment.

11.1 The Port of Warden shall not cause, permit or allow any hazardous substance to be brought upon, kept or used in, on or about the real property/right-of-ways at which the Relocation Work is performed (the "Sites") by the Port of Warden or the Port of Warden's agents, employees, contractors, licensees, or invitees, except for such hazardous substances as may be reasonably necessary for the Relocation Work pursuant to the terms of this Agreement. Any hazardous substances which by the foregoing provision are permitted to be brought upon, kept or used in, on or about the Sites and all containers therefor, shall be used, kept, stored and disposed of in a manner that complies strictly in all respects with all federal, state and local laws or regulations applicable to the handling, use, storage, treatment and transportation of hazardous substances, including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") 42 U.S.C. § 9601, *et seq.*; the Super Fund Amendments and Reauthorization Act of 1986; the Resource Conservation and Recovery Act ("RCRA") 42 U.S.C. § 9601, *et seq.*; the Clean Water Act, 33 U.S.C. § 1317, § 1321; the Clean Air Act, 42 U.S.C. § 7412; the Toxic Substances Control Act, 15 U.S.C. § 2606; the Washington Model Toxics Control Act ("MTCA"), RCW Ch. 70.1050; the State Environmental Policy Act ("SEPA"), RCW Ch. 43.216; and the Hazardous Waste Management Act, RCW Ch. 70.105, including all amendments and recodifications thereof, all regulations promulgated thereunder and all future laws and regulations enacted by any governmental authority respecting the handling, use, storage, treatment and transportation of hazardous substances. The term "hazardous substance(s)" as used herein means and includes any "hazardous waste" as defined by RCRA and the Hazardous Waste Management Act, as amended from time to time and regulations promulgated thereunder; any "hazardous substance" as defined by CERCLA, the Hazardous Waste Management Act and SEPA, as amended from time to time and any regulations promulgated thereunder; any oil, petroleum products and their byproducts; and any substance or waste with respect to which the handling, use, storage, treatment and transportation thereof on crops, soil, water and equipment is or becomes regulated by any federal, state or local government authority.

11.2 The Port of Warden shall defend, indemnify and hold Connell completely harmless from any breach or violation of the prohibitions imposed upon the Port of Warden by this

section. Indemnification includes, without limitation, any and all costs or expenses (including all claims, damages, fines, judgments, penalties, liabilities, loss, attorneys' fees and consultant and expert fees) of any kind or nature incurred because of any testing, assessments or investigations of the Sites or any cleanup, removal, remediation or restoration of the Sites mandated or threatened by any federal, state or local agency or political subdivision or voluntarily undertaken.

12. Indemnity. The Port of Warden covenants to defend, indemnify and hold Connell harmless from and against all claims, liabilities and damages of whatsoever cause and whatsoever kind arising out of or in connection with the Relocation Work, including possession, use or operation of the Sites or mere presence thereon by the Port of Warden or its agents, employees, independent contractors, successors, assigns, invitees, licensees, or any third persons either lawfully or unlawfully on the Sites, excepting only claims, liabilities and damages proximately caused by or resulting from the acts or omissions of Connell.

13. Assignment. The Parties shall not assign or in any manner transfer either in whole or in part this Agreement or any right or privilege granted to it hereunder.

14. Notices.

14.1 Any notice, consent or other communication under this Agreement is effective only if it is in writing, signed by or on behalf of the person giving it; and m addressed to the person to whom it is to be given and delivered personally or by courier or sent by prepaid U.S. certified mail, return receipt requested, to that Party's address listed below.

14.2 A notice, consent or other communication that complies with the foregoing is regarded as given and received:

a on the date delivered; or

b if it is sent by mail two (2) business days following proper mailing.

14.3 Each Party's mailing address and contact information is set out below, or as either Party hereafter notifies the other Party:

Connell:
City of Connell
Attn: City Administrator
104 E. Adams St
P.O. Box 1200
Connell, WA 99326

Port of Warden: Port of Warden
Attn: Pat Millard
Post Office Box 841
Warden, WA 98857
(509) 349-2480
port.of.warden@gmail.com

15 Amendments. All modifications or waivers of any covenants, agreements and conditions of this Agreement and any amendments hereof shall only be effective if in writing and executed by the Parties.

16 No Waiver. The waiver by either Party of the performance of any covenant, condition or promise, including the time for performance thereof on the part of the other Party, shall not invalidate this Agreement, nor shall it be considered to waive the full and timely performance of any other covenant, condition or promise contained herein. The exercise of any remedy provided by law or by this Agreement shall not exclude any other remedy, unless it is expressly excluded herein.

17 Applicable Law/ Venue. This Agreement shall be governed and interpreted in accordance with the laws of the State of Washington. In the event this Agreement is in conflict with the provisions of any laws or statutes governing the subject matter hereof, such laws or statutes only to the extent of such conflict shall be controlling. The venue of any action brought to interpret or enforce any provision of this Agreement shall be laid in the Franklin County, Washington,

18 Construction.

18.1 Captions and the organization of paragraphs in this Agreement are for convenience only and shall not be used in construing meaning or interpretation. The language in all parts of this Agreement shall in all cases be construed as a whole according to its fair meaning, strictly neither for or against any Party hereto, and without implying a presumption that the terms of this Agreement shall be more strictly construed against one Party by the reason of the Rule of Construction that a document is to be construed more strictly against the person or such person's representatives who drafted the same. In the case of this Agreement, the Parties or their representatives have participated in the preparation of this Agreement.

18.2 In the event this Agreement is in conflict with the provisions of any laws, statutes or regulations governing the subject matter hereof, such laws, statutes or regulations only

to the extent of such conflict shall be controlling and this Agreement shall be deemed to be modified or amended to be in conformity therewith.

19 Facsimile/Electronic Signatures. This Agreement may be transmitted between the Parties by facsimile or electronic means and for all purposes of this Agreement, faxed or electronic signatures constitute original signatures of this Agreement and all documents, agreements or instruments ancillary hereto containing the signatures (original, faxed or electronic) of all the Parties (whether in one or multiple counterparts) is binding on the Parties.

20 Time of Performance. Time is of the essence of each and every covenant, condition and agreement of this Agreement.

21 Entire Agreement. This Agreement contains the entire agreement of the Parties hereto and, except for any agreements or warranties otherwise stated in writing to survive the execution and delivery of this Agreement, supersedes all of their previous understandings and agreements, written and oral, with respect to the subject matter hereof. Neither Connell nor the Port of Warden shall be liable to the other for any representations made by any person concerning regarding the terms of this Agreement, except to the extent that the same are expressed in this Agreement.

IN WITNESS WHEREOF the Parties hereto have executed this instrument the day and year first above written.

THE CITY OF CONNELL, WASHINGTON

By: _____
Lee Barrow, Mayor

ATTEST: _____
Marissa Ortiz, City Clerk

GRANT COUNTY PORT DISTRICT NO. 8

By: _____
Pat Millard, Manager

PARTIES

Exhibit "A"

(Interchange Project)

EXHIBIT "B"

(Utility Conflict Matrix)