Mountlake Terrace City Council
Work Session Agenda
Thursday, July 23, 2026, 7:00 PM
City Hall and via Telephone or Teleconference

AGENDA

1. Call to Order
2. Attendance Roll Call
3. General Public Comment
4. Presentation on Code Modifications for Land Use Tables
5. Presentation on Code Modifications for Zoning Phase II
6. Review Ecology Stormwater Grant for 220th /70th Water Quality Project
7. Presentation on Performance Measures for Strategic Plan
8. Discussion on Countywide Growth Centers
9. Review and Vote Joint Resolution Requesting Snohomish County Funding for Regional Aquatics
10. City Manager's Report
11. Review August 6, 2026 Meeting Agenda
12. Council Comments
13. Adjournment

To listen to the meeting via telephone, call 1-253-215-8782. To watch the meeting online: 1) Go to https://zoom.us/join; 2) Enter meeting ID 810 1113 9518 and click "join." No passcode needed.

To provide public comment or testimony remotely (via Zoom or telephone), please refer to the Public Comment and Public Hearing Testimony Protocol on the city website https://www.cityofmlt.com/129/Agendas-and-Minutes.

To submit written public comment or hearing testimony, mail to/drop off at City Hall (23204 58th Avenue W., Mountlake Terrace, WA 98043) or email remarks to Jennifer Joki, jjoki@mltwa.gov, no later than 4 p.m. on the public hearing date.

No person shall make personal attacks or threatening remarks while addressing the Council which disrupts, disturbs, or otherwise impedes the orderly conduct of the meeting. All hate speech will be construed as threatening remarks.

STAFF REPORT

To: Mountlake Terrace City Council
From: Brooke Eidem, Community Development Director
Meeting Date: July 23, 2026
Subject: Presentation on Code Modifications for Land Use Tables

Required Reviews:

Jennifer Joki	Created/Initiated - 07/15/2026
Brooke Eidem	Approved - 07/16/2026
Sirke Salminen	Approved - 07/16/2026
Hillary Evans	Approved - 07/16/2026
Jeff Niten	Final Approval - 07/16/2026

Council Goal(s):
Responsible Governance to Ensure Desired Level of Service

Legislative History:
The Planning Commission has discussed this item at two work sessions so far; on June 8 and July 13. Commissioners also worked individually to review current and draft materials between the two meetings and compared the results at the second work session.

Subject Summary:
The Planning Commission has been discussing a comprehensive update to the City's land use tables that will simplify, streamline, and clarify land use regulations. The intent is to coordinate this project with Zoning Phase II, which will implement four new zones that were adopted with the 2024 Comprehensive Plan. Those new zones will supplant several existing zones, triggering updates to permitted land uses and Chapter 19.20 MTMC, *Land Use Regulations*.

Permitted Land Uses are currently decentralized throughout MTMC Title 19. Each zoning district has its own unique land use table, which means they are separated by adoption date and by code writer—each with their own style—and also by code chapter. There are eight individual land use tables, and two chapters that merely contain lists of permitted and prohibited uses. This decentralization creates unnecessary challenges when the City is required to adopt mandated land uses (e.g., childcare centers, ESSB 5509 [2025]; co-living, ESHB 1998 [2024]; STEP housing, HB 1220 [2021]). It's also more difficult for customers to determine where a given land use is permitted, if they must search through multiple chapters, with some chapters not listing that use at all, or calling it by a different term.

The state-mandated land uses that need to be integrated into the code (mentioned above) provide an opportunity to consolidate the Land Use Tables into a central location. The proposal is to amend each specific zone chapter to remove the individual land use table, and adopt a new Chapter 19.25 MTMC, called *Permitted Land Uses*. The chapter will also address interpretation provisions, procedures for unlisted uses, essential public facilities, temporary uses, home occupations, and other accessory uses.

As drafted and discussed by the Planning Commission, land uses are categorized into five separate tables:

- Residential uses
- Commercial uses
- Industrial uses
- Community, cultural, and recreational uses
- Utility uses

Each table is followed by a section with corresponding restrictions that apply to specific uses, or even specific uses when located within specific zones.

Included with this project is adoption of several mandated land uses from recent state legislation. These include co-living, emergency housing, permanent supportive housing, transitional housing, and childcare centers. This project will also involve necessary updates to definitions to ensure listed land uses are not regulatory, are defined using the proper terms, and are in alignment with intent, applicable policies, and requirements. The preliminary draft of amended definitions (to-date) is also attached.

The Planning Commission held an intensive work session at their meeting on July 13, examining the draft Land Use Tables in detail, including their individual suggestions from the previous month. The attached draft Chapter 19.25 is still preliminary, but reflects their work from that session.

It is anticipated that the Planning Commission will continue discussions at the next several meetings, and will hold a public hearing at the end of August to make a recommendation to the City Council. This item is currently tentatively scheduled for a review and vote by the City Council on September 3, 2026.

Financial/Budget Impacts:

Budget Amendment Required?	No

Budget and Sources:	
Expenditure:	

New Appropriation Required + Sources:	

Additional Financial Information:
N/A

Community Notifications:
City Council Agenda
If "Other," please specify:

Board/Commission Recommendation:
The Planning Commission will provide a recommendation to the City Council when their work is complete, anticipated to be at the end of August.

Staff Recommendation:
N/A

Council Motion:
N/A

Attachments:
1. DRAFT Ch 19.20 Zoning Districts
2. DRAFT Ch 19.25 Permitted Land Uses
3. DRAFT Ch 19.15 Definitions (excerpts)
4. Presentation

Chapter 19.20. ~~LAND USE REGULATIONS~~ZONING DISTRICTS

19.20.010. Purpose.

The City is divided into zoning districts established in this title ~~with the intent to provide for the geographic distribution of land uses as contemplated by~~ to implement the ~~City's~~ Comprehensive ~~Policy~~ Plan; to maintain stability and predictability in land use development ~~by encouraging grouping of land uses that have compatible characteristics~~; and to maintain commitments in public service facilities such as transportation systems, parks, and utilities.

19.20.020. Establishment of districts.

The City of Mountlake Terrace is divided into zoning districts as follows:

Symbol~~Designation~~	District Name
Residential	
R-1~~S 8400~~	Residential 1~~Single-Household Residential, 8,400 square feet minimum lot area~~
R-2~~S 7200~~	Residential 2~~Single-Household Residential, 7,200 square feet minimum lot area~~
R-3~~ML~~	Residential 3~~Multi-Household Residential Low Density~~
R-4~~MM~~	Residential 4~~Multi-Household Residential Medium Density~~
MH	Manufactured Home Park
SD~~D~~	Special Development Residential~~District~~
Mixed Use	
NMU	Neighborhood Mixed Use
GMU	Gateway Mixed Use
Commercial	
~~BC~~	~~Community Business~~
CG	General Commercial
~~F/T~~	~~Freeway/Tourist~~
~~LI/OP~~	~~Light Industry/Office Park~~
Town Center	
TC-1	Town Center 1
TC-2	Town Center 2
TC-3	Town Center 3
TC-R	Town Center Reserve
Industrial	
EMP	Employment
Public	
PFS	Public Facilities and Services
REC	Recreation and Park ~~District~~
~~PFS~~	~~Public Facilities and Services~~

19.20.030. Mapping of zoning districts.
Designation, location, and boundaries~~y~~ of the zoning districts established by this title are shown on the Official Zoning Map for the City, which shall be maintained as such and ~~which~~ is hereby incorporated by reference as a part of this title.

19.20.040. Classification of newly annexed territory.
All newly annexed territory to the City shall receive an interim R-1~~S 8400~~ zoning district designation by the City in a timely manner upon fulfillment of the procedures and requirements for reclassification, in accordance with Chapter 35A.14~~35.13~~ RCW.

19.20.050. Zoning of vacated Right-of-Way.
Vacated right-of-way shall assume the zoning district classification of the property abutting on that right-of-way. When the zoning classification differs on either side of the right-of-way, the centerline of the vacated right-of-way shall be the boundary between the two zoning districts.

~~**19.20.050. Uses not listed.**~~

~~A. If a proposed use is not specifically listed in a zone district, an applicant may request from the Planning Department an interpretation as to whether or not the proposed use is to be allowed. In determining whether a proposed use closely resembles a use expressly authorized in the applicable zone district(s), the Planning Department shall consider the following criteria:~~

~~1. The use resembles or is of the same basic nature as a use or uses expressly authorized in the applicable zoning district or districts in terms of the following:~~

~~a. The activities involved in or equipment or materials employed by the use;~~

~~b. The effects of the use on the surrounding area, such as traffic impacts, noise, dust, odors, vibration, and appearance;~~

~~2. The use is consistent with the stated purpose of the applicable district or districts; and~~

~~3. The use is compatible with the goals and policies of the Comprehensive Plan.~~

~~B. The determination of the Planning Department may be appealed to the Hearing Examiner as provided in MTMC § 18.05.210.~~

19.20.060 Purpose of zoning districts.

A. Residential District.

1. Residential 1 (R-1): The R-1 zone is intended for detached single-unit residences, duplexes, and other complementary uses, while encouraging a clean and healthy environment, safety, walkability, neighborliness, affordability for a range of income levels, and adequate open space.

2. Residential 2 (R-2): The R-2 zone is intended for detached single-unit residences, duplexes, triplexes, fourplexes, other middle housing types up to four units, and other complementary uses, while encouraging a clean and healthy environment, safety, walkability, neighborliness, affordability for a range of income levels, and adequate open space.

3. Residential 3 (R-3): The purpose of the R-3 zone is to provide land at efficient densities for all middle housing types and other complementary uses, while still allowing for detached single-unit residences, and encouraging a clean and healthy environment, safety, walkability, neighborliness, affordability for a range of income levels, and convenient access to public transit. These lots serve as a transitional zone between the predominately detached single-unit residences, and the denser multifamily developments of residential 4.

4. Residential 4 (R-4): The purpose of the R-4 zone is to provide land at efficient densities for middle housing, multifamily residences, and other complementary uses, while still allowing for detached single-unit residences, and encouraging a clean and healthy environment, safety, walkability, neighborliness, affordability for a range of income levels, and convenient access to public transit. These lots serve as a transitional zone between the other residential land use designations, and denser mixed-use developments.

5. Special Development Residential (SD): The SD zone is intended to encourage a total development concept of a large area, rather than piecemeal development of small ununified parcels; promote uses which will be aesthetically complimentary to the community; minimize negative impacts on surrounding residential neighborhoods and existing economic activity; and to promote development that is sensitive to the environment.

B. Mixed Use District.

1. Neighborhood Mixed Use (NMU): The NMU zone is intended to serve as commercial and mixed-use nodes to serve the surrounding neighborhood, with multifamily dwellings and resident-oriented, ground floor uses for the daily convenience of surrounding residents to encourage safety, walkability, neighborliness, affordability for a range of income levels, and convenient access to public transit, goods, and services.

2. Gateway Mixed Use (GMU): The GMU zone is intended for commercial and mixed-use development with service-oriented, non-residential uses that serve the community, and more regionally scaled commercial uses and transit-oriented development, that take advantage of the proximity to I-5 and the Mountlake Terrace Light Rail Station.

C. Commercial District. General Commercial (CG): The CG zone is intended to provide a place for high-volume businesses to serve community and regional markets. The regulations are intended to encourage suitable businesses; provide a transition between adjacent residential zones and more intense uses; and promote pedestrian opportunities and an attractive physical environment.

D. Town Center District.

2. Town Center 1 (TC-1): TC-1 is intended to emphasize transit-oriented employment development in those Town Center areas closest to the light rail station, with professional office and multifamily uses with supportive and complementary retail commercial uses.

3. Town Center 2 (TC-2): TC-2 is intended to function as the center for retail, cultural, dining, and entertainment activity with multifamily uses as the primary use on upper floors.

4. Town Center 3 (TC-3): TC-3 is intended to emphasize multifamily residential uses and serve as buffer areas adjacent to the Town Center, with professional office and small-scale commercial/retail uses.

5. Town Center-Reserve (TC-R): TC-R is outside the official Town Center boundary. It is intended for a smaller scale mixture of multifamily, retail commercial, and professional office uses primarily centered on 56th Avenue W, to the north and south of the Town Center.

E. Industrial District. Employment (EMP): The EMP zone is intended for light industrial and commercial offices that primarily provide high levels of employment opportunities, while encouraging economic opportunities for family wage jobs, accommodating certain uses that may not be suitable in other commercial districts, ensuring reasonable protection for adjacent residentially zoned districts, and providing transit/pedestrian access and aesthetically pleasing development along key corridors.

F. Public District.

1. Public Facilities and Services (PFS): The intent of the PFS zone is to efficiently regulate publicly owned facilities and related services.

2. Recreation and Park (REC): The intent of the REC zone is to preserve open space, conserve natural resources, and encourage passive and active recreation opportunities in appropriate locations to meet community needs, consistent with the Comprehensive Plan and the Recreation Parks and Open Space Master Plan.

CH. 19.25 MTMC PERMITTED LAND USES

19.25.010 Purpose

The purpose of this chapter is to establish permitted land uses for the city of Mountlake Terrace. The use of a property is defined by the activity for which the building or lot is intended, designed, arranged, occupied, or maintained. The use is considered permanently established when that use will be or has been in continuous operation for a period exceeding 60 days, except temporary uses for which a Temporary Use Permit has been issued pursuant to MTMC § 19.25.200. A use which will operate for 60 days or less, and transitory accommodations, are considered temporary uses, and are subject to the requirements of MTMC § 19.25.200. All applicable requirements of this code, or other applicable state or federal requirements, shall govern a use located within Mountlake Terrace city limits.

19.25.020 Interpretation of Land Use Tables

A. The Land Use Tables of this chapter determine whether a specific use is permitted in a zoning district. Land uses are divided among five tables, each representing a broad category of uses. Within each table, the zoning districts of Chapter 19.20 MTMC are located in the vertical columns and the land uses are arranged in the horizontal rows.

B. Permitted uses. If the letter "P" appears where the zoning district column and the land use row intersects, that shall mean the use is permitted in that district, subject to the review procedures and general requirements specified in this Development Code.

C. Conditional uses. If the letter "C" appears where the zoning district column and the land use row intersects, that shall mean the use is allowed only if the City grants a conditional use permit pursuant to MTMC § 19.110.200.

D. If a number appears where the use is listed or in addition to a "P" or "C" at the intersection of column and a row, the use is subject to specific development and/or operational requirements that are additional to general requirements of this and other applicable titles. Use-specific corresponding regulations are located in the section following the land use table and may also refer to requirements set forth in separate chapters.

E. If no symbol appears in the box at the intersection of a column and a row, the use is not allowed in that zoning district.

19.25.030 Uses not listed.

A. Any proposed use not listed in the table shall be classified by the Community Development Director as permitted, conditional, or not permitted, based on the listed use to which the proposed use is most similar.

B. If the Community Development Director determines that a proposed use is not similar to any use specifically listed the land use table, the Community Development Director shall determine whether the land use is allowed in the zoning district based on the following criteria:

1. The use resembles or is of the same basic nature as a use or uses expressly authorized in the applicable zoning district or districts.
2. Physical characteristics of the use and its supporting structures; the activities involved in or equipment or materials employed by the use, traffic, hours, of operation, and other impacts.
3. Whether the proposed use is compatible with other uses permitted in the zoning district.
4. Consistency with the purpose and other provisions of this Development Code and the Comprehensive Plan.

C. The Community Development Director shall issue a written interpretation formalizing the determination to make a record of the decision. The interpretation shall be appealable in accordance with the provisions of MTMC § 18.05.190.

19.25.040 Accessory Uses

Accessory uses and structures are allowed for all uses in all land use designations consistent with applicable regulations and unless specifically prohibited or the context clearly indicates otherwise.

19.25.050 RESIDENTIAL USES

Use	RESIDENTIAL						MIXED USE		COM	TOWN CENTER				IN	PUBLIC	
	R-1	R-2	R-3	R-4	MH	SDD	NMU	GMU	CG	TC-1	TC-2	TC-3	TC-R	EMP	PFS	REC
Accessory dwelling unit[1]	P	P	P	P	P	P	P[2]									
Adult family home	P	P	P	P		P										
Bed & Breakfast		C	P	P		P										
Caretaker residence									P[3]					P		
Childcare, family[4]	P	P	P	P	P	P										
Co-living housing[5]		P	P	P	P	P	P	P		P	P	P	P			
Cottage housing	P[10]	P[10]	P	P		P										
Courtyard apartment		P[10]	P	P		P										
Emergency housing[6]								P	P	P	P	P	P			
Group home	C	C	C	C		C			C				C			
Halfway house				C												
Home occupation[7]	P	P	P	P	P	P	P	P	P	P	P	P	P			
Live-work unit	C	C	P	P		P	P	P	P[8]	P[8]	P[8]	P[8]	P[8]			
Manufactured home park[9]					P											
Multiplexes																
Duplex	P	P	P	P												
Triplex	P[10]	P	P	P		P										

Fourplex	P[10]	P	P	P		P										
Fiveplex		P[10]	P	P		P										
Sixplex		P[10]	P	P		P										
Multi-unit apartment			P[11]	P[11]		P	P[12]	P[12]	P[12]	P[13]	P[13]	P[13]	P[13]			
Permanent Supportive Housing	C	C	P	P		P		P	P	P	P	P	P			
Single-unit detached	P	P	P	P		P	[14]	[14]		[14]	[14]	[14]	[14]			
Townhome	P	P	P	P		P				P[15]	P[15]	P[15]	P			
Transitional housing	C	C	P	P		P		P	P	P	P	P	P			

19.25.055 Residential Uses Notes/Restrictions:

1. Subject to the regulations of MTMC § 19.30.050.
2. New ADUs are permitted when accessory to a pre-existing single-family home.
3. Permitted only in conjunction with a commercial or industrial use, and limited to the following conditions:
    a. No more than three caretaker dwelling units are permitted on a commercial or industrial site.
    b. Caretaker dwelling units shall be limited to the use of caretakers, security personnel, and employees in training.
    c. Caretaker dwelling units may be located within a separate building or within a portion of a building on the site.
4. In-home childcare facilities shall be accessory and subordinate to the property as a residence and shall require the following:
    a. Must be licensed by and meet the requirements of the Washington State Department of Children, Youth, and Families.
    b. Limited to 12 children for daytime care.
    c. Must have an approved pick-up and drop-off system that minimizes traffic impacts.
    d. Outdoor play areas must be set back, screened, or otherwise designed to protect adjacent uses from significant noise impacts.
    e. Signage is limited to one non-illuminated interior sign measuring up to two square feet, visible from the exterior.
5. Wherever six dwelling units may be constructed on a lot pursuant to dimensional standards, co-living housing as defined in Chapter 36.70A RCW is permitted with each individual sleeping unit considered as one-quarter of a dwelling unit for the purposes of density calculations, utility connection, parking requirements, and impact fees.
    a. Properties located within ½-mile walking distance of a major transit stop shall not be required to provide off-street parking.
    b. Co-living housing proposed in Mixed Use or Town Center Districts shall not be required to provide a non-residential component, however all design standards for the district shall apply.
6. Buildings that provide shelter for survivors of domestic violence are allowed as a permitted use in all zones.
7. Subject to the regulations of § MTMC 19.25.210.
8. Live-work units require the following:
    a. Live-work units shall be considered a commercial use in terms of design standards.
    b. Live-work units shall be integrated into a residential use type and shall be considered residential in terms of parking standards.
    c. Commercial use shall be limited to those permitted in the applicable zone.
    d. Live-work units are not permitted on 57th Avenue W and 233rd Street SW ground-level block frontages where designated as a storefront in MTMC § 19.123.060.
9. Subject to the development regulations of Chapter 19.35 MTMC and 15.30 MTMC.

10. Permitted when using the affordability bonus of MTMC § 19.30.045(C).
11. Considered stacks for the purpose of design review and dimensional standards.
12. Permitted in conjunction with a commercial use on the same site. In the Mixed Use District, the commercial use shall be located on the ground floor and oriented toward the street.
13. May require a ground-floor commercial use as determined by the block frontage designations map in MTMC 19.123.060.
14. Single-unit detached housing is permitted as a pre-existing use if it was legally established pursuant to the following:
    a. Town Center Districts: Prior to December 30, 2006 (see MTMC 19.50.100(E)).
    b. Mixed Use Districts: Prior to *DATE* (see MTMC X).
15. Townhomes must be legally established prior to September 26, 2019.
16. Youth shelters shall be separated from senior housing by a minimum of 500 feet.

19.25.060 COMMERCIAL USES

Use	RESIDENTIAL						MIXED USE		COM	TOWN CENTER				IN	PUBLIC	
	R-1	R-2	R-3	R-4	MH	SDD	NMU	GMU	CG	TC-1	TC-2	TC-3	TC-R	EMP	PFS	REC
Adult uses																
Animal grooming				P			P	P	P	P	P	P	P	P		
Car wash[1]			C	C		C			P					P		
Daycare	P[2]	P[2]	P[2]	P[2]	P[2]	P[2]	P[2]	P[2]	P	P	P	P	P	C[3]	P	
Food or beverage establishment, drive-thru							P[4]	P[4]						P[4]		
Food or beverage establishment, walk-up and on-site dining							P	P	P	P	P	P	P	P		P[5]
Fuel station						C[6]	C[6]		P				C[6]	P		
Grocery store				P			P	P	P	P	P	P	P	P		
Health/fitness center			P[7]	P[7]			P[7]	P[7]	P	P[7]	P[7]	P[7]	P	P		
Hospital									C					C		
Hotel/motel								P	P	P	P	P	P			
Kennel or animal boarding, commercial														C		
Long-term care/assisted living facility	C	C	C	P		P			P	P[8]	P[8]	P[8]	P[8]			
Marijuana, retail[9]									P	P	P	P	P			
Marijuana, production, processing[9]														P		
Medical office/clinic				P[10]		P[10]	P	P	P	P	P	P	P	P		
Retail							P	P	P	P	P	P	P			
Personal services							P	P	P	P	P	P	P	P		
Professional office						P[10]	P	P	P	P	P	P	P	P		
School, vocational, trade, or specialized instruction				C[11]			P	P		P	P	P	C	P	P	P
Self-storage facility																

Short-term rental[12]	P	P	P	P		P	P	P		P	P	P	P			
Vehicle storage - principal use														P	C	
Veterinarian clinic[13]				P[14]			P[14]	P[14]	P	P[14]	P[14]	P[14]	P[14]	P		
Winery, brewery, distillery							P	P	P	P	P	P		P		

19.25.065 Commercial Uses Notes/Restrictions:

1. Car wash bay openings shall be oriented away from adjacent streets and Residential District properties, or landscaping shall be installed between the bay opening and adjacent streets and Residential zones to reduce adverse visual impacts. Where a car wash bay opening would be oriented towards an abutting Residential zone, noise shall be reduced by means of an intervening building or buildings, freestanding walls, doors or other devices for enclosing the car wash, or other methods determined by the Community Development Director to be effective for reducing noise.
2. Childcare centers must be licensed by and meet the requirements of the Washington State Department of Children, Youth, and Families. Childcare centers in Residential Districts require the following:
   a. Must have an approved pick-up and drop-off system that minimizes traffic impacts.
   b. Outdoor play areas must be set back, screened, or otherwise designed to protect adjacent uses from significant noise impacts.
3. Childcare uses in the Employment zone are subject to the following conditions:
   a. Must be licensed by and meet the requirements of the Washington State Department of Children, Youth, and Families.
   b. Shall be accessory to and on the same site as a permitted use.
   c. Shall not be located within a structure with high hazard facilities as defined in WAC 296-71-003.
4. Proposed drive-thrus shall provide sufficient on-site queueing area to accommodate a minimum of six vehicles to avoid impacts to sidewalks.
5. Eating/drinking establishments in the Recreation and Park Zone shall require a Temporary Use Permit.
6. Gas stations shall be located on arterials, unless part of a shopping center or business complex.
7. Must be less than 20,000 square feet gross floor area when located on the ground floor.
8. Long-term care/assisted living facilities in Town Center must be legally established prior to June 30, 2011 to be considered a permitted use.
9. Subject to the regulations of Chapter 19.150 MTMC.
10. Office uses in Residential zones shall be subject to the following:
    a. Drive-thru establishments shall not be permitted.
    b. Amplified sound shall not be permitted.
    c. Shielding shall be incorporated on all site, sign, and building lighting to prevent light spill onto adjacent properties.
    d. Business activities shall be conducted within an eclosed building or shall be screened from view. Outdoor storage is prohibited.
11. Vocational, trade, and special instruction schools in Residential zones shall be subject to the following:
    a. All structures shall be set back 20 feet from property lines.
    b. Off-street parking areas may be provided within required side yard setbacks on interior and through lots.
    c. Off-street parking areas may be provided within the rear yard setback on corner lots.
    d. The required front yard setback may not be used for off-street parking.
    e. All lights provided to illuminate parking areas or buildings shall be arranged to direct light away from any adjacent properties.

12. Short-term rentals shall be subject to the following requirements:
    a. A City of Mountlake Terrace Business License and Rental Housing Licensing and Inspection Permit are required.
    b. The total number of guests occupying a dwelling unit shall not exceed eight, including any site with an Accessory Dwelling Unit.
    c. Commercial spaces may not be used as short-term rentals.
    d. No services may be provided beyond housekeeping between visits.
    e. No signs identifying the short-term rental are permitted.
13. The portion of the building where animals are treated, trained, and kept shall be soundproofed. All outdoor run areas shall be surrounded by an eight-foot-tall solid wall or similar sound barrier and screening vegetation outside the wall consisting of evergreen species that will achieve eight-foot-height within five years of installation.
14. Overnight boarding and cremation services are not permitted on site.

19.25.070 INDUSTRIAL USES

Use	RESIDENTIAL						MIXED USE		COM	TOWN CENTER				IN	PUBLIC	
	R-1	R-2	R-3	R-4	MH	SDD	NMU	GMU	CG	TC-1	TC-2	TC-3	TC-R	EMP	PFS	REC
Artisan manufacturing							P	P	P	P	P	P	P	P		
Ambulance services														P		
Automobile body repair and painting														C		
Automobile dismantling, recycling																
Construction yard									C[1]					P[1]		
Data center																
Equipment repair														P[1,2]		
Hazardous waste treatment																
Impound storage yard, tow yard																
Industrial greenhouse														P		
Light manufacturing									P[3]					P		
Recycling center														P		
Science, research, and testing								P	P					P		
Solid waste transfer station														P		
Vehicle and equipment sales and rental									P[1,4]					P[1]		
Vehicle service center									P[2]					P[2]		
Warehousing														P[5]		

19.25.075 Industrial Uses Notes/Restrictions:

1. Uses shall be subject to the following:

a. Service and car wash bay openings shall be oriented away from adjacent streets and Residential District properties, or landscaping shall be installed between the bay opening and adjacent streets and Residential zones to reduce adverse visual impacts. Where a service or car wash bay opening would be oriented towards an abutting Residential zone, noise shall be reduced by means of an intervening building or buildings, freestanding walls, doors or other devices for enclosing the car wash, or other methods determined by the Community Development Director to be effective for reducing noise.
b. Storage of inoperable vehicles awaiting repair shall be screened from adjacent streets or properties through a combination of fencing and landscaping.

2. Tire retreading is not permitted on site.
3. Permitted only for processing and assembly of retail merchandise, at least some of which is displayed and sold on-site, and not to exceed a gross floor area of 5,000 square feet.
4. Limited to properties fronting Highway 99.
5. Permitted as an accessory use only.

19.25.080 COMMUNITY, CULTURAL, AND RECREATION USES

Use	RESIDENTIAL						MIXED USE		COM	TOWN CENTER				IN	PUBLIC	
	R-1	R-2	R-3	R-4	MH	SDD	NMU	GMU	CG	TC-1	TC-2	TC-3	TC-R	EMP	PFS	REC
Arboretum														P	P	P
Campground																C
Cemetery															C	
College/University									C	C	C	C	C	P		
Community center	C	C	C	P		P	P	P	P	P	P	P	P	P	P	P
Community garden/ pea patch	P	P	P	P	P		P									P
Conference center								P	P							
Correctional facility														C		
Disaster emergency facility	C[1]	C[1]	C[1]	C[1]										P	P	P
Entertainment center, indoor							C[2]	P	P	P	P			P		P
Entertainment center, outdoor														P		P
Food bank		P	P	P			P		P				P	P	P	
Fire/aid car station	C	C	C	C					P					P	P	
Fire District training facility																
Golf course	C[1]	C[1]	C[1]	C[1]											P	P
Library	P	P	P	P			P	P	P	P	P	P			P	
Military installations									C					C		
Municipal office				C					P	P	P	P		P	P	P
Museum				P			P	P	P	P	P	P	P		P	P
Park, public	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Performing arts center				P				P	P	P	P	P	P			P
Police station	C	C	C	C					P					P	P	
Preschool	C[3]	C[3]	C[3]	C[3]			P	P	P	P	P	P	P			P
Private club/lodge	C[3]	C[3]	C	C					P							P

Recreational facility, private	C[4]	C[4]	C[4]	C[4]					P	P	P	P		P		P
Recreational facility, public	P	P	P	P					P					P	P	P
Religious facility	C[3]	C[3]	C	C			P		P	P	P	P	C	P		
School	C[5]	C[5]	C[5]	C[5]			C[5]	C[5]	P							
Swimming pool									P	P	P	P		P	P	P

19.25.085 Community, Cultural, Recreation Uses Notes/Restrictions:

1. Golf courses shall be subject to the following:
   a. Access to at least a minor arterial street is required.
   b. Commercial use or development that is accessory to the golf course is limited to a pro shop for the sale and rental of golf equipment, a driving range, eating/drinking establishment, meeting/assembly rooms and administrative office.
2. Limited to 5,000 square feet of gross floor area.
3. Uses shall be subject to the following:
   a. All structures shall be set back 20 feet from property lines.
   b. Off-street parking areas may be provided within required side yard setbacks on interior and through lots.
   c. Off-street parking areas may be provided within the rear yard setback on corner lots.
   d. The required front yard setback may not be used for off-street parking.
   e. All lights provided to illuminate parking areas or buildings shall be arranged to direct light away from any adjacent properties.
4. Must be located within 500 feet of a collector, minor arterial, or principal arterial right-of-way as designated on the current adopted City of Mountlake Terrace Transportation Master Plan.
5. School uses shall be subject to the following:
   a. Side and rear yard setbacks shall each be a minimum of 30 feet.
   b. All outdoor lights shall be arranged to direct light away from any adjacent properties.

19.25.090 UTILITY USES

Use	RESIDENTIAL						MIXED USE		COM	TOWN CENTER				IN	PUBLIC	
	R-1	R-2	R-3	R-4	MH	SDD	NMU	GMU	CG	TC-1	TC-2	TC-3	TC-R	EMP	PFS	REC
Airport/heliport														C		
Major transit station															P[1]	
Public agency yard														P	P	
Public utility facility, minor	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Public utility facility, major	C[2]	C[2]	C[2]	C[2]					P	P	P	P	P	P[1]	P	P
Regional transit authority facility				C					C					P		
Public service facility										P	P	P	P	P		
Subregional utility	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
Transportation facility									P[3]	P	P	P	P	P	P	P[3]
Water and wastewater facility														P	P	

Wireless telecommunication facility[3]			P	P		P	P	P	P	P	P	P	P	P	P	

19.25.095 Regional Uses Notes/Restrictions:

1. Requires a development agreement approved by the City Council.
2. Requires a CUP if proposed as permanent use, otherwise a temporary use permit is required.
3. Wireless telecommunication facilities are subject to the requirements of Chapters 12.20 and 19.137 MTMC.

19.25.100 Essential Public Facilities

Pursuant to the State Growth Management Act, Chapter 36.70A RCW, the siting and regulation of essential public facilities shall be consistent with the countywide essential public facilities siting process as adopted by Snohomish County.

19.25.200 Temporary Uses

A. Intent and Purpose. The intent and purpose of this section is to provide for uses of land and structures on a temporary basis. A temporary use is not exempt from the construction and fire code requirements adopted in MTMC Title 15. Temporary structures or buildings that have mobility gear equipment shall not have said gear removed from the structure and shall not be permanently affixed to the site.

B. Temporary Accessory Uses – No Temporary Use Permit Required. The following uses may be allowed without a temporary use permit accessory to a permitted use in accordance with the regulations of the zone in which it is located.

   1. Construction Buildings. Temporary structure for the housing of tools and equipment or containing supervisory offices in connection with major construction projects may be established and maintained during the progress of such construction on such projects in accordance with all applicable codes and regulations and shall be removed within 30 days following issuance of the certificate of occupancy.

   2. Temporary Real Estate Office. One temporary structure used for a real estate sales office may be located on any new project in accordance with all applicable codes and regulations, provided the activities of such office shall pertain only to the project where the office is located. For any single-household subdivision project, the temporary real estate office shall be removed at the end of a 12-month period measured from the date of the recording of the final plat of the subdivision. For all other projects, the temporary real estate office shall be removed within 30 days after the issuance date of an occupancy permit.

   3. Temporary Housing Unit. With approval from the Director, a temporary housing unit for construction may be placed on a lot for occupancy during the period of time necessary to repair damage of a principal residence on the same lot, provided:

a. The temporary housing unit is removed from the site within six months;

b. The unit meets minimum setback regulations for a principal structure as required by the applicable zoning district and all applicable codes and regulations; and

c. A valid building permit is issued by the Building Department for a permanent structure on the lot.

4. Garage sales. No person shall operate, conduct, manage, or permit a garage sale upon their premises or other property under their control more than three times per calendar year. The length of time for each garage sale shall not exceed 72 consecutive hours per garage sale event. Goods displayed in any garage sale may not be displayed in the public right-of-way; provided, that the City Council may, upon adoption by proper motion, declare a specific day or days as a Mountlake Terrace City Wide Garage Sale Day(s) setting the time, dates and hours thereof, which shall not be included in the calculation of the restriction of three garage sales per year as provided in this subsection. Garage sales may only be conducted between the hours of 8:00 a.m. to 7:00 p.m.

   a. Off-premises garage sales signs. No person shall place more than two garage sale signs, cards, or placards advertising a garage sale on any property other than the property owned by the person conducting the sale. The person shall obtain the consent of the owner prior to posting any off-premises sign on private property. Said signs shall not be posted more than 48 hours prior to the sale and shall be removed within 12 hours after the close of the sale event. Said sign(s) may be placed within the public right-of-way; provided, that the sign(s) does not encroach into a driveway, sidewalk, identifiable unimproved pedestrian walkway, or vehicular travel lanes; and is at least six feet from the outer pavement edge of a roadway when curb and gutter are not present. No signs shall be posted, tacked, nailed, or in any manner affixed upon any telephone or utility pole, street sign pole, or any other public sign, pole, or post and shall not exceed a maximum sign area of two square feet in area and four feet in height.

   b. On-premises garage sales signs. No person shall place more than two garage sale signs, cards, or placards advertising a garage sale on the property where the sale is to take place. Maximum sign area for on-premises sign(s) is two square feet per sign, and no more than six feet in height. Said signs shall not be posted more than 48 hours prior to the sale and shall be removed within 12 hours after the close of the sale event All signs shall comply with the "sight area" restrictions under MTMC § 19.120.290, as amended.

5. Fund Raising Activities for Nonprofit Organizations. Fund raising activities promoted or sponsored by nonprofit organizations, including but not limited to special events such as musical entertainment, vehicle shows, rodeos, carnivals and circuses, shall be allowed on a temporary basis in accordance with Chapter 10.20 MTMC and all other applicable City codes and regulations.

C. Temporary Accessory Uses – Permit Required – Peddlers, Solicitors, and Temporary Sales Yards. Any person, firm, organization, or corporation who displays goods for sale, peddles food items, or solicits the sale of goods or wares, including, but not limited to, Christmas trees, flowers, or any food item, and who remains in one location for a period of greater than one hour, shall first obtain a temporary use permit from the Community Development Director and a City business license if required. These businesses shall be conducted only on private commercial or light industrial zoned properties.

1. A temporary use permit for peddlers, solicitors, and temporary sales yards shall require an application signed by the owner of the property on which the activity will occur. The review shall include location of all structures, objects, or things of any nature whatsoever appurtenant to the activity for the purpose of assuring compliance with all provisions of this title, and any other pertinent requirement of state and local law or regulation.

2. A time limit for the use shall be determined by the Community Development Director. The requested time limit shall be stated on the application and may be reduced for any cause related to safety, health, and general welfare of the public. Time extensions may be allowed subject to the approval of the Community Development Director.

D. Food Vendors – Mobile. To provide for food vendors to operate at a specific location, on a temporary basis, and for a limited period of time.

1. Definition. "Mobile food vendor" means a licensed and operable motor vehicle or trailer, or a push cart not permanently affixed to real property, used to serve, vend, or provide food (hot or cold meals, snacks, or nonalcoholic beverages) for human consumption.

2. Food vendors on private property. Temporary use permit approval is required when food vendors are proposed on private property. The temporary use permit shall be valid for a period of 12 months. Food vendors are subject to the following restrictions:

   a. Food vendors shall not obstruct the passage or visibility of any pedestrian or vehicle on any public sidewalk, street, or any other public right-of-way, including customer queues or customer dining areas. No items may be offered or sold and no customers served in any traveled portion of a public roadway.

   b. Food vendors shall only operate on approved private property.

   c. Food vendors shall not be located on any given parcel or premises for longer than 12 hours in any 24-hour period.

   d. Food vendors shall not sell alcoholic beverages or cannabis related products.

   e. All attachments to the vending unit, including but not limited to signs, lights, and awnings, shall be maintained to avoid creating a hazard to pedestrians, customers, and vehicles.

f. Vending units shall maintain a minimum distance of 25 feet from flammable or combustible liquid or gas storage and dispensing structures or equipment.

g. Hours of operation shall be limited to 6:00 a.m. until 9:00 p.m., including clean-up time.

h. A minimum of one trash receptacle shall be provided for customer use. All such receptacles shall be securely covered and the contents disposed of in compliance with City regulations. Trucks can be parked no more than four days a week.

i. No overnight parking or storage of the food vendor shall be permitted.

j. The food vending unit shall be in compliance with all applicable requirements of the Snohomish County Health Department and shall maintain current Snohomish County Health Department certifications.

k. The mobile food vending unit shall be in compliance with the standards of the State of Washington Department of Labor and Industries for Factory Assembled Structures Program and shall have a valid and current license issued by the Washington State Department of Licensing. The unit must be approved by the Snohomish County Health Department as a mobile food unit (MFU).

l. The food vendor shall obtain a City business license.

m. The City reserves the right to limit the number of food truck/vendor permit sites in any given area of the City.

3. Food vendors in the Right-of-Way. A right-of-way use permit is required when food vendors are proposed in City right-of-way as defined in this section. Permit approval shall be subject to all of the following restrictions:

   a. Right-of-way includes any public street, or sidewalk or parking lane, improved or unimproved.

   b. The food vendor application shall be consistent with all applicable requirements in subsection (D)(2) of this section.

   c. The applicant shall provide any required insurance and/or indemnification.

   d. Approval may be subject to other requirements or conditions of approval, based on the proposed location.

4. City park or other City-owned land. Food vendors proposed in a City park or other City-owned land, not including right-of-way, shall be subject to the following restrictions:

a. The applicant shall obtain a Concessions permit, issued from the Recreation and Parks Department Director.

b. The applicant shall obtain a temporary use permit pursuant to MTMC § 10.20.180(C).

c. The food vendor application shall be consistent with all applicable requirements in subsection (D)(2) of this section.

d. The applicant shall provide any required insurance and/or indemnification. Vendors selling products on public land are subject to the leasehold excise tax, Chapter 82.92 RCW.

e. Approval may be subject to other requirements or conditions of approval, based on the proposed location.

5. Special Events. Any food vendor activity that is defined per Chapter 10.20 MTMC may need to obtain a special event permit in lieu of, or in addition to, the requirements set forth in this section.

6. Violations and Enforcement. Violators and violations of this section are subject to any applicable code enforcement actions and penalties per City Code, including but not limited to Chapters 8.30, 13.10, and 19.140 MTMC.

19.25.210. Home occupations.

Home occupations are permitted as accessory to a residential use pursuant to MTMC 19.25.050, within the dwelling or an accessory structure on the property. The conduct of business activities may be permitted in any residential, commercial, or mixed use district under the provisions of this section, provided the home occupation is consistent with the existing character of the surrounding neighborhood as defined by the approval criteria.

A. Intent. It is the intent of this section to:

1. Maintain and preserve the character of residential neighborhoods;

2. Ensure the compatibility of home occupations with other uses permitted in residential, commercial, and mixed use districts;

3. Promote the efficient use of public services and facilities; and

4. Encourage flexibility in the workplace by permitting home occupations.

B. General Restrictions and Criteria. Only home occupations that have a valid home occupation permit shall be allowed. Home occupations shall not be approved unless they meet the following criteria:

1. On-site operations of a home occupation must be conducted solely by the full-time resident(s) of the dwelling unit, except that one on-site nonresident employee is allowed.

2. Home occupations may utilize a maximum of 25 percent of the total square footage of all principal and accessory buildings on the property.

3. Home occupations shall not create noise, vibration, dust, fumes, odor, smoke, glare, fire hazard, or any other hazard or nuisance not normally associated with residential uses. Home occupations shall not use or store any hazardous material not allowed in residential dwellings as specified in the current edition of the International Fire Code.

4. The establishment and conduct of a home occupation shall not change the appearance and character of any dwelling unit as a residential use.

5. The conduct of any home occupation shall not reduce or render unusable areas provided for required off-street parking including, but not limited to, storage of vehicles or equipment. The applicant shall demonstrate that adequate parking exists for persons employed on the premises.

6. There shall be no exterior signs and not more than one interior sign visible from the exterior. The visible interior sign shall not exceed two square feet in area nor be illuminated by artificial light.

7. The home occupation, by itself, shall not generate more than 16 vehicular trips per day, unless otherwise authorized by federal or state "reasonable accommodation" rules. As used here, a trip is considered the arrival and departure of a vehicle from the household. For example, one vehicle visiting the residence is considered two trips, regardless of the length of stay.

8. A City of Mountlake Terrace business license shall be required and shall be renewed annually. If the license is not renewed within 30 days of expiration, the home occupation approval shall become null and void and a new application shall be required to reestablish the use.

9. A home occupation shall involve no outdoor storage of materials or supplies, construction materials, unfinished goods, or other items, unless screened from view.

10. Direct retail sales shall only be permitted if the products were produced on the premises or are clearly incidental to services rendered. Mail or internet sales shall not be so limited.

11. Not more than one home occupation business-related vehicle with a gross vehicle weight of 10,000 or more pounds is permitted on-site and any such vehicle shall be wholly enclosed within a structure or building.

12. A home occupation shall not require the use of electrical or mechanical equipment that would change the fire rating of the dwelling or accessory building.

C. Prohibited Home Occupations. The following uses are not permitted as a home occupation:

1. Kennels;

2. Stables;

3. Manufacturing processes or the handling or storage of substances that may be potentially hazardous or noxious to the residents or surrounding neighborhood, unless the method and amount of such substances to be manufactured, handled, or stored is similar to that which occurs in an ordinary household;

4. Restaurants;

5. Vehicle body repair;

6. Vehicle motor repair and service;

7. Spray painting;

8. Repair of large appliances (refrigerators, stoves, etc., and other repair that would create noise, fumes, etc., such as lawn mower repair);

9. Veterinary clinic or hospital;

10. Machine and sheet metal shops;

11. Uses that may include hazardous chemicals, dispensing of medical drugs, or other items that may potentially be hazardous to the surrounding area.

D. Exceptions. Adult family homes, family childcare, and occupations that meet the following criteria are exempt from the requirements of this section:

1. Business activities occupy less than 20 square feet;

2. No non-resident employees work at the site;

3. No customers visit the site; and

4. Business activities are primarily administrative or clerical, or produce no noise, odors, and outdoor storage.

E. Denial of Application. An application for a home occupation shall be denied if the administrator finds that the application fails to comply with the provisions of this section. A denial shall include a statement of the specific reasons for denial of a home occupation and shall cite the specific provisions and sections of this title on which the denial is based. Such decision is final unless appealed pursuant to MTMC Title 18, as amended.

F. Rescission of Permit. The home occupation must continue to meet the criteria and conditions of this section, including any additional conditions specified at the time of approval. A home occupation permit may be rescinded if the appropriate administrator or decision body finds that the home occupation is not being conducted in compliance with provisions of this section. Such decision is final unless appealed pursuant to MTMC Title 18.

CH. 19.15 DEFINITIONS (preliminary amendments)

19.15.020 A

Accessory dwelling unit	a dwelling unit that is subordinate to a principal dwelling unit located on the same lot.
Adult family home	a residence of a person or persons licensed and regulated by the state under Chapter 70.128 RCW to provide personal care, special care, room, and board on a 24-hour basis to more than one but not more than six adults who are not related by blood or marriage to the person or persons providing the services~~the same as "adult care household."~~
Adult uses	a commercial establishment that offers sexually explicit materials or entertainment for viewing, purchase, loan, or otherwise to its customers.
Animal grooming	a commercial establishment where animals are bathed, clipped, plucked, or otherwise groomed.
Arboretum	a collection of trees, shrubs, and herbaceous plants, cultivated for study and display.
~~**Assisted living**~~	~~a supportive facility designed for those who need extra help in their day-to-day lives but do not require the skilled nursing care found in traditional nursing homes.~~
~~**Auto services**~~	~~a commercial establishment which performs washing/detailing, sale of fuel, oils, and lubricants, mechanical and body repair, and painting, but not including stripping vehicles for parts or junking out vehicles, for all relatively small vehicles such as autos, motorcycles, pickup trucks, and minivans. See also "Vehicle (large) services."~~
Auto service and repair	the storage and repair of motor vehicles, including mechanical work, body and fender works, and painting. The term does not include wrecking automobiles or impound car lots.
Auto dismantling and recycling	any disassembly, deconstruction, or breaking up of motor vehicles or trailers, or the storage, sale, or dumping of dismantled or wrecked vehicles or their parts.

19.15.030 B

Bed and breakfast ~~**inn/rooming and boarding house**~~	an owner-occupied dwelling~~with common kitchen and eating area which provides five or fewer rooms for~~ providing overnight accommodation and meal service ~~guests with or without meals and where the principal function is providing lodging~~ for compensation.

19.15.040 C

Campground	a plot of land for temporary occupancy of tents and recreational vehicles.
Caretaker residence	a permanent dwelling unit associated with an approved land use, which provides living facilities for a person charged with managing the property and/or improvements.
~~**Child care center**~~	~~an entity that regularly provides child day care and early learning services for a group of children for periods of less than 24 hours and is licensed by the Washington State Department of Early Learning under Chapter 170-295 WAC.~~

Co-living	as defined in Ch 36.70A RCW, with each individual sleeping unit considered as one-quarter of a dwelling unit for the purposes of density calculations, utility connection, parking requirements, and impact fees.
Community center	a facility where the public may gather for group activities, recreation, instruction, social support, and other purposes, generally operated by a community group or nonprofit organization.
Community garden/pea patch	a plot of land used in common for the noncommercial cultivation of plants by more than one person or family.

19.15.050 D

Data center	a facility that stores computer systems and associated components, hardware, equipment and data for the purpose of building, running, managing, and delivering information technology applications and services.
Day care center	a nonresidential facility that provides care to a group of adults or children for periods of less than 24 hours per day. Daycare centers do not include "daycare, family", "preschool", or any program exempt from licensing per RCW 43.216.010(2).a facility other than a "day care home," as defined by this title, which provides day care for children.
Day care, family ~~home~~	a facility that provides daytime care for up to 12 children or adults, ~~including the children of the provider, and is~~ located in the residence of the provider.
Dwelling unit	a space with internal accessibility to all habitable rooms that provides complete, independent living facilities for one or more persons and that includes permanent provisions for living, sleeping, eating, cooking, and sanitation consistent with the minimum requirements of MTMC Title 15.
~~Dwelling unit, single~~	~~one or more rooms designed for or occupied by one household for living or sleeping purposes and containing kitchen facilities for use solely by one household. Modular and manufactured homes, as defined by this title, are considered to be single-household dwelling units.~~
~~Dwelling~~	~~a structure or portion thereof that is used exclusively for human habitation.~~

19.15.060 E

Emergency housing	temporary housing and shelter for individuals and families who are homeless or at imminent risk of becoming homeless as defined in RCW 36.70A.030(14) and 36.70A.030(15).
Entertainment~~,~~ ~~commercial~~ center, indoor	predominantly spectator uses conducted within an enclosed building. Typical uses include motion picture theaters and concert music halls.

19.15.070 F

~~Financial institution~~	~~a bank, savings and loan, credit union, mortgage office, or similar establishment allowing for walk-in service.~~
~~Freeway/tourist district subarea implementation plan~~	~~the zoning regulations and capital improvements identified in the freeway/tourist district final EIS.~~

~~**Freeway/Tourist zoning district**~~	~~the Freeway/Tourist area identified on the City's Official Zoning Map as adopted in 2010 and including any amendments thereto.~~
Fuel service station	a facility for the retail sale of gasoline and other automobile fuels available at pump islands, together with light general maintenance of automobiles and/or a convenience store.

19.15.080 G

~~**Game arcade**~~	~~an entertainment venue featuring primarily video games, simulators, and/or other amusement devices.~~
~~**General service**~~	~~a category of uses whose primary activity is the provision of service, rental, and/or repair to appliances, electronic equipment, machinery, tools, vehicles, and other similar products for personal, commercial, or civic use.~~
~~**Group home institution**~~	~~a facility, licensed by the state, that cares for more than 15 people with functional disabilities.~~
Group home	housing where six or more unrelated persons reside or where at least three but no more than 15 unrelated persons reside who are receiving on-site care from a provider that is licensed or employed to do so by a state agency. ~~Group homes include adult care households, boarding homes, and "Oxford houses."~~

19.15.090 H

Health/fitness center	an establishment whose primary function is the provision of services, equipment, instruction, and facilities for physical exercise.
~~**Hotel**~~	~~a building in which there are six or more guest rooms for lodging, with or without meals, provided for compensation.~~
Hotel/motel	a commercial establishment offering transient lodging accommodations on a daily or weekly basis to the general public which may provide additional services, such as restaurants, meeting/conference rooms, retail shops, fitness equipment, and recreation facilities.

19.15.100 I

Impound storage yard, tow yard	a lot used for the temporary storage of vehicles that have been towed by a towing company, but which does not include permanent vehicle storage or dismantling of vehicles.
~~**Indoor shooting ranges**~~	~~indoor ranges for testing and practice firing of rifles, pistols, or archery equipment.~~
Industrial greenhouse	a commercial agricultural facility located within an enclosed structure designed for the year-round cultivation of crops.

19.15.110 J

~~**Juvenile foster home**~~	~~a home of a person or persons who are providing personal care to children under the age of 18 years of age who may be functionally disabled, as defined by this title.~~

19.15.130 L

~~**Laundromat/dry cleaning**~~	~~a commercial facility featuring self-operated laundry machines which may include a dry cleaning operation.~~
Light manufacturing	processing and fabricating activities that create minimal safety hazards or nuisances related to noise, vibration, glare, odor, smoke, dust, air pollution, toxins, fire, explosion, or traffic. Light manufacturing uses include, but are not limited to, the processing, fabrication, assembly, treatment, packaging, incidental storage, and distribution of previously prepared materials or finished products or parts. Light manufacturing uses do not include the basic industrial processing of unfinished unprocessed raw materials.
~~**Lodging**~~	~~a facility in which rental sleeping accommodations are provided, typically for transient use.~~
Long-term care/assisted living facility	a facility licensed by the State of Washington housing seven or more elderly and/or disabled persons, providing basic services and assuming general responsibility for the safety and well-being of residents pursuant to Chapters 18.20 RCW and 388-78A WAC. Kitchens and dining space may be provided in individual dwelling units. Practical nursing and Alzheimer's care, recreational programs, and facilities may be provided. For the purpose of this definition, "elderly" refers to persons age 55 years or older, and "disabled" does not include use of or addiction to a controlled substance, nor shall it include any person whose residency in the facility would constitute a direct threat to the health and safety of other individuals. The term shall not include alcoholism or drug treatment centers or housing facilities serving as an alternative to incarceration.~~an institution or a distinct part of an institution that is licensed or approved to provide health care under medical supervision for 24 or more consecutive hours.~~

19.15.140 M

Major transit station	a dedicated public facility providing access to light rail trains, consisting of an elevated platform with waiting areas, ticket vending machines, bicycle facilities, and other pedestrian/active mobility facilities providing connections to bus and other transit and the local community.
Medical office/ clinic	a facility for licensed outpatient health services.
Mixed-use development	~~the~~a building and/or site consisting of ~~a tract of land or building or structure with~~ two or more ~~different~~ permitted uses, including residential and non-residential uses~~such as but not limited to residential, office, retail, public, or entertainment, in a compact urban form~~.
~~**Motel**~~	~~a building or buildings, detached or in connected units or designed as a single structure, with six or more units which are used as individual sleeping units having their own private toilet facilities and may or may not have their own kitchen facilities, and are designed and used for the accommodation of transient automobile travelers. Accommodations for trailers are not included. This term includes tourist court, motor lodge, auto court, cabin court, motor inn, and similar names.~~

19.15.160 O

~~**Office building**~~	~~a building specifically designed and constructed primarily for office use and not including buildings that were designed for light industrial use.~~

19.15.170 P

Permanent supportive housing	subsidized housing for individuals who need support services to retain tenancy, as defined in RCW 36.70A.030(31), and that may include associated support services.
Preschool	~~an approved~~ a facility licensed by the Washington State Department of Children, Youth, and Families which provides academic learning services ~~educational instruction~~ for prekindergarten-age children, and including supervised play, socializing, and childcare services, but not as a primary function.
Professional office	a place of business where commercial, professional, or bureaucratic work is performed, limited to the building or portion within which such activities are conducted, and including associated parking for employees, patrons, and company vehicles~~activities conducted in a room or suite of rooms and generally focused on professional services~~.
Public agency yard	a governmental facility for open or enclosed storage, repair, and maintenance of vehicles, equipment, or related materials.

19.15.190 R

Religious facility	an establishment with the principal purpose of religious worship such as a church, synagogue, mosque or temple. Support services in the main building or in separate buildings may include assembly rooms, kitchen, library or reading rooms, office, recreation hall, instructional rooms, private schools, preschools, daycares, emergency housing, permanent supportive housing, ~~one single-household~~ and residences for ~~dwelling unit for a~~ caretakers or staff, clergy, monks, friars, nuns, and religious brothers and sisters~~person and a nursery facility for members during religious services.~~

19.15.200 S

School	~~any building or part thereof used for instruction or education in any branch of knowledge.~~any institution of learning, including elementary, middle, junior high, and high school, which offers instruction as required by the Washington State Office of Superintendent of Public Instruction, including associated meeting rooms, auditoriums, and athletic facilities.
~~**School, commercial**~~	~~a building where instruction is given to pupils in arts, crafts, or business and industrial trades, and operated as a commercial enterprise, as distinguished from schools endowed and/or supported by taxation.~~
School, vocational, trade, or specialized instruction	an educational institution lacking the full range of typical campus facilities such as sports fields, offering postsecondary instruction programs designed to prepare individuals with training required for a specific trade or occupation, or providing programs in specific areas including art, cooking, driving, pet obedience, and other technical areas.
Short-term rental	a furnished dwelling unit, or room within a dwelling, or an accessory dwelling unit, rented out on a daily or weekly basis. Also referred to as a “vacation rental”.

19.15.210 T

~~**Temporary shelter encampment**~~	~~a site for a group of homeless persons temporarily residing on a site, either out of doors or in a suitable building.~~
Transitional housing	housing and supportive services for homeless persons or families for up to two years to facilitate the movement of homeless persons and families into independent living, as defined in RCW 84.36.043(3)(c).
Transportation facility~~ies~~	facilities that specifically provide for transportation needs including but not limited to the street network, bus facilities, taxi stands, rapid-transit facilities, bicycle racks, ~~and~~ walkways, and micromobility infrastructure, including bike-share docking and charging stations.

19.15.260 Y

~~**Youth shelter**~~	~~A. A Class I residential facility allowing up to six youth residents, ages 10 to 13, with no less than two resident staff, and which shall comply with the licensing requirements of the Washington State Department of Social and Health Services. To establish a Class I youth shelter, the proponent shall register the facility with the City Building Department and be inspected for health and safety purposes. For construction of a Class I youth shelter, the review shall include building permit review, construction plan (engineering) review, and meet the requirements of the Zoning Code. Class II and III youth shelters shall be separated from senior housing by 500 feet.~~ ~~B. A Class II residential facility allowing up to 12 residents, ages 13 to 17, with no less than two resident staff, and which shall comply with the licensing requirements of the Washington State Department of Social and Health Services. To establish a Class II youth shelter, the proponent shall apply for a conditional use permit for review by staff, public meeting discussion by Planning Commission, and public hearing by the Hearing Examiner before consideration of conditions and approval. Environmental review may be required if grading and parking or other environmental thresholds are exceeded.~~ ~~C. A Class III residential facility allowing up to 12 residents, ages 16 to 20, with no less than two resident staff, and which shall comply with the licensing requirements of the Washington State Department of Social and Health Services. To establish a Class III youth shelter, the proponent shall apply for a conditional use permit for review by staff, public meeting discussion by Planning Commission, and public hearing by the Hearing Examiner before consideration of conditions and approval. Environmental review may be required if grading and parking or other environmental thresholds are exceeded.~~

19.15.270 Z

Zone ~~district~~	a regulatory district and ~~both~~ a geographical classification corresponding to regulations that restrict the use and development of land.~~area depicted on the Official Zoning Map and a land use classification with associated regulations defined in Chapters 19.20 through 19.105 MTMC.~~

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Land Use Tables

City Council Work Session: July 23, 2026

Brooke Eidem, Community Development Director

PURPOSE

- Centralize permitted land use listings for all zones into a consolidated location
- Use common terms and formatting
- Improve user-friendliness for residents and customers
- Include use-related regulations (e.g., temporary uses and home occupations), and use-specific restrictions
- Simplify update process when required by legislation
    - Childcare centers, ESSB 5509 (2025)
    - Co-living, ESHB 1998 (2024)
    - STEP housing, HB 1220 (2021)

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LEGISLATIVE HISTORY

- Planning Commission discussions
  - June 8, 2026
  - July 13, 2026

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SUMMARY OF PROPOSAL

- Remove individual land use tables (or lists) from 10 separate chapters
- Update Chapter 19.20 MTMC, *Land Use Regulations*, to update zones
- Adopt new Chapter 19.25 MTMC, *Permitted Land Uses*
- Categorize land uses into 5 different tables:
  - Residential Uses
  - Commercial Uses
  - Industrial Uses
  - Community, Cultural, and Recreational Uses
  - Utility Uses
- Include use-specific restrictions/limitations as corresponding notes
- Update use definitions to ensure they are not regulatory, and are otherwise appropriate
- Coordinate project with Zoning Phase II

CITY OF MOUNTLAKE TERRACE

SUMMARY OF PROPOSAL

- Amended MTMC Chapters:
  - Ch. 19.30, *Residential Districts* – Remove Land Use Table, adjust zone titles
  - Ch. 19.50, *Town Center Zones* – Remove Land Use Table, consolidate Planned Action Ordinance from Ch. 19.90
  - Ch. 19.55, *General Commercial District* – Remove Land Use Table
  - Ch. 19.75, *Recreation and Park* – Remove Land Use Table
  - Ch. 19.120, *General Provisions* – Remove sections on home occupation, temporary permits
- MTMC Chapters also repealed (or replaced) by Zoning Phase II:
  - Ch. 19.45, *Community Business District*
  - Ch. 19.60, *Freeway Tourist District*
  - Ch. 19.65, *Light Industry/Office Park District*
  - Ch. 19.70, *Sexually Oriented Adult Businesses Overlay*
  - Ch. 19.85, *Special Development District Commercial/Residential*
  - Ch. 19.100, *Freeway/Tourist District Planned Action*

CITY OF MOUNTLAKE TERRACE

BOARD/COMMISSION RECOMMENDATION

- Planning Commission continuing discussions this summer
- Recommendation anticipated in September

CITY OF MOUNTLAKE TERRACE

NEXT STEPS

City Council anticipated to review and vote September 3, 2026

CITY OF MOUNTLAKE TERRACE

DISCUSSION & QUESTIONS

CITY OF MOUNTLAKE TERRACE

Thank you

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STAFF REPORT

To: Mountlake Terrace City Council
From: Brooke Eidem, Community Development Director
Meeting Date: July 23, 2026
Subject: Presentation on Code Modifications for Zoning Phase II

Required Reviews:

Jennifer Joki	Created/Initiated - 07/15/2026
Brooke Eidem	Approved - 07/16/2026
Sirke Salminen	Approved - 07/16/2026
Hillary Evans	Approved - 07/16/2026
Jeff Niten	Final Approval - 07/16/2026

Council Goal(s):
Growing our Vibrant Community, Responsible Governance to Ensure Desired Level of Service

Legislative History:
The Comprehensive Plan periodic update (Vision 2044) was adopted by the City Council on October 16, 2024, under Ordinance 2868. The Housing Action Plan was adopted under Ordinance 2901 on December 4, 2025. This item was on the Planning Commission's work program in 2025—reviewed by the City Council on March 3, 2025—and was deferred to 2026 due to workload.

The Planning Commission has discussed this item at multiple meetings in 2026, and those discussions are anticipated to continue through the summer.

Subject Summary:

Background
The Comprehensive Plan was adopted with a vision for four new zones and a new future land use map. The Growth Management Act (GMA) requires the City to provide sufficient land capacity for development, specifically the growth targets allocated by the state (through Puget Sound Regional Council and Snohomish County). GMA also requires implementation of the Comprehensive Plan, and consistency between the Plan and development regulations. Now that the Comprehensive Plan is adopted, it must be implemented in the development code and Zoning Map.

Mountlake Terrace was assigned 7,683 new housing units through the growth allocation process. This means the City must plan for and accommodate, through zoning regulations, sufficient housing types to be developed by the private market over the next 20 years that will meet the assigned target. The environmental impact analysis that was conducted as part of the Comprehensive Plan revealed that under current zoning regulations, the City would fail to meet its required growth target. The analysis studied several alternatives and the preferred solution was ultimately adopted by the City Council, reflected by the Comprehensive Plan Map. This plan calls for several new zones: an Employment zone, a Manufactured Home Park zone, a Neighborhood Mixed Use zone, and a Gateway Mixed Use zone.

Employment zone

The Employment zone is located in the northwest corner of the city, in Melody Hill. It was mapped to replace the current Light Industry/Office Park zone (LI/OP). The LI/OP development regulations were adopted in 2008 with some minor amendments through the years. Melody Hill residents provided input during the Comprehensive Plan process, requesting enhanced development, improved nonmotorized connectivity and public spaces, and more green spaces.

> *The Comprehensive Plan provides the following vision statement:*
> The purpose of the Employment land use designation is to provide land for light industrial and commercial offices that primarily provide high levels of employment opportunities, while encouraging economic opportunities that provide family wage jobs, accommodating certain uses that may not be suitable in other commercial districts, ensuring reasonable protection for adjacent residentially zoned districts and providing for transit/pedestrian access and aesthetically pleasing development along key corridors.

The LI/OP zone regulations are located in Chapter 19.65 MTMC. This area is also encumbered by the Sexually Oriented Adult Businesses (SOAB) overlay, discussed in Chapter 19.70 MTMC. The current proposal is to update the regulations in Chapter 19.65 to reflect the new Employment District, with consideration for the input provided by Melody Hill residents during the Comprehensive Plan process. The project will also repeal the SOAB overlay from 1995, which applies a 500-foot restriction buffer between any adult entertainment business and a list of established land uses. Staff is proposing to address this through an alternate method of adding "adult businesses" to the definitions and Land Use Tables, discussed in Agenda item 4, and applying reasonable restrictions consistent with case law.

Manufactured Home Park zone

The Manufactured Home Park zone supplants the current Mobile Home Park zone, which does not have specific development regulations apart from those that apply to development of new parks. Those existing regulations, located in Title 15, are very outdated. There are several existing parks in the city, some with nonconformities. Staff is working to draft development regulations that would resolve nonconformities as much as possible, to preserve existing parks and ensure they can undergo future maintenance and modifications without running into barriers with the code.

> *The Comprehensive Plan provides the following vision statement:*
> The purpose of the Manufactured Home Park land use designation is to provide land for the

continued use of existing manufactured homes.

The current regulations that apply to manufactured homes in Chapter 15.30 MTMC are from 1994 and need to be updated to meet current state requirements. The proposal is to remove all development-related standards from this chapter and move them to a new chapter in Title 19 with zoning and site development regulations for the Manufactured Home Park zone. The purpose is to ensure the city's existing manufactured home park properties are preserved and the residents of those parks are not displaced.

Mixed Use District

The Mixed Use zones are located in nodes throughout the city, generally based on proximity to commercial areas, the transit station, and/or freeway access. In this case, the zones are entirely new, and the Comprehensive Plan provides fairly clear guidance. The Mixed Use nodes are located in areas that either replace other zones (Community Business District, Special Development District Commercial/Residential, and Freeway/Tourist), or upzone existing residential-zoned properties. Due to the various nature of this district, staff has been engaging with the community to gain a clear understanding of important features that need to be considered.

> *The Comprehensive Plan provides the following vision statements:*
> Gateway Mixed Use — The purpose of the Gateway Mixed Use land use designation is to provide land for commercial and multifamily mixed-use buildings with service oriented non-residential uses (retail, restaurants, hotels, etc.), that serve the community, have more regionally scaled commercial uses and transit-oriented development, taking advantage of the proximity of I-5 and the Mountlake Terrace Light Rail Station. These buildings will have a minimum height of 6 stories, and a maximum height of 12 stories.
>
> Neighborhood Mixed Use — The purpose of the Neighborhood Mixed Use land use designation is to provide land at efficient densities for multifamily residences and encouraging the development of mixed use buildings with resident-oriented ground floor active uses to provide for the day-today needs of residents and the surrounding community. This designation encourages a clean and healthy environment, safety, walkability, neighborliness, affordability for a range of income levels, and convenient access to public transit, goods, and services. These buildings would have a maximum height of 4 to 6 stories, and these lots would serve as small commercial nodes in residential neighborhoods throughout the City, as a transitional zone between Residential land uses and higher intensity primarily commercial areas.

The proposal is to repeal chapters for the zones that are replaced by the Mixed Use District on the Zoning Map (including Ch. 19.45, *Community Business District*; Ch. 19.60, *Freeway/Tourist District*; Ch. 19.85, *Special Development District Commercial/Residential*, and Ch. 19.100, *Freeway/Tourist Planned Action*). A new Mixed Use District chapter will be proposed that contains regulations for both Neighborhood Mixed Use and Gateway Mixed Use, similar to how the Town Center regulations are organized.

Project Status

Staff is continuing the community engagement process while working to integrate feedback into draft conceptual regulations. The Planning Commission discussed regulatory concepts for Mixed Use at their meeting on July 13th and provided helpful guidance for staff to develop drafts.

Financial/Budget Impacts:

Budget Amendment Required?	N/A

Budget and Sources:	
Expenditure:	
New Appropriation Required + Sources:	

Additional Financial Information:
N/A

Community Notifications:
City Council Agenda
If "Other," please specify:

Board/Commission Recommendation:
The Planning Commission will provide a recommendation to the City Council when their work is complete, anticipated to be at the end of August.

Staff Recommendation:
N/A

Council Motion:
N/A

Attachments:
1. Presentation

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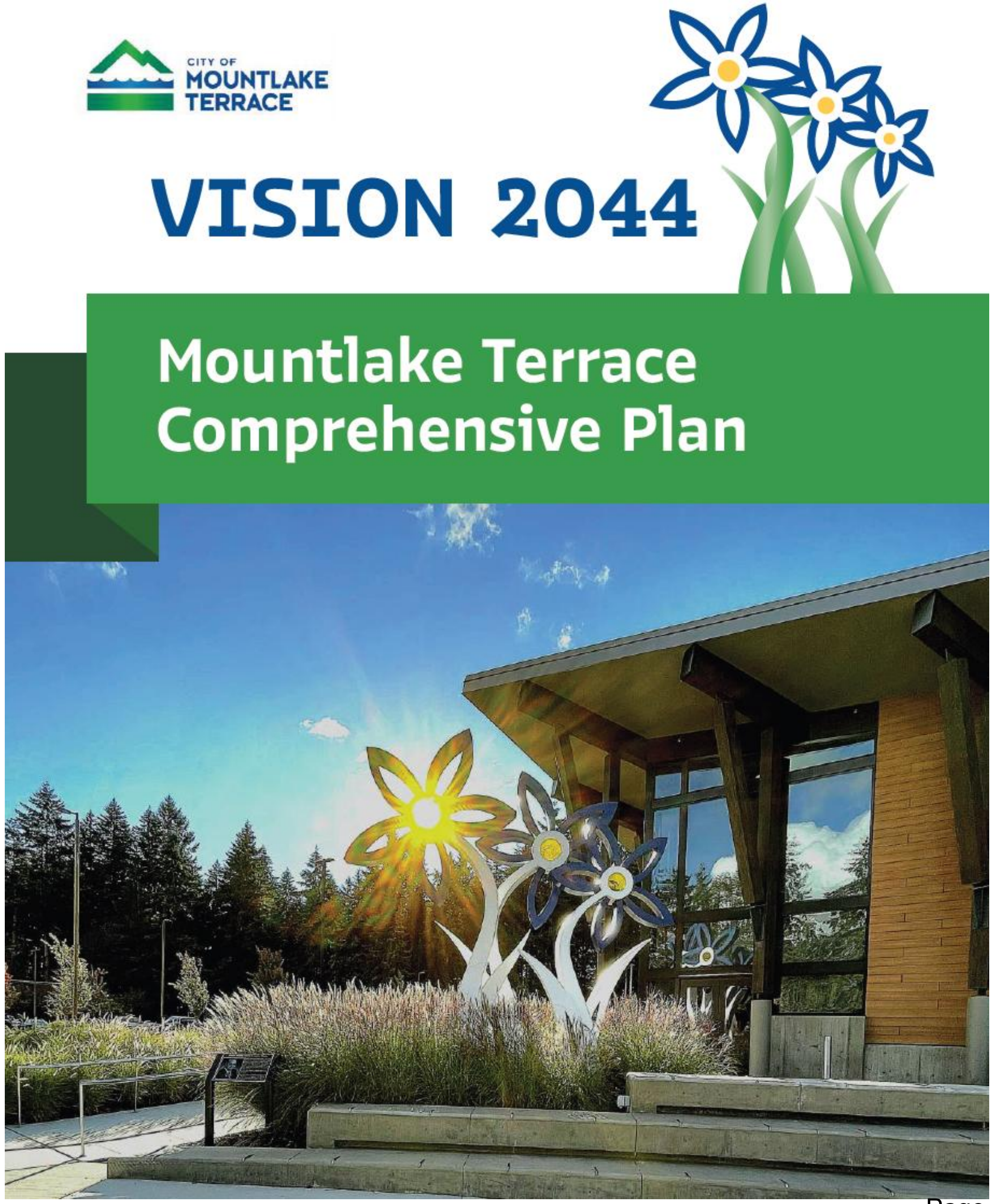
Zoning Phase II

City Council Work Session: July 23, 2026

Brooke Eidem, Community Development Director

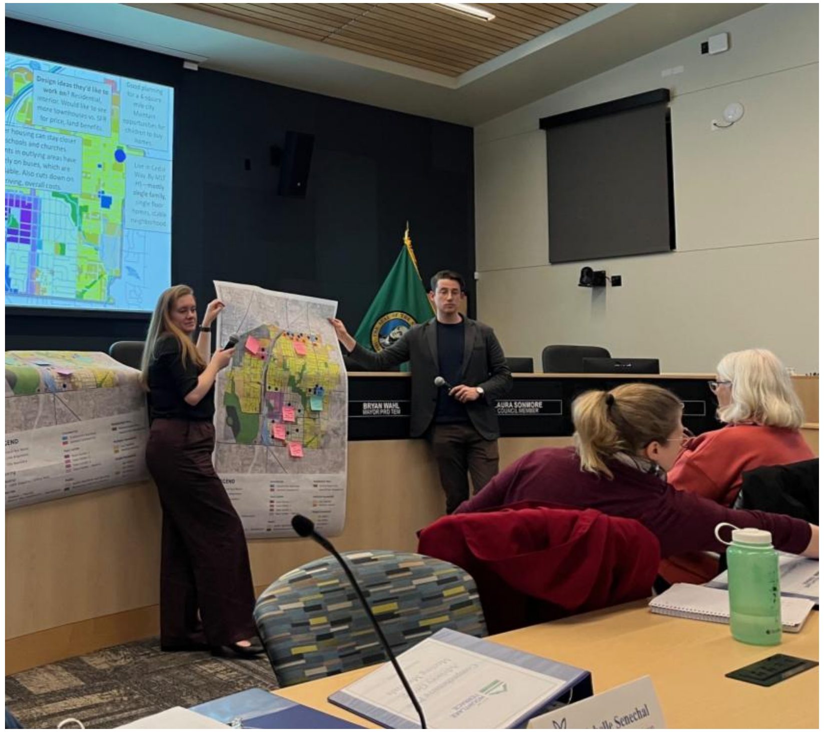
PURPOSE

- Implement Comprehensive Plan
- Adopt development regulations for 4 new zones:
    - Employment
    - Manufactured Home Park
    - Neighborhood Mixed Use
    - Gateway Mixed Use



LEGISLATIVE HISTORY

- Comprehensive Plan Periodic Update adoption
  - October 16, 2024 (Ord. 2868)
- Housing Action Plan adoption
  - December 4, 2025 (Ord. 2901)
- Planning Commission discussions of Zoning Phase II regulations
  - May 11, 2026
  - June 8, 2026
  - June 22, 2026
  - July 13, 2026



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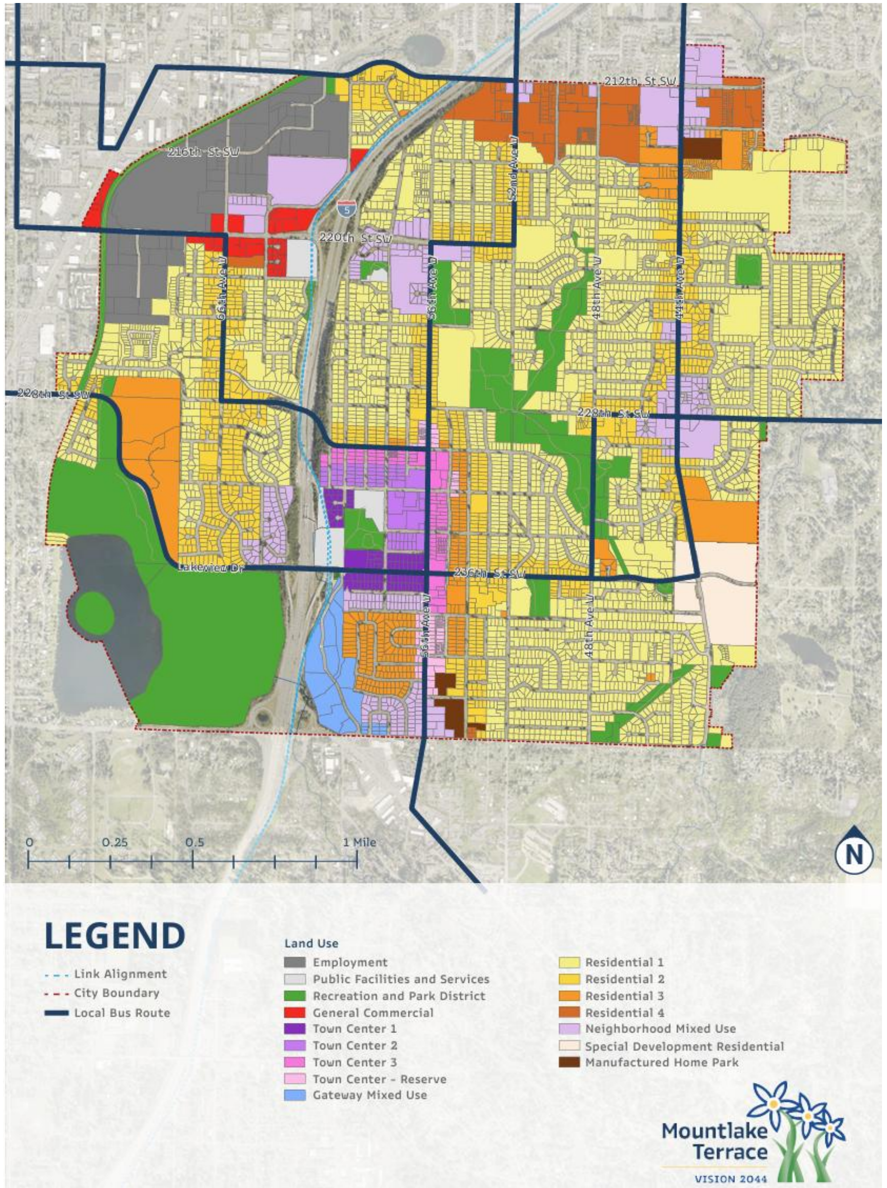
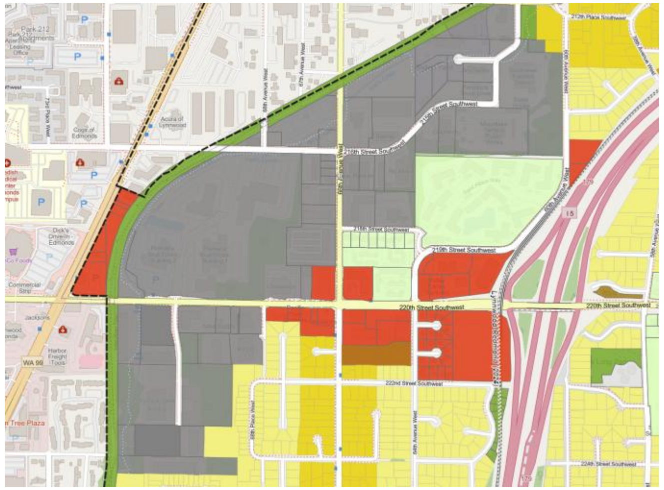
PROJECT SUMMARY

- Land Use and Environmental analysis conducted for Comprehensive Plan Periodic Update showed more capacity needed to meet state-mandated growth targets
- New Land Use Map adopted with changes to meet required targets
- Changes include zoning modifications and upzones, resulting in 4 new zones
- Zoning Map has not yet been amended, but is required to be consistent with Comprehensive Plan
- Delay in zoning change is due to associated development regulations
- Coordinate project with Land Use Tables



PROJECT SUMMARY

- **Employment Zone:**
  - Replaces Light Industry/Office Park (LI/OP) zone
  - Update regulations in Chapter 19.65 MTMC
  - Remove SOAB overlay
  - Avoid nonconforming land uses
  - Integrate input from Melody Hill neighborhood and businesses in the area
  - Improve connectivity and greenspaces through development regulations



EMPLOYMENT – The purpose of the Employment land use designation is to provide land for light industrial and commercial offices that primarily provide high levels of employment opportunities, while encouraging economic opportunities that provide family-wage jobs, accommodating certain uses that may not be suitable in other commercial districts, ensuring reasonable protection for adjacent residentially zoned districts and providing for transit/pedestrian access and aesthetically pleasing development along key corridors.

CITY OF MOUNTLAKE TERRACE

PROJECT SUMMARY

- **Manufactured Home Park Zone:**
  - Replaces Mobile Home Park zone
  - Intended to preserve and maintain existing manufactured home parks
  - Update Chapter 15.30 MTMC, *Mobile Homes* for current legislation
  - Adopt new chapter in Title 19 for Manufactured Home Parks
  - Avoid nonconforming land uses and site elements (e.g., structural setbacks)

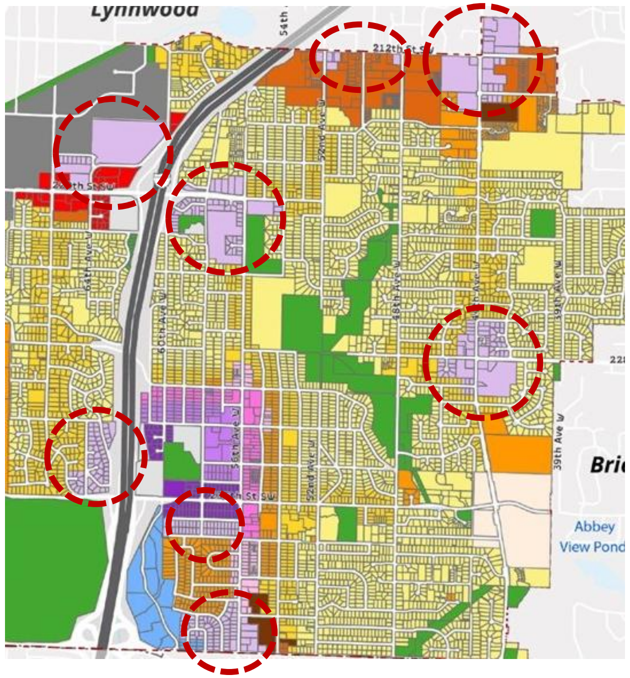
MANUFACTURED HOME PARK

The purpose of the Manufactured Home Park land use designation is to provide land for the continued use of existing manufactured homes.

CITY OF MOUNTLAKE TERRACE

PROJECT SUMMARY

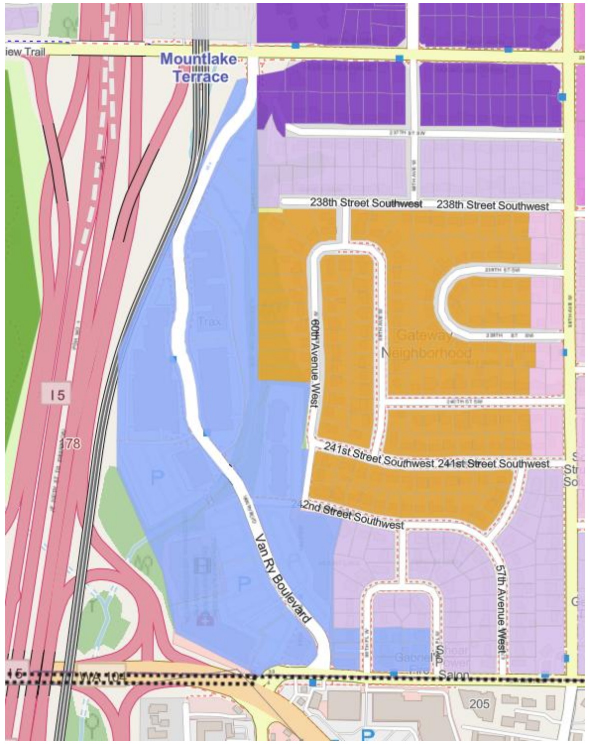
- **Neighborhood Mixed Use:**
  - Brand new zone, Comprehensive Plan for guidance
  - Will supplant several existing zones
  - Located in nodes throughout the city
  - Locations based on proximity to existing commercial activity, freeway access, or transit station
  - Targeted community engagement with affected properties due to upzones
  - Discussions with Planning Commission and input from community about land uses, dimensional standards, site design, etc.
  - Land uses and design concepts reviewed at July 13th meeting



NEIGHBORHOOD MIXED USE – The purpose of the Neighborhood Mixed Use land use designation is to provide land at efficient densities for multifamily residences and encouraging the development of mixed-use buildings with resident-oriented ground floor active uses to provide for the day-to-day needs of residents and the surrounding community. This designation encourages a clean and healthy environment, safety, walkability, neighborliness, affordability for a range of income levels, and convenient access to public transit, goods, and services. These buildings would have a maximum height of 4 to 6 stories, and these lots would serve as small commercial nodes in residential neighborhoods throughout the City, as a transitional zone between Residential land uses and higher intensity primarily commercial areas.

PROJECT SUMMARY

- **Gateway Mixed Use:**
  - Located along Van Ry Blvd
  - Will replace current Freeway/Tourist zone
  - Regulations similar to Neighborhood Mixed Use but more intensive and regionally scaled
  - Land uses and design concepts reviewed by Planning Commission at July 13th meeting



GATEWAY MIXED USE – The purpose of the Gateway Mixed Use land use designation is to provide land for commercial and multi-family mixed-use buildings with service-oriented non-residential uses (retail, restaurants, hotels, etc.), that serve the community, have more regionally scaled commercial uses and transit-oriented development, taking advantage of the proximity of I-5 and the Mountlake Terrace Light Rail Station. These buildings will have a minimum height of 6 stories, and a maximum height of 12 stories.

BOARD/COMMISSION RECOMMENDATION

- Planning Commission continuing discussions this summer
- Recommendation anticipated in September

CITY OF MOUNTLAKE TERRACE

NEXT STEPS

City Council anticipated to review and vote September 3, 2026

CITY OF MOUNTLAKE TERRACE

DISCUSSION & QUESTIONS

CITY OF MOUNTLAKE TERRACE

Thank you

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Item: 6.

STAFF REPORT

To: Mountlake Terrace City Council
From: Patrick Hutchins, Stormwater Program Manager
Meeting Date: July 23, 2026
Subject: Review Ecology Stormwater Grant for 220th /70th Water Quality Project

Required Reviews:

Jennifer Joki	Created/Initiated - 07/14/2026
Gary Schimek	Approved - 07/14/2026
Sirke Salminen	Approved - 07/15/2026
Hillary Evans	Approved - 07/15/2026
Carolyn Hope	Final Approval - 07/15/2026

Council Goal(s):

2. Responsible Governance to Ensure Desired Level of Service
4. Environmental Sustainability and Resiliency

Legislative History:

02/06/2024- City Council Meeting approved Stormwater Comp Plan which includes this project
09/26/2024- City Council Meeting reviewed acceptance of grant for design work on 220th/70th water quality project
10/03/2024- City Council Meeting approved acceptance of grant for design work on consent agenda

Subject Summary:

The 220th & 70th Water Quality Retrofit Project will treat 32 acres of stormwater that is currently polluted by heavy metals, petroleum, fertilizer, sediment, and tire dust, including the salmon killing chemical 6-ppd-q. This polluted stormwater currently flows untreated into Hall Creek which eventually ends up in Lake Ballinger where people swim, boat, wade, and fish. Seeing this project through to the end represents a generational opportunity to improve environmental and human health within the city. It also provides a chance for Mountlake Terrace to be recognized as one of the first cities in the state to build a water-quality retrofit specifically intended to treat for 6-ppd-q which is an emerging contaminant of concern for the Department of Ecology.

The grant contains two sources of funding from the Department of Ecology totaling $4,710,00. The Clean Water State Revolving Fund (CWSRF) will provide $3,831,000 in forgivable principal loan. Forgivable principal loan is a funding mechanism that allows for no cost to the loanee, provided they meet the requirements of the funding agreement. Ecology typically uses it to support smaller jurisdictions. The State Financial Assistance Program (SFAP) will provide $879,601 in direct grant. The CWSRF funding cannot cover more than 85% of the project cost, but SFAP funds can be used to cover what would normally act as a 15% match.

The funding mechanism includes EPA pass-through funding so has typical state requirements and some additional federal requirements. They include:
- Majority of products used in the build be made and manufactured in the US
- Community outreach about the project with a 30-day comment period
- Opinion of Legal Council
- Environmental and Cultural Resource Review
- Project Signage with Funding Recognition
- Quarterly Progress Reports
- Fair Wage Reporting
- Disadvantaged Business Engagement
- Resolution accepting the loan

The grant agreement is currently in negotiation with the Department of Ecology. The goal is to have the agreement completely settled by the end of 2026. Staff will return to council with any updates and seek resolution to accept.

Financial/Budget Impacts:

Budget Amendment Required?	Yes

Budget and Sources:	412 Stormwater Fund
Expenditure:	4,710,000
New Appropriation Required + Sources:	Grant currently under consideration

Additional Financial Information:
N/A

Community Notifications:
City Council Agenda
If "Other," please specify:

Board/Commission Recommendation:
N/A

Staff Recommendation:
Once the grant agreement is finalized, staff recommends the City Council vote to adopt the Resolution Accepting the Ecology Grant. This can be accomplished by adding it to the Consent Agenda as soon as the agreement is ready.

Council Motion:
N/A

Attachments:
1. Presentation on Ecology Stormwater Grant for 220th and 70th Water Quality Project
2. Clean Water State Revolving Fund Requirements
3. Ecology Grants and Loans Administrative Requirements

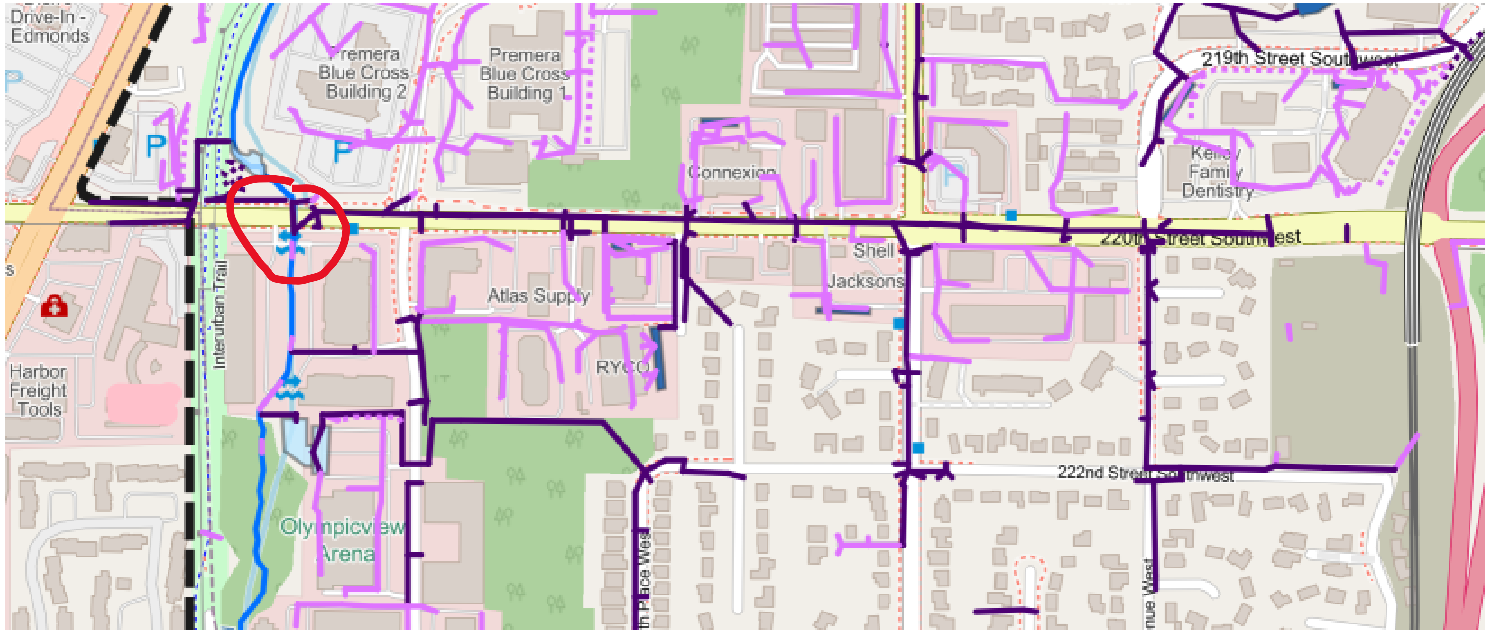
CITY OF MOUNTLAKE TERRACE

220th & 70th Water Quality Project

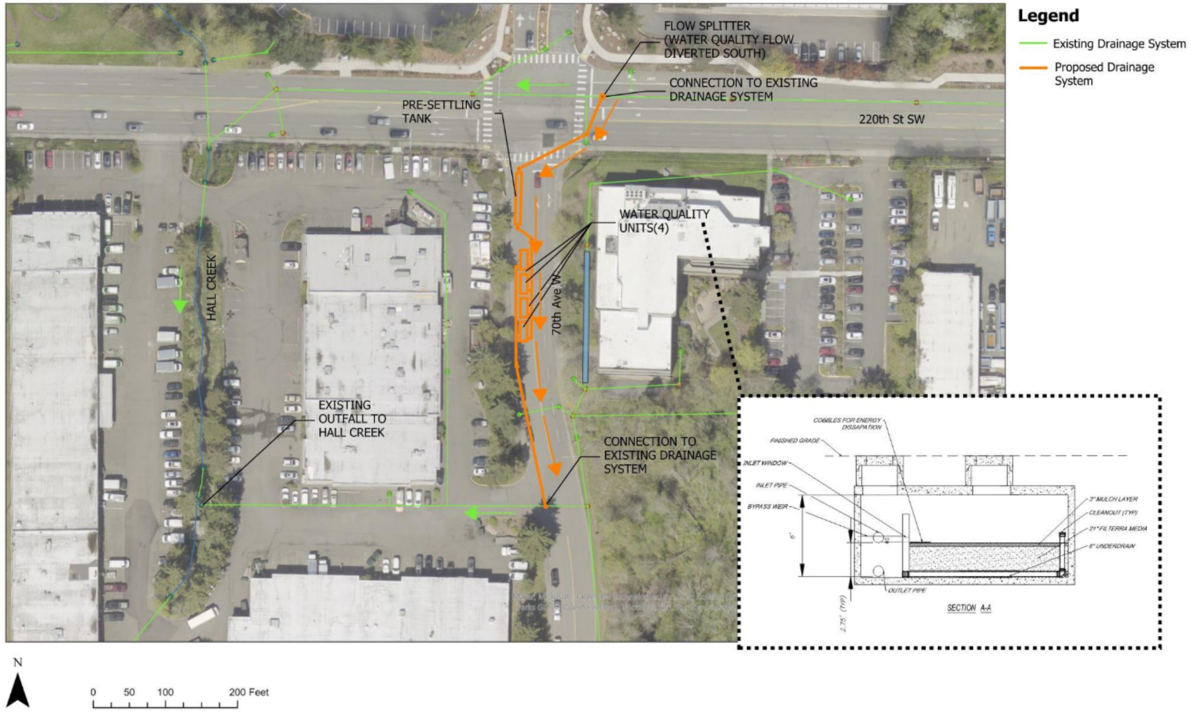
City Council Work Session: September 26, 2024

Laura Reed, Stormwater Program Manager, Public Works

Current condition



Future condition



Legend

- Existing Drainage System
- Proposed Drainage System

32.2 acres

CITY OF MOUNTLAKE TERRACE

FACTS ABOUT THE GRANT

- Value: $4,710,000; estimated to begin construction spring 2027, conclude late-summer, fall 2027
- Approx. 75% covered by CWSRF. Approx. 25% covered by SFAP.
- Work to be done by consultants (Jacobs Engineering), city staff reviews, construction contractor
- Project fulfills 2024 Ecology permit requirement for 3.5 acres of water quality treatment

RESULT = Follows through on grant funding provided for the design of this project. Gives opportunity for generational improvement to human & environmental health in our priority watershed.

Construction estimate: **$4.7M**

With grant, estimated cost to city: **$0**

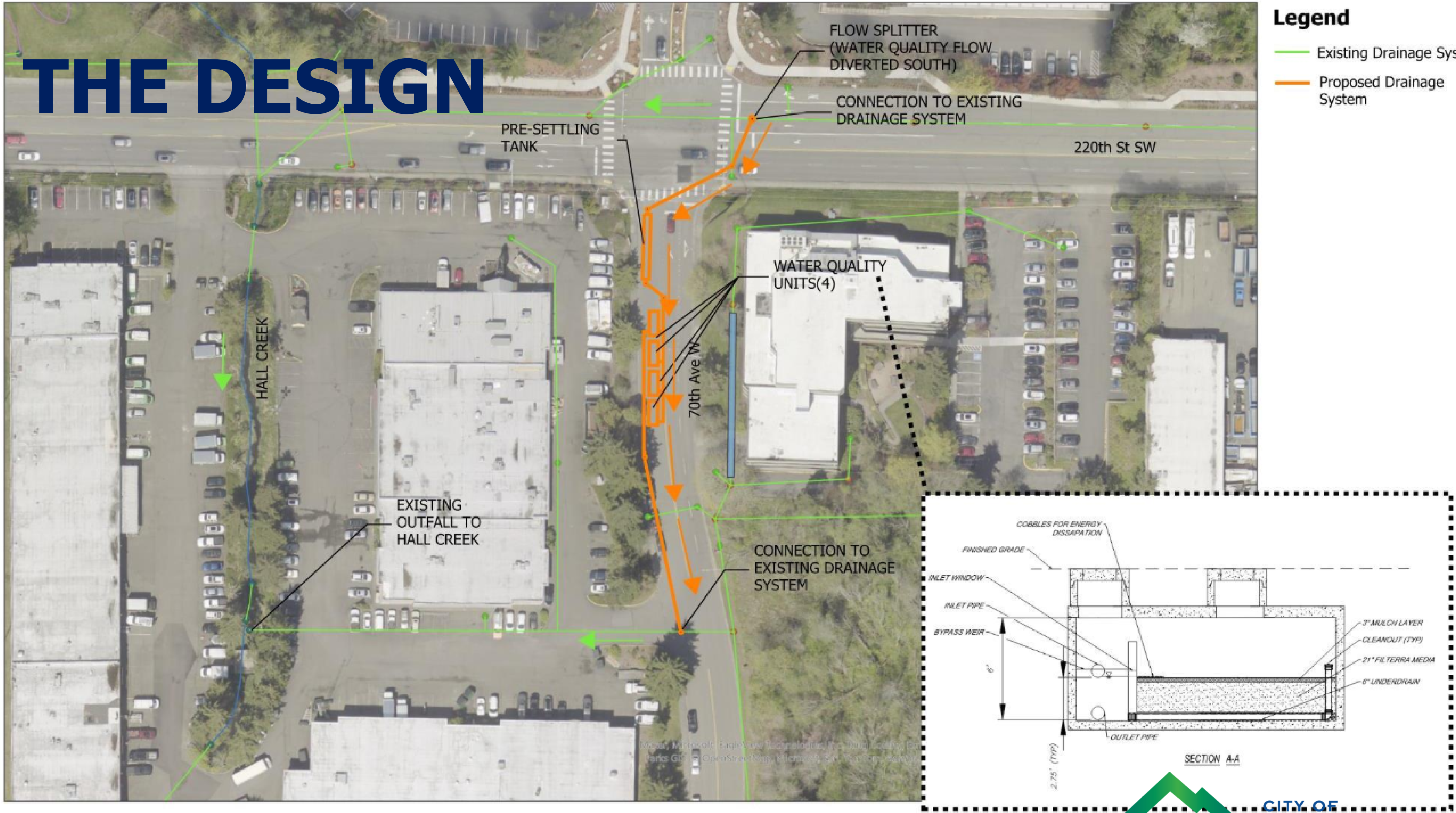
CITY OF MOUNTLAKE TERRACE

FACTS ABOUT THE GRANT

- Grant is partly funded by EPA passthroughs which have been guaranteed to Ecology
- Adds requirements
  - Majority of products used be made and manufactured in the US
  - Community outreach about the project with a 30-day comment period
  - Opinion of Legal Council
  - Environmental and Cultural Resource Review
  - Project Signage with Funding Recognition
  - Quarterly Progress Reports
  - Fair Wage Reporting
  - Disadvantaged Business Engagement
  - Resolution accepting the loan

CITY OF MOUNTLAKE TERRACE

THE DESIGN



Media used in the vault will remove 6PPD, 6PPD-Q, and other pollutants.

CITY OF MOUNTLAKE TERRACE

REQUEST OF COUNCIL

Seeking authorization to have the city manager accept $4,710,000 grant from for the final design and construction of a runoff water quality treatment system on 70th Ave W at 220th St SW.

CITY OF MOUNTLAKE TERRACE

DISCUSSION & QUESTIONS

CITY OF MOUNTLAKE TERRACE

Clean Water State Revolving Fund (CWSRF) funding requirements

This page provides information and loan requirements for recipients of Clean Water State Revolving Fund (CWSRF) funding. We have information that applies to all project types and specific information for stormwater and wastewater facility project types. All funding terms and conditions and more details about these requirements can be found in the Water Quality Combined funding guidelines. Guidelines are also available in EAGL at the top your application.

If you are interested in applying for this funding please visit our Water Quality Combined Fund applicant page.

I want to...

- Find information about signs
- Find more information about Build America, Buy America
- See procurement, contracts, and purchasing requirements

Requirements for All CWSRF Loans

All funded projects must adhere to:

Funding Guidelines for the fiscal year of the award (see below)
Administrative Requirements for Ecology Grant and Loans (Yellow Book)
Terms and conditions of your funding agreement

Funding guidelines

SFY2027 Funding Guidelines
SFY2026 Funding Guidelines
SFY2025 Funding Guidelines
SFY2024 Funding Guidelines
SFY2023 Funding Guidelines
SFY2022 Funding Guidelines

- SFY2021 Funding Guidelines
- SFY2020 Funding Guidelines
- SFY2019 Funding Guidelines
- SFY2018 Funding Guidelines
- SFY2017 Funding Guidelines

There are more specifics on this page below and you can find additional specific requirements (including recipient trainings) on the project type pages:

Stormwater Wastewater Nonpoint Onsite Sewage

Before the loan goes to signature

Upload these to EAGL "uploads" form and notify your Ecology project team:

- Opinion of legal counsel
- A copy of ordinance or resolution giving the recipient authority to accept a loan. It should include:
  - Name of the project
  - Name of the funding program (i.e., Clean Water State Revolving Fund)
  - Loan Amount
  - Interest rate and term
- Federal Accountability and Transparency Act (FFATA) Form (only for equivalency and Section 319)

Fill out these forms in EAGL:

- Cost and Effectiveness Analysis (CEA) Certification Form (see more info below)
- Fiscal Sustainability (Asset Management) Plan
- CWSRF SRF Data Reporting Form

Cost and effectiveness analysis (CEA)

The Environmental Protection Agency (EPA) requires recipients complete a CEA certification form (in EAGL) before a loan is signed. The purpose of the form is to determine if a recipient has already completed a cost and effectiveness analysis or needs to complete one as a deliverable of the project (this is an eligible expense). The purpose of the requirement to is ensure the recipient picked the most cost-efficient option while also considering water and energy conservation. For more details, please see the funding guidelines.

Requirements for stormwater and wastewater facility projects

If you are offered construction funding or planning on using CWSRF for construction, these will apply to your project.

Fiscal Sustainability (Asset Management) Plan

EPA requires that a Fiscal Sustainability (Asset Management) Plan certification form (in EAGL) be completed before a loan that includes construction is signed. The purpose of the certification form is to determine if a recipient has already completed a plan that meets the requirements or needs to complete one as a deliverable of the project (this is an eligible expense). The requirement is to ensure the recipient has an asset management plan that also considers water and energy conservation. The plan must cover the entire system even if the funded project is only for a project within the system. For more details, please see the funding guidelines.

Environmental and cultural resource review

The project phase and funding will dictate the level of detail and information needed to complete the review. Ecology must have a determination before ground disturbance occurs or that activity may be ineligible.

CWSRF Equivalency, Emerging Contaminants, and OSG funded projects must complete a report on compliance with specific federal environmental assurances, often referred to by EPA as "cross cutters".

For more information about the State Environmental Review Process (SERP) and links to the Environmental Information document and guidance, please visit our Environmental and cultural review webpage.

Progress report certification

Recipients must include the following language in each of their progress reports to "certify" they are aware of and meeting the CWSRF requirements.

"We verified that we are in compliance with all the requirements as outlined in our funding agreement(s) with the Department of Ecology. This includes but is not limited to:

> The Davis-Bacon Act, 29 CFR, prevailing wage requirements, certified weekly payroll, etc.
> The Disadvantaged Business Enterprise (DBE), 40 CFR, Part 33
> The American Iron and Steel Act (Buy American)
> The Build America Buy America Act (BABA) (equivalency projects only)"

Funding recognition and signs

All projects must adhere to the funding source recognition requirements and give credit to all funding sources (i.e. EPA and Ecology). The signage specifications are linked below:

> EPA Enhancing Public Awareness of SRF Assistance Agreements (options available to enhance awareness)
> Guidance for using the EPA seal and logo (how to access EPA logo)
> Ecology Logo – Please consult with your Ecology contact to confirm your project has satisfied its funding recognition requirements, we will then provide you with our logo.

Procurement, purchasing, and contracts

State procurement requirements apply to all projects, which is described in the Administrative Requirements for Recipient of Ecology Grants and Loans (Yellow Book).

American Iron and Steel (AIS)

The American Iron and Steel (AIS) provision requires CWSRF recipients to use iron and steel products that are produced in the United States. Recipients are required to maintain AIS documentation from manufacturers that documents where the iron and steel was produced. Waivers may be available for specific projects and equipment. If you think you will need a waiver, let your Ecology project team know and coordinate with Ecology who will submit the waiver request to EPA on the project's behalf. Once waivers are submitted and review by EPA, there is a 15-day public comment period. It's important to plan ahead, waivers can take up to three months to complete.

For more information visit EPA's webpage State Revolving Fund AIS requirement

Build America, Buy America Act (BABA)- applies to Designated Equivalency Projects only

Commonly the grant and loan program prefers to apply the equivalency designation to projects which begin at the planning or design phase so that the requirements can be incorporated into design and onto construction. The Build America, Buy America Act requires that all of the iron, steel, manufactured products and construction materials used in infrastructure projects (funded with federal funds) are produced in the United States. Each federal funding agency manages any waivers to this requirement. Request for waivers must first be coordinated with Ecology who will submit it to EPA. Once waivers are submitted and review by EPA, there is a 15 day public comment period. It's important to plan ahead, this could take three months to complete.

For more information visit EPA's Build America, Buy America webpage

Contract clauses and specifications inserts

Recipients must ensure the CWSRF requirements are included in the bid specifications and contracts for the project. Below please find the inserts that should be used.

Professional Service Contracts (architecture, engineering, geotech, etc.)

State Revolving Fund Engineering Services Insert (for service contracts)

Construction

State Revolving Fund Specification Insert (for contract documents)
Standard Contract Clauses
State Revolving Fund Pre-Selection Insert (for equipment)

CWSRF Equivalency projects must follow federal procurement for any Professional Service Contracts (Architectural and Engineering, geotech, etc.)

Davis-Bacon wage (fair wages)

Recipients must ensure fair wages for contractors and subcontractors by documenting and paying Davis-Bacon wages. Wage determinations can be found on the U.S. Department of Labor website. Recipients should consult with their Ecology project team to ensure they understand reporting and record-keeping compliance. All projects receiving funding must also comply with state prevailing wage rates. Where conflicts arise between the state prevailing wage rates and Davis-Bacon wages, use the more stringent requirement.

Davis-Bacon and Related Acts | U.S. Department of Labor - Find information about the Davis-Bacon requirements and resources
Prevailing Wage (Washington State) - Find state prevailing wage rates information
Guidance for Davis-Bacon compliance - Ecology's checklist for tracking compliance

Disadvantaged Business Enterprise

All projects must meet the "6 good faith efforts" for all contracting and subcontracting.

Recipients must make a good faith effort to ensure minority and woman owned or disadvantaged businesses are aware of the funded projects contractor and subcontractor bidding opportunities. Ecology provides forms that can be used to account for all the contractors and subcontractors being used on the project and whether they are DBE certified. The recipient will then report in their payment requests on Form "D" in EAGL so Ecology can report to EPA how much federal funds went to DBE eligible businesses.

The following forms are provided by the recipient and filled out by the low-bid contractor:

[DBE Subcontractor Participation form]
[DBE Subcontractor Performance form]
[DBE Subcontractor Utilization form]

Related links

- Water Quality grants and loans main page
- Environmental and cultural review webpage
- Water Quality Combined Funding Application page
- Infrastructure Assistance Coordinating Council
- 2022 Clean Watershed Needs Survey Dashboard (epa.gov)

Contact information

Shelly McMurry
Clean Water State Revolving Fund Loans
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564-999-1649

WASHINGTON STATE
DEPARTMENT OF
ECOLOGY

Administrative Requirements for Recipients of Ecology Grants and Loans

Yellow Book

Publication No. 91-18

Revised September 2005

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ECOLOGY

Administrative Requirements for Recipients of Ecology Grants and Loans

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Prepared by:

Yellow Book Review Committee

Publication No. 91-18
Revised September 2005

For use with Agreements between
Department of Ecology and Grant or Loan Recipients
signed September 1, 2005 or after

printed on recycled paper

For additional copies of this document, contact your Grant Officer:

Department of Ecology
PO Box 47600
Olympia, WA 98504-7600
Telephone: (360) 407-6000

Or

Available on the World Wide Web @ http://www.ecy.wa.gov

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For more information or if you have special accommodation needs, please contact the agency at (360) 407-6000 (Voice) (360) 407-6006 (TDD).

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Appendices

PART I - INTRODUCTION

A. Purpose and Scope

This document establishes the administrative requirements for all grants and loans administered through the Washington State Department of Ecology.

"Administrative" requirements are those matters common to all grants and loans, including financial management, expenditure and income reporting, contracting, procurement and records retention. These are distinguished from "programmatic" requirements, which are specific to an agreement or to a grant or loan program.

"Programmatic" requirements are detailed in specific grant or loan program guidelines. Program guidelines describe the costs and activities that are eligible for support with Ecology funds under that program, application procedures, and match requirements. Program guidelines are consistent with these Administrative Requirements, although they may impose additional limitations.

All provisions for the administration of Ecology grants or loans that are less restrictive than these Administrative Requirements are superseded, except to the extent that they are required by statute or regulation, pertain to existing agreements, or are authorized in writing by Ecology's Chief Financial Officer.

B. Roles and Responsibilities

This section summarizes recipient responsibilities and the roles of Ecology staff relative to the recipient. A complete description of any procedures is included in these requirements.

RECIPIENT	Complete the project according to all terms of the agreement, including the budget, scope of work and performance schedule.
	Submit billings, reports and other required documentation in an accurate and timely manner.
	Keep all supporting documentation for audit purposes for at least three years after agreement closeout.
PROGRAM STAFF	Negotiate with recipient to develop budget, scope of work and performance schedule.
	Act as central contact with recipient.

	Review costs for eligibility, monitor project progress, and approve payment requests.
	Respond to budget deviation and determine appropriate action.
	Provide technical assistance, review/approve technical documents.
PROGRAM MANAGER	Sign agreements and formal amendments. Oversee fund management.
CHIEF FINANCIAL OFFICER	Resolve policy and procedural issues related to grants and loans and involving more than one Ecology program.
FISCAL OFFICE	Issue payments in conformance with administrative regulations. Follow up on audit issues. Manage the loan repayment process.
CONTRACT/GRANT/LOAN ADMINISTRATION UNIT	Provide technical advice on agreement structure. Review agreements for enforceability. Track local government audit findings, and ensure that Ecology acts on applicable findings.
STATE AUDITOR	Audits state and local government agencies for compliance with grant/loan requirements.

C. Definitions

As used in this document and in program guidelines:

APPLICANT means an entity submitting an application to Ecology for financial assistance.

APPLICATION means a document requesting financial assistance.

ACQUISITION COST means the net invoice price per unit. This includes the cost of modifications, attachments or accessories necessary to make it usable for the project. Other costs, such as installation, transportation, taxes, duty or in-transit insurance, are to be included or excluded from the acquisition cost according to the recipient's regular accounting practice

AGREEMENT means the formal written contractual document, signed by authorized representatives of the recipient and Ecology, which details the terms of the grant or loan. It includes, at a minimum, an approved scope of work, total project costs, funding percentages, eligibility criteria, budget, and performance schedule.

ALLOWABLE COSTS are those in which Ecology will participate, provided that the costs are not prohibited by program guidelines, are directly related to the grant project and meet all other eligibility requirements. If an allowable cost meets all eligibility requirements established in the terms of the agreement, it becomes ELIGIBLE.

AMENDMENT means a written document, signed by the authorized representative of Ecology, which details the changes or revisions to the original terms of the grant or loan.

AMOUNT REQUESTED TO DATE means the total amount of grant or loan funds requested from Ecology since the effective date.

ARCHITECTURAL AND ENGINEERING SERVICES means professional services of an architect or engineer.

AUTHORIZED OFFICIAL is a person designated by the recipient or by Ecology to sign a grant or loan agreement and any formal amendments to it.

BID means a written offer to perform a contract in response to a formal solicitation. The contract may be to purchase or supply property, equipment, services, tools or supplies.

BID OVERRUN means the excess of the amount of the successful bid over the anticipated amount of the contract.

CASH EXPENDITURES - regardless of the source of the funds - means any cash outlay by the recipient for project-related:

- Direct costs of goods and/or services;
- Salaries and benefits of recipient employees, including force account;
- Overhead costs; and
- Payments made to contractors.

Under certain conditions, cash expenditures may also include the cash outlay by another entity for any of the above. See Part III, Section F, *Reimbursing Cash Expenditures by Other Governments*.

CHANGE ORDER means a written order to the contractor authorizing an addition, deletion or revision in the work within the general scope of the contract documents, or authorizing an adjustment in the contract price or contract time.

CLOSE-OUT means the process by which all administrative matters relative to a grant or loan are reconciled in order to close the file.

COGNIZANT AGENCY means the federal agency responsible for reviewing, negotiating, and approving cost allocation plans, or indirect costs proposals developed under Federal Circular A-87, on behalf of Federal agencies. The Federal Office of Management and Budget (OMB) publishes a listing of all cognizant agencies.

COMPETITIVE SOLICITATION means a process by which a recipient solicits bids or proposals from a sufficient number of bidders to assure adequate fair and open competition.

CONTINGENCY ALLOWANCE means the amount that is encumbered by Ecology to cover unanticipated increases in the cost of the project.

CONTRACT means a written document whose principal purpose is the procurement - by purchase or lease - of goods or services for the direct benefit of the project.

CONTRACT MANAGER/OFFICER is the person responsible for contract administration (contract draft review, budget tracking, amendment preparation, contract closeout) on a given project.

CONTRACTOR is any entity who is paid by the recipient for goods or services received under a contract.

COST PLUS FIXED FEE CONTRACT means a contract in which the government pays reasonable, allowable, and allocable costs plus a negotiated fixed fee (profit). The fixed fee does not vary with actual costs.

COST-TYPE CONTRACT means a contract in which the contractor is paid on the basis of costs incurred, with or without an additional fee for contractor profit.

COSTS include all charges made to the project, either as cash expenditures or as in-kind contributions.

CURRENT REQUEST means the amount of grant or loan funds requested from Ecology on the current billing.

ECOLOGY means the Department of Ecology or its authorized representatives.

EFFECTIVE DATE (of an agreement) means the earliest date on which eligible costs may be incurred. Unless otherwise stated in the agreement, the effective date is the date that the agreement was signed by Ecology.

ELEMENT is a generic term that may refer to an object, a task, a sub-object or a sub-task.

ELIGIBLE COST means a cost that meets all eligibility criteria established in the terms of the agreement. This includes any criteria related to the nature and the amount of the costs. If cash expenditure is eligible, this implies that it will be reimbursed, in whole or in part. If an in-kind contribution is eligible, a recipient may use it to meet the match requirement.

ELIGIBLE

- A task is eligible for funding by a particular fund source if the activities performed in that task are permitted by the fund source requirements.

- An entity, such as a local government or other applicant for a grant or loan, is eligible for a grant or loan if it meets the applicant criteria in the program guidelines.

ELIGIBLE PROJECT COSTS means the sum of eligible in-kind contributions and eligible cash expenditures applied to a project.

ELIGIBILITY GROUP means those costs which are eligible for support from the same fund source with the same fund share and the same match requirements. See Appendix E, *Funding Source Worksheet Examples*.

ELIGIBILITY PERCENTAGE means the portion of allowable costs which is eligible. Also, the eligibility percentage is not derived from comparing task costs with total project costs or with available grant/loan funding. It is strictly based on statutes or other regulations governing the categories of costs that may be eligible. If the terms of the agreement do not specify any eligibility percentages, the assumed percentage is 100%.

ENCUMBERED means money set aside (earmarked) to cover a financial obligation that will be incurred in the future.

EQUIPMENT means tangible, nonexpendable, personal property having a useful life of more than one year and an acquisition cost of at least $5,000 per functional unit or system. (See tools and equipment on page 64.)

EMERGENCY means unforeseen circumstances beyond the control of the recipient that present a real, immediate and extreme threat to the proper performance of essential functions and that without immediate corrective action may reasonably be expected to result in bodily injury or loss of life or excessive loss or damage to property.

EXPIRATION DATE (of an agreement or amendment) is the last date on which costs may be incurred and be considered eligible.

FEDERALLY RECOGNIZED INDIAN TRIBAL GOVERNMENT means the governing body or governmental agency of any Indian tribe, band, nation, or other organized group or community (including any Native village as defined in the Alaska Native Claims Settlement Act, 85 Stat. 688) certified by the Secretary of the Interior as eligible for the special programs and services provided through the Bureau of Indian Affairs.

FINAL PERFORMANCE EVALUATION (FPE) is an internal Ecology document completed by the assigned program staff to document the close-out of an agreement.

FINANCIAL MANAGER means the Ecology staff assigned to manage the financial aspects of an agreement.

FIRM FIXED PRICE CONTRACT means a contract in which the contractor is paid a fixed amount agreed to at the outset of the contract.

FORCE ACCOUNT means services related to a construction project which are provided by employees of the recipient, generally because it is determined that the work may be performed more economically or more efficiently by using materials, and/or equipment of a public body. Force account does not include administrative services applied to the construction project.

FUND SHARE (%) means the maximum percentage of eligible project costs which will be supported by a particular fund.

FUND AMOUNT ($) means the maximum amount of the eligible costs which will be supported by the fund.

GOVERNMENT means a federal, state or local government, or a federally recognized Indian tribal government.

LOCAL GOVERNMENT means a county, municipality, city, town, township, municipal corporation, quasi-municipal corporation, local public authority, conservation district, school district, special district, intrastate district, council of governments (whether or not incorporated as a nonprofit corporation under state law), any other regional or interstate government entity, or any agency or instrumentality of a local government.

GRANT means an award of money or property to accomplish a public purpose authorized by statute.

GRANT/LOAN AMOUNT means the maximum dollar amount of financial assistance that may be paid to the recipient under the terms of the agreement.

GRANT/LOAN OFFER means a letter sent to the grant or loan applicant stating that the application was accepted and that a grant or loan agreement may be negotiated.

GRANT/LOAN PERCENTAGE means the maximum percentage of eligible costs that may be supported by grant/loan funds.

GRANT/LOAN REMAINING means the amount of grant or loan funds which has not yet been disbursed to the recipient.

INDIRECT RATE a term commonly used to refer to the rate that is approved by the federal cognizant agency, to cover overhead/indirect costs for those entities that receive funding directly from a federal agency. All entities receiving funding directly from the federal government are assigned a cognizant agency by the Federal Office of Management and Budget (OMB). Cost allocation plans or indirect cost proposals are the method used by entities to seek approval for overhead/indirect costs from their cognizant agency.

IN-KIND CONTRIBUTIONS are property or services that benefit a project and are contributed to the recipient (or any contractor under the agreement) by a third party without direct monetary compensation. In-kind contributions include interlocal costs, donated or loaned real or personal property, volunteer services, and employee services donated by a third party.

INTERLOCAL COSTS are a type of in-kind contribution made to a project by another government pursuant to a valid written agreement (such as an Interlocal Agreement) between the recipient and the contributing entity which details the work to be accomplished, the goods and services to be provided, and the value thereof. Interlocal costs are distinguished from other in-kind contributions ONLY when the project has a cash match requirement and the program guidelines permit the use of interlocal costs to meet that requirement. See also *Cash Match Requirement -Interlocal Costs* in Part III, Section F. NOTE: Because interlocal costs are a form of in-kind contributions, no monetary reimbursement for them may be made by the recipient to the contributing entity.

LOAN means a contractual agreement between the recipient and Ecology involving disbursement of funds that must be repaid. It includes loan terms - such as interest rates and a repayment schedule - along with a scope of work, performance schedule and project budget.

LOBBYING means funds expended to influence or attempting to influence an officer or employer of an agency, a legislator, an officer or employee of the legislature or an employee of an individual legislature.

MATCH means that portion of the cash expenditures provided by the recipient for the project and the value of the eligible in-kind contributions applied to the project.

MATERIAL means an obligation central to the reason for the agreement, without which there would be no agreement.

MAXIMUM ELIGIBLE COSTS means the maximum amount eligible.

MAXIMUM AMOUNT ($) means the maximum amount of funding.

MAXIMUM SHARE (%) means the maximum percentage of eligible project costs which may be supported by agreement funds.

OBJECT means any of the standard categories of expenditures listed in the Budget and Accounting Reporting System (BARS), such as "salaries" or "supplies."

OBLIGATION means the amounts of orders placed, contracts awarded, goods and services received, and similar transactions during a given period that will require payment by the recipient

OVERHEAD COSTS a term often used interchangeably with Indirect Costs, to mean those costs that benefit more than one activity or cost objective of the recipient (Including grant or loan project), that cannot be easily or readily directly assigned to an objective of the project

OVERTIME means employee hours in excess of the Fair Labor Standards Act.

OVERTIME DIFFERENTIAL means the additional hourly rate applied to an individual's overtime hours. For instance, the overtime differential is 50% when overtime is paid at "time-and-a-half."

PAYMENT DUE means the amount of grant or loan funds to be disbursed to the recipient.

PERFORMANCE SCHEDULE means a calendar of dates showing when portions of a grant or loan project are due for completion.

PERSONAL PROPERTY means property of any kind except real property. It may be tangible (having physical existence) or intangible (such as patents, inventions and copyrights.)

PERSONAL SERVICES means professional services of a consultant.

PRIOR WRITTEN APPROVAL means documentation indicating that Ecology gave the recipient the authority to incur the particular costs, or take the particular actions, before the costs were incurred or the actions taken.

PRIOR AUTHORIZATION means written documentation authorizing the recipient to incur eligible project costs before the execution of the agreement. See *Authorizing Costs Incurred Prior to an Agreement* in Part II, Section B.

PROJECT INCOME means gross income received by the recipient and directly generated by a project, or earned only as a result of the project during the period of the agreement.

PROJECT OFFICER/ MANAGER/ LEAD means the Ecology staff person assigned to negotiate the terms of an agreement with the recipient and manage or lead projects.

PROGRAM MANAGER means the manager of the Ecology program awarding the grant/loan for the project.

REAL PROPERTY means land, including crops and mineral rights, land improvements, structures, and appurtenances to them, excluding movable machinery and equipment.

RECIPIENT means the entity that is awarded funding and is accountable for the use of the funds. The recipient is the entire legal entity even if only one component or department is designated in the agreement document.

SCOPE OF WORK means a detailed description of the project, including measurable objectives useful for determining successful completion.

SHARE (of an entity's portion of real property, equipment or supplies) means the percentage of the acquisition cost of the property provided by the entity. Only cash expenditures are to be counted - not the value of third-party in-kind contributions.

SHARE (of an entity's portion of project charges) means the percentage of the total project charges - including both cash expenditures and in-kind contributions provided by that entity.

STATE means Washington State.

SUBRECIPIENT means a recipient who receives *federal* monies from Ecology in an amount equal to, or greater than $500,000 per year. (Amount changed from $300,000 to $500,000 on January 1, 2004, for funds received on or after 1/1/04.)

SUPPLIES means all tangible personal property other than tools or equipment.

SUSPENSION means the temporary withdrawal of the authority to obligate previously awarded project funds pending either termination or corrective action by the recipient.

TASK means a particular objective of a project, such as "Design Treatment Facility".

TERMINATION means permanent withdrawal, before the expiration date, of the authority to obligate previously awarded project funds. It also means the voluntary relinquishment of that authority by the recipient. Termination does not include:

- Withdrawal of funds awarded on the basis of the recipient's underestimate of the unobligated balance in a prior period;
- Withdrawal of the unobligated balance at agreement expiration;
- Refusal to extend/renew an agreement or award additional funds; or
- Voiding an agreement upon determination that the award was obtained fraudulently, or was otherwise illegal or invalid from inception.

TERMS OF THE AGREEMENT means all requirements of the grant or loan, whether in statute, regulations, these Administrative Requirements, program guidelines or the agreement document.

THIRD PARTY means an entity who is not the recipient or a contractor under the grant agreement.

TOOLS are tangible, personal property having a useful life of more than one year and an acquisitions cost of less than $5,000 per functional unit.

TOTAL PROJECT COST means the sum of allowable direct and overhead costs of the project. It includes allowable costs that are ineligible because of statutory, budgetary or other limitations.

UNOBLIGATED BALANCE means the portion of the funds authorized by Ecology that has not been obligated by the recipient; it is determined by subtracting the cumulative obligations from the grant or loan amount.

PART II - TERMS OF THE AGREEMENT

A. Application For Grants And Loans

Each Ecology grant or loan is administered according to statutory authority detailed in the following:

- Statutes (RCWs) and/or rules (WACs)
- Application instructions;
- Program guidelines;

Recipients should consult the program guidelines governing the project for instructions.

B. Authorizing Costs Incurred Prior to an Agreement

Some circumstances may make it advantageous to begin work on a project before the effective date of an agreement. A public health hazard, environmental emergency, enforcement order, or consent decree with a court-ordered compliance schedule may require immediate action.

Under such circumstances, Ecology may authorize the applicant to incur costs prior to the execution of an agreement if one or more of the following additional criteria are met:

- The applicant has been offered a grant or loan on the basis of a complete application including a scope of work, detailed budget, and performance schedule, and
- The scope, cost, effective date, purpose and duration of the preliminary work and any additional considerations are documented in a written request from the applicant and are consistent with the application, and
- Ecology determines that authorization is in the best interests of the state.

While a prior authorization does not guarantee award of a grant or loan, it does make such costs eligible if an award is made and if the prior authorization is referenced in the agreement. As the work specified in the prior authorization progresses, recipients are to submit progress reports and at intervals mutually agreed to by the recipient and the department.

A prior authorization must be in writing. Unless specifically indicated otherwise, the date of Ecology signature is the effective date of any grant or loan.

Costs incurred before the effective date of the prior authorization and costs for work not consistent with the terms of the authorization are not eligible. Ecology will not pay for these costs.

C. Agreement Document

The agreement document must contain:

Grant/Loan Number

Ecology will assign a grant or loan number to the agreement. The recipient should include the grant or loan number in all project-related correspondence and payment requests.

Effective Date

After the award offer has been made, the recipient and Ecology negotiate the scope of work, eligibility criteria, performance schedule, budget, and other terms of the agreement. The Project Officer drafts the agreement and forwards it to the recipient for review and approval. After signature by the recipient, the agreement is signed by the authorized Ecology official. Unless specifically indicated otherwise in the agreement, the date of Ecology signature is the effective date. **Any costs incurred before the effective date are not eligible.**

Expiration Date

The expiration date is the last date on which a cost may be incurred and be considered eligible. An amendment is required to extend the expiration date.

General Terms and Conditions

General Terms and Conditions are general requirements contained in all Ecology grant and loan agreements, and are not negotiable. Some of those terms and conditions are explained more fully in these Administrative Requirements. The current General Terms and Conditions are included as Appendix B.

Special Terms and Conditions

Special Terms and Conditions are written into an agreement to detail restrictions or conditions specific to the project or to program guidelines. Special Terms and Conditions are consistent with the General Terms and Conditions, **but may provide additional restrictions or limit the applicability of certain provisions of the General Terms and Conditions**. The Special Terms and Conditions take precedence over the General Terms and Conditions and will be controlling.

Scope of Work

The agreement must contain a detailed scope of work describing the project and measurable objectives to be used to determine satisfactory achievement. The scope of work will contain a performance schedule with specific milestones, outcomes and/or deliverables related to project objectives, and regular reporting dates.

Project Budget

The agreement must include a project budget that establishes eligible costs for tasks and/or budget objects. The budget will also detail funding sources and amounts, any limitations on in-kind or overhead, and other financial matters.

Signature of Authorized Representatives

The agreement must be signed by an Ecology Director, Deputy Director, Program Manager, or authorized delegate, and by an authorized official of the recipient. At project officer discretion, the recipient's signatory may be required to submit a letter from the chief executive of the recipient, authorizing him/her to sign the agreement for the recipient.

Additional Certifications or Sworn Statements of Compliance

By signing an agreement the recipient certifies that it will comply with the procedures of the Office of Minority and Women's Business Enterprises as reflected in the Special Terms and Conditions of the agreement. Additional certifications or statements of compliance with specific federal or state regulations may be required.

D. Amendments

There are two types of amendments: formal amendments and letter amendments. Amendments are numbered consecutively over the agreement period.

Amendments are NOT required for administrative adjustments such as changes in telephone numbers, addresses, project officers, supervisors or contact persons for Ecology or the recipient. However, the Recipient must notify the Project Officer of these changes. The Project Officer must send a written notice to the Fiscal Office when these changes occur.

Formal Amendment

A formal amendment is an amendment signed by the authorized officials of both Ecology and the recipient.

A formal amendment is necessary whenever:

- There is a revision in the scope of work or the objectives of the project (whether or not there is an associated budget revision);
- There is a need for additional funds above the maximum amount from any fund source, or the need to deobligate funds;
- On research projects, there is a change in the project director or principal investigator;

Letter Amendment

A letter amendment is a unilateral amendment developed ONLY at the request of the recipient and signed by the project officer.

Generally, a letter amendment may be used whenever:

- The expiration date is extended (see program guidelines for additional restrictions for the program's grants or loans);
- Costs are redistributed among budget elements (see *Ensuring Budget Conformance* in part IV, Section F);
- Fund shares (%) are changed.

LETTER AMENDMENT

REDISTRIBUTING COSTS AMONG BUDGET TASKS/OBJECTS OF AN ECOLOGY GRANT

Agreement No: ______________________ Recipient: ________________________________ Amendment No: ________________

Project Officer: ______________________ Program: ________________________________ Section: ______________________

I authorize the following revisions to this grant project budget, starting on the date below:

Project or Financial Officer Signature: ______________________________________ Date Signed: _______________________

Effective Date: __________________________

TASK/OBJECT No.	CURRENT BUDGET				(REVISED BUDGET) :			
	TASK/OBJECT COST	ELIG. %	ELIG. COST	MAX. ELIG.	TASK/OBJECT COST	ELIG. %	ELIG. COST	MAX. ELIG
PROJECT								

A formal amendment is necessary if an increase in funding is required. **The revised budget for any element may not be less than the amount already billed in that element.**

Original to Recipient - Copy to Fiscal Office

ECY 060-17 (09/04)

LETTER AMENDMENT

REVISING FUND SHARES FOR AN ECOLOGY GRANT

To: ____
Recipient of Grant or Loan

From:
Project Officer: ______________________________

Section: ______________________________

Program: ______________________________

Re: Amendment No: ________________ to Agreement No: ____________________

Project Title (Optional): ____

Effective Date: __________

This letter amendment is required if:

- The redistribution involves elements funded by more than one fund source AND
- The fund sources have different eligibility requirements AND
- The fund share (%) of any one fund source is to be changed.

A formal amendment is required if:

- The fund amount ($) from any one fund source is to be increased.

For each fund source, enter the maximum eligible costs for all tasks funded by that source and the grant share. *Multiply the two to compute the fund amount from that fund source.*

FUND SOURCE	CURRENT			REVISED		
	1. MAXIMUM ELIGIBLE COSTS PER FUND SOURCE	2. FUND SHARE (%)	3. FUND AMOUNT ($)	4. MAXIMUM ELIGIBLE COSTS PER FUND SOURCE	5. FUND SHARE (%)	6. FUND AMOUNT ($)
	Multiply column 1 by column 2 to obtain column 3.			Multiply column 4 by column 5 to obtain column 6.		

Approved By: ______________________________ ____________________
Project or Financial Officer Signature Date

cc: Fiscal Office
Budget Office

ECY 060-18 (09/04)

LETTER AMENDMENT

EXTENDING THE EXPIRATION DATE OF AN ECOLOGY GRANT OR LOAN

To: ____
Recipient of Grant or Loan

From:
Project Officer: ______________________________
Section: ______________________________
Program: ______________________________

Re: Amendment No: ________________ to Agreement No: ____________________

Project Title (Optional): ____

Effective Date: __________

In response to your written request, I authorize the extension of the expiration date of this agreement.

FROM (previous expiration date) __________________

TO (revised expiration date) __________________

THIS AMENDMENT IS NOT EFFECTIVE UNLESS ALSO SIGNED BY THE BUDGET ANALYST FOR THE APPROPRIATE GRANT OR LOAN PROGRAM.

Project or Financial Officer Approval: ______________________________________

Budget Analyst Approval: ____
Budget Analyst Signature

Date: ________________________

cc: Fiscal Office

ECY 060-19 (09/04)

E. Monitoring Project Progress

Ecology Review

Ecology will monitor projects to assure compliance with applicable regulations and all terms of the agreement, and will make site visits according to program needs and as determined by risk assessments. Ecology's project officer will document monitoring and site visits. This documentation must be kept in the project file.

Progress Reports

Recipients must submit a progress report with each payment request or comply with reporting requirements in the grant's Special Conditions. Progress reports shall cover the periods specified in the agreement or in program guidelines. Reports shall be due thirty (30) days following the end of the period being reported.

Progress reports must contain:

- A comparison of actual accomplishments to the objectives established for the period;
- The reasons for the delay if established objectives were not met;
- Analysis and explanation of any cost overruns; and
- Any additional pertinent information.

If the recipient submits a justified written request, the Project Officer may extend the due date for any progress report. With the exception of the final progress report, the Project Officer may waive the requirement for any report that they determine to be unnecessary. The project officer must document any exceptions in the grant/loan file.

Final Progress Report

Recipients must submit a final progress report and other closing documentation required by program guidelines. The Project Officer must certify that all documentation has been received and the project has been satisfactorily completed before final payment will be made.

Reporting Significant Developments

Events with significant impact on the project may occur between progress reports. The recipient must inform Ecology as soon as any of the following situations are known:

- Problems, delays, or adverse conditions that will materially impair the ability to meet the objective of the project. The report should include a statement of any action taken or contemplated, and any assistance needed to resolve the situation.

- Favorable developments that enable the recipient to meet schedules or objectives sooner or at less cost than anticipated, or that produce more beneficial results than originally planned.
- Any changes in significant project staff or contractors.

F. Termination and Suspension

An agreement may be terminated or suspended in whole or in part if:

- The legislative appropriation or state allotment is withdrawn from the grant or loan program. In such cases, Ecology will renegotiate the terms of the agreement;

- The recipient's authority to commit funds to the project is withdrawn. In such cases, Ecology may request repayment of all or part of the funds already disbursed, or take other remedies which may be legally available;

- The recipient does not commence the project within four months after the effective date of the agreement, or by any date mutually agreed upon in writing, or,

- The recipient fails to comply with any material term of the agreement, whether stated in a statute, regulation, plan, application, award, or elsewhere.

  If there is a material compliance failure, Ecology will take one or more of these actions:

  - Temporarily withhold cash payments pending correction of the deficiency;

  - Disallow all or part of the cost of the noncompliant activity or action;

  - Request repayment of all or part of the funds already disbursed to the recipient;

  - Withhold further awards;

  - Take other legally available remedies.

  In taking any of these actions, Ecology will provide an opportunity for hearings, appeals, or other administrative proceedings to which the recipient is entitled under the agreement. The Project Officer will send written notice to the recipient at least five working days prior to the effective date of the suspension or termination.

  If the recipient incurs costs during a suspension or after termination, these costs are not allowable unless expressly authorized by Ecology.

G. Appeal Process

The Ecology project officer is authorized to make determinations of cost eligibility, to disallow costs, to track projects through other Ecology work units, and to ensure compliance with the program guidelines and the administrative requirements. Recipients should direct their concerns and questions directly to the project officer, who will coordinate matters with the Fiscal Office or other Ecology staff.

Any questions will be decided by the project officer, unless otherwise provided in the agreement or program guidelines. The project officer will provide a written decision to the recipient. The decision of the project officer will be final unless the recipient directs a written appeal to Ecology within thirty days of receipt of the project officer's decision.

Some programs have specific appeal procedures, and recipients should follow those procedures in appealing the project officer decision relative to a particular project.

In the absence of specific program appeal procedures, recipients are to use the Ecology "chain of command" in making an appeal. Recipients should address the appeal directly to the project officer's section manager, and then to the appropriate program manager. This will ensure a more timely response for recipients.

The recipient will have the opportunity to be heard and to offer evidence in support of the appeal. The decision of the Director of Ecology, or his/her authorized representative, will be final. Appeals of any final decisions must be brought in the Thurston County Superior Court. The recipient is expected to continue progress on the project while waiting for the final decision on an appeal, according to all terms of the agreement. Administrative costs and other expenses incurred as part of an unsuccessful appeal are not allowable.

PART III - ELIGIBLE COSTS

A. Eligibility Criteria

Only eligible cash expenditures are reimbursable, in whole or in part, with agreement funds. Only eligible in-kind contributions and cash expenditures may be used to meet a match requirement.

To be eligible, a cost must:

- **Be allowable**, according to the criteria set out below;

- **Be necessary and reasonable** for proper and efficient completion of the project. Necessary costs are determined by the nature and scope of the project as detailed in the terms of the agreement;

- **Be authorized or not prohibited** under federal, state or local laws and regulations, and the applicable program guidelines;

- **Conform to the project budget and any other financial limitations in the terms of the agreement**. Costs in excess of the budget, and costs which do not conform to match requirements or other financial restrictions are not eligible;

- **Be incurred after the effective date of the agreement and before the expiration date**. If a cost is incurred after the expiration date, the cost is not eligible unless an amendment is done to extend the expiration date;

- **Be net of all applicable credits** (such as rebates, discounts, etc.). If any rebate or discount is applied to a cost, the amount which is eligible is the net cost AFTER the rebate or discount is applied;

- **Be documented**. Costs which are not supported by invoices, time sheets or other required documentation are not eligible;

- **Be consistent** with the standard business practices of the recipient. A cost is not eligible if it is computed differently than it would have been if incurred in any other recipient activity; and

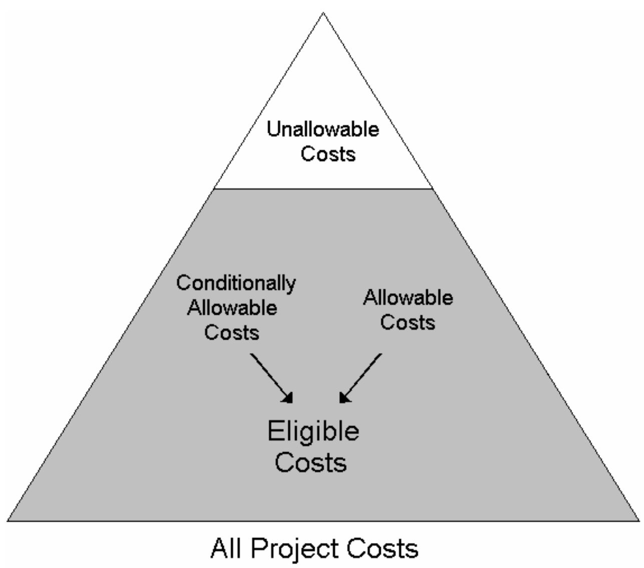
- **Not be charged to any other project** in the current or other fiscal years. Costs can be split between projects, but the same cost cannot be billed to two separate projects.

Categories of Costs

Costs are divided into three categories:

- **Allowable costs**, which **may** be allowed for any project funded through Ecology, including federal grants;
- **Unallowable costs**, which are **never** allowed under any project administered through Ecology;
- **Conditionally allowable costs**, which are allowable only under certain conditions such as prior written approval.

An allowable cost which meets all of the eligibility criteria on the following page becomes an **eligible** cost as shown in the graphic below. If a cash expenditure meets all eligibility criteria, it becomes reimbursable, in whole or in part with Ecology administered funds. If an in-kind contribution meets all eligibility criteria, it may be used to meet a match requirement.



For instance, travel costs are allowable. However, if the program guidelines did not allow travel costs, if the costs were not necessary to the project, or if the costs exceeded the budgeted amount, those travel costs would not be eligible. Therefore, they would not be reimbursed, and they could not be used as match.

B. Allowable Costs

This section sets standards for determining the allowability of an individual cost. These standards will apply whether a particular cost is treated as a direct or an overhead cost. Failure to mention a particular cost does not imply that it is either allowable or unallowable. That determination should be made by reference to standards for similar or related costs.

Note: Program guidelines or other terms of the agreement may further restrict the categories or amounts of costs that are allowable.

Accounting, including the cost of establishing and maintaining accounting and other information systems required for the management of projects. This includes costs incurred by central service agencies for these purposes.

Advertising, including newspapers, magazines, radio and television programs, direct mail, trade papers, etc. when the purpose of the advertisement is:

- To recruit personnel needed for the project;
- To solicit bids for procuring project-related goods and services;
- To dispose of scrap or surplus materials acquired during the project;
- To advise the public about a project activity; or
- For other purposes specifically provided for in the agreement.

Audit service, including the cost of audits necessary to administer and manage the project.

Bonding, including costs of premiums on bonds covering employees who handle project funds.

Budgeting, including identifiable costs related to developing, preparing, presenting, and executing the project budget.

Central stores, including maintaining and operating a central stores organization for supplies, equipment, and materials used directly or indirectly for the project.

Communications, including project-related costs incurred for telephone calls or service (including cellular), facsimile service, wide area telephone service (WATS), Centrex, telpak (tie lines), internet service, postage, messenger service and similar expenses.

Compensation for personal services, including wages, salaries and supplementary compensation and benefits - paid currently or accrued - for services rendered under the contract, including compensation for employees of the recipient. Such compensation is allowable if:

- It is reasonable for the services rendered, and consistent with compensation paid for similar work in the recipient's labor market;

- It complies with applicable local, state or federal laws or rules governing procurement or merit system requirements;

- It is not compensated by any other governmental entity, recipient or sub-recipient; AND

- It is documented according to Part IV, Section E.

Conference and meeting costs, such as meeting room rental, registration fees, supplies, contracts with facilitators, etc., when the primary purpose of the meeting is the dissemination of technical information relating to the project and the individual costs are in themselves allowable. NOTE: See LIGHT REFRESHMENTS in Part III-C, *Conditionally Allowable Costs (page 27).*

Disbursing service, including the costs of disbursing project funds by the Treasurer or other designated officer. Disbursing services cover the processing of checks or warrants, from preparation to redemption, including all records required for accountability and reconciliation.

Employee fringe benefits, to the extent that total compensation for employees is reasonable. Compensation paid to employees during periods of authorized absences from the job (annual leave, sick leave, court leave, military leave, etc.) and employer contributions (social security, employees' life and health insurance plans, unemployment insurance coverage, workmen's compensation insurance, pension plans, severance pay, etc.) are allowable if they are provided according to an approved plan and their cost is equitably allocated to all related activities, including projects.

Equipment rental, provided that the total cost during the project does not exceed the fair market value of the equipment AND the costs are consistent with rental rates in the recipient's market.

Exhibits relating specifically to the project.

Maintenance and repair, including costs incurred for normal preventive maintenance, necessary repair, and upkeep of property as required to maintain an efficient operating condition, but not costs for work which adds to the permanent value of the property or appreciably extends its designed life. This is not the same as "Operation and Maintenance" costs (see Part III-C, *Conditionally Allowable Costs, page 28),* which include all costs related to the operation of a facility.

Materials and supplies necessary to carry out the project. Purchases are to be charged to the project at their actual cost after deducting all cash discounts, trade discounts, rebates, and allowances received by the recipient. Withdrawals from general stores or warehouses should be charged at the appropriate cost under any recognized and consistently applied method of pricing. Incoming transportation charges are an allowable part of material cost.

Motor pools, including project-related costs of a service organization that provides automobiles to the recipient at mileage or fixed rate and/or provides vehicle maintenance, inspection and repair services. If the vehicle is purchased with grant funds, only regular maintenance costs are allowable.

Payroll preparation, including project-related costs of preparing payrolls and maintaining necessary related wage records.

Personnel administration, including costs of recruiting, examining, certifying, classifying, training, establishing pay standards, and performing other project-related activities.

Printing and reproduction, including project-related materials such as forms, reports, manuals, and informational literature.

Procurement service, including soliciting bids, preparing and awarding contracts, and all phases of contract administration to provide goods, facilities and services for projects.

Reference material or subscriptions directly related to the project.

Rental of office space in privately or publicly owned buildings, provided that the costs do not exceed the rental costs of similar facilities in the same locality. (Note: for Federal grants other conditions may apply. See RENTAL, MAINTENANCE AND LEASE-HOLD IMPROVEMENTS in Section III-C, <u>Conditionally Allowable Costs)</u>.

Taxes (or payments in lieu of taxes) that the recipient is legally required to pay.

Transportation, including costs for freight, cartage, express, postage and other transportation costs relating to goods purchased, delivered, or moved from one location to another.

Travel Expenses, including costs of transportation; lodging, subsistence, and related items incurred by employees in travel status on official business related to a project. (Ask project officer for current rates). The following costs, however, are excluded:

- Any part of the cost exceeding that allowed by state travel regulations;
- The difference in cost between first-class air fares and less-than-first class air fares, except when less-than-first-class air fares are not reasonably available;
- Meals and/or lodging within the metropolitan area of the employee's home or official work station.

Travel costs may be charged on an actual basis, on a per diem/mileage basis, or on a combination of the two, provided that the method used is applied to an entire trip AND the charges are consistent with those normally allowed in similar circumstances for other recipient activities.

Use Allowances for equipment or facilities owned by the recipient, provided that the charge does not exceed the portion of acquisition cost that could be reasonably attributed to the project AND does not exceed the rental rate for comparable equipment or facilities in the recipient's market.

C. Conditionally Allowable Costs

The following costs may require specific prior written approval from Ecology. In such cases, the recipient must send a written request for approval to the Project Officer before incurring the obligation. The Project Officer will promptly review the request and approve or disapprove it in writing. If the request requires prior Federal approval, the Project Officer will first obtain the Federal agency's approval.

All applicable conditions are indicated in italics. **Program guidelines or other terms of the agreement may further restrict the categories or amounts of costs that are allowable.**

Advisory councils, including costs incurred by advisory councils or committees established according to Federal or state requirements to carry out projects, *when provided for in the agreement.*

Application costs. Costs of preparing grant or loan applications are allowable *when specifically provided for in the agreement.*

Capital expenditures. The cost of facilities, other capital assets, and repairs that materially increase the value or useful life of capital assets is allowable with *prior written approval.*

NOTE: When assets acquired with Ecology funds are sold, no longer available for use in an Ecology project, or used for purposes not authorized by Ecology, then Ecology will be reimbursed in the same proportion as its share of the asset's cost. If any preexisting asset is traded on a new item, only the net cost of the newly-acquired asset is allowable. See also PART V-B, Property Management, which outlines some of the criteria to be used in determining the extent to which a capital expenditure is allowable, if any, and the procedure for determining the amount to be charged back against the grant at project expiration.

Computers, including all costs of hardware, software and/or licenses for projects must *have prior written approval.* This includes rental costs, use allowances, or the acquisition cost.

Equipment and tools. The cost of equipment, tools and other personal property is allowable with *written approval.* See NOTE under CAPITAL EXPENDITURES above.

Force account, *to the extent provided in program guidelines.*

Indemnification, including securing the recipient against liabilities to third persons and other losses not compensated by insurance or otherwise, is an obligation of Ecology only *to the extent expressly provided for in the agreement*, except as provided in insurance below.

Insurance costs, including the costs of insurance required, or acquired and maintained according to the agreement, are allowable. Types, extent and cost of coverage will be in accordance with general State or local government policy and sound business practice.

- Costs of insurance or of contributions to any reserve covering the risk of loss of, or damage to, Federal or Ecology property are allowable with prior written approval.

- Contributions to a reserve for a self-insurance project approved by Ecology or the federal grantor are allowable *to the extent that the type of coverage, extent of coverage, and the rates and premiums would have been allowed had insurance been purchased to cover the risks.*

- Actual losses that could have been covered by permissible insurance (through an approved self-insurance program or otherwise) are unallowable unless expressly provided for in the agreement. Costs are allowable, however, if they are incurred because of losses not covered under nominal deductible insurance coverage provided in keeping with sound management practice, or if they are minor losses not covered by insurance, such as spoilage, breakage and disappearance of small hand tools that occur in the ordinary course of operations.

Landscaping for erosion control or for site-specific landscaping directly related to a project.

Legal expenses, including the cost of legal expenses required to administer projects are allowable with *prior written approval.*

Light refreshments at meetings or conferences, *when specifically provided by the conditions of the advisory group and when permitted by Ecology Travel Policies*. See Appendix C for policy text.

Magazine or newspaper subscriptions *to the extent that they are included in the overhead rate.*

Management studies. The cost of management studies to improve the effectiveness and efficiency of project management for ongoing projects is allowable, except that the cost of studies performed by agencies other than the recipient department or outside consultants is allowable only with *prior written approval.*

Memberships in civic, business, technical and professional organizations, *only to the extent that they are included in the overhead rate.*

Operation and maintenance costs of a facility that are routine or ongoing are allowable only *when specifically provided for in the agreement.*

Overtime compensation, including straight salaries and benefits for employee hours in excess of 40 per week, is allowable only with *prior written approval*

Overtime differential may be allowable only when 100% of an employee's time is spent on tasks specific to the grant project.

Professional services. Costs of professional services rendered by individuals or organizations not a part of the recipient department are allowable *with prior written approval, provided that they are procured pursuant to state law*.

Rental, maintenance and lease-hold improvements to building space and related facilities, in privately or publicly owned buildings used for the benefit of the project, are allowable subject to these conditions:

- The total cost of space may not exceed the rental cost of comparable space and facilities in a privately owned building in the same locality;
- When space has been procured for project use, the cost for periods of non-occupancy may not be charged to the project without *prior written approval;*
- Rental costs for publicly owned buildings newly occupied on or after October 1, 1980, are allowable where charges are determined on the basis of actual cost (including depreciation based on the useful life of the building, interest paid or accrued, operation and maintenance, and other allowable costs). Where these costs are included in rental charges, they may not be charged elsewhere. For Federal grants, no costs will be included for purchases or construction that were originally financed by the Federal Government;
- The cost of utilities, insurance, security, janitorial services, elevator service, upkeep of grounds, normal repairs and alterations and the like, are allowable to the extent they are not otherwise included in rental or other charges for space;
- Rearrangements and alterations required specifically for the project, or those that materially increase the value or useful life of the facilities, are allowable with *prior written approval*;
- Occupancy of space under rental-purchase or a lease with option-to-purchase agreement is allowable with *prior written* approval.

Training and education. The cost of in-service training, customarily provided for employee development, which directly benefits projects is allowable. (See *Personnel Administration* in section B.) Out-of-service training involving extended periods of time is allowable only with *prior written approval*.

D. Unallowable Costs

THE FOLLOWING COSTS CANNOT BE CHARGED TO ANY ECOLOGY PROJECT:

Bad debts, including any losses arising from uncollectible accounts and other claims, and related costs.

Contributions to a contingency reserve, including any funds set aside by the recipient in order to reimburse unanticipated expenses. Such reserves may not be charged to any Ecology project.

Contributions and donations.

Depreciation of facilities or equipment.

Entertainment, including costs of amusements, social activities, and incidental costs relating thereto, such as meals, beverages, lodgings, rentals, transportation, and gratuities.

Fines and penalties, including costs resulting from violations of, or failure to comply with federal, state and local laws.

General expenses required to carry out the overall responsibilities of state, local or federally-recognized Indian tribal government. This includes Governor's expenses, including salaries and expenses of the Office of the Governor of a state, or the chief executive of a political subdivision. However, for a federally recognized Indian tribal government, only that portion of the salaries and expenses of the office of the chief executive that is a cost of general government is unallowable. The portion of salaries and expenses directly attributable to managing and operating projects by the chief executive and his staff is allowable. The allowable portion shall be determined by Ecology and the Indian government representative on a reasonable basis.

Interest and other financial costs. Interest on borrowings (however represented), bond discounts, cost of financing and refinancing operations, and legal and professional fees paid in connection therewith, are unallowable except when authorized by federal or state legislation.

Legal expenses related to claims against Ecology, and legal services furnished by the chief legal officer of the state, local or Indian tribal government or his/her staff solely for the purpose of discharging his/her general responsibilities as legal officer.

Legislative expenses, including salaries and other expenses of the state legislature or similar local governmental bodies such as county boards, etc., whether incurred for purposes of legislation or executive direction.

Lobbying or expenses related to lobbying.

Maintenance equipment for site and building (lawnmowers, snow removal equipment, shovels, brooms, etc.).

Overtime differential, meaning any excess over the straight salaries and benefits associated with regular employee time, except as noted in conditionally allowable costs.

Personal injury compensation or damages arising out of the project, whether determined by adjudication, arbitration, negotiation, or otherwise.

Underrecovery of costs incurred during a project, including any excess of cost over Ecology's contribution. No costs which are determined to be ineligible for one project may be charged to another project.

E. Direct Costs and Overhead Costs

Direct Costs

Direct costs are costs that can be identified specifically with a particular objective of the project, such as:

- Compensation of employees for the time worked on the project;
- Cost of materials and approved capital expenditures used specifically for the project;
- Costs of services furnished for the project by other entities.

Overhead Costs

Overhead costs are those incurred for a common purpose and not readily identifiable with a particular project. Overhead includes costs incurred by the recipient, and may include costs incurred by others who supply goods, services or facilities to the recipient, such as:

- Costs of utilities for a facility shared by a project and other recipient activities;
- Costs of maintaining a department that provides services to a project as well as other recipient activities (e.g., a warehouse or mailroom);
- The costs of supervisory personnel who oversee project activities as well as other recipient activities.

Computing Overhead Charges

There is no universal rule for classifying certain costs as either direct or overhead. A cost may be direct with respect to some of the recipient's functions, but be overhead with respect to the project. **It is essential only that each item be treated consistently throughout the project either as a direct or an overhead cost as follows**:

- **The recipient may direct bill all allowable costs which can be identified specifically with the project**. The recipient must compute the direct charges in the same way as the charges would be computed if the costs were related to any other recipient activity. For instance, if the recipient's motor pool normally bills vehicle mileage back to individual jobs, mileage applied to the project may be direct billed. Otherwise, it must be included in the overhead charge. In addition,

- **The recipient may charge as overhead an amount up to 25% of salaries and benefits of recipient employees for time worked specifically on the project**. That amount is intended to include all costs in the categories below, which generally are not direct billed.

For example, "**Communication**" is included in the overhead rate, and is intended to cover the basic telephone charges associated with maintaining a line to the recipient's project administrator. Any long distance calls associated directly with the project may be direct billed. **Insurance**, such as the project portion of the recipient's regular fire and liability insurance is included in the overhead, while the cost of an insurance policy taken out specifically for the project may still be direct billed.

Some projects are subject to state or federal laws that limit the amount of overhead costs that may be eligible. In such cases, the ineligible amount may not be charged to another Ecology project.

Overhead charges are to be reported on the same billing as the salaries and benefits on which they are based. They should be reported as a separate line item on the Form C1/C2, Invoice Voucher. (See example on page A-22.)

Costs Included in the Overhead Rate

The following costs will generally be covered by the overhead rate. BARS code numbers are indicated in the parentheses at right.

Office furnishings and operating supplies (31) (Office furnishings, stationery/supplies, forms, cleaning supplies, etc.)

Fuel consumed (32) (to generate power or provide heat)

Small tools and minor equipment for administrative use (35) (Calculators, fax machines, telephones, etc.)

Professional services (41) (Auditors, management consultants, legal, custodial, janitorial, messenger services, etc., shared by the project and other recipient activities)

Communication (42) (Includes but is not limited to basic telephone, cell phone, pagers, internet connections, facsimile (fax) and postage charges.)

Operating rentals and leases (45) (Rental costs for facilities or equipment - such as buildings or copy machines - that are shared by the project and other recipient activities)

Insurance (46) (Fire, casualty, theft, bonds, liability, etc.)

Utility services (47)

Repairs and maintenance (48) (Labor and supplies to repair or maintain real or personal property)

Miscellaneous (49) (Court costs, dues, subscriptions, memberships, laundry, information and credit services, printing and binding, judgments, damages, registration, tuition, etc.)

Intergovernmental professional services (51) (Costs charged by other governmental entities for functions normally provided by governments and not by private businesses, such as police or fire protection)

Capital outlays (60-66) (Costs of shared real property, equipment, easements, etc.)

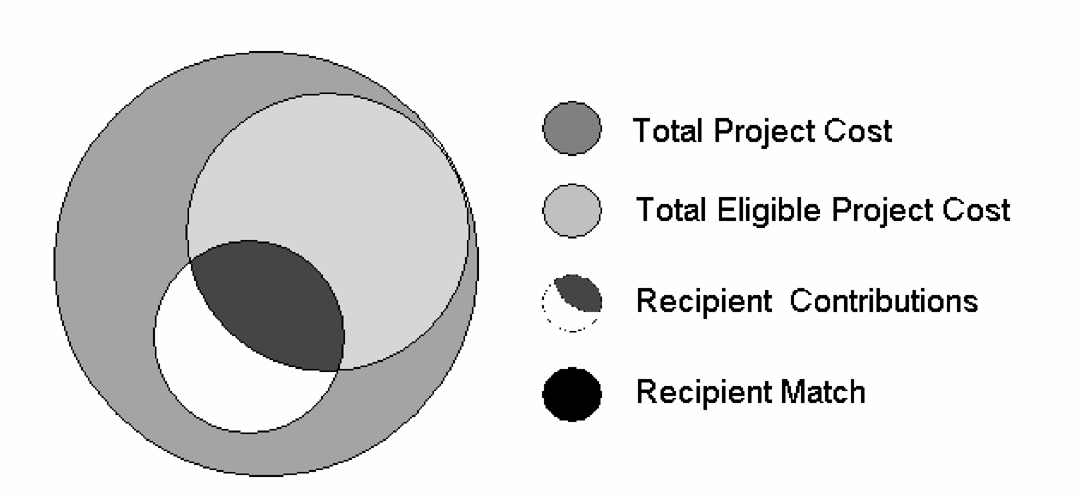
Intergovernmental interfund services (90-98) (Costs to other recipient departments for services rendered jointly to the project as well as to other recipient activities.)

Allowable costs include direct costs and overhead costs. Ecology recognizes that some recipients have a federally approved indirect rate, which may differ from the overhead rate established in this section. In some cases, the amount of overhead costs which may be eligible may be less than the amount of the federally approved indirect costs.

However, in order to distribute our limited resources to as many projects as possible and in order to assure equitable treatment of grant/loan recipients, we have adopted a uniform overhead rate for application to **all** Ecology grants and loans. A uniform rate will permit us to simplify reporting requirements and will assure more consistent treatment of recipients across Ecology programs. It is also intended to ensure that a project conducted by a recipient which does not have a federal indirect rate is supported in the same proportion as a project conducted by a recipient which may have a federal rate. **An Ecology program may choose to disallow any overhead as part of its grant program.**

F. Match Requirements

Definition of Recipient Match



Recipient match consists of:

- That portion of eligible **cash expenditures** which is not reimbursed by Ecology grant/loan funds. This includes eligible costs reimbursed by another grant or by cash donations; and/or

- **The value of eligible in-kind contributions**. In-kind contributions are valid match only to the extent that they would be eligible if the recipient had paid for them and to the extent permitted by the terms of the agreement. Note that cash, whether from the recipient sources or donated by a third party, becomes "match" only if it is applied to the project to support eligible cash expenditures. All ineligible costs are at the expense of the recipient and are not valid match. The relationship between total project costs, total eligible costs, Ecology grant funds, and recipient match is illustrated above.

The following are not valid match:

- **Costs used as match on another project**. No cash expenditures or in-kind contributions used as match on one project may be used as match on another.

- Match that comes from the same funding source, even if it passes through another recipient.

- **Costs financed by project income**, as defined in Part IV-G, are not valid match unless they are expressly permitted in the terms of the agreement.

- **Services or property financed by income earned by contractors**. Contractors under a grant or loan agreement may earn income from the activities carried out under the contract in addition to the amounts earned from the recipient awarding the contract. No costs of services or property supported by this income may count as match unless expressly permitted in the agreement.

- **On federal grants, costs borne by another federal grant**. Except as provided by statute, costs borne by one Federal grant are not valid match on another Federal grant project. This prohibition does not apply to income earned by a recipient from a contract awarded under another Federal grant. Note: for purposes of match, general revenue sharing funds distributed under 31 U.S.C. 6702 are not considered Federal grant funds.

- **Costs financed by penalties and/or fines**

Grant/loan funds may be used only to reimburse eligible cash expenditures. **In no event may the recipient receive reimbursement in excess of actual cash expenditures.** Grant funds may not be used to provide any profit to the recipient.

Documentation of Match

All eligible costs must be reported as they are incurred. This requirement is true for costs which are reimbursed by grant or loan funds, as well as costs used to meet the match requirement. Without documentation demonstrating that the match requirement has been met, a recipient will not receive the entire payment which would be due.

Cash expenditures and in-kind contributions must be verifiable from recipient records. Cash expenditures must be supported by invoices, and the value of in-kind contributions must be documented according to PART IV.

Cash Match Requirement

Some Ecology grant or loan programs require that a specific percentage of the match consist of cash expenditures on the part of the recipient. Generally, a cash match requirement cannot be met by in-kind contributions, which means that goods or services provided to the project by a third party at no charge to the recipient are not valid cash match. However, in order to facilitate cooperative ventures between the recipient and other local governmental entities, program guidelines may permit the costs of goods and services provided to the project by another governmental entity to be used as cash match. While such costs are in-kind contributions - and therefore may not be reimbursed with grant funds - they may be used to meet the cash match requirement.

Interlocal Costs

Interlocal costs are in-kind contributions made to the project by a governmental entity other than the recipient according to a valid written agreement which details the work to be accomplished, the goods to be provided, and the value thereof. The interlocal agreement must be sent to Ecology's project officer to be included as part of the grant file. Interlocal costs may be used to meet a cash match requirement when all of the following conditions apply:

- The other governmental entity receives no reimbursement from the recipient (just as with other in-kind contributions);
- The costs would have been eligible if incurred by the recipient;
- The program guidelines permit the contributions of the other governmental entity to be used to meet a cash match requirement. Generally, in-kind contributions are considered interlocal costs only if contributed by an entity which would itself be eligible for a grant or loan according to program guidelines. However, program guidelines may make specific exceptions or impose additional conditions in this regard.
- The project officer has reviewed the written agreement between the recipient and the other contributing entity.
- The costs are reported as **interlocal costs** on Form C1, and documented in the same way as costs incurred by the recipient;
- The contributing entity and the specific interlocal costs are identified in the terms of the agreement.

No other in-kind contributions are valid cash match, and the amount of in-kind which is eligible is limited to the portion of the match which is not required to be cash.

For example, suppose the recipient has a 75% grant, with a 12.5% cash match requirement. Then:

- At least 87.5% (75% + 12.5%) of the project costs must be formed by actual cash expenditures incurred by the recipient and/or interlocal costs on the part of the contributing entities;
- In-kind may not constitute more than 12.5% of the eligible project costs;
- The recipient may not receive payment for more than the amount of actual cash expenditures on its part. Therefore, if the recipient expends $60,000 on a $100,000 project, and the remaining $40,000 consists of interlocal costs, the recipient would receive $60,000. This is because $60,000 is the lesser of the recipient's cash outlay and 75% of the total costs.

Reimbursing Cash Expenditures by Other Governments

If the recipient is required by the interlocal agreement to reimburse the other government for any portion of its cash outlay for the project, the other government's cash expenditures are not considered Interlocal Costs. Cash outlay made by another entity in relation to a project may be considered cash expenditures, and the recipient will be reimbursed for such costs in the same way that it would be reimbursed for its own cash outlay, as long as:

- There is a valid written agreement, reviewed by the project officer, between the recipient and the other government detailing the work to be accomplished, the goods to be provided and the value thereof;

- The agreement specifies that any reimbursement received by the recipient for the cash outlay of the other government will be passed through to the other government;

- The other government and the cash costs to be incurred by it are identified in the agreement;

- The other government's cash costs are reported on Form C1/C2 as **cash expenditures**;

- The costs would have been eligible if incurred by the recipient.

Suppose the recipient has a 75% grant for a $100,000 project. The recipient expends $60,000 and another government expends $40,000. If the recipient has contracted with the other government to pass grant funds through in the same proportion it receives, then the recipient would receive $75,000 from Ecology. Of this $75,000, the recipient would be required to pass through $30,000 (75% of $40,000) to the other government, and the recipient would keep $45,000 (75% of $60,000). Each entity would then receive 75% of its costs.

G. Valuation of Donated Property and Services

Values placed on donated property or services must conform to the principles in this section. If a donation is not described here, the value placed on it shall be fair and reasonable. If it is necessary to establish the market value or fair rental rate of real property, Ecology may require that it be set by an independent appraiser. Ecology reserves the right to make the final determination of value.

Donated services must be documented on Form E: Monthly Time Sheet. If no invoice is provided by the contributor, donated supplies, donated property, and loaned equipment or space must be documented on Form I: Valuation of Donated Property.

Volunteer services

Adult individuals who provide unpaid services provided to the project are valued at $15.00 per hour. Minors who provide unpaid services will be valued at the minimum wage at the time the services are provided. These rates are intended to include the value of travel expenses contributed by volunteers. Therefore additional in-kind contributions for volunteer travel expenses are not allowable. Time spent by state employees in performance of their official duties may not be counted as volunteer services.

The adult volunteer rate will be reviewed in March of each odd-numbered year, using figures provided by the Bureau of Labor Statistics, unadjusted for fringe benefits. Any rate adjustments will become effective on July 1 of the odd-numbered year.

Employee services donated by a third party

When a third party employer (i.e., not the recipient or a contractor under the agreement) contributes the services of an employee in the employee's normal line of work, to the project at no charge to the recipient, the services will be valued at the employee's regular rate of pay. If the services are in a different line of work, see VOLUNTEER SERVICES above. If the third party reimburses the employee for travel expenses incurred relative to the project, such costs are allowable in-kind contributions on the part of the third party.

Donated supplies

If a third party donates supplies, the contribution will be valued at the market value of the supplies at the time of donation.

Donated equipment, buildings, and land

If a third party donates equipment, buildings, or land, and title passes to the recipient, the donated property will be treated in one of the following two ways:

- If the purpose of the agreement is to help the recipient acquire property, the assigned value is the market value of the property at the time of donation.

- If helping the recipient to acquire property is not the purpose of the agreement, a use allowance for any application of the property to the project may be charged to the project. Such use allowances are not treated as in-kind contributions, but as cash expenditures incurred by the recipient. They are computed and allocated in the same way as use allowances for other equipment and buildings owned by the recipient. The amount of the use allowance is based on the fair rental rate for similar property. However, the use allowance over the period of the agreement may not exceed the amount for which the equipment or space could have been purchased at prevailing rates.

Real property donated by the recipient for construction or acquisition.

If a recipient donates real property for a construction or facilities acquisition project, the current market value of that property is an allowable cost. If any part of the donated property was acquired with Federal funds, only the non-federal share of the property is allowable. Unless otherwise provided in the agreement, if any part of the donated property was acquired with Ecology funds, only the non-Ecology share of the property is allowable.

Loaned equipment or space

If a third party donates the use of equipment or space in a building but retains title, the contribution will be valued at the fair rental rate of the equipment or space. However, the use allowance over the period of the agreement may not exceed the amount for which the equipment or space could have been purchased at prevailing rates.

PART IV - FINANCIAL REQUIREMENTS

A. Fiscal Management

Standards for Fiscal Systems

A recipient must expend and account for project funds in accordance with state laws and its own procedures.

Recipient accounting procedures (and those of its contractors) **must**:

- **Provide accurate and complete disclosure** of the financial results of projects in accordance with all financial reporting requirements of the agreement;

- **Identify the source and application of project funds**. Records must contain copies of all agreements and authorizations, obligations, assets, liabilities, expenditures, and income;

- **Provide effective internal control and accountability** for all project cash, real and personal property, and other assets. Recipients must adequately safeguard all such property and assure that it is used solely for authorized purposes;

- **Conform to the budget**. Actual expenditures must be in accordance with budgeted amounts for each agreement. Financial data must be related to performance or productivity data, including the development of unit cost information whenever appropriate or specifically required in the agreement;

- **Conform with applicable cost principles** detailed in all terms of the agreement; and

- **Maintain appropriate supporting source documentation**. This includes canceled checks, invoices, purchase receipts, payrolls, time and attendance records, contract award documents, and vouchers sent to Ecology.

Standards for Accounting Records

Required accounting records include the following or their equivalent:

- **General ledger**, which classifies, records and summarizes all accounting transactions relevant to the project;

- **Accounts receivable ledger**, which records all funds (cash, checks, money orders, etc.) received by the recipient; and

- **Accounts payable ledger**, which records all expenditures made by the recipient, including date, warrant or voucher number, payee, and purpose of the payment.

Ecology may review the fiscal systems of any applicant as part of a pre-award review or at any time after the award.

Standards for Recipient's Banks

A recipient shall maintain a separate bank account when required by the agreement. If a separate account is required, the recipient must use a bank that is a member of the Federal Deposit Insurance Corporation for deposits of all project-related funds.

Standards for Payment

Generally, Ecology funds will be disbursed as reimbursement for actual costs or obligations incurred. Recipients are expected to make payments to contractors on the same basis.

Ecology shall not make payments for amounts withheld from contractors as retainage. Ecology shall make payments only when the recipient actually incurs costs for payments due to contractors or to escrow accounts established to assure satisfactory completion of work.

B. Budget Design

Establishing Fund Sources

In negotiating the project budget, the program project officer determines the specific fund sources and the amount of state support. Funding for specific tasks is determined according to the eligibility requirements established by each fund source. For instance, a fund source may prohibit the use of in-kind contributions as match, or a fund source may specify that it may only be used to support certain kinds of activities. This information is generally included in program guidelines.

General Principles

The choice of tracking by object or task and the number of tasks or objects is between the recipient and the project officer. There is a worksheet for budgets tracked by objects and another for budgets tracked by tasks. During budget negotiation the worksheet forms the basis of review by the recipient and the project officer. The recipient will be expected to track and report costs incurred to the level of detail established in the grant agreement, reporting cash expenditures and in-kind contributions and identifying them with the appropriate object or task.

The budget for a project is established at the time that the agreement is drafted, and is incorporated into the agreement as a condition of the grant or loan. Budgets establish the costs associated with project objectives and the amount of eligible costs.

Budgets must contain two levels of detail. If the recipient and project officer want more detail, they can use additional levels.

- Level 1 = Total project cost;
- Level 2 = Task or object;
- Level 3 = Optional Sub-task (if level 2 is a task)
Sub-object (if level 2 is an object)

See Appendix E for sample worksheets. The worksheets are not mandatory but they will help recipients consider all aspects of the project budget, and relate accounting structures set up by object to the project tasks. Most importantly, these worksheets organize budget elements (in-kind, tasks, objects, overhead, etc.) into their proper relationship to each other.

Recipients are expected to conform to the budget. The project officer must approve any deviation from the budget.

Project Budget Established by Task

Most project budgets are established by task according to the following principles:

- **There must be at least one task**, which may be the project itself.

- **A task may have two or more sub-tasks**, such as individual contracts or any other discrete pieces of the task.

- If the project has more than one fund source and the funds have different eligibility requirements, separate tasks may need to be established for each funding source. (See example on Worksheet #4, Appendix E.)

- **Contingency allowances**: When specifically permitted in program guidelines, a contingency allowance may be listed as a separate task to permit encumbrance of sufficient funds. This amount is to be used ONLY in extenuating circumstances, and requires Project Officer approval.

- **Bid overruns/change orders**: If Ecology grant to recipient is written before the construction contract has been awarded, a bid overrun allowance equal to 10% of the maximum anticipated bid may be included as a sub-task to the task which includes the contract. If the contract was awarded before the agreement was written, a change orders allowance equal to 5% of the contract amount may be included as a sub-task to the contract task.

- **Sales and use tax**: Some programs are permitted by statute to recover the funds paid in sales and use tax. If so, the amount of sales and use tax for a task is to be identified as a sub-task to that task which includes the taxed purchase.

- **In-kind** and **overhead** are not separate tasks, but their amounts must be included in the total task cost in order to be eligible.

- **An eligibility percentage** may be multiplied by the task cost when only a fixed percentage of the cost is eligible. (See also ELIGIBILITY PERCENTAGE in Part I, section C, Definitions, page 5.) Where no eligibility percentage is specified, the default is 100%. If an eligibility percentage is applied at the task level, that percentage must be applied to all sub-tasks below that task. (See column 3 of the B2 Form – a blank example is located in Appendix D.)

- **A maximum eligible cost** may be established for any task at project officer discretion.

See Appendix E for a worksheet with a budget by task.

Object Budget

A budget may be established by object if a project involves only one major objective. For object budgets the following principles apply:

- **Object titles** are to be drawn from the Budget Accounting and Reporting System (BARS). (See BARS listing in appendix.)

- **Overhead** is a budget object computed as a percentage of the salaries and benefits applied specifically to the project (See Part III.) Overhead is to be a separate line item in the budget.

- **In-kind** is treated as a budget object and listed as a separate line item. It may be broken down into sub-objects such as "interlocal costs," "donated goods," etc. Any limitations on the amount of in-kind must be set out in the project budget section of the agreement.

- **Maximum eligible amount –** the project officer may establish a maximum eligible amount for any object.

- **Contingency allowances**: Check program guidelines to see if these are allowed. A contingency allowance of eligible costs may be listed as a separate object to permit Ecology to encumber enough funds. The contingency object is to be used ONLY in extenuating circumstances, and requires prior project officer approval.

WORKSHEET FOR BUDGET BY OBJECT

OBJECTS		ELIGIBLE
Number	**NAME**	**OBJECT COSTS**
1	**Salaries**	
2	**Office Supplies**	
3	**(Other Objects)**	
4		
	Overhead	
	In-kind	
Project Total		

WORKSHEET FOR BUDGET BY TASK

Type of Project ____

REGULAR PROJECT TASKS	TOTAL	SALARIES AND BENEFITS	GOODS AND SERVICES	TRAVEL	CONTRACTS	EQUIPMENT	INTERLOCAL	OVERHEAD
1.								
2.								
3.								
4.								
5.								
6.								
7.								
TOTAL PROJECT COST								
TOTAL GRANT AMOUNT REQ.								

SUPPLEMENTAL PROJECT TASKS	TOTAL	SALARIES AND BENEFITS	GOODS AND SERVICES	TRAVEL	CONTRACTS	EQUIPMENT	INTERLOCAL	OVERHEAD
1.								
2.								
TOTAL SUPPLEMENTAL PROJECT COST								
TOTAL GRANT AMOUNT REQ.								

Instructions for
BUDGET BY TASK

This form is a tool to be used in developing budgets for projects. It should be completed before filling out the Project Request form (Form CPG-Y). *USE A SEPARATE PAGE FOR EACH PROJECT.*

- **TYPE OF PROJECT**
  Enter the name of the type of project from the categories shown on the Project Request form (Form CPG-Y).

- **PROJECT TASKS/PROJECT COST**
  (REGULAR AND SUPPLEMENTAL)
  Enter for each project task the total task cost and the cost by object of expenditure. For example, a Waste Reduction and Recycling project may have several tasks. These may include a compost workshop, a collection event, educational activities, business audits, etc. Each of these would be a project task.

C. Budget Section of the Agreement

After the budget is negotiated, the project budget is drafted. The budget section of the agreement provides all of the financial information required by the recipient, Project Officer, auditor and fiscal staff. It is to contain the following information:

- **Expenditure budget**
- **Fund sources** showing maximum shares and amounts from each fund source.
- **Any restrictions on force account, in-kind contributions, etc.**
- **The type of amendment required for budget revision**. A formal amendment is required to increase funding from any source, while a letter amendment may be used to shift funds among elements. A project officer may require that a formal amendment be done for any revisions, in place of a letter amendment.

Sample budget sections may be found in Appendix E.

D. Payment Requests

Submitting Payment Requests

Unless stated otherwise in the grant or loan agreement, recipients shall submit payment requests at least quarterly, but no more often than once per month. Recipients are to report all eligible costs incurred on the project, regardless of the source of funding for those costs. This includes costs used as match.

In completing payment requests, recipients must use the reporting formats outlined in this section. The department may return payment requests that do not conform to these requirements for resubmittal in the correct format. These procedures were developed to:

- Standardize and simplify the payment process;
- Help recipients estimate payments and reconcile their books with Ecology's. The formula used in computing the payment due is described in detail on FORM B1/B2;
- Track cash AND in-kind expenditures by task or by object;
- Conform with statutes, regulations and generally accepted accounting principles regarding project documentation.

In most cases, the recipient's own spreadsheet will be accepted in place of the standard forms, as long as all required information is presented in the format as it would be on the standard forms.

Final Payment Requests

Final payment requests are due within forty-five (45) days of grant expiration.

Supporting Documentation

Recipients are to submit all required supporting documentation with each payment request. Forms A, B1 or B2, and C1 or C2 are required. Ecology programs will require additional backup documentation for invoices as the program deems appropriate. The type and frequency of additional documentation will depend on risk assessment factors and any requirements in program grant guidance.

Forms

The following pages contain descriptions of all forms used in documentation of costs. Blank samples of each form may be found in Appendix D. Sample payment requests, including completed samples of appropriate forms, may be found in Appendix A.

Reporting Project Costs - Form Cl/C2 Voucher Support

The Voucher Support Form (Form C1 or Form C2) is the backbone of the payment request process, relating each cost to the appropriate task.

Form C1 is used to report in-kind contributions (including interlocal costs) and cash expenditures on projects which allow in-kind.

Form C2 is used for cash only projects.

Recipients must submit a separate page for each task or object OR subtotal each task or object on the form. Total cash and in-kind contributions (if any) per element for the current payment request are then transferred to form B1/B2 to compute the eligible cumulative costs.

Form C1/C2 may be replaced by the printout from a spreadsheet program, provided that all required information is arranged in the same format as the sample.

Computing Eligible Costs and Ecology's Share - Form B1/B2 Running Budget Summary

Form B1/B2 is used to compute the cumulative costs which are eligible and the extent of state support for the project to date.

Form B1 is used for projects on which in-kind contributions are eligible.

Form B2 is for cash only projects.

In establishing grant and loan funding, costs are grouped by similar eligibility criteria. Most grants or loans - in particular those funded according to Worksheets 1 or 2 (see Appendix E – Project Fund Sources) have similar eligibility requirements for all costs. For such grants, only one Form Bl/B2 must be prepared.

For grants funded according to worksheet 3 or 4, (see Appendix E – Project Fund Sources) or whenever funding sources have different eligibility requirements, a separate Form B1/B2 must be prepared for EACH group of eligibility requirements. The eligibility groups are identified in the project budget section of the agreement. (See Appendix E - Funds with Different Eligibility Requirements.)

Form B1/B2 may be replaced by the printout from a spreadsheet program, provided that all required information is arranged in the same format as the sample.

In completing Form B1/B2, recipients are to follow the instructions on the form. This will ensure that the payment computation is done correctly. (See payment flow chart in Appendix F.)

Payments will be computed according to the following principles:

- The grant will be reconciled at each billing. This means that payments will be based on cumulative costs (total costs to date), and the amount paid to date will be subtracted from the cumulative amount due to obtain the payment due. (Form A-A19)

- The cumulative total costs in each monitored task or object will be compared with the budget for that task or object. "Maximum eligible cumulative costs based on the budget" will be the sum of task or object costs to date. This sum cannot exceed the task or object budget.

- If in-kind is eligible, the cumulative cash expenditures will be compared with the cumulative total element costs. If the ratio of cash expenditures to total costs is less than the sum of the fund shares, the excess in-kind will not be included in the eligible costs. "Maximum eligible cumulative costs based on total match requirements" will consist of the cash expenditures plus the in-kind which is not excess.

- If there is a cash match requirement, the cumulative cash expenditures and cumulative interlocal costs (if permitted) will be compared with the cumulative total task or object costs. If the ratio of cash and interlocal costs to total costs is less than the total required cash percentage, the excess in-kind will not be included in the eligible costs. "Maximum eligible cumulative costs based on cash match requirement" will consist of the cumulative cash expenditures plus the cumulative interlocal costs plus any in-kind which is not excess.

- The Eligible Cumulative Costs will be the smaller of the "Maximum Eligible Cumulative Costs based on the Budget, the Cash Match Requirements and the Total Match Requirements" described above. This ensures compliance with all financial limitations.

- The Eligible Cumulative Costs will be multiplied by the fund share for each fund which supports those costs. The result will form the fund amount. If there is more than one Form B1/B2 per payment request, summing the fund amounts obtained on each Form B1/B2 will give the cumulative amount requested to be entered on Form A.

Payment Due - Form A - Invoice Voucher

This form relates the amount of the current request to total previous payments to prevent overpayment. This is the "cover sheet" of the billing, and is required by state regulations. Recipients should complete form A only after completing forms B1/B2 and C1/C2. To complete form A, recipients are to follow the instructions on the back of the form. Note that Ecology will not reimburse costs incurred before the effective date or after the expiration date of an agreement.

Recipients are to enter the name of each Ecology fund source which supports project costs in one of the columns. If there is only one fund source, the first column would be the only column used.

Contractor Participation Report - Form D

The Contractor Participation Report is required in order to provide information for the Office of Minority and Women's Business Enterprises. **This form must be completed for federally-funded agreements.** Recipients must list any contractors to which payment was made in the current payment request, even those which are not minority- or women-owned. Recipients should follow the instructions on the form to determine if sub-contractors must be reported.

Reporting Paid and Volunteer Hours - Form E

Unless the recipient has their own time sheet which provides the required information, this form must be completed by each individual who provides services to the project. This includes recipient employees, volunteers and employees of a third party.

The individual is required to complete the section at the top of the form, enter the number of hours of service to the project provided each day of the month, total each row, and certify the form by signature at the bottom.

After verifying the information, the recipient must multiply the total hours in each row by the hourly rate (NOTE: for adult volunteer services, the hourly rate is $15.00) and enter the total charge in each row on the form C1/C2 for the appropriate budget element. The individual's supervisor must also sign the form.

Reporting Meeting Attendance - Form F

This form is required for all meetings where volunteer hours are claimed as in-kind contributions. Recipients are to ensure that each individual signs the form. The recipient must then total the hours, multiply the total hours by $15.00 to obtain the total in-kind contribution for the meeting, and enter the total contribution on form C1/C2 under the appropriate budget element.

Reporting Sales and Use Tax - Form G

This form is used whenever the program guidelines permit credit to the fund source for sales and use taxes paid.

Converting Salaries to an Hourly Rate - Form H

This form is used to convert salaries to hourly wages. It is not required to be submitted with each payment request, but may be used as a worksheet.

Valuation of Donated Property - Form I

When the contributor does not provide an invoice, this form is used to document the value of donated supplies, donated property, and loaned equipment or facilities. It may be required by program guidelines as back-up documentation for an in-kind contribution of property.

E. Ensuring Budget Conformance

Project Officer Review

The Project Officer will review each billing for accuracy and completeness and will verify that all costs are billed to the correct task or object budget. If the Project Officer determines that a cost is not eligible (in whole or in part) they will indicate the correct eligible amount on form C1/C2, and that amount will be used in computing the total eligible project costs.

Fiscal Office Review

The Fiscal Office will review all computations for accuracy and will make any necessary corrections. The Fiscal Office will monitor expenditures for conformance with the budget at level 1 and will not pay any excess costs at that level without an amendment from the Project Officer. Nor will the Fiscal Office make payments on any excess costs at level 2 which have been disallowed by the Project Officer.

Budget Revisions

If the Project Officer determines that a revision is warranted, they must complete a letter amendment, detailing the authorized revisions, and must send copies of the amendment to the recipient and the Fiscal Office.

The amendment must be in the same format as the original budget. No tasks or objects in which payments have already been made can be eliminated from the revised budget. The revised budget or fund source shares cannot be less than the amounts already paid in those tasks or objects or from those fund sources.

To change the budget, the recipient must obtain approval from the Project Officer. To increase the maximum grant or loan amount, the recipient must request a formal amendment, which will be written at the Project Officer discretion.

F. Project Income

Definition of Project Income

Project income means income which is received by the recipient and directly generated by a project or earned only as a result of the project during the agreement period. Project income includes income from:

- Fees for services performed;
- The use or rental of real or personal property acquired with project funds;
- The sale of commodities or items fabricated under an agreement;
- Payments of principal and interest on loans made with project funds;
- Income from royalties and/or license fees for copyrighted material, patents or inventions developed by a recipient, if specifically identified as such in the terms of the agreement.

Unless specifically identified as project income in the terms of the agreement, project income does not include:

- Interest on project funds, rebates, credits, discounts, refunds, etc. and interest earned on any of them;
- Taxes, special assessments, levies, fines, and other such revenues raised by a recipient;
- Proceeds from the sale of real property or equipment, when handled in accordance with the requirements of Part V-B. Property Management.

Computing Project Income

Recipients are encouraged to earn income to defray program costs.

Project income shall generally be deducted from total eligible costs to determine the maximum eligible costs. For instance, if eligible costs of $5,000 are reported in a payment request, and the recipient has received $200 in use allowances for equipment purchased under the grant, the net eligible costs would be $4,800. The amount of the project income should be listed on the Voucher Support Form as a credit to the appropriate task.

The fund share (%) is applied to the net costs after deducting the project income to compute reimbursement.

When authorized in program guidelines, project income may be used as match (e.g., where a recipient takes out a loan to meet its match requirements, and uses project proceeds to repay the loan). The amount of state support remains the same.

There are no Federal or state requirements governing the disposition of project income earned after the expiration of the agreement. Such income will be disposed of according to the terms of the agreement.

G. Cash Flow Projections

In order to ensure that funding is available to cover the needs of all recipients in a timely manner, Project Officers may periodically ask that recipients provide estimates of their cash flow requirements, using a Cash Flow Projections form. Cash flow projections should provide the recipient's best estimate of future payment requests by fund and by month.

Cash flow projections are used by the State Treasurer's Office, the Office of Financial Management and Ecology. The primary purpose of the projections is to permit the State Treasurer to track the cash position of all treasury and trust funds, both for investment purposes and to account for interest and principal payments on all state bonded indebtedness.

Based on the cash flow projections, Ecology provides quarterly cash disbursement estimates to the Office of Financial Management (OFM). OFM is required by law to ensure that no agency overspends its budget authority and that projected cash disbursements do not exceed available cash. Cash flow projections help OFM effectively carry out this responsibility.

Ecology also uses cash flow projections to prepare its biennial capital budget, and to provide ongoing information to the Legislative Budget Committee and OFM, both of which conduct policy research and analysis and long-range planning research on the funds which support Ecology's capital budget.

A sample **cash flow projection** form follows. A blank sample is in Appendix F.

FORM J: CASH FLOW PROJECTION

Use one form per fund

Agreement No: Sample - 2 Recipient Queen County

Effective Date: 2/3/2004 Expiration Date 7/9/2007 Today's Date: 3/3/05

Fund Source: CCWF Amount of Grant/Loan from Fund: 742,770

Circle one: (Initial Projection, Projection Revision) Page: 1 of 1

Prepared By: ______________ Signature: ______________

Cumulative Amount Requested (if any)		$63,000.00
(1) YEAR	(2) MONTH in which payment request is anticipated	(3) ESTIMATED AMOUNT of payment request
2005	1	$41,770.00
2005	4	$70,000.00
2005	7	$114,000.00
2005	10	$208,000.00
2006	1	$128,000.00
2006	4	$109,000.00
2006	7	$72,000.00
	TOTAL	$742,770.00

PART V - CONTRACTS, PROPERTY AND RECORDS

A. Contracting for Goods and Services

NOTE: The requirements in this section include a summary of statutory requirements. This summary is intended to provide recipients with an overview of contracting requirements. Where these requirements do not conform to statute or regulation, the statute or regulation will apply. Recipients are referred to their procurement departments for further information.

General Practices

A recipient may contract to buy goods or services related to the project. In such cases, the recipient is required to follow procedures that ensure fair and open competition. To foster greater economy and efficiency, recipients are encouraged to enter into local intergovernmental agreements for procurement or use of common goods and services.

Recipients must have a standard procurement process, or follow current state procurement procedures. Recipients may be required to provide written certification that they have followed their standard procurement procedures and/or applicable state law in awarding contracts. Recipients with no standard procurement process may be required to certify that they have complied with the standards outlined below as well as applicable state law. Recipients receiving funds from federal sources must also follow applicable federal laws and regulations.

Any costs incurred as a result of procurement practices not in compliance with these or the recipient's normal procedures may be disallowed at Project Officer discretion.

In awarding and administering contracts, recipients must:

- **Use sound business judgment**
  A recipient is to use sound business judgment and fair administrative procedures in procuring goods and services. This applies to invitations to bid, requests for proposals, solicitation of contractors or vendors, and awards of contracts or purchase agreements.

- **Select responsible contractors**
  Recipients are to make awards only to responsible contractors with the ability to perform successfully under the terms of the agreement. Recipients are to consider such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.

- **Ensure contractor compliance**
  Contractors must follow the same terms and conditions as the recipient. The recipient must ensure that contractors comply with all applicable federal, state and local laws

and regulations related to discrimination, labor and job safety, and environmental protection, and that contractors perform in accordance with the terms and conditions of their agreements. Where deviation from those terms is permitted by the recipient, the responsibility for any extra costs will be borne by the recipient and will not qualify as match. The requirement to limit travel and per diem rates to current state rates only applies to the recipient. The recipient can choose to have their contractors follow state rates but it is not mandatory.

- **Provide a written contract document**
  Contracts must be written, enforceable and legally sound, and must include appropriate general conditions.

- **Maintain standards of ethical conduct**
  Recipients must maintain a code of conduct governing the performance of their employees engaged in the award and administration of contracts. No employee, officer, or agent of the recipient shall participate in the award or administration of a contract under a grant or loan if a conflict of interest, real or apparent, is involved. Such a conflict would arise when:

  The employee, officer or agent, any member of his or her immediate family, his or her partner, or an organization that employs, or is about to employ, any of the above has a financial or other interest in the firm selected.

The recipient's officers, employees, or agents must not solicit or accept gratuities, favors, or anything of monetary value from contractors, potential contractors, or other parties to contracts. Recipients may set minimum rules where the financial interest is not substantial or the gift is an unsolicited item of nominal value. To the extent permitted by state or local law or regulations, the recipient's code of conduct will provide for penalties, sanctions, or other disciplinary actions for violations by its employees or agents, or by its contractor's employees or agents.

- **Analyze purchases for cost-effectiveness**
  Recipients must avoid purchase of unnecessary or duplicate items, and must consolidate or break out purchases as appropriate to obtain a more economical price. Where applicable, the recipient is to analyze lease versus purchase alternatives in determining the most economical approach.

- **Resolve disputes promptly and fairly**
  Recipients are responsible for the fair and just settlement of all contractual and administrative issues related to contracts for goods and services. Such issues include, but are not limited to, source evaluation, protests, disputes, and claims. This does not imply that the recipient is to be relieved of any contractual responsibilities under its contracts.

  Ecology will not substitute its judgment for that of the recipient unless the matter is primarily an Ecology concern. Violations of law will be referred to the local, state, or federal authority having proper jurisdiction.

Recipients must have protest procedures for handling disputes relating to contracts and will disclose all information regarding protests to Ecology. A protestor must exhaust all administrative remedies with the recipient before pursuing a protest with Ecology. Ecology will limit its review of protests to violations of state law, regulations or the standards set forth in this document, and violations of the recipient's protest procedures in its failure to review a complaint. Ecology will refer all other protests to the recipient.

Minority and Women Owned Business Enterprises.

The Office of Minority and Women Owned Business Enterprises (OMWBE) has established voluntary goals for the participation of minority- and women-owned businesses in procurements made with Ecology funds. In accordance with the provisions of I-200, no contract award or rejection shall be made based on achievement or non-achievement of the goals. Achievement of the goals is encouraged, however, and the recipient and all prospective bidders or persons submitting qualifications must take the affirmative steps set forth in the grant agreement, in any procurement.

It is a state and national goal to expand opportunities for minority and women-owned business enterprises. Recipients are therefore encouraged to use minority and women-owned firms (as defined by the Office of Minority and Women Owned Business Enterprises).

Recipients may use their MWBE goals when they are greater than the goals specified in the grant agreement.

Any Ecology funds passed through grant or loan recipients to reimburse private entities are subject to voluntary OMWBE goals. The grant or loan agreement will specify the OMWBE goals relevant to the project. In addition, any contract awarded under a grant or loan must specify the percentage of total dollars, if any, awarded to a qualified MWBE.

Soliciting Contractors for Public Works

This section, together with the Standards for Competitive Solicitation below, sets out only a general overview of requirements for public works contracts. Recipients are referred to their own procurement procedures and to applicable state law for full and current requirements.

Applicable statutes include:

- Chapter 35.01 RCW.................................... Municipal Corporations Classified
- Chapter 35.22 RCW.. First Class Cities
- Chapter 35.23 RCW..Second Class Cities
- Chapter 39.04 RCW...Public Works
- Chapter 39.08 RCW.. Contractor's Bond
- Chapter 70.150 RCW..............................Water Quality Joint Development Act
- Chapter 35.21 RCW...Miscellaneous Provisions

Total cost

The total cost of a public works contract is defined as the cost (including applicable sales tax) of materials, supplies, equipment and labor on all phases of the project. Recipients are referred to Chapter 82.04 RCW - Business and Occupation Tax for specific exemptions to the application of sales tax.

Soliciting bids from advertisements

Most public works contracts must be procured after advertising for sealed bids. The requirement for soliciting bids depends on the total cost of the project and the class of the municipality. Recipients are referred to Chapter 35.01 RCW for current definitions of classes of municipalities, and to 35.22.620 and 35.23.352 RCW for restrictions on the use of force account work.

Soliciting bids from bidder's lists

For public works with a total cost of less than $200,000, bids may be solicited from contractors on a pre-established small works roster. The number and kind of contractors from whom a bid must be solicited is established in 35.22.620 and 35.23.352 RCW according to the class of municipality. The award must be made to the contractor submitting the lowest responsive and responsible bid.

Bid bond

Generally, a bid bond of not less than 5% must accompany the proposal. After award, bonds must be returned to all bidders, except that of the successful bidder. That deposit must be retained until a contract is entered into and a bond to perform the work furnished. If the bidder fails to enter into the contract in accordance with his or her bid and furnish a performance bond within ten days of notification of the successful bid, the amount of the bid bond is forfeited to the buyer.

Bid contents

At a minimum, the bid is expected to include the name and license number of the contractor, the name and description of the project, a project budget and performance schedule, any applicable specifications required by the program, and the bidder's acknowledgement that s/he is familiar with the project and has received any and all information relevant to the project.

Selecting the successful bidder

Bids must be opened and read (usually publicly) as prescribed by local ordinance. Generally no negotiation with bidders is permitted after the bids are opened; all bids must be rejected or the bid awarded to the lowest responsive and responsible bidder. The determination of the lowest responsible bidder is left to the discretion of the recipient, but any decision to award the contract to any but the lowest bidder must be documented and supportable. Ecology approval may be required for award or rejection of any bid.

Awarding contracts
The successful bidder is to be notified promptly by mail and informed concerning the time period required to execute the contract and obtain the performance bond.

Performance or contract bond
RCW 39.08.010 requires that a public works contractor post a performance bond (generally 100% of the contract price.) The bond is intended to ensure that the contractor faithfully performs all provisions of the contract and pays all suppliers, laborers and subcontractors for goods and services provided.

Administering contracts
Contractors are generally reimbursed for completed deliverables or milestones, or actual costs incurred on a monthly basis, less any retainage stated in contract documents. Recipients are referred to 60.28.010 RCW for regulations governing administration of the retainage account. When the project is completed, the recipient must notify the Department of Revenue, including with the notice the affidavits of wages paid submitted by all contractors and sub-contractors. No payment may be made from retained funds until the Department of Revenue certifies that all taxes have been paid and no claims from suppliers of goods or services exist, and until a period of 30 days has elapsed following unconditional acceptance of the project.

Change orders
Change orders should be made with caution, since excessive change orders without new bids may be challenged as evasions of bidding laws. Change orders are permitted without invalidating the contract if the changes increase or decrease the amount due the contractor or alter the performance schedule. All change orders must be approved by Ecology.

Maintenance bond
Contractors may be required to post a maintenance bond for a specified period, intended to guarantee the material, workmanship, quality and durability of the project.

Soliciting Contractors for Personal Services Contracts

Recipients will award contracts for personal services in a way that provides fair and open competition, and must follow their standard procurement procedures and applicable state law in awarding any personal service contracts.

Recipients with no formal procurement procedures will follow the Standards for Competitive Solicitation Procedures outlined below for any personal services contracts over $5,000. (See also Chapter 39.29 RCW.) In addition, such recipients must obtain any personal services contracts over $20,000 by using a formal bid process.

For more information go to the Guide to Personal Service Contracting at the Office of Financial Management Website:
http://www.ofm.wa.gov/contracts/psc/pscguide/pscguide.asp

Soliciting Contractors for Architectural and Engineering Services

Recipients will award contracts for architectural and engineering (A&E) services in a way that provides fair and open competition, and will follow their standard procurement procedures and applicable state law in making such awards.

Recipients with no formal procurement procedures will follow the Standards for Competitive Solicitation Procedures outlined below. Recipients shall also comply with the provisions of Chapter 39.80 RCW, which provides that, except in an emergency, all architectural and engineering services shall be procured by a competitive solicitation. The competitive solicitation must select the most qualified applicant without consideration of price.

Soliciting Vendors for Purchased Goods and Services

Recipients will obtain purchased goods and services in a way that provides fair and open competition. Purchased goods and services include any materials, equipment, supplies or services offered for sale by a supplier which are not personal services or architectural and engineering services.

Recipients will follow their standard procurement procedures in procuring purchased goods and services. Recipients with no formal procurement procedures will follow the Standards for Competitive Solicitation outlined below and have solicited procurements over $10,000 by means of a formal sealed bid (see Chapter 236-48 WAC).

Standards for Competitive Solicitations

In the conduct of a competitive solicitation, whether for supplies and materials or personal services, recipients shall conform to the following general standards:

- **Publicize all requests for bids or proposals, identifying all evaluation factors and their relative importance**. Recipients will ensure that any solicitation incorporates a clear and accurate description of the technical requirements for the goods or services. The description may include a statement of qualitative nature and any minimum essential standards to which the goods or services must conform in order to achieve the project purpose. Descriptions should avoid detailed product description but, when necessary, a "brand name or equal" description may be used as a means to define the performance or other salient requirements. In such cases, the specific features of the named brand which must be met must be clearly stated.

  Any solicitation must also identify all requirements which the potential contractors must fulfill, and all other factors to be used in evaluating responses.

- **Provide a period of adequate length** to reasonably permit contractors to prepare a response;

- **Solicit responses from an adequate number of qualified sources** (usually at least three);

- **Document the procedure used in evaluating the responses** and in making the final selection;

- **Select the contractor whose response is most advantageous** to the project considering price and other relevant evaluation criteria. Such criteria include, but are not limited to:

    - The price and the effect of any applicable discounts, rebates or tax returns (NOTE: For architectural and engineering services the consideration of price is prohibited);

    - The quality of the articles proposed to be supplied, their conformity with the specifications and the purposes for which they are required;

    - The ability, capacity or skill of the respondent to perform the contract or provide the goods or services required;

    - The character, integrity, reputation, judgment, experience and efficiency of the respondent;

    - The quality of performance on previous contracts;

    - Servicing resources, capability and capacity;

    - Lack of uniformity or interchangeability, if such factors are important;

    - Energy efficiency of the product as projected throughout its anticipated useful life;

    - Effect of reciprocity assessments or other preferences defined by statute; and

    - Such other information as may be secured having a bearing on the decision to award the contract.

Any or all responses may be rejected when it is in the recipient's interest to do so, provided such rejections are in accordance with applicable laws and regulations.

- **Publicize any amendment of the solicitation, change in response periods**, and any other information relevant to potential respondents;

- **Maintain bidders lists that are current and open to competition**. Recipients are to ensure that all lists of prequalified persons, firms, or products that are used in acquiring goods and services are current, and include enough qualified sources to ensure maximum open and free competition. Also, recipients will not preclude potential bidders from qualifying during the solicitation period.

Recipients will not:

- **Make awards to consultants placed on retainer without competition** either at the time of award or the time that they were retained;

- **Place unreasonable requirements** on firms in order for them to qualify to do business;

- **Require unnecessary experience** and/or excessive bonding;

- **Use noncompetitive pricing practices** between firms or between affiliated companies;

- **Establish organizational conflicts of interest**;

- **Take any arbitrary action in the procurement process**.

Ecology Approval of Solicitations, Bids, Proposals, Awards and Amendments

The recipient may be required to submit all bid documents or proposals to the project officer for written approval before soliciting responses, awarding any contracts or rejecting bids.

The recipient may also be required to obtain written project officer approval before making any amendment that changes the scope of a contract or increases the contract amount.

Cost Basis of Contract

No contracts may be written for "cost-plus-a-percentage-of-cost" or "percentage of construction cost." The cost basis for any contract must be cost-reimbursement, unit price, fixed-price, time and materials, or any combination of these four methods.

Recipients should negotiate profit as a separate element of the price for any cost-reimbursement contract. To establish a fair and reasonable profit, consideration may be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of the contractor's past performance, and industry profit rates in the surrounding geographical area for similar work.

Contract Provisions

All contracts or purchase orders shall be written. Oral contracts are not permitted. The contract or purchase order must contain provisions to define a sound and complete agreement. Additional requirements include but are not limited to:

- **Name and address of the contractor/vendor, effective and expiration dates** (for contracts), Scope of Work and Maximum Cost;
- **Administrative, contractual or legal remedies** in instances where contractors violate or breach contract terms, as well as such sanctions and penalties as may be appropriate;
- **Suitable provisions for termination** by the State of Washington or the recipient, including the manner by which it will be effected and the basis for settlement. In addition, such contracts shall describe conditions under which the contract may be terminated for default;
- **Retention of all required records for three years after Ecology makes final payments and all other pending matters are closed and access to such records by the state**;
- **Equal opportunity employment and non-discrimination**;
- **Notice of Ecology reporting requirements**;
- **Notice of Ecology patent rights and copyrights** with respect to any discovery, invention, or rights in data that arises or is developed in the course of or under the contract;
- **Mandatory standards and policies relating to energy efficiency** that are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163);
- **Designation of Ecology as an express third-party beneficiary**;
- **Compliance with the provisions of 40 U.S.C. 276a-276a-5 (Davis-Bacon**) and state Prevailing Wage Laws (RCW 39.12), as appropriate.

Documentation

The recipient must keep supporting documentation relevant to all procurements, and must make it available for review by Ecology on request.

For all contracts and purchase orders, the recipient will establish a file to contain all of the following:

- Complete copy of the purchase order or contract (and any amendments);
- Copy of the Project Officer's approval, if needed, of the award and any amendments;
- Invoices and records of payments by recipient;
- If the goods or services were not competitively procured, the justification for the sole source procurement,
- For any procurement made through a competitive solicitation:
    - Names, addresses, telephone numbers and business names of all candidates contacted;
    - Method of contact (copy of advertisement or bidder's list);
    - What the bidders were told (specifications of the invitation to bid or request for proposals);
    - Bidder's responses;
    - Name of successful contractor or vendor and written justification for selection.

B. Property Management

General Principles

Throughout this section, the following definitions apply:

Equipment means tangible, nonexpendable, personal property having a useful life of more than one year, and an acquisition cost of at least $5,000 per functional unit or system.

Personal property means property of any kind except real property. It may be tangible (having physical existence) or intangible (such as patents, inventions, and copyrights.)

Real property means land, including land improvements, structures, and appurtenances to them, excluding movable machinery and equipment.

Supplies means all tangible personal property other than tools or equipment.

Tools are tangible, personal property having a useful life of more than one year and an acquisition cost of less than $5,000 per unit.

Tools, equipment or machinery are frequently required to complete a project. Generally, such expenses are eligible. However, before incurring capital expenses the recipient should determine whether it is more cost effective to purchase or to lease the equipment.

If the recipient uses recipient-owned property, a use allowance (not to exceed the current rental rates for equivalent equipment) is an allowable cost. If the recipient rents the property, the rental fees are allowable. Therefore, it is logical to consider rental vs. purchase, and to purchase the property under the agreement if that is cost effective. This means that the recipient may be permitted to purchase property even though it would cost less to rent it, because there are other considerations in determining cost effectiveness. Such considerations may include:

- Convenience;
- Justifiable need for customized or unique equipment;
- Project needs after the expiration date; and
- Potential for use in future Ecology projects.

Ultimately, the recipient is expected to use good judgment and to document the justification for the purchase.

This section provides guidelines for the use and disposition of real or personal property, tools, equipment and supplies purchased under an agreement.

Real Property

Title
Subject to the conditions below, the recipient retains the title to real property acquired under an agreement.

Use
Except as otherwise provided by federal or state statutes, recipients must use real property for the purposes originally authorized by the terms of the agreement; the recipient will not dispose of or encumber its title or other interests.

Disposition
When the real property is no longer needed for the originally authorized purpose, the recipient will request instructions for its disposition from the Project Officer. At the Project Officer's discretion, the recipient will:

- Retain title and compensate Ecology in an amount equal to Ecology's share of the current fair market value of the property;
- Transfer title to Ecology (or to some other entity designated by Ecology), and obtain reimbursement equal to its share of the current fair market value of the property; or

- Sell the property, deduct any actual and reasonable selling and fix-up costs from the sale price, and pay Ecology its share of the net proceeds. If the agreement has not expired, the original cost of the property may be deducted from the net proceeds. Also, if the recipient is disposing of real property acquired with project funds, and acquiring replacement real property under the same program, the net proceeds from the disposition of the first property may be deducted from the cost of the replacement property.

When the recipient is directed to sell property, the recipient will follow sales procedures that ensure the highest possible return and the maximum practicable competition.

Equipment and Tools

Title
Subject to the conditions below, the recipient retains the title to tools and equipment acquired under an agreement.

Use
The recipient shall use the tools/equipment for the purposes authorized in the agreement for as long as needed, whether or not the program continues to be supported by Ecology. When no longer needed for the original project, the tools/equipment may be used in other activities currently or previously supported by Ecology. The recipient may make the tools/equipment available for use in other projects as long as such use does not interfere with the work on the originally authorized project.

Preference for other use will be given in the following order:

1. Projects administered previously or currently by the same grant or loan program;

2. Projects administered previously or currently by other Ecology programs (including federal grants administered through Ecology);

3. Projects administered by other state or federal agencies;

4. Other projects not supported by Ecology.

The recipient may not use the tools/equipment to provide services for a fee to compete unfairly with private companies providing equivalent services, unless specifically permitted by statute.

Management
At least once every two years, the recipient should take physical inventory of the equipment/tools and reconcile the results with their property records. This should continue until final disposition has been made, and inventory records must be maintained just as other records for audit purposes.

The recipient must develop a control system, including physical inventory, to minimize the use of loss, theft or damage of the equipment/tools, and will investigate any loss, theft or damage. The recipient will follow manufacture recommended maintenance procedures to keep the equipment/tools in good operating condition.

For equipment, the recipient will maintain records that include:

- A description of the equipment;
- A serial number or other identifying number;
- The source of the equipment;
- The name of the title holder;
- The purchase date and price;
- The percentage of the acquisition price paid by Ecology;
- The location and use of the equipment;
- Condition and maintenance records;
- Final disposition data, including date and sale price.

Disposition
When replacing equipment, the recipient may dispose of the equipment being replaced by using it as a trade-in or by selling it and using the proceeds to offset the cost of the replacement.

When the agreement expires, or when the equipment is no longer needed for the originally authorized purpose (whichever comes first), the recipient will dispose of any equipment purchased with project funds as follows:

Tools may be retained, sold, or otherwise disposed of with no further obligation to Ecology.

Equipment may be disposed of according to one of the following alternatives, at Project Officer discretion:

- If the equipment is necessary for the continued operation of the project or other projects administered through Ecology, the Project Officer may instruct the recipient to retain the equipment with no further compensation to Ecology. Conditions for the continued use of the equipment may be attached at the discretion of the Project Officer.

- If the project has no further significant use for the equipment, the Project Officer may instruct the recipient to retain or sell the equipment and pay Ecology an amount equal to Ecology's share of the current fair market value, sale proceeds, or other price agreed upon by the Project Officer. If the recipient elects to sell the equipment, the recipient is to use sales procedures ensuring the highest possible return.

- The Project Officer may instruct the recipient to transfer title to Ecology or to a third party named by Ecology who is eligible under existing statutes. In such cases the recipient will be compensated in the amount equal to its share of the current fair market value of the equipment.

Equipment Owned by Ecology or the Federal Government

If the recipient uses Ecology or federally owned equipment, the following conditions will apply:

Title
The owner agency will retain the title.

Management
Recipients will manage the equipment in accord with the management procedures of the owner agency, and will submit an annual inventory listing to the Project Officer. Management procedures may be obtained from the Project Officer.

Disposition
When the equipment is no longer needed, the recipient will return the equipment to the Project Officer.

Supplies

The recipient retains the title to supplies acquired under the agreement.

Copyrights
Ecology reserves a royalty-free, nonexclusive and irrevocable license to reproduce, publish, or otherwise use and authorize others to use the copyright in any work developed under an agreement, for Ecology or other state purposes. This license also applies to any copyright that a recipient or contractor purchases with state support.

The federal government reserves a royalty-free nonexclusive and irrevocable license to reproduce, publish, or otherwise use and authorize others to use the copyright in any work developed under a grant, for federal government purposes. This license also applies to any copyright that a recipient or contractor purchases with federal support.

C. Records Retention

General Principles

This section applies to all financial and programmatic records, supporting documents, statistical records, and other records that recipients are required to maintain by the terms of the agreement.

Auditors generally require original source documents. Copies made by microfilming, photocopying, or similar methods may be substituted for the original records after the audit has been completed.

Length of Retention Period

For purposes of auditing ecology grant and loan projects, records must generally be retained for a minimum of three years from the day the recipient submits the last payment request. This requirement is in addition to other retention requirements imposed on recipients by other state or federal regulations. Recipients should also check if the specific grant program requires a longer retention period. If a final billing has been waived, the retention period starts on the day the billing would have been due.

Records related to litigation or other claims. If any litigation, claim, negotiation, audit or other action involving the records has been started before the expiration of the three-year period, the records must be kept until the action is complete and all issues arising from it are resolved. If any of these actions continues past the end of the three year period, the records need to be kept until the end of that action.

Real property and equipment records. The retention period for real property and equipment records starts from the date of the disposition, replacement or transfer.

Income transactions after agreement expiration. In some cases recipients must report income received after expiration of the agreement. If so, the retention period for the records pertaining to the earning of the income starts from the end of the recipient's fiscal year in which the income is earned.

Cost allocation plans and any similar accounting computations of the rate at which a particular group of costs is chargeable. If the proposal, plan, or other computation must be submitted to Ecology or to the Federal Government to form the basis for negotiation of the plan, then the 3-year retention period for the proposal's supporting records starts from the date of such submission.

If the proposal, plan or other computation is not required by the Federal Government or Ecology for negotiation purposes, then the 3-year retention period for the proposal, plan, or computation and its supporting records starts from the end of the fiscal year (or other accounting period) covered by the proposal, plan, or other computation.

Right of Access to Records by Ecology

Ecology (or the applicable federal awarding agency) and any of its authorized representatives, shall have the right of access to any books, documents, papers, or other records of recipients pertinent to the project, in order to make audits, examinations, excerpts, and transcripts. Such right of access is not limited to the required retention period but shall last as long as the records are retained.

To avoid duplicate record-keeping on federal grants, the federal awarding agency may make special arrangements with Ecology and its recipients to obtain any records which are or may be needed for joint use. The federal awarding agency will request transfer of records to its custody when it determines that the records possess long-term retention value. When the records are transferred to or maintained by the Federal agency, the recipient does not have to meet the 3-year retention requirement.

PART VI - CLOSE-OUT

A. Final Performance Evaluation

General Principles

Ecology will close out the project when it determines that all applicable administrative and programmatic requirements of the agreement have been met, or when the project has been terminated.

Close-out does not affect:

- Ecology's (or the applicable Federal agency's) right to disallow costs and recover funds on the basis of a later audit or other review;
- The recipient's obligation to return any funds due as a result of later refunds, corrections, or other transactions;
- Records Retention and Records Access as required in Part V-C;
- Property Management requirements of Part V-B;
- Audit requirements of this Part.

Recipient Responsibilities

Ecology expects recipients to submit, within 45 days after the expiration date, all financial, performance, and other reports required by the terms of the agreement. These may include but are not limited to:

- Final performance or progress report;
- Final request for payment (if applicable);
- Invention disclosure (if applicable);
- Federally or state owned property report: A recipient must submit an inventory of all federally or state owned property and all property acquired with project funds for which it is accountable, and must request disposition instructions from the Project Officer. (See Part V-B, Property Management.)
- A list of any real property or equipment with an acquisition cost of at least $5,000 purchased under the agreement. The Project Officer will review the list and determine the property's disposition.

Disposition of Property

If a sale is required with compensation to Ecology, the Project Officer may require the recipient to complete the sale before close-out, and the sale proceeds deducted from the final payment. Alternatively, the Project Officer may direct the Fiscal Office to create a formal receivable for the sale proceeds in order to continue with close-out.

If the recipient is required to compensate Ecology for property retained by the recipient, the amount of the adjustment will be deducted from any payment due the recipient. If the adjustment exceeds the payment due, the amount of the adjustment will become an obligation of the recipient to Ecology.

If the recipient is required to transfer title, the transfer must be done before close-out. Any amount due the recipient will be added to the final payment.

After the recipient has submitted all required reports, or the project has been completed (whichever comes later), the Project Officer will complete the Final Performance Evaluation (FPE). The Project Officer will indicate on the FPE whether the project was completed to the satisfaction of Ecology.

If the project was NOT completed to the satisfaction of Ecology, the Project Officer will indicate the amount to be charged back against the project. (See *Termination or Suspension.*)

B. Final Financial Adjustments

If a financial manager identifies an overpayment made to a recipient, the financial manager sends a Final Performance Evaluation with supplementary documentation to the fiscal office. The fiscal office will initiate collection and repayment to Ecology.

Final Payment

Ecology will, within 90 days after receipt of all deliverables, including the final report, make any necessary adjustments to the eligible costs. Ecology will make prompt payment to the recipient for Ecology's remaining share of eligible costs.

Collection of Amounts Due

If not paid within 30 days after demand, Ecology may reduce the debt by deducting the amount from other payment requests, or other action permitted by law.

Appendices

A. Sample Budgets and Payment Requests

Appendix A contains five sample budgets. Some budgets are established by task, some by object. Some projects permit in-kind, others do not. The samples were intended to cover many different possibilities in budget design.

Three of the budgets are accompanied by sample payments requests, designed to demonstrate the correct way to complete each of the forms. Each of form A through I, as well as a Letter Amendment redistributing costs, is represented at least once in these samples.

Note that NONE of the payment requests are complete, where multiple invoice vouchers were required to document all costs, only one pay was shown, and samples of forms D through I were not prepared for each payment request.

B. General Terms and Conditions (Rev. 4/04)

C. Ecology Policies on Light Refreshments

D. Blank Forms A Through J

E. Funding Source Worksheet Examples

F. Grant/Loan Document Requirements

G. Classification of Expenditures by Object

APPENDIX A

Sample Budgets and Payments Requests

Sample 1: Task Budget, Single Fund Source, In-Kind Eligible

Expenditure Budget

Task/Object	Eligible Cost
1. Urban Waterfront	
A. Salaries	15,700
B. Benefits	4,300
C. Overhead	5,000
D. Printing	2,000
E. In-Kind	7,500
Subtotal	34,500
2. Deschutes River	
A. Salaries	8,800
B. Benefits	1,200
C. Overhead	2,500
D. Printing/Mapping	1,000
E. Contracts	1,000
Subtotal	14,500
Total Project Cost	49,000

Fund Sources (using worksheet 1 in Appendix E)

Total Project Cost		$49,000
Fund	Fund Share (%)	Maximum Fund Account
CZM	50%	24,500
Match Requirement	Match Share (%)	Match Amount
Cash and/or In-Kind	50%	24,500

Additional Budget Conditions

1. Overhead will be charged at 25% of salaries and benefits

2. In-kind is eligible.

3. A letter amendment will be required to redistribute costs among tasks. A formal amendment will be required to increase the state funding amounts.

Sample 2: Object Budget, Funding Pro-Rated from two Sources
In-Kind Eligible, Sample Forms A, B1, C1, E, F, I

	Objects	Eligible Cost
1.	Salaries	$ 4,000
2.	Benefits	1,000
3.	Contracts (Personal Services)	10,000
4.	Supplies	1,150
5.	Equipment	4,000
6.	Overhead	1,250
	Total Project Cost	$21,400

Fund Sources (using worksheet 2 in Appendix E)

	Eligible Project Cost	**$21,400**
Fund	**Fund Share (%)**	**Maximum Fund Amount**
Federal Clean Lakes	50%	$10,700
CCWF	25%	$ 5,350
Match	**% Share**	**Match Amount**
Cash	at least 12.5%	$ 2,675
In-Kind	at most 12.5%	$ 2,675

Additional Budget Conditions

1. Overhead is eligible in the amount of 25% of recipient salaries and benefits applied directly to the project.

2. A letter amendment is required to redistribute costs among objects. A formal amendment is required to increase the state or federal funding amounts.

Form A19-1A (Rev. 10/00)	State of Washington INVOICE VOUCHER	Form A	AGENCY USE ONLY		
			AGENCY NO.	LOCATION CODE	P.R. OR AUTH. NO.

AGENCY NAME	
1. Proj. Off: S. Smith Prog: WQ Washington State Department of Ecology P.O. Box 47600, Olympia, WA 98504-7600	3. Payment Request No.: 1 4. Agreement No: Sample-2
2. Grant/Loan Recipient (Warrant is to be payable to)	I hereby certify under penalty that the items and totals listed herein are proper charges for materials, merchandise, or services furnished to the State of Washington and that all goods furnished and/or services rendered have been provided without discrimination on the grounds of race, creed, color, national origin, sex or age.
Queen County Health Dept. Accounts Payable 123 Main Street Prince Town, WA 98999-1234	5. By ______________ (signature) __________________ (sign in blue ink) Division Manager 10/15/05 Title Date 6. Mary Brown (206) 555-1234 Contact Person Tel. No.
Fed ID No. 91-123456	Received By / Date Received

7	Effect. Date 07 01 05 Expir. Date 09 30 08	Project Officer Approval for Payment/Performance Certification		
8	Billing Period from 07 01 05 to 09 30 05	Date:		
9	Fund Source Name	Fed Clean Lakes	CCWF	
10	Amount of Grant/Loan from Fund	10,700.00	5,350.00	
11	Cumulative Amount Requested	6,285.71	3,142.86	
12	Previous Cumulative Amount Requested	-	-	
13	Current Request/Payment Due	6,285.71	3,142.86	
14	Grant/Loan Remaining in the Fund	4,414.29	2,207.14	

All payments are made subject to federal and/or state audit

DOC DATE	PMT DUE DATE	CURRENT DOC. NO.	REF. DOC NO.	VENDOR NO.	VENDOR MESSAGE	USE TAX	UBI NO.

REF DOC SUF	TRANS CODE	M O D	FUND	MASTER INDEX: APPN INDEX	MASTER INDEX: PROGRAM INDEX	SUB OBJ	SUB SUB OBJECT	ORG INDEX	WORKCLASS / ALLOC	COUNTY / BUDGET UNIT	CITY/TOWN / MOS	PROJECT	SUB PROJ	PROJ PHAS	AMOUNT	INVOICE NUMBER

ACCOUNTING APPROVAL FOR PAYMENT	DATE	WARRANT TOTAL	WARRANT NUMBER

FORM B1 **(page 1): *RUNNING BUDGET SUMMARY for PROJECTS with INTERLOCAL COSTS and/or OTHER IN-KIND***

Use one form for each group of costs with the same eligibility requirements

Agreement No: __Sample-2___ Recipient: ____Queen County Health Dept.____ Payment Request No: _1_ Page: ___ of ___

FOR PROJECTS WITH MORE THAN ONE GROUP OF ELIGIBILITY REQUIREMENTS: Group No _____ Fund Source(s): _________

(1) Element No.	Costs Incurred This Request from Form C1			Cumulative Costs from Previous Form B1			New Cumulative Costs				(9) BUDGET	(10) Eligible Cumulative Element Cost
	(2) Cash	(3) In-Kind A. Inter-local	(3) In-Kind B. Other	(4) Cash	(5) In-Kind A. Inter-local	(5) In-Kind B. Other	(6) Cash	(7) In-Kind A. Inter-local	(7) In-Kind B. Other	(8) Total		
1	1,000.00	600.00	400.00				,000.00	600.00	400.00	2,000.00	4,000	,2000.00
2	900.00	100.00					900.00	100.00		1,000.00	1,000	1,000,00
3	6,000.00						6,000.00			6,000.00	10,000	6,000.00
4	200.00		800.00				200.00		800.00	1,000.00	1,150	1,000.00
5	1,600.00	300.00	1,100.00				1,600.00	300.00	1,100.00	3,000.00	4,000	3,000.00
6	300.00						300.00			300.00	1,250	300.00
Project	10,000.00	1,000.00	2,300.00				(11) 10,000.00	(12A) 1,000.00	(12B) 2,300.00	(13) 13,300.00	21,400	(14) 13,300.00

***** GO TO FORM B1 (Page 2) AND COMPLETE ALL STEPS BEFORE COMPLETING FORM A*****

FORM B1 *(page 2): COMPLETE ELIGIBLE COSTS and FUND AMOUNTS*
Complete Form B1 (page 1) before completing this worksheet.

Agreement Number __Sample-2__ Recipient _Queen County Health Dept.__ Pay Request No:__1_

1.	***Enter the cumulative total cash expenditures from box 11, Form B1 (page 1).***	***$10,000.00***
2.	***If the terms of the agreement specify that interlocal costs are valid cash match, enter cumulative total interlocal costs from box 12A, Form B1 (page 1). NOTE: Interlocal costs may not exceed the total budgeted element cost minus the total cash expended for that element.***	***$_1,000.00***
3.	***Add lines 1 and 2.***	***$11,000.00***
4.	*Verify that all match requirements are met.*	
4(a)	***Percent of eligible project costs which must be cash: Add the fund shares (%) from all Ecology-administered fund sources which support these costs, and enter as a decimal.*** *NOTE:* ***This should correspond to the sum of the fund shares in the line 6(a) below.***	***.75***
4(b)	***Percent of eligible project costs which must be cash match: Enter the cash match requirement in the agreement as a decimal. If none, enter zero.***	***.125***
4(c)	***Percent of eligible project costs which must be cash or interlocal costs: Add lines 4(a) and 4(b).***	***.875***
5.	*Compute the cumulative costs which are eligible at this point.*	
5(a)	***Maximum eligible cumulative costs based on total match requirements:*** *DIVIDE* ***line 1 by line 4(a) and enter the result.***	***$13,333.33***
5(b)	***Maximum eligible cumulative costs based on cash match requirements:*** *DIVIDE* ***line 3 by line 4(c) and enter the result.***	***$12,571.42***
5(c)	***Maximum eligible cumulative costs based on the budget: Box 14, Form B1***	***$13,300.00***
5(d)	*ELIGIBLE CUMULATIVE COSTS.* ***This is the amount of the project costs which meet ALL budget and match requirements at this point in the project. Enter the smallest of lines 5(a), 5(b) and 5(c).***	***$12,571.42***
6.	*Compute the portion of eligible project costs which can be supported by each fund.*	

6(a) For each fund source administered by Ecology that support this group of costs, enter the name of the fund and the fund share (%).	***FUND: Clean Lks.*** ***SHARE: 50%***	***FUND: CCWF*** ***SHARE: 25%***	***FUND: ___*** ***SHARE: ___%***
6(b) *Compute fund amounts:* ***In each column, multiply line 5(d) by the fund share (%) entered on line 6(a) and enter the result (the fund amount).***	***6,285.71***	***3,142.86***	

7. *Compute cumulative amount requested from each fund*. ***If there is only one group of eligibility requirements in the agreement, the cumulative amount requested from each fund is already computed in line 6(b) above. Otherwise, for each fund, add the amounts on line 6(b) on all forms B1 (page 2) submitted for this billing. Enter the total for each fund on Form A, line 11.***

ECY 060-3 (09/05)

FORM C1: ***VOUCHER SUPPORT for PROJECTS with INTERLOCAL COSTS or OTHER IN-KIND***
Use one page per element, or subtotal each element separately.

Agreement No: ***Sample-2*** ***Recipient:*** ***Queen County Health Dept.*** ***Payment Request*** ***1*** ***Page:*** _____ ***of*** _____

(1) Task/ Object No.	(2) Payee or Contributor	(3) Item	(4) Invoice Number	(5) Date Cost Incurred or Contributed	(6) Warrant Number (if any)	AMOUNT (7) CASH	(8) IN-KIND A Interlocal Costs	(8) IN-KIND B. Other
5	Cannon Tire Co.	tires	XY123	07/08/05	1452	600.00		
5	Long Rentals	loader rental	456-789	07/20/05	8102	1,000.00		
5	Jones Copies	xerox use		09/03/05				500.00
5	City of Prince	loan of pickup		08/01/05			300.00	
5	John Smith	loan of tractor		08/2-7/05				350.00
5	John Smith	operate tractor		08/2-7/05				350.00
					TOTALS BY ELEMENT	(9) 1,600.00	(10A) 300.00	(10B 1,100.00

ECY 060-8 (09/05)

FORM E: ***MONTHLY TIME SHEET***

(To be completed by individual, paid or volunteer, providing services to the project)

Agreement No: *Sample-2* ***Recipient:*** *Queen County Health Dept.* ***Month:*** *August 2005*

Name: *John Smith* ***Employer:*** *Self-employed – farmer*

Activity (Task/Sub-task No.)	*C-Cash IL-Interlocal IK-Other In-Kind*	*Daily Work Log*																															*Total Hours*	*Recipient Use*	
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	20	31		*Hourly Rate*	*Total Charge*
Tractor Oper.	*IK*		4	6			5	5																									20	15.00	300.00

INSTRUCTIONS TO INDIVIDUALS: ***Using a separate line for each activity (whether project-related or not), list the activity and, if project-related, the task or sub-task number. Indicate if the services were Cash, Interlocal Costs or In-kind contributions. Enter the hours devoted to that activity per day and total each line. Total hours should correspond to employee's work week.***
INSTRUCTIONS TO RECIPIENTS: ***For project related costs multiply the total hours by the hourly rate to obtain the total charge. Enter the total charge per element on Form C1/C2. (NOTE: The hourly rate may be computed using the "Conversion to an Hourly Rate Worksheet.")***

CERTIFICATION SIGNATURE:

I certify that I have devoted the time reported above in the performance of work as described relative to the above named project.

(signature) ***09/04/05***
Signature of Individual ***Date***

(signature) ***09/04/05***
Signature of Supervisor ***Date***

ECY 060-12 (09/05)

FORM F: RECORD OF MEETING ATTENDANCE

Agreement No.: ______Sample-2___ Recipient: ______Queen County Health Dept.______ Payment Request __1__ Page ____ of ____

Purpose of Meeting: _______Solicit Public Input Concerning Lake Contamination______Date of Meeting _____08/10/05_____

Name (please print)	*Representing*	*No. of Hours At Meeting*	*Signature (requested)*
John Smith	*Neighborhood Association*	*2*	*(signature)*
Sarah Smith	*Self*	*2*	*(signature)*
Susan Jones	*Queen County*	*2*	*(signature)*
Alan Saunders	*Prince City*	*2*	*(signature)*
Joe Thompson	*Self*	*2*	*(signature)*
Element Number ____1___ Total Volunteer Hours: __10___ x $15.00 = $__150.00___			

Enter the value computed in the lower right hand box on Form C1 for the appropriate element.

FORM I: VALUATION OF DONATED PROPERTY

Use this form to document contributions of property.

Agreement No: Sample-2 Recipient: Queen County Health Dept.

Date: 10/10/05 Payment Request Number 1 Page: ___ of ________

List each item donated. Indicate the value assigned to the item according to the guidelines provided in the Administrative Requirements for Ecology Grants and Loans. Obtain the signature of the contributor. If required by program guidelines or the project officer, this form must accompany the payment request on which the contributions were listed.

Task No.	Item	Date Contributed	Value
5	Loan of tractor for 20 hours	8/2-7/05	350.00

I certify that the above listed contributions were made to the identified project. To the best of my knowledge, the value listed represents the fair market value of each contribution at the time that it was donated.

Signature of Contributor: (signature) Date: 10/10/05

Organization: N/A Position: N/A

ECY 060-15 (09/05)

Sample 3: Task Budget, One Fund Source, Cash Only, Sample Forms A, B2, C2, D, G

Expenditure Budget

Tasks	Total Cost	Elig. %	Eligible Cost	Maximum Elig. Cost
1. Planning	$ 30,000	100%	$ 30,000	$ 30,000
2. Design-Engineering	$ 250,000	100%	$ 250,000	$150,000
3. Construct Sweetwater Plant				
3A Contract Cost	$ 900,000	72%	$ 648,000	$150,000
3B Bid Overruns	90,000	72%	$ 64,000	$ 64,800
3C Sales & Use Tax	$ 70,000	72%	$ 50,000	$ 50,000
Project	$1,340,000		$1,043,200	$943,200
4. Contingency				$ 47,160
Maximum Eligible Project Cost				$990,360

Fund Sources (using Worksheet 1 from Appendix E)

Maximum Eligible Project Cost		$943,220 w/o contingency $990,360 w/contingency
Fund	Fund Share (%)	Maximum Fund Amount
Centennial Clean Water	75%	$707,400 w/o contingency $742,770 w/contingency
Match	% Share	Match
Cash	at least 25%	$235,800 w/o contingency $247,590 w/contingency

Additional Budget Conditions

1. Overhead is eligible in the amount of 25% of recipient salaries and benefits applied directly to the project.

2. In-kind contributions are not eligible.

3. A letter amendment is required to redistribute costs among tasks. A formal amendment is required to increase the state funding.

LETTER AMENDMENT

REDISTRIBUTING COSTS AMONG BUDGET ELEMENT OF AN ECOLOGY GRANT OR LOAN

Agreement No: ***Sample-3*** ***Recipient*** ***Queen County*** ***Amendment No:*** ***4***

Project Officer: ***Jan Grant*** ***Program:*** ***WQFA*** ***Section:*** ***Point Source***

I authorize the following revisions to this grant project budget, starting on the date below:

Project or Financial Officer Signature: ________________________ ***Date Signed:*** ***4/15/06***

Effective Date ***3/1/06***

Element No.	CURRENT BUDGET				(REVISED BUDGET)			
	ELEMENT COST	ELIG. %	ELIG. COST	MAX ELIG.	ELEMENT COST	ELIG. %	ELIG. COST	MAX. ELIG.
1	30,000	100%	30,000	30,000	30,000	100%	30,000	30,000
2	250,000	100%	250,000	150,000	250,000	100%	250,000	180,000
3A	900,000	72%	648,000	648,000	972,222	72%	700,000	700,000
3B	90,000	72%	64,800	64,800	18,378	72%	13,200	0
3C	70,000	72%	50,400	50,400	69,400	72%	50,000	50,000
4	47,160	100%	47,160	47,160	47,160	100%	47,160	30,360
PROJECT	1,387,160			990,360	1,387,160			990,360

A formal amendment is necessary if an increase in funding is required. *The revised budget for any element may not be less than the amount already billed in that element.* ***Original to Recipient – Copy to Fiscal Office***

ECY 060-17 (09/05)

Form A19-1A (Rev. 10/00)	State of Washington INVOICE VOUCHER	Form A	AGENCY USE ONLY		
			AGENCY NO.	LOCATION CODE	P.R. OR AUTH. NO.

AGENCY NAME

1. Proj. Off: Jan Grant Prog: WQ

Washington State Department of Ecology

P.O. Box 47600, Olympia, WA 98504-7600

***2. Grant/Loan** Recipient (Warrant is to be payable to)*

Queen County
456 Main Street
Prince Town, WA 98999-4567

Fed ID No. 91-2345678

3. Payment Request No.: 3

4. Agreement No: Sample-3

I hereby certify under penalty that the items and totals listed herein are proper charges for materials, merchandise, or services furnished to the State of Washington and that all goods furnished and/or services rendered have been provided without discrimination on the grounds of race, creed, color, national origin, sex or age.

5. By ________ (signature) ________
(sign in blue ink)

Director Public Works	***04/20/05***
Title	***Date***

6. Penny Jones	***(206) 123-4567***
Contact Person	*Tel. No.*

Received By	*Date Received*

7	Effect. Date 01 01 05 Expir. Date 04 15 07	Project Officer Approval for Payment/Performance Certification Date:		
8	Billing Period from 01 01 05 to 01 31 05			
9	Fund Source Name	CCWF		
10	Amount of Grant/Loan from Fund	742,770.00		
11	Cumulative Amount Requested	720,000.00		
12	Previous Cumulative Amount Requested	656,250.00		
13	Current Request/Payment Due	63,750.00		
14	Grant/Loan Remaining in the Fund	22,770.00		

All payments are made subject to federal and/or state audit

DOC DATE	PMT DUE DATE	CURRENT DOC. NO.	REF. DOC NO.	VENDOR NO.	VENDOR MESSAGE	USE TAX	UBI NO.

REF DOC SUF	TRANS CODE	MOD	FUND	MASTER INDEX		SUB OBJ	SUB SUB OBJECT	ORG INDEX	WORKCLASS	COUNTY	CITY/TOWN	PROJECT	SUB PROJ	PROJ PHAS	AMOUNT	INVOICE NUMBER
				APPN INDEX	PROGRAM INDEX				ALLOC	BUDGET UNIT	MOS					

ACCOUNTING APPROVAL FOR PAYMENT	DATE	WARRANT TOTAL	WARRANT NUMBER

FORM B2: ***RUNNING BUDGET SUMMARY for PROJECTS with CASH EXPENDITURES ONLY***

Use one form for each group of costs with the same eligibility requirements.

Agreement No. Sample-3 Recipient: Queen County Payment Request No: 3 Page: ___ of _____

FOR PROJECTS WITH MORE THAN ONE GROUP OF ELIGIBILITY REQUIREMENTS: Group No _____ Fund Source(s): ______

(1) Task /Object No.	(2) Cash Expenditures This Request	(See Instructions (3) Elig. %	(4) Elig. Amount	(5) Cumulative Cash Expenditures on Prev. Form B2	(6) New Cumulative Cash Expenditures	(7) BUDGET	(8) Eligible Cumulative Element Cost
1				32,000.00	32,000.00	30,000.00	30,000.00
2	50,000.00	1.00	50,000.00	170,000.00	220,000.00	180,000.00	180,000.00
3A	200,000.00	.72	144,000.00	622,000.00	766,000.00	700,000.00	700,000.00
3B							
3C	5,000.00	.72	3,600.00	51,000.00	54,600.00	50,000.00	50,000.00
4						30,360.00	
		XXXXXXX X					(9) 960,000.00

10. For each fund administered by Ecology that supports this group of costs, enter the name of the fund and the fund share (%) at right.	***FUND: __________ SHARE: __________%***	***FUND: ________ SHARE: ________%***	***FUND: ________ SHARE: ________%***
11. Compute Fund Amounts: ***In each column, multiply box 9 above by the fund share (%) in line 10 and enter the result.***			***720,000.00***

ECY 060-7 (09/05)

FORM C2: ***VOUCHER SUPPORT for PROJECTS with CASH EXPENDITURES ONLY***
Use one page per element or subtotal each element separately.

Agreement No: Sample-3 Recipient: Queen County Payment Request 3 Page: ____ of ____

(1) Element No.	(2) Payee	(3) Item	(4) Invoice Number	(5) Date Cost Incurred	(6) Warrant Number (if any)	(7) Amount of Cash Expenditure
2	Smith Engineers	Plant Design	12345	1/12/05	X1801	50,000.00
	Total					50,000.00
3A	Jones Building	Construction	81724	2/20/05	X2911	140,000.00
3A	Masons & Co.	Construction	2-3456	2/18/05	X2102	60,000.00
	Total					200,000.00
3C	Jones Building	Sales Tax	81724	2/20/05	X2911	5,000.00
	Total					5,000.00
					TOTAL BY ELEMENT	$ (8)

ECY 060-9 (09/05)

FORM D: CONTRACTOR PARTICIPATION REPORT

For Federally-Funded Agreements

Per Office of Minority and Women-Owned Business Enterprise voluntary reporting practices, this form must accompany any payment request which includes payments to any private sector contractors. It may be completed by the recipient or by the contractor.

Agreement No:__Sample-3___ Payment Request ___3____ Page___ of ___

Recipient: ______Queen County____

INSTRUCTIONS: ALL primary contractors under a grant or loan and all MINORITY or WOMEN-owned sub-contractors must be reported on this form.

(Column 1) Indicate each contractor and sub-contractor on a separate line, listing sub-contractors below the appropriate primary contractor.
(Column 2) Identify each contractor as primary (P) or sub (S).
(Column 3) If the contract was sole source, enter Y, otherwise enter N.
(Column 4) Enter the contractor's federal ID number.
(Column 5) Enter the amount invoiced by each (sub-) contractor in the current payment request.
(Column 6) Enter the task number under which the invoice amount was reported on Form C1/C2.
(Column 7) Identify each contractor as minority- (M) or women-owned (W), if applicable.

(1) Contractor	(2) P=Primary S=Sub	(3) Sole Source Y/N	(4) Federal Tax ID No.	(5) Amount of Contractor Invoice On this Request	(6) Task/Object Number	(7) M=Minority W=Women
Masons & Company	P	N	99-1234890	60,000.00	3	M
Jones Building	P	N	92-2345678	120,000.00	3	
Johnson Excavations	S	N	93-4567890	20,000.00	3	W

ECY 060-11 (07/07)

Document Control No.: __________

FORM G: SALES AND USE TAX REPORT

Recipient
(Taxpayer): Queen County Registration No: 91-2345678

Address: 456 Main Street City Prince Town State WA Zip 98999

CONTACT PERSON: Joe Simms Title: Director Public Works Tel. No: 555-5555

Signature: ____________________ Date: 4/20/05

PROJECT TITLE: Treatment Plant Construction Agreement No: Sample-3

Total Project Cost: 1,387,160 Total Eligible Cost: 990,360 Grant Amount: 742,770

Briefly describe the project below:

Design and construct sewage treatment plant for Queen County.

Indicate below all eligible costs for items on which sales tax was charged. List each item with a unit acquisition cost of at least $50,000 on a separate line. Total all other items and list as one line item.

Date	Invoice No.	Vendor	Item	Amount (sales tax excluded)
2/20/05	81724	Jones Building	Building Materials	12,500.00
2/20/05	81724	Jones Building	Bingham Pump	51,000.00
			TOTAL	63,500.00

FOR OFFICIAL USE ONLY	Approved	Tax	Paid

ECY 060-14 (09/05) Original: Ecology Yellow: Ecology/Revenue Pink: Taxpayer

Sample 4: Task Budget, Multiple Fund Sources, No Tasks

Pro-Rated Among Sources

Expenditure Budget

Tasks	Total Cost	Eligible Cost
1. Household Haz Waste Ed	$ 65,000	$ 58,615
2. Household Attitud. Survey	$ 10,000	$10,000
3. Small Qty. Generator Ed.	$ 12,250	$ 11,572
4. Sm. Qty. Gen. Tech. Assist.	$ 22,697	$ 22,697
5. Proj. Mgmt. And Support	$ 49,616	$40,465
Total Project Cost	$159,563	$143,349

Fund Sources (using worksheet 3 from Appendix E)

Eligibility Group:		Group 1:	Group 2:	
Tasks Included in Each Group		Tasks 1,2,3,5	Task 4	Project
Maximum Eligible Costs:		$120,652	$22,697	$143,349
Fund	Fund Share (%)	Maximum Fund Amount		
Local Toxic Acct	75%	$90,489		$90,489
Haz Waste Assistance Acct	50%		$10,000**	$10,000
Match Requirement	Match Share (%)	Match Amount		
Cash Match to LTCA	at least 20%	$24,130		$24,130
In-Kind Match to LTCA	at most 5%	$ 6,033		$ 6,033
Cash Match to HWAA	at least 50%		$12,697	$12,697

Additional Budget Conditions

1. Overhead is eligible in the amount of 25% of recipient salaries and benefits applied directly to the project.

2. In-Kind Contributions are not eligible in Group 2.

3. A letter amendment is required to redistribute costs among tasks. A forma amendment is required to increase the state funding from either source.

**4. The maximum amount from HWAA is $10,000. All remaining costs will be paid by cash match.

Sample 5: Task Budget, Cash Only, Multiple Fund Sources, Task

Costs Pro-Rated Among Sources, Sample Forms A, B2, C2, E

Expenditure Budget

Tasks	Total Cost	Eligible Cost
1. Administration	$ 80,000	$ 80,000
2. Education for HHW	$ 60,000	$ 60,000
3. Commercial Waste Ed.	$ 40,000	$ 40,000
4. Waste Oil Collection	$ 40,000	$ 20,000
5. Health and Safety	$ 10,000	$ 10,000
Total Project Cost	$230,000	$210,000

Fund Sources (using worksheet 4 from Appendix E)

Eligibility Group:		Group 1:	Group 2:		Group 3:	Project
Tasks Included		Tasks 1,2,5	Task 4	(Prorated)	Task 3	
Eligible Costs		$150,000	$20,000		$40,000	$210,000
Fund	Fund Share (&)	Maximum Fund Amount		Fund Share (%)	Max. Fund Amt.	Total Fund Amt.
Local	75%	$112,500		12.5%	$ 5,000	$117,500
Haz Waste	50%		$ 5,000**	50%	$20,000	$ 25,000
Match	Match Share (%)	Match Amount		Match Share (%)	Match Amount	Total Match
Cash Match	at least 25%	$ 37,500		37.5	$15,000	$ 52,500
Cash Match	at least 50%		$15,000	0		$ 15,000

Additional Budget Conditions

1. Overhead is eligible in the amount of 25% of recipient salaries and benefits applied directly to the project.

2. In-Kind Contributions are not eligible.

3. The Fiscal office will monitor expenditures at the task level. A letter amendment is required to redistribute costs among tasks. A formal amendment is required to increase the state funding from either source.

**4. The maximum amount from HWAA is $10,000. All remaining costs will be paid by cash match.

Form A19-1A (Rev. 10/00)	State of Washington INVOICE VOUCHER	Form A	AGENCY USE ONLY		
			AGENCY NO.	LOCATION CODE	P.R. OR AUTH. NO.

AGENCY NAME

1. Proj. Off: S. Smith Prog: WQ

Washington State Department of Ecology

P.O. Box 47600, Olympia, WA 98504-7600

2. Grant/Loan Recipient (Warrant is to be payable to)

Queen County Health Dept.
123 Main Street
Prince Town, WA 98999-1234

Fed ID No. 91-123456

3. Payment Request No.: 1

4. Agreement No: Sample-5

I hereby certify under penalty that the items and totals listed herein are proper charges for materials, merchandise, or services furnished to the State of Washington and that all goods furnished and/or services rendered have been provided without discrimination on the grounds of race, creed, color, national origin, sex or age.

5. By ______________ (signature) __________________
(sign in blue ink)

Mayor 04/08/05
Title Date

6. Lou White (206) 407-7723
Contact Person Tel. No.

Received By	Date Received

7	Effect. Date 01 01 05 Expir. Date 12 31 05	Project Officer Approval for Payment/Performance Certification Date:		
8	Billing Period from 03 01 05 to 03 31 05			
9	Fund Source Name	LTCA	HWAA	
10	Amount of Grant/Loan from Fund	117,500.00	25,000.00	
11	Cumulative Amount Requested	50,475.00	15,000.00	
12	Previous Cumulative Amount Requested	38,750.00	5,000.00	
13	Current Request/Payment Due	11,725.00	10,000.00	
14	Grant/Loan Remaining in the Fund	67,025.00	10,000.00	

All payments are made subject to federal and/or state audit

DOC DATE	PMT DUE DATE	CURRENT DOC. NO.	REF. DOC NO.	VENDOR NO.	VENDOR MESSAGE	USE TAX	UBI NO.

REF DOC SUF	TRANS CODE	M O D	FUND	MASTER INDEX		SUB OBJ	SUB SUB OBJECT	ORG INDEX	WORKCLASS	COUNTY	CITY/TOWN	PROJECT	SUB PROJ	PROJ PHAS	AMOUNT	INVOICE NUMBER
				APPN INDEX	PROGRAM INDEX				ALLOC	BUDGET UNIT	MOS					

ACCOUNTING APPROVAL FOR PAYMENT	DATE	WARRANT TOTAL	WARRANT NUMBER

FORM B2: RUNNING BUDGET SUMMARY FOR PROJECTS with CASH EXPENDITURES ONLY

Use one form for each group of costs with the same eligibility requirements.

Agreement No: Sample-5 Recipient: Prince Town Payment Request No: 3 Page: 1 of 2

FOR PROJECTS WITH MORE THAN ONE GROUP OF ELIGIBILITY REQUIREMENTS: Group No 1 Fund Source(s): LTCA

(1) Element No.	(2) Cash Expenditures This Request	(See instructions) (3) Elig. %	(4) Elig. Amount	(5) Cumulative Cash Expenditures on Prev. Form B2	(6) New Cumulative Cash Expenditures	(7) BUDGET	(8) Eligible Cumulative Element Cost
1	2,300.00	1.00	2,300.00	42,000.00	44,300.00	80,000.00	44,300.00
2	10,000.00	1.00	10,000.00		10,000.00	60,000.00	10,000.00
5		1.00		8,000.00	8,000.00	10,000.00	8,000.00
	12,300.00	XXXXXXXX	12,300.00	50,000.00	62,300.00	150,000.00	62,300.00

10. For each fund administered by Ecology that supports this group of costs, enter the name of the fund and the fund share (%) at right.	FUND: ________ SHARE: ________%	FUND: ________ SHARE: ________%	FUND: LTCA SHARE: 75 %
11. Compute Fund Amounts: In each column, multiply box 9 above by the fund share (%) in line 10 and enter the result.			46,725.00

ECY 060-7 (09/05)

FORM B2: RUNNING BUDGET SUMMARY FOR PROJECTS with CASH EXPENDITURES ONLY

Use one form for each group of costs with the same eligibility requirements.

Agreement No: Sample-5 Recipient: Prince Town Payment Request No: 3 Page: 2 of 2

FOR PROJECTS WITH MORE THAN ONE GROUP OF ELIGIBILITY REQUIREMENTS: Group No 3 Fund Source(s): LTCA & HWAA

(1) Ele-ment No.	(2) Cash Expenditures This Request	(See instructions) (3) Elig. %	(4) Elig. Amount	(5) Cumulative Cash Expenditures on Prev. Form B2	(6) New Cumulative Cash Expenditures	(7) BUDGET	(8) Eligible Cumulative Element Cost
3	20,000.00	1.00	20,000.00	10,000.00	30,000.00	40,000.00	30,000.00
	20,000.00	XXXXXXXX	20,000.00	10,000.00	30,000.00	40,000.00	30,000.00

10. For each fund administered by Ecology that supports this group of costs, enter the name of the fund and the fund share (%) at right.	FUND: _________ SHARE: _________%	FUND: LTCA SHARE: 12.5 %	FUND: HWAA SHARE: 50 %
11. Compute Fund Amounts: In each column, multiply box 9 above by the fund share (%) in line 10 and enter the result.		3,750.00	15,000.00

ECY 060-7 (09/05)

FORM C2: VOUCHER SUPPORT for PROJECTS with CASH EXPENDITURES ONLY

Use one page per element, or subtotal each element separately.

Agreement No: Sample 5 Recipient: Queen County Payment Request 3 Page: ___ of _____

(1) Ele-ment No.	(2) Payee	(3) Item	(4) Invoice Number	(5) Date Cost Incurred	(6) Warrant Number (if any)	(7) Amount of Cash Expenditure
1	Anne Worker	Salary		3/23/96	SD-2345	1,200.00
1	Jim Typist	Salary		3/23/96	SD-2456	800.00
1	Queen County	Overhead		3/23/96		300.00
TOTALS BY ELEMENT						$ 2,300.00 (8)

ECY 060-9 (09/05)

FORM E: MONTHLY TIME SHEET

(To be completed by any individual, paid or volunteer, providing services to the project)

Agreement No: Sample-5 Recipient: Prince Town Month: March 2005

Name: Anne Worker Employer: Prince Town

Activity	C-Cash	Daily Work Log																															Total Hours	Recipient Use	
(Task/Sub-task No.)	IL-Interlocal IK-Other In-Kind	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31		Hourly Rate	Total Charge
(1) Administer Grant	C											4	3	4	4	4			8	8	8	8	8			1							60	20.00	1,200.00
Annual Leave																											8	8							
Training												4	4	4	4	4																			
Sick Leave													1												7										
Prepare Report		8		8	8	8	8	8																					8	8					

INSTRUCTIONS TO INDIVIDUALS: Using a separate line for each activity (whether project-related or not), list the activity and, if project-related, the task or sub-task number. Indicate if the services were Cash, Interlocal Costs or In-kind contributions. Enter the hours devoted to that activity per day and total each line. Total hours should correspond to employee's work week.

INSTRUCTIONS TO RECIPIENTS: For project related costs, multiply the total hours by the hourly rate to obtain the total charge. Enter the total charge per element on Form C1/C2. (NOTE: The hourly rate may be computed using the "Conversion to an Hourly Rate Worksheet.")

CERTIFICATION SIGNATURE:

I certify that I have devoted the time reported above in the performance of work as described relative to the above named project.

(signature) 04/08/05

Signature Date

(signature) 04/08/05

Signature of Supervisor Date

APPENDIX B

GENERAL TERMS AND CONDITIONS
Pertaining to Grant and Loan Agreements of the Department of Ecology

A. RECIPIENT PERFORMANCE

All activities for which grant/loan funds are to be used shall be accomplished by the RECIPIENT and RECIPIENT's employees. The RECIPIENT shall only use contractor/consultant assistance if that has been included in the agreement's final scope of work and budget.

B. SUBGRANTEE/CONTRACTOR COMPLIANCE

The RECIPIENT must ensure that all subgrantees and contractors comply with the terms and conditions of this agreement.

C. THIRD PARTY BENEFICIARY

The RECIPIENT shall ensure that in all subcontracts entered into by the RECIPIENT pursuant to this agreement, the state of Washington is named as an express third-party beneficiary of such subcontracts with full rights as such.

D. CONTRACTING FOR SERVICES (BIDDING)

Contracts for construction, purchase of equipment and professional architectural and engineering services shall be awarded through a competitive process, if required by State law. RECIPIENT shall retain copies of all bids received and contracts awarded, for inspection and use by the DEPARTMENT.

E. ASSIGNMENTS

No right or claim of the RECIPIENT arising under this agreement shall be transferred or assigned by the RECIPIENT.

F. COMPLIANCE WITH ALL LAWS

1. The RECIPIENT shall comply fully with all applicable Federal, State and local laws, orders, regulations and permits.

   Prior to commencement of any construction, the RECIPIENT shall secure the necessary approvals and permits required by authorities having jurisdiction over the project, provide assurance to the DEPARTMENT that all approvals and permits have been secured, and make copies available to the DEPARTMENT upon request.

2. Discrimination. The DEPARTMENT and the RECIPIENT agree to be bound by all Federal and State laws, regulations, and policies against discrimination. The RECIPIENT further agrees to affirmatively support the program of the Office of Minority and Women's Business Enterprises to the maximum extent possible. If the agreement is federally-funded, the RECIPIENT shall report to the DEPARTMENT the percent of grant/loan funds available to women or minority owned businesses.

3. Wages And Job Safety. The RECIPIENT agrees to comply with all applicable laws, regulations, and policies of the United States and the State of Washington which affect wages and job safety.

4. Industrial Insurance. The RECIPIENT certifies full compliance with all applicable state industrial insurance requirements. If the RECIPIENT fails to comply with such laws, the DEPARTMENT shall have the right to immediately terminate this agreement for cause as provided in Section K.1, herein.

G. KICKBACKS

The RECIPIENT is prohibited from inducing by any means any person employed or otherwise involved in this project to give up any part of the compensation to which he/she is otherwise entitled or, receive any fee, commission or gift in return for award of a subcontract hereunder.

H. AUDITS AND INSPECTIONS

1. The RECIPIENT shall maintain complete program and financial records relating to this agreement. Such records shall clearly indicate total receipts and expenditures by fund source and task or object.

   All grant/loan records shall be kept in a manner which provides an audit trail for all expenditures. All records shall be kept in a common file to facilitate audits and inspections.

   Engineering documentation and field inspection reports of all construction work accomplished under this agreement shall be maintained by the RECIPIENT.

2. All grant/loan records shall be open for audit or inspection by the DEPARTMENT or by any duly authorized audit representative of the State of Washington for a period of at least three years after the final grant payment/loan repayment or any dispute resolution hereunder. If any such audits identify discrepancies in the financial records, the RECIPIENT shall provide clarification and/or make adjustments accordingly.

3. All work performed under this agreement and any equipment purchased, shall be made available to the DEPARTMENT and to any authorized state, federal or local representative for inspection at any time during the course of this agreement and for at least three years following grant/loan termination or dispute resolution hereunder.

4. RECIPIENT shall meet the provisions in OMB Circular A-133 (Audits of States, Local Governments & Non Profit Organizations), including the compliance Supplement to OMB Circular A-133, if the RECIPIENT expends $500,000 or more in a year in Federal funds. The $500,000 threshold for each year is a cumulative total of all federal funding from all sources. The RECIPIENT must forward a copy of the audit along with the RECIPIENT'S response and the final corrective action plan to the DEPARTMENT within ninety (90) days of the date of the audit report.

I. PERFORMANCE REPORTING

The RECIPIENT shall submit progress reports to the DEPARTMENT with each payment request or such other schedule as set forth in the Special Conditions. The RECIPIENT shall also report in writing to the DEPARTMENT any problems, delays or adverse conditions which will materially affect their ability to meet project objectives or time schedules. This disclosure shall be accompanied by a statement of the action taken or proposed and any assistance needed from the DEPARTMENT to resolve the situation. Payments may be withheld if required progress reports are not submitted.

Quarterly reports shall cover the periods January 1 through March 31, April 1 through June 30, July 1 through September 30, and October 1 through December 31. Reports shall be due within thirty (30) days following the end of the quarter being reported.

J. COMPENSATION

1. Method of compensation. Payment shall normally be made on a reimbursable basis as specified in the grant agreement and no more often than once per month. Each request for payment will be submitted by the RECIPIENT on State voucher request forms provided by the DEPARTMENT along with documentation of the expenses. Payments shall be made for each task/phase of the project, or portion thereof, as set out in the Scope of Work when completed by the RECIPIENT and approved as satisfactory by the Project Officer.

The payment request form and supportive documents must itemize all allowable costs by major elements as described in the Scope of Work. Instructions for submitting the payment requests are found in "Administrative Requirements for Ecology Grants and Loans", part IV, published by the DEPARTMENT. A copy of this document shall be furnished to the RECIPIENT. When payment requests are approved by the DEPARTMENT, payments will be made to the mutually agreed upon designee.

Payment requests shall be submitted to the DEPARTMENT and directed to the Project Officer assigned to administer this agreement.

2. Period of Compensation. Payments shall only be made for actions of the RECIPIENT pursuant to the grant/loan agreement and performed after the effective date and prior to the expiration date of this agreement, unless those dates are specifically modified in writing as provided herein.

3. Final Request(s) for Payment. The RECIPIENT should submit final requests for compensation within forty-five (45) days after the expiration date of this agreement and within fifteen (15) days after the end of a fiscal biennium. Failure to comply may result in delayed reimbursement.

4. Performance Guarantee. The DEPARTMENT may withhold an amount not to exceed ten percent (10%) of each reimbursement payment as security for the RECIPIENT's performance. Monies withheld by the DEPARTMENT may be paid to the RECIPIENT when the project(s) described herein, or a portion thereof, have been completed if, in the DEPARTMENT's sole discretion, such payment is reasonable and approved according to this agreement and, as appropriate, upon completion of an audit as specified under section J.6. herein.

5. Unauthorized Expenditures. All payments to the RECIPIENT may be subject to final audit by the DEPARTMENT and any unauthorized expenditure(s) charged to this grant/loan shall be refunded to the DEPARTMENT by the RECIPIENT.

6. Mileage and Per Diem. If mileage and per diem are paid to the employees of the RECIPIENT or other public entities, it shall not exceed the amount allowed under state law for state employees.

7. Overhead Costs. No reimbursement for overhead costs shall be allowed unless provided for in the Scope of Work hereunder.

K. TERMINATION

1. For Cause. The obligation of the DEPARTMENT to the RECIPIENT is contingent upon satisfactory performance by the RECIPIENT of all of its obligations under this agreement. In the event the RECIPIENT unjustifiably fails, in the opinion of the DEPARTMENT, to perform any obligation required of it by this agreement, the DEPARTMENT may refuse to pay any further funds thereunder and/or terminate this agreement by giving written notice of termination.

A written notice of termination shall be given at least five working days prior to the effective date of termination. In that event, all finished or unfinished documents, data studies, surveys, drawings, maps, models, photographs, and reports or other materials prepared by the RECIPIENT under this agreement, at the option of the DEPARTMENT, shall become Department property and the RECIPIENT shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials.

Despite the above, the RECIPIENT shall not be relieved of any liability to the DEPARTMENT for damages sustained by the DEPARTMENT and/or the State of Washington because of any breach of agreement by the RECIPIENT. The DEPARTMENT may withhold payments for the purpose of setoff until such time as the exact amount of damages due the DEPARTMENT from the RECIPIENT is determined.

2. Insufficient Funds. The obligation of the DEPARTMENT to make payments is contingent on the availability of state and federal funds through legislative appropriation and state allotment. When this agreement crosses over state fiscal years the obligation of the DEPARTMENT is contingent upon the appropriation of funds during the next fiscal year. The failure to appropriate or allot such funds shall be good cause to terminate this agreement as provided in paragraph K.1 above.

When this agreement crosses the RECIPIENT's fiscal year, the obligation of the RECIPIENT to continue or complete the project described herein shall be contingent upon appropriation of funds by the RECIPIENT's governing body; provided, however, that nothing contained herein shall preclude the DEPARTMENT from demanding repayment of ALL funds paid to the RECIPIENT in accordance with Section O herein.

3. Failure to Commence Work. In the event the RECIPIENT fails to commence work on the project funded herein within four months after the effective date of this agreement, or by any date mutually agreed upon in writing for commencement of work, the DEPARTMENT reserves the right to terminate this agreement.

L. WAIVER

Waiver of any RECIPIENT default is not a waiver of any subsequent default. Waiver of a breach of any provision of this agreement is not a waiver of any subsequent breach and will not be construed as a modification of the terms of this agreement unless stated as such in writing by the authorized representative of the DEPARTMENT.

M. PROPERTY RIGHTS

1. Copyrights and Patents. When the RECIPIENT creates any copyrightable materials or invents any patentable property, the RECIPIENT may copyright or patent the same but the DEPARTMENT retains a royalty-free, nonexclusive and irrevocable license to reproduce, publish, recover or otherwise use the material(s) or property and to authorize others to use the same for federal, state or local government purposes.

Where federal funding is involved, the federal government may have a proprietary interest in patent rights to any inventions that are developed by the RECIPIENT as provided in 35 U.S.C. 200-212.

2. Publications. When the RECIPIENT or persons employed by the RECIPIENT use or publish information of the DEPARTMENT; present papers, lectures, or seminars involving information supplied by the DEPARTMENT; use logos, reports, maps or other data, in printed reports, signs, brochures, pamphlets, etc., appropriate credit shall be given to the DEPARTMENT.

3. Tangible Property Rights. The DEPARTMENT's current edition of "Administrative Requirements for Ecology Grants and Loans", Part V, shall control the use and disposition of all real and personal property purchased wholly or in part with funds furnished by the DEPARTMENT in the absence of state, federal statute(s), regulation(s), or policy(s) to the contrary or upon specific instructions with respect thereto in the Scope of Work.

4. Personal Property Furnished by the DEPARTMENT. When the DEPARTMENT provides personal property directly to the RECIPIENT for use in performance of the project, it shall be returned to the

DEPARTMENT prior to final payment by the DEPARTMENT. If said property is lost, stolen or damaged while in the RECIPIENT's possession, the DEPARTMENT shall be reimbursed in cash or by setoff by the RECIPIENT for the fair market value of such property.

5. Acquisition Projects. The following provisions shall apply if the project covered by this agreement includes funds for the acquisition of land or facilities:

a. Prior to disbursement of funds provided for in this agreement, the RECIPIENT shall establish that the cost of land/or facilities is fair and reasonable.

b. The RECIPIENT shall provide satisfactory evidence of title or ability to acquire title for each parcel prior to disbursement of funds provided by this agreement. Such evidence may include title insurance policies, Torrens certificates, or abstracts, and attorney's opinions establishing that the land is free from any impediment, lien, or claim which would impair the uses contemplated by this agreement.

6. Conversions. Regardless of the contract termination date shown on the cover sheet, the RECIPIENT shall not at any time convert any equipment, property or facility acquired or developed pursuant to this agreement to uses other than those for which assistance was originally approved without prior written approval of the DEPARTMENT. Such approval may be conditioned upon payment to the DEPARTMENT of that portion of the proceeds of the sale, lease or other conversion or encumbrance which monies granted pursuant to this agreement bear to the total acquisition, purchase or construction costs of such property.

N. SUSTAINABLE PRODUCTS

In order to sustain Washington's natural resources and ecosystems, the RECIPIENT is encouraged to implement sustainable practices where and when possible. These practices include use of clean energy, and purchase and use of sustainably produced products (e.g., recycled paper). For more information, see http://www.ecy.wa.gov/sustainability/.

O. RECOVERY OF PAYMENTS TO RECIPIENT

The right of the RECIPIENT to retain monies paid to it as reimbursement payments is contingent upon satisfactory performance of this agreement including the satisfactory completion of the project described in the Scope of Work. In the event the RECIPIENT fails, for any reason, to perform obligations required of it by this agreement, the RECIPIENT may, at the DEPARTMENT's sole discretion, be required to repay to the DEPARTMENT all grant/loan funds disbursed to the RECIPIENT for those parts of the project that are rendered worthless in the opinion of the DEPARTMENT by such failure to perform.

Interest shall accrue at the rate of twelve percent (12%) per year from the time the DEPARTMENT demands repayment of funds. If payments have been discontinued by the DEPARTMENT due to insufficient funds as in Section K.2 above, the RECIPIENT shall not be obligated to repay monies which had been paid to the RECIPIENT prior to such termination. Any property acquired under this agreement, at the option of the DEPARTMENT, may become the DEPARTMENT'S property and the RECIPIENT'S liability to repay monies shall be reduced by an amount reflecting the fair value of such property.

P. PROJECT APPROVAL

The extent and character of all work and services to be performed under this agreement by the RECIPIENT shall be subject to the review and approval of the DEPARTMENT through the Project Officer or other designated official to whom the RECIPIENT shall report and be responsible. In the event there is a dispute with regard to the extent and character of the work to be done, the determination of the Project Officer or other designated official as to the extent and character of the work to be done shall govern. The RECIPIENT shall have the right to appeal decisions as provided for below.

Q. DISPUTES

Except as otherwise provided in this agreement, any dispute concerning a question of fact arising under this agreement which is not disposed of in writing shall be decided by the Project Officer or other designated official who shall provide a written statement of decision to the RECIPIENT. The decision of the Project Officer or other designated official shall be final and conclusive unless, within thirty days from the date of receipt of such statement, the RECIPIENT mails or otherwise furnishes to the Director of the DEPARTMENT a written appeal.

In connection with appeal of any proceeding under this clause, the RECIPIENT shall have the opportunity to be heard and to offer evidence in support of this appeal. The decision of the Director or duly authorized representative for the determination of such appeals shall be final and conclusive. Appeals from the Director's determination shall be brought in the Superior Court of Thurston County. Review of the decision of the Director will not be sought before either the Pollution Control Hearings Board or the Shoreline Hearings Board. Pending final decision of dispute hereunder, the RECIPIENT shall proceed diligently with the performance of this agreement and in accordance with the decision rendered.

R. CONFLICT OF INTEREST

No officer, member, agent, or employee of either party to this agreement who exercises any function or responsibility in the review, approval, or carrying out of this agreement, shall participate in any decision which affects his/her personal interest or the interest of any corporation, partnership or association in which he/she is, directly or indirectly interested; nor shall he/she have any personal or pecuniary interest, direct or indirect, in this agreement or the proceeds thereof.

S. INDEMNIFICATION

1. The DEPARTMENT shall in no way be held responsible for payment of salaries, consultant's fees, and other costs related to the project described herein, except as provided in the Scope of Work.

2. To the extent that the Constitution and laws of the State of Washington permit, each party shall indemnify and hold the other harmless from and against any liability for any or all injuries to persons or property arising from the negligent act or omission of that party or that party's agents or employees arising out of this agreement.

T. GOVERNING LAW

This agreement shall be governed by the laws of the State of Washington.

U. SEVERABILITY

If any provision of this agreement or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of this agreement which can be given effect without the invalid provision, and to this end the provisions of this agreement are declared to be severable.

V. PRECEDENCE

In the event of inconsistency in this agreement, unless otherwise provided herein, the inconsistency shall be resolved by giving precedence in the following order: (a) applicable Federal and State statutes and regulations; (b) Scope of Work; (c) Special Terms and Conditions; (d) Any terms incorporated herein by reference including the "Administrative Requirements for Ecology Grants and Loans"; and (e) the General Terms and Conditions.

SS-010 Rev. 04/04

Appendix C
Ecology Travel Guide Section 15: Coffee/Light Refreshments

15.1 January 1, 1998	What Are Coffee/Light Refreshments?

- Coffee = any non-alcoholic beverage such as coffee, tea, soft drinks, juice or milk.
- Light Refreshment = an edible item that may be served between meals, such as doughnuts, sweet rolls, fruit and cheese.

15.2 January 1, 1998	When May Coffee/Light Refreshments Be Authorized?

A Section Manager, Field Office Manager, Program Manager, Program "A" Manager or Regional Director **MAY** authorize coffee and/or light refreshments at certain agency-sponsored events; **however**, the agency is **not required** to provide coffee and/or light refreshments.

The authorizing of coffee and/or light refreshments is limited to special situations or occasions where refreshments would be appropriate as an integral part of the meeting. **Use is not intended for the normal business of employees or officials and is subject to the following conditions:**

- The purpose of the event is to conduct official business or to provide formal training to state employees or state officials.
- The coffee and/or light refreshments are an integral part of the meeting or training session, that is, work continues throughout the period that refreshments are available.
- The Section Manager, Field Office Manager, Program Manager, Program "A" Manager or Regional Director must provide written approval in advance of the meeting or formal training session.
- Reimbursement for the coffee and/or light refreshments requires a receipt from the vendor.

15.3 January 1, 1998	When Are Coffee/Light Refreshments PROHIBITED?

- Expenditures for coffee and/or light refreshments for anniversaries of agencies, individual employment anniversaries, receptions for new, existing and/or retiring employees or officials, election celebrations, etc., are prohibited under OFM regulations.
- They are also prohibited for any "hosting" activities. "Hosting" includes, but is not limited to, those activities that are intended either to lobby a legislator or a government official, or are to be a social rather than governmental business event.

NOTE! Expenditures for coffee and/or light refreshments may be made as part of a recognition award. The total amount expended for the recognition award, including the coffee and/or light refreshments, is limited to the monetary level contained in RCW 41.60.150.

15.4 **January 1, 1998**	**What Are The Procedures For Obtaining Coffee/Light Refreshments?**

Approval on Form ECY 010-113 Conference, Seminar and Meeting Approval Form should be submitted **AT LEAST TEN DAYS PRIOR TO THE EVENT**.

- Plan the event and identify the necessary expenses.
- If event is held in a state-owned or state-leased barrier-free facility, contact the vendor to obtain an estimate of costs for the coffee/light refreshments for the expected number of persons to attend.
- If the event is to be held in private sector facilities, contact a vendor who meets the ADA access criteria (See Section 14) for an estimate of the facility rental and coffee/light refreshment costs for the expected number of attendees.
- Obtain appropriate verbal authorization to proceed with plans based on estimated costs.
- Complete the Approval Form for Conference, Seminar and Meeting ECY 010-113 which must be approved by the Section Manager or above. (See Figure 14-A.)
- Submit the Form ECY 010-113 to the Fiscal Office Travel Unit at least ten working days in advance of the planned event.
- Fiscal reviews the approval form and determines if the costs are eligible. If the costs are eligible, Fiscal will sign and send a copy to the Event Coordinator.

15.5 **January 1, 1998**	**What Documents Are Needed For Payment Of Coffee/Light Refreshments?**

If event is in a state-owned or state-leased barrier-free facility:

- An Approval Form for Conferences, Seminar and Meeting (Form ECY 010-113) with the proper level of signatory.
- Vendor invoices in sufficient detail to identify all charges.
- Roster or list of attendees.

If event is in a private sector facility:

- An Approval Form for Conferences, Seminar and Meeting (Form ECY 010-113) with the proper level of signatory.
- ADA Accessible Facility Checklist must be on file in the Fiscal Office to verify compliance with the ADA access criteria.
- Vendor invoice in sufficient detail to identify all charges. The invoice must have the vendor's certification that the facility met the requirements of the ADA on the scheduled date(s) of the event.
- Roster or list of attendees. On the roster of attendees, or on a separate memo, there must be a certification by the Ecology responsible person that, to the best of their knowledge, the facility did, or did not, meet ADA access criteria. An indication that the facility did not meet the access criteria would be considered as a breach of contract and the agency is authorized to deny payment to the vendor.

Appendix D

Form A

Form
A19-1A
(Rev. 10/00)
ECY 060-02

State of Washington
INVOICE VOUCHER

AGENCY USE ONLY		
AGENCY NO.	*LOCATION CODE*	*P.R. OR AUTH. NO.*

AGENCY NAME

Proj. Off ______________________

Prog: ______________________

Washington State Department of Ecology
P.O. Box 47600, Olympia, WA 98504-7600

3. Payment Request No.:

4. Agreement No:

Vendor's Certificate. I hereby certify under penalty of perjury that the items and totals listed herein are proper charges for materials, merchandise or services furnished to the State of Washington, and that all goods furnished and/or services rendered have been provided without discrimination because of age, sex, marital status, race, creed, color, national origin, handicap, religion, or Vietnam era or disabled veterans status.

2. Grant/Loan Recipient ***(Warrant is to be payable to)***

Fed ID No.

5. By ______________________
(sign in blue ink)

______________________ ______________
Title ***Date***

6. ______________________ ______________
Contact Person ***Tel. No.***

Received By ***Date Received***

7	***Effect. Date*** ***Expir. Date***	***Project Officer Approval for Payment/Performance Certification***		
8	***Billing Period from*** ***to***	***Date:***		
9	***Fund Source Name***			
10	***Amount of Grant/Loan from Fund***			
11	***Cumulative Amount Requested***			
12	***Previous Cumulative Amount Requested***			
13	***Current Request/Payment Due***			
14	***Grant/Loan Remaining in the Fund***			

All payments are made subject to federal and/or state audit

DOC DATE	PMT DUE DATE	CURRENT DOC. NO.	REF. DOC NO.	VENDOR NO.	VENDOR MESSAGE	USE TAX	UBI NO.

REF DOC SUF	TRANS CODE	M O D	FUND	MASTER INDEX		SUB OBJ	SUB SUB OBJECT	ORG INDEX	WORKCLASS	COUNTY	CITY/TOWN	PROJECT	SUB PROJ	PROJ PHAS	AMOUNT	INVOICE NUMBER
				APPN INDEX	PROGRAM INDEX				ALLOC	BUDGET UNIT	MOS					

ACCOUNTING APPROVAL FOR PAYMENT	DATE	WARRANT TOTAL	WARRANT NUMBER

Ecology is an Equal Opportunity Employer.

INSTRUCTIONS FOR COMPLETING FORM A

1. Enter the name and program of the Ecology project officer.

2. Enter the name and address of the recipient, along with the contact person for us to call with any questions about the billing. Enter the recipient's Federal ID No.

3. Enter the number of the payment request – they are numbered consecutively.

4. Enter the grant or loan number.

5. Have the authorized official sign and date the request.

6. Enter the name and telephone number of the person who completed the payment request.

7. Enter the effective date and expiration date of the agreement.

8. Enter the period covered by the current payment request. No costs are eligible if incurred before the effective date or after the expiration date.

9. FUND SOURCE Name: List the name of each fund source administered by Ecology which supports the project costs.

10. AMOUNT OF GRANT/LOAN from FUND: For each fund source, enter the amount of the grant or loan established in the agreement. If there have been any amendments to the agreement, enter the amount established in the last amendment.

11. CUMULATIVE AMOUNT REQUESTED from FUND: If there is only one Form B1 or B2 for this billing, enter the amounts computed for each fund on line 11 of Form B2 or line 6(B) of form B1 (page 2). If there is more than one Form B1 or B2, do the following: for each fund, add the fund amounts computed on line 11 of all Forms B2 or line 6(b) of all Forms B1 (page 2) submitted with this payment request, and enter the sum.

12. PREVIOUS CUMULATIVE AMOUNTS REQUESTED: Enter the amount on line 11 of the previous Form A. For first billings, enter 0.

13. CURRENT REQUEST: Compare the amount of the grant or loan from each fund (line 10) to the cumulative amount requested from the fund (line 11). Subtract line 12 from the smaller of the two and enter the result. If less than zero, enter zero.

14. GRANT/LOAN REMAINING in the FUND: Subtract the cumulative amount requested (line 11) from the Grant/Loan Amount in the Fund (line 10). If the result is less than zero, enter zero.

FORM B1 (page 1): RUNNING BUDGET SUMMARY for PROJECTS with INTERLOCAL COSTS and/or OTHER IN-KIND

Use one form for each group of costs with the same eligibility requirements.

Agreement No: ____________________ Recipient: ________________________________ Payment Request _____ Page ______ of _______

FOR PROJECTS WITH MORE THAN ONE GROUP OF ELIGIBILITY REQUIREMENTS: Group No __________ Fund Source(s): __________

(1) Element No.	Costs Incurred This Request from Form C1			Cumulative Costs from Previous Form B1			New Cumulative Costs				(9) BUDGET	(10) Eligible Cumulative Element Cost
	(2) CASH	**(3) IN-KIND** A. Inter-Local	**(3) IN-KIND** B. Other	**(4) CASH**	**(5) IN-KIND** A. Inter-local	**(5) IN-KIND** B. Other	**(6) CASH**	**(7) IN-KIND** A. Inter-local	**(7) IN-KIND** B. Other	**(8) TOTAL**		
Project							(11)	(12A)	(12B)	(13)		(14)

*******GO TO FORM B1 (Page 2) AND COMPLETE ALL STEPS BEFORE COMPLETING FORM A**

ECY 060-3 (09/05)

INSTRUCTIONS FOR COMPLETING FORM B1

1. (First Line) Enter the agreement number, recipient name, payment request number and page numbers.

2. (Second Line) If the terms of the agreement establish groups of costs by different eligibility requirements, enter the group which is documented on this page. Otherwise, enter "1." Enter the name(s) of the fund source(s).

3. (Column 1) Enter the number of each budget element (task, sub-task or object) established in the agreement.

4. (Column 9) Enter the amount budgeted for each element in the agreement.

5. (Column 2 and 3) On the line corresponding to each element, enter the totaled costs (reported on Form C1. Enter cash expenditures in column 2, interlocal costs in column 3A, and other in-kind contributions in column 3B.

6. (Columns 4 and 5) If this is the first payment request, leave these columns blank. Otherwise, enter the cumulative costs computed in columns 6, 7A and 7B of the previous Form B1. Enter the previous cumulative cash expenditures in column 4, previous cumulative interlocal costs in column 5A, and previous cumulative other in-kind contributions in column 5B.

7. (Column 6 and 7) for each element, add columns 2 and 4 to obtain new cumulative cash expenditures. Add columns 3A and 5A to obtain new cumulative interlocal costs, and add columns 3B and 5B to obtain new cumulative other in-kind contributions.

8. (Column 8) for each element, add columns 6, 7A and 7B to obtain new cumulative total element costs.

9. (Column 10) for each element, compare the entry in column 8 (cumulative total element cost) with the entry in column 9 (budget amount). For each element, enter the smaller of the entries in column 8 and 9 in column 10 (this is the eligible element amount to this point). **IF THE CUMULATIVE TOTAL COSTS FOR ANY ELEMENT EXCEED THE BUDGET, THE EXCESS WILL NOT BE ELIGIBLE – AND WILL NOT BE REIMBURSED – WITHOUT AN AMENDMENT. CONTACT YOUR PROJECT OFFICER IMMEDIATELY.**

10. (Boxes 11, 12A, 12B, 13 and 14) Add each of columns 6, 7A, 7B, 8 and 10.

11. COMPLETE the WORKSHEET on FORM B1 (page 2) TO COMPUTE ELIGIBLE CUMULATIVE COSTS AND THE AMOUNT OF FUNDING FROM EACH FUND SOURCE.

FORM B1 (page 1) -Additional Instructions

Running Budget Summary for Projects with Interlocal Costs and/or Other In-Kind

HEADING

In the heading, enter the following:

* Grant (Agreement) number
* Recipient name
* Payment request number
* Page number (1 of 1, 1 of 2, etc.)
* Group number if there is more than one group in the grant budget
* Fund source for the group if a group is indicated

COLUMN (1)
ELEMENT NO.

* Indicate the task number
* There will ALWAYS be one (1) line on this form for each task, even if there are no expenses for a particular task in the current billing
* There is only one (1) line on this form for each task; subtasks are NEVER listed on this form

COSTS INCURRED THIS REQUEST FROM FORM C1

COLUMN (2)
CASH

* Enter the total current cash expenditures for the task as computed on the C1 form and shown in Box (9)
* If there are subtasks shown on the C1 form, the total of all the subtasks for the task would be the task total

COLUMN (3)
IN-KIND
A - INTERLOCAL
B - OTHER

* Enter the total value of any interlocal costs used as cash match for the task from the C1 form as shown in Box (10A)
Column (3B) should be left blank as none of the Solid Waste & Financial Assistance grant programs allow
In-Kind other than Interlocal Costs

CUMULATIVE COSTS FROM PREVIOUS FORM B1

COLUMN (4)
CASH

* If this is the first billing for a grant, enter a zero in this space
* If this in not the first billing, enter the amount shown in Column (6) on your LAST billing's Form B1

COLUMN (5)
IN-KIND
A - INTERLOCAL

* If this is the first billing for a grant, enter a zero in this space
If this is not the first billing, enter the amount shown in Column (7A) on your LAST billing's Form B1

B - OTHER		Column (5B) should be left blank as none of the Solid Waste & Financial Assistance grant programs allow In-Kind other than Interlocal Costs

NEW CUMULATIVE COSTS

COLUMN (6) **CASH**	*	Add the amounts in Column (2) and Column (4) to obtain the correct amount for this space
	*	This is the total amount of cash spent to date for this task
COLUMN (7) **IN-KIND**	*	Add the amounts in Column (3A) and Column (5A) to obtain the correct amount for this space in Column (7A)
A - INTERLOCAL		This is the total amount of Interlocal In-Kind to date for this task
B- OTHER		Column (7B) should be left blank as none of the Solid Waste & Financial Assistance grant programs allow In-Kind other than Interlocal Costs
COLUMN (8) **TOTAL**	*	For each task, add Columns (6) and (7A) to get the total costs to date
COLUMN (9) **BUDGET**	*	Enter the Budget amount for each task in this Column.
	*	The correct Budget can be found in the original Grant Agreement
	*	If the grant has been amended, the Budget figures from the most recent amendment should be used
COLUMN (10)	*	Enter the smaller of Column (8) or Column (9)
ELIGIBLE **CUMULATIVE**	*	Your eligible costs can **<u>NEVER</u>** exceed the amount budgeted for a task
ELEMENT COST	*	The dollar amount shown in this column is the total eligible amount spent to date (over the life of the grant) by task
BOX (11)	*	Sum of Column (6)
BOX (12A)	*	Sum of Column (7A)
BOX (12B)	*	Sum of Column (7B), should be zero
BOX (13)	*	Sum of Column (8)
BOX (14)	*	Sum of Column (10)

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FORM B1 (page 2) COMPUTE ELIGIBLE COSTS AND FUND AMOUNTS

Complete Form B1 (page 1) before completing this worksheet.

Agreement Number ________________ Recipient ___________________________ Pay Request No: ______

1. Enter the cumulative total cash expenditures from box 11, Form B1 (page 1).....................................$____________

2. If the terms of the agreement specify that interlocal costs are valid cash match, enter. ....$____________
cumulative total interlocal costs from box 12A, Form B1 (page 1).
NOTE: Interlocal costs may not exceed the total budgeted element costs minus the total cash expended for that element.

3. Add lines 1 and 2.

4. **Verify that all match requirements are met.**

4(a) Percent of eligible project costs which must be cash: Add the fund shares (%).......................$____________
from all Ecology-administered fund sources which support these costs, and enter as a decimal. NOTE: This should correspond to the sum of the fund shares in line 6(a) below.

4(b) Percent of eligible project costs which must be cash match: Enter the cash match.................$____________
requirement in the agreement as a decimal. If none, enter zero.

4(c) Percent of eligible project costs which must be cash or interlocal costs: ....$____________

Add lines 4(a) and 4(b).

5. **Compute the cumulative costs which are eligible at this point.**

5(a) Maximum eligible cumulative costs based on total match requirements:
DIVIDE line 1 by line 4(a) and enter the result...$____________

5(b) Maximum eligible cumulative costs based on cash match requirements:
DIVIDE line 3 by line 4(c) and enter the result...$____________

5(c) Maximum eligible cumulative costs based on the budget: Box 14, Form B1. ....$____________

5(d) **ELIGIBLE CUMULATIVE COSTS.** This is the amount of the project costs ....$____________
which meet ALL budget and match requirements at this point in the project.
Enter the smallest of the lines 5(a), 5(b) and 5(c).

6. **Compute the portion of eligible project costs which can be supported by each fund.**

6(a) For each fund source administered by Ecology that supports this group of costs, enter the name of the fund and the fund share (%).	FUND: _____ SHARE: _____%	FUND: _____ SHARE: _____%	FUND: _____ SHARE: _____%
6(b) **Compute fund amounts:** In each column, multiply line 5(d) by the fund share (%) entered on line 6(a) and enter the result (the fund amount).			

7. **Compute cumulative amount requested from each fund**. If there is only one group of eligibility requirements in the agreement, the cumulative amount requested from each fund is already computed in line 6(b) above. Otherwise, for each fund, add the amounts on line 6(b) on all forms B1 (page 2) submitted for this billing. Enter the total for each fund on Form A, line 11.

ECY 060-3 (09/05)

FORM B2: RUNNING BUDGET SUMMARY for PROJECTS with CASH EXPENDITURES ONLY

Use one form for each group of costs with the same eligibility requirements.

Agreement No: ___________________ Recipient: ________________________________ Payment Request ______ Page ______ of _______

FOR PROJECTS WITH MORE THAN ONE GROUP OF ELIGIBILITY REQUIREMENTS: Group No ________ Fund Source(s): ________

(1) Ele-ment No.	(2) Cash Expenditures This Request	(See instructions) (3) Elig. %	(4) Elig. Amount	(5) Cumulative Cash Expenditures on Prev. Form B2	(6) New Cumulative Cash Expenditures	(7) BUDGET	(8) Eligible Cumulative Element Cost
		XXXXXX XX					(9)

10. For each fund administered by Ecology that supports this group of costs, enter the name of the fund and the fund share (%) at right.	FUND: __________ SHARE: _________%	FUND: __________ SHARE: _________%	FUND: __________ SHARE: _________%
11. Compute Fund Amounts: In each column, multiply box 9 above by the fund share (%) in line 10 and enter the result.			

ECY 060-7 (09/05)

INSTRUCTIONS FOR COMPLETING FORM B2

1. (First Line) Enter the agreement number, recipient name, payment request number and page numbers.

2. (Second Line) If the terms of the agreement establish groups of costs by different eligibility requirements, enter the group which is documented on this page. Otherwise, enter "1." Enter the name(s) of the fund source(s).

3. (Column 1) Enter the number of each budget element (task, sub-task or object) established in the agreement.

4. (Column 7) Enter the amount budgeted for each element in the agreement.

5. (Column 3) Enter the eligibility percentage for each element as specified in the agreement as a decimal. If none is specified, enter a "1."

6. (Column 2) On the line corresponding to each element, enter the cash expenditures reported for that element from box 8 of Form C2.

7. (Column 4) Multiply column 2 by column 3 and enter the result.

8. (Column 5) If this is a first billing, leave this column blank. Otherwise, enter the cumulative costs computed in column 6 of the previous Form B2.

9. (Column 6) For each element, add the entries in columns 4 and 5 to obtain new cumulative cash expenditures.

10. (Column 8) For each element, compare the entry in column 6 (cumulative total element cost) with the entry in column 7 (budget amount). **IF THE CUMULATIVE TOTAL COSTS FOR ANY ELEMENT EXCEED THE BUDGET, THE EXCESS WILL NOT BE ELIGIBLE WITHOUT AN AMENDMENT.** For each element, enter the smaller of the entries in column 6 and 7 in column 8 (this is the eligible element amount to this point).

11. (Box 9) Add column 8. This is the Maximum Eligible Costs Based on the Budget.

12. (Line 10) Enter the name of each Ecology administered fund which supports this group of costs in a column at the right. Below it, enter the percentage of eligible costs which will be supported by that fund as specified in the agreement (fund share).

13. (Line 11) For each fund, multiply the fund share (%) by box 9, and enter the result on line 11. This is the cumulative amount requested from the fund for this group of costs.

14. If there is only one group, transfer the amounts on line 11 to Form A, line 11. If there is more than one group, add the fund amounts computed on line 10 of all Forms B2 for each fund, and enter on line 11 of Form A.

FORM B2 -Additional Instructions

Running Budget Summary for Projects with Cash Payments Only

HEADING	In the heading, enter the following;	
	*	Grant (Agreement) number
	*	Recipient name
	*	Payment request number
	*	Page number (1 of 1, 1 of 2, etc.)
	*	Group number if there is more than one group in the grant budget
	*	Fund source for the group if a group is indicated
COLUMN (1) ELEMENT NO.	*	Indicate the task number
	*	There will <u>ALWAYS</u> be one (1) line on this form for each task, even if there are no expenses for a particular task in the current billing
	*	There is <u>only</u> one (1) line on this form for each task; subtasks are <u>NEVER</u> listed on this form
COLUMN (2) CASH EXPENDITURES THIS REQUEST	*	Enter the total current expenses for the task as computed on the C2 form
	*	If there are subtasks shown on the C2 form, the total of all the subtasks for the task would be the task total
COLUMN (3) ELIG. %	*	PPG grants from Solid Waste & Financial Assistance have costs that are 100% eligible
	*	If the costs are 100% eligible, enter the number 1 (one) in this space
	*	<u>DO NOT ENTER THE FUND SHARE PERCENTAGE IN THIS SPACE</u>
COLUMN (4) ELIG. AMT.	*	Multiply the dollar amount in Column (2) by the decimal percentage equivalent in Column (3) to obtain the correct dollar amount for this space
COLUMN (5) CUMULATIVE CASH EXPENDITURES ON PREVIOUS FORM B2	*	If this is the first billing for a grant, enter a zero in this space
	*	If this is not the first billing, enter the amount shown in Column (6) on your LAST billing's B2 form
COLUMN (6) NEW CUMULATIVE CASH EXPENDITURES	*	Add the amounts in Column (4) and Column (5) to obtain the correct amount for this space
	*	This is the total amount spent to date for this task

COLUMN (7)	*	Enter the Budget amount for each task in this Column
BUDGET	*	The correct Budget can be found in the original Grant Agreement
	*	If the grant has been amended, the Budget figures from the most recent amendment should be used
COLUMN (8)	*	Enter the smaller of Column (6) or Column (7)
ELIGIBLE CUMULATIVE	*	Your eligible costs can **NEVER** exceed the amount budgeted for a task
ELEMENT COST	*	The dollar amount in this space is the total eligible amount spent to date (over the life of the grant) for the task
BOX (9) TOTAL ELIGIBLE CUMULATIVE ELEMENT COSTS	*	Sum the Eligible Cumulative Element Cost for all the tasks to obtain a total amount of eligible costs for the grant to date
LINE (10) FUND & SHARE %	*	Enter the proper abbreviation for the fund source of the grant Ex: LTCA for Local Toxic Control Account STCA for State Toxic Control Account
	*	Enter the percent of the eligible costs that will be reimbursed by the Dept. of Ecology
	*	This is commonly called the Fund Share Percentage
	*	The correct percentage can be found on the Budget page of the signed grant agreement; PPG grants are 100%
LINE (11) FUND AMOUNT	*	Multiply the total in Box (9) and the percentage on Line (10) for this space

The amount obtained is the total amount to date requested from the fund dollars available

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FORM C1: VOUCHER SUPPORT for PROJECTS with INTERLOCAL COSTS or OTHER IN-KIND

Use one page per element, or subtotal each element separately.

Agreement No: ________________ Recipient: ___________________________ Payment Request ______ Page ______ of ______

(1) Ele-ment No.	(2) Payee or Contributor	(3) Item	(4)r Invoice Number	(5) Date Cost Incurred or Contributed	(6)) Warrant Number (if any)	Amount (7) CASH	(8) IN-KIND A Interlocal Costs	B Other
TOTALS BY ELEMENT						(9)	(10A)	(10B)

ECY 060-8 (09/05)

INSTRUCTIONS FOR COMPLETING FORM C1

1. Enter the grant or loan number, recipient name, payment request number and page number at the top of the form.

2. (Column 1) Enter the task, sub-task or object number (established in the agreement) to which the cost is to be charged.

3. (Column 2) List the name of the contributor (for interlocal costs and other in-kind contributions) or the payee (for cash expenditures).

4. (Column 3) List the item purchased or donated.

5. (Column 4) Enter the vendor's invoice number (for cash expenditures only).

6. (Column 5) Enter the date that the cost was incurred (for cash expenditures) or that the item was donated (for interlocal costs and other in-kind contributions). NOTE: All costs must be incurred between the effective and expiration dates of the agreement.

7. (Column 6) Enter the number of warrant used to pay the vendor, if payment has already been made (for cash expenditures only).

8. (Column 7) Enter the amount of the cash expenditure.

9. (Columns 8A and 8B) Enter the value of the interlocal costs and other in-kind contributions. (See Valuation of Donated Services and Property, Part III, Administrative Guidelines for Ecology Grants and Loans.)

   If the terms of the agreement specify that interlocal costs are valid cash match, then interlocal costs must be tracked separately from other in-kind and recorded in column 8A. All other in-kind should be recorded in column 8B.

   If interlocal costs may NOT be used to meet a cash match requirement, they should be recorded with other in-kind in column 8B.

10. (Boxes 9, 10A and 10B) If only one element is documented on this form, add columns 7, 8a and 8b and enter the totals in boxes 9, 10A and 10B. If more than one element is documented on this form, sub-total columns 7, 8A and 8B for each element, and circle the element total.

11. For each element, enter the total cash expenditures (from box 9) in column 2 of Form B1. Enter the total interlocal costs (from box 10A) in column 3A of Form B1. Enter the total other in-kind expenses (from box 10B) in column 3B of Form B1.

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FORM C2: VOUCHER SUPPORT for PROJECTS with CASH EXPENDITURES ONLY

Use one page per element, or subtotal each element separately.

Agreement No: ________________ Recipient: ____________________________ Payment Request ______ Page ______ of ______

(1) Ele-ment No.	(2) Payee	(3) Item	(4) Invoice Number	(5) Date Cost Incurred	(6) Warrant Number (if any)	(7) Amount of Cash Expenditure
TOTALS BY ELEMENT						$(8)

ECY 060-9 (09/05)

INSTRUCTIONS FOR COMPLETING FORM C2

1. Enter the agreement number, recipient name, payment request and page numbers.

2. (Column 1) Enter the element number (as specified in the agreement) to which the cost is to be attributed.

3. (Column 2) List the name of the payee.

4. (Column 3) List the item purchased.

5. (Column 4) Enter the vendor's invoice number.

6. (Column 5) Enter the date that the cost was incurred. NOTE: All costs must be incurred between the effective and expiration dates of the agreement.

7. (Column 6) Enter the number of the warrant used to pay the vendor (if payment has already been made).

8. (Column 7) Enter the amount of the cash expenditure.

9. (Box 8) If only one element is documented on this form, add the entries in column 7 and enter the result on box 8. If more than one element is documented on this form, add the entries in column 7 for each element and circle the total for each element.

10. Enter the total for each element in column 2, form B2.

FORM D: CONTRACTOR PARTICIPATION REPORT

For Federally Funded Agreements

Per Office of Minority and Women-Owned Business Enterprise voluntary reporting practices, this form must accompany any payment request which includes payments to any private sector contractors. It may be completed by the recipient or by the contractor.

Agreement No: ____________________ Payment Request ___________ Page ______ of _______

Recipient: ____

INSTRUCTIONS: ALL primary contractors under a grant or loan and all MINORITY or WOMEN-owned sub-contractors must be reported on this form.

(Column 1) Indicate each contractor and sub-contractor on a separate line, listing sub-contractors below the appropriate primary contractor.
(Column 2) Identify each contractor as primary (P) or sub (S).
(Column 3) If the contract was sole source, enter Y, otherwise enter N.
(Column 4) Enter the contractor's federal ID number.
(Column 5) Enter the amount invoiced by each (sub-) contractor in the current payment request.
(Column 6) Enter the task number under which the invoice amount was reported on Form C1/C2.
(Column 7) Identify each contractor as minority- (M) or women-owned (W), if applicable.

(1) Contractor	(2) P=Primary S=Sub	(3) Sole Source Y/N	(4) Federal Tax ID No.	(5) Amount of Contractor Invoice On this Request	(6) Task/Object Number	(7) M=Minority W=Women

ECY 060-11 (07/07)

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FORM E: MONTHLY TIME SHEET

(To be completed by any individual, paid or volunteer, providing services to the project)

Agreement No: ______________________ Recipient: _________________________________ Month: _____________

Name: ____________________________ Employer: ____

Activity (Task/Sub-task No.)	C-Cash IL-Interlocal IK-Other In-Kind	***Daily Work Log***																															Total Hours	Recipient Use	
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31		Hourly Rate	Total Charge

INSTRUCTIONS TO INDIVIDUALS: Using a separate line for each activity (whether project-related or not), list the activity and, if project-related, the task or sub-task number. Indicate if the services were Cash, Interlocal Costs or In-kind contributions. Enter the hours devoted to that activity per day and total each line. Total hours should correspond to employee's work week.

INSTRUCTIONS TO RECIPIENTS: For project related costs, multiply the total hours by the hourly rate to obtain the total charge. Enter the total charge per element on Form C1/C2. (NOTE: The hourly rate may be computed using the "Conversion to an Hourly Rate Worksheet.")

CERTIFICATION SIGNATURE:

I certify that I have devoted the time reported above in the performance of work as described relative to the above named project.

________________________________ ___________

Signature of Individual Date

________________________________ ___________

Signature of Supervisor Date

ECY 060-12 (09/05)

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FORM F: RECORD OF MEETING ATTENDANCE

Agreement No: ____________________ Recipient: ________________________________ Payment Request _____ Page _____ of _____

Purpose of Meeting: ____ Date of Meeting: ____________________________

Name (please print)	Representing	No. of Hours at Meeting	Signature (required)
ELEMENT NUMBER ______________________ TOTAL VOLUNTEER HOURS: _______________ X $15.00 = $_____________________			

Enter the value computed in the lower right hand box on Form C1 for the appropriate element.

ECY 060-13 (09/05)

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Document Control No: ___________________

FORM G: SALES AND USE TAX REPORT

Recipient (Taxpayer): ______________________________________ Registration No: _________________

Address: ____________________________ City ________________ State ______ Zip _____

CONTACT PERSON: ________________ Title: ________________ Tel.No: ______________

Signature: ________________________________ Date: ____________________

PROJECT TITLE: ________________________________ Agreement No: _________________

Total Project Cost: ___________ Total Eligible Cost: _____________ Grant Amount: ________

Briefly describe the project below:

____

____

____

Indicate below all eligible costs for items on which sales tax was charged. List each item with a unit acquisition cost of at least $50,000 on a separate line. Total all other items and list as one line item.

Date	Invoice No.	Vendor Name	Item	Amount (sales tax excluded)
			TOTAL	

FOR OFFICIAL USE ONLY	Approved	Tax	Paid

ECY 060-14 (09/05) Original: Ecology Yellow: Ecology/Revenue Pink: Taxpayer

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FORM H: CONVERSION TO A COMPOSITE HOURLY BILLING RATE FOR AN EMPLOYEE

This schedule can be used for all salaried full-time employees. It was developed to provide a calculated cost of an employee and to include his/her benefits, vacation time, retirement benefits, sick leave benefits and any item paid by an employer for the return of services provided by an employee. **If using this form to calculate a billing rate, make sure you don't double bill for salaries, etc., separately.

EMPLOYEE'S NAME ______________________________________ DATE _______________

FIGURED ON MONTHLY COST:

1. Enter the amount of monthly salary — 1. __________

2. Benefits: Social Security _____% x LINE 1 (wages) (Employer's rate) — 2 __________

3. Benefit (worker's compensation) Class Code ____________

   Employer's Rate _____% x 160 hours — 3. __________

4. Unemployment Insurance Rate _____% x LINE 1 (wages) — 4. __________

5. Medical Benefits per month — 5. __________

6. Retirements per month — 6. __________

7. Pension Plan or Matching Plans — 7. __________

8. Other ____ — 8. __________

9. TOTAL MONTHLY COSTS (add lines 1 through 8) — 9.__________

10. LINE 9 x 12 months = TOTAL YEARLY COST — 10.__________

11. Work hours in a year:

    A. 52 weeks per year x 5 work days per week = 260 days
    260 days x 8 hours per day = potential work hours per year — A: 2,080 hours

    PAID DAYS OFF PER YEAR:

    Annual Leave: _____ hours per month x 12 months = ________ hours

    Sick Leave: _____ hours per month x 12 months = ________ hours

    Holidays: _____ days per year x 8 hours = ________ hours

    B. TOTAL HOURS OF ACCRUED LEAVE PER YEAR — B. ______ hours

12. SUBTRACT LINE "B" FROM LINE "A" = YEARLY HOURS WORKED — 12.__________

13. DIVIDE LINE 10 BY LINE 12 (total yearly cost ÷ yearly hours worked) = COMPOSITE HOURLY RATE — 13. ___________

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FORM I: VALUATION OF DONATED PROPERTY

Use this form to document contributions of property.

Agreement No: ______________________ Recipient: ____________________________________

Date: __________________ Payment Request Number: ______ Page ______ of _______

List each item donated. Indicate the value assigned to the item according to the guidelines provided in the Administrative Requirements for Ecology Grants and Loans. Obtain the signature of the contributor. If required by program guidelines or the project officer, this form must accompany the payment request on which the contributions were listed.

Element No.	Item	Date Contributed	Value

I certify that the above listed contributions were made to the identified project. To the best of my knowledge, the value listed represents the fair market value of each contribution at the time that it was donated.

Signature of Contributor ____ Date: ____________

Organization: ____ Position: ___________________

ECY 060-15 (09/05)

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FORM J: CASH FLOW PROJECTION

Use one form per fund

Agreement No: ______________________ Recipient: ____________________________________

Effective Date: ______________ Expiration Date: __________ Today's Date: _______________

Fund Source: ____________________ Amount of Grant/Loan from Fund: ___________________

Circle one: (Initial Projection, Projection Revision)
Page: _______ of _______

Prepared by: ___________________________ Signature: _________________________________

Cumulative Amount Requested (if any)		$
(1) YEAR	(2) MONTH in which payment request is anticipated	(3) ESTIMATED AMOUNT of payment request
		$
		$
		$
		$
		$
		$
		$
		$
		$
		$
		$
		$
		$
		$
		$
		$
		$
		$
	TOTAL REQUEST	$

ECY 060-16 (09/05)

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INSTRUCTIONS FOR COMPLETING CASH FLOW PROJECTION

1. Use a separate form for each fund source for a grant or loan project.

2. From the agreement, enter the agreement number, recipient name, effective and expiration dates, fund source name and the amount of grant/loan from the fund.

3. Indicate whether this is an initial projection, or a revision of an earlier projection. If there is more than one page to the projection, indicate page numbers.

4. (First row of the table) if no payment requests have been submitted, enter "0." Otherwise, enter the AMOUNT OF FUNDING WHICH HAS ALREADY BEEN REQUESTED, even if the payment has not yet been received. This should be the amount on line 11 of the last Form A submitted on Ecology. Include both the payments due and the retainage.

5. (Column 1) Enter the calendar year in which the anticipated payment request will be made.

6. (Column 2) Enter the month in which the anticipated payment request will be made, beginning with the date of the next payment request, and using additional sheets as necessary until the expiration date. If requests are made quarterly, enter only the month in which a request will be made.

7. (Column 3) Enter the estimated amount which will be requested on that billing, including both the amount to be disbursed and the retainage (this is the amount which would be entered in line 13 of Form A of the anticipated request).

8. (Last row of the table) Add all entries in column 3, including any entry in the first row. This may not exceed the amount of the grant or loan from the fund source.

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APPENDIX E

Sample Budgets by Fund

This section contains sample worksheets and explains components of sample budgets which would be used to establish the source of funding and the relevant match requirements for a project.

Establishing Funding Amounts

Funding is established in terms of a Fund Share (%), which is the percent of eligible project costs to be reimbursed by the particular fund. The maximum amount to be paid out of the fund is the Maximum Fund Amount ($) and is computed by multiplying the eligible costs by the fund share percentage, unless the project officer designates a ceiling on the fund amount which is lower. In such a case, costs will be reimbursed from the fund at the percentage rate designated in the agreement until the ceiling on the fund amount is reached.

Note: the worksheets use budgets established by task. They may be adapted to object budgets by replacing the word "task" with "object."

Costs Supported by the Recipient

Fund source worksheets establish the source of funding for eligible costs only. Ineligible costs are borne by the recipient, as is the recipient's match share of eligible costs.

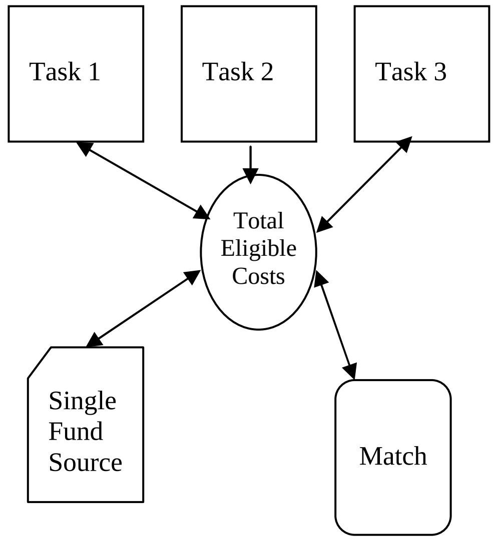
Funds with Similar Eligibility Requirements

Most projects are funded according to Funding Worksheet 1 or 2. These worksheets were designed for projects which had one or more fund source and the eligibility requirements for the fund sources were similar.

Worksheet 1 is used when all costs are supported by one fund source or the recipient match, as illustrated in Figure 1 below. Worksheet 2 is used when the costs are prorated among more than one fund source and the recipient match as illustrated in Figure 2.

Funding Source Worksheet Examples – These are for Ecology Project Officers to manage multi-fund sources.

Figure 1
Single Fund Source



WORKSHEET 1: SINGLE FUND SOURCE

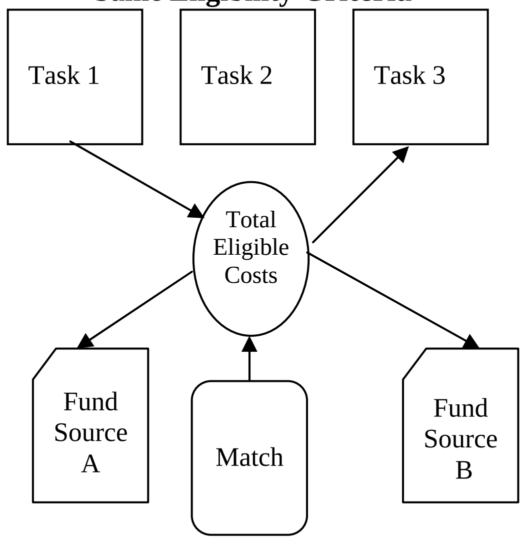
Worksheet 1 is used when the project has a single fund source. In this example, the maximum eligible project costs, as determined in the project expenditure budget, are $100,000, and the fund share percentage is 75%.

MAXIMUM ELIGIBLE PROJECT COSTS		$100,000
FUND	FUND SHARE (%)	MAXIMUM FUND AMOUNT
Fund A	75%	75% of $100,000 = **$75,000**
MATCH	MATCH SHARE (%)	MATCH AMOUNT
In-Kind and/or Cash	at least 25%	at least 25% of $100,000 = **$25,000**

All funding worksheets can be adapted to fund source requirements that there be a cash match. In the following example, the fund source requires that at least half the match, or 12.5%, be in cash.

MAXIMUM ELIGIBLE PROJECT COSTS		$100,000
FUND	FUND SHARE (%)	MAXIMUM FUND AMOUNT
Fund A	75%	75% of $100,000 = **$75,000**
MATCH	MATCH SHARE (%)	MATCH AMOUNT
In-Kind	at most **12.5%**	at most 12.5% of $100,000 = **$12,500**
Cash	at least **12.5%**	at least 12.5% of $100,000 = **$12,500**

Figure 2
Multiple Fund Sources,
Same Eligibility Criteria



WORKSHEET 2:
MULTIPLE FUND SOURCES WITH SAME ELIGIBILITY REQUIREMENTS

Worksheet 2 is used when there are two or more fund sources with the same eligibility criteria, so that the state share of costs is prorated among the fund sources. In this example, fund source A is limited by statute to supporting no more than 50% of eligible project costs, and source B is limited by statute to supporting no more than 75%. Within Ecology, the managers of the two funds could agree on any "split" of costs between the two funds and the recipient match accounts for the remaining 30%.

MAXIMUM ELIGIBLE PROJECT COSTS		$100,000
FUND	FUND SHARE (%)	MAXIMUM FUND AMOUNT
Fund A	30%	30% of $100,000 = **$30,000**
Fund B	40%	40% of $100,000 = **$40,000**
MATCH	MATCH SHARE (%)	MATCH AMOUNT
Cash and/or In-Kind	at least 30%	at least 30% of $100,000 = **$30,000**

This worksheet could be used for projects funded by federal and state money or by more than one program or fund. It could also be expanded to accommodate more than two fund sources. The match section could be divided into separate sections for cash and in-kind if there was a cash match requirement. (See the second example of Worksheet 1.)

Funds with Different Eligibility Requirements

When a project has more than one fund source, and the fund sources have different eligibility requirements, the costs which are eligible for support from each fund source must be tracked separately. This occurs whenever:

- Some costs are eligible for support by one fund source, but not by another (e.g., one source supports planning, the other implementation).

- The match requirements for some costs are different than for others (e.g., one fund source permits the use of in-kind as match for costs which it can support, while the other fund source does not; or, one fund source has a cash match requirement, while the other does not).

- The fund source is the same, but the agreement crosses biennia and the costs incurred in one biennium must be tracked separately from the costs incurred in the next biennium. Then the first fiscal year allocation may be considered a separate fund source from the subsequent fiscal year allocation.

In such cases, all costs which are eligible for support from the same fund source must be grouped into an Eligibility Group and the fund source, fund share and match requirements for each group must be identified.

Worksheet 3 is used when each eligibility group is supported by ONE fund source, and two or more groups are combined in one agreement (figure 3, following page). For instance, Fund A may support only groundwater management tasks and Fund B may support only hazardous waste planning activities. Or, Fund A may permit in-kind contributions while Fund B requires that all of the match be in cash.

Worksheet 4 is used when the costs for one eligibility group are prorated among fund sources (figure 4, following page). For instance; Fund A may support only planning and implementation costs, while Fund B may support implementation and operation costs. In such a case, the implementation costs could be prorated among the fund sources, while the planning and operation costs would need to be identified clearly with the respective funds.

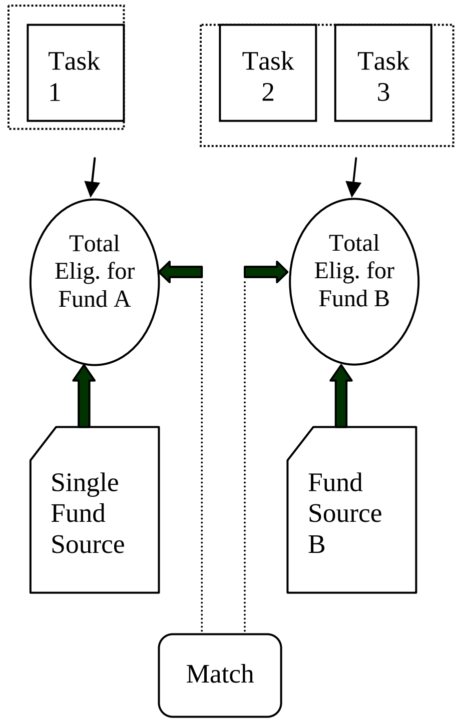
Each worksheet could be expanded to accommodate more than two fund sources, and the match section can accommodate separate cash and in-kind requirements for each fund source.

NOTE THAT ANY TIME THERE ARE MULTIPLE FUND SOURCES, THERE IS NO "GRANT PERCENTAGE" STIPULATED, BUT THE SHARE AND AMOUNT FOR EACH FUND SOURCE IS SPECIFIED IN THE BUDGET SECTION OF THE AGREEMENT.

An amendment is required to redistribute element costs within groups. A formal amendment is required whenever the amount of funding required from any one fund source is increased.

Figure 3
Different Eligibility
Requirements for Each Fund

No Task Costs Pro-rated
Among Funds



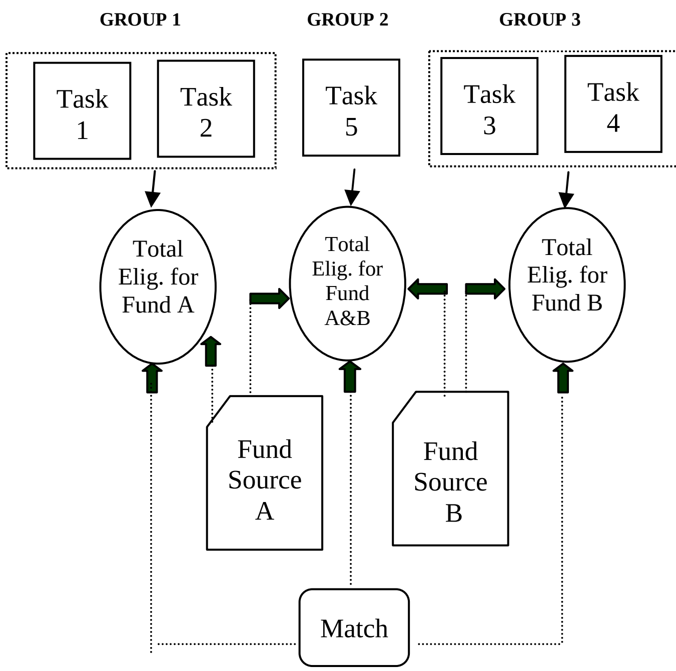
WORKSHEET 3:
MULTIPLE FUND SOURCE, DIFFERENT ELIGIBILITY REQUIREMENTS

In this example, Task 1 is "Planning," Tasks 2 and 3 are "Implementation" and "Operation." Task 1 would be assigned to group 1, since Fund A only supports planning costs. Tasks 2 and 3 would be assigned to group 2, since Fund B may be used for those activities. In this example, source B requires that 50% of the match be in cash, while A has no cash match requirement.

ELIGIBILITY GROUP		Group 1:	Group 2:	Project
TASKS INCLUDED IN EACH GROUP		Task 1	Tasks 2 and 3	
MAXIMUM ELIGIBLE COSTS		**$20,000**	**$80,000**	**$100,000**
FUND	FUND SHARE (%)	MAXIMUM FUND AMOUNT		
Fund A	50%	50% x 20,000 = **$10,000**		**$10,000**
Fund B	75%		75% x 80,000 = **$60,000**	**$60,000**
MATCH	MATCH SHARE (%)	MATCH AMOUNT		
Cash and/or In-Kind Match to A	at least 50%	50% x 20,000 = **$10,000**		**$10,000**
Cash Match to B	at least 12.5%		12.5% x 80,000 = **$10,000**	**$10,000**
In-Kind Match to B	at most 12.5%		12.5% x 80,000 = **$10,000**	**$10,000**

Figure 4
Different Eligibility Requirements for Each Fund

Some Task Costs Pro-rated Among Funds



WORKSHEET 4:
MULTIPLE FUND SOURCES, DIFFERENT ELIGIBILITY REQUIREMENTS, SOME COSTS PRORATED AMONG THE FUND SOURCES

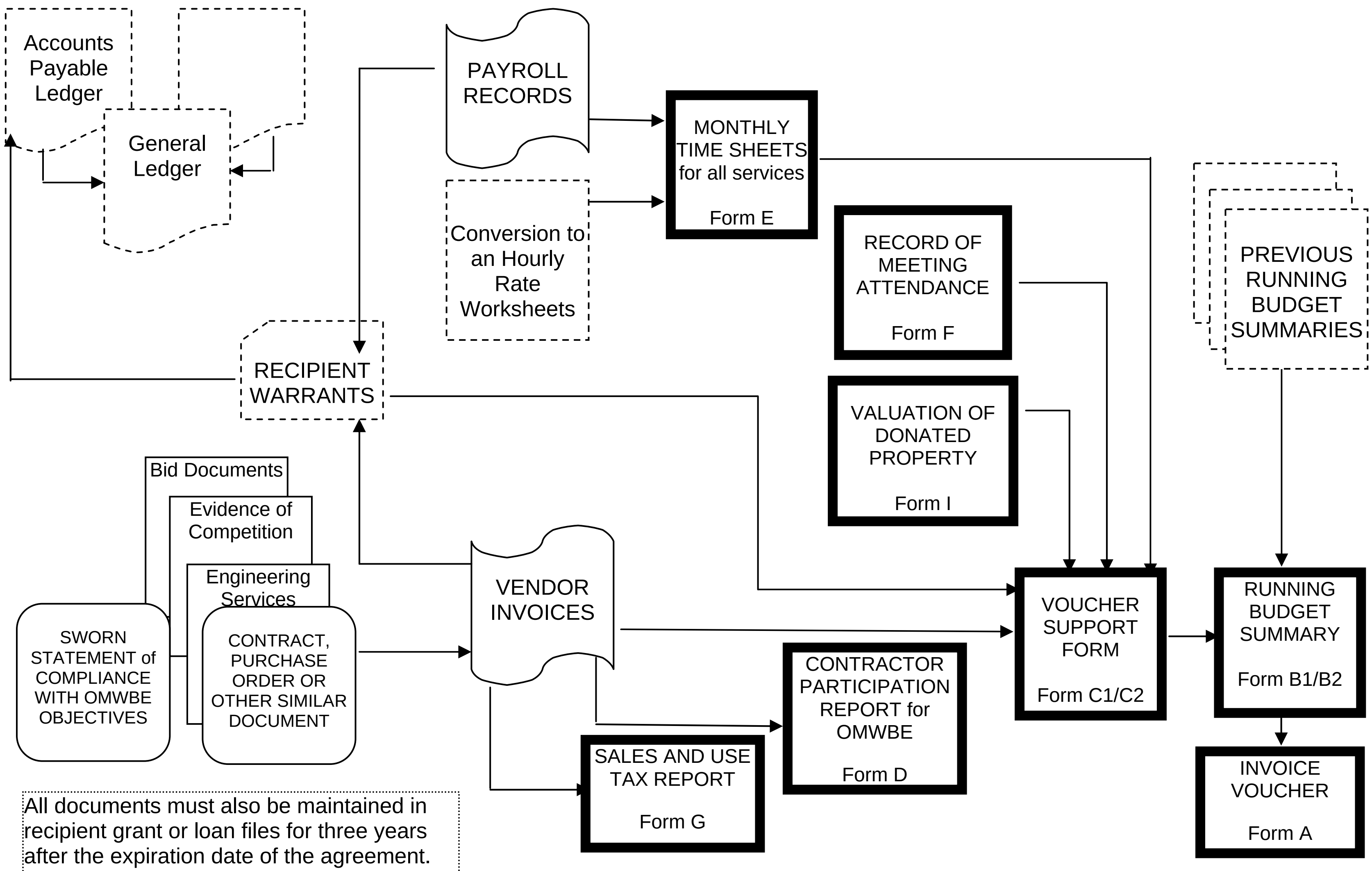
Worksheet 4 is similar to Worksheet 3 in that it is used whenever the fund sources have different eligibility requirements (i.e., some tasks are eligible for funding from only one or the other.) However, worksheet 4 also accommodates situations when the costs in one eligibility group are eligible for funding from both sources, so that the state share of the costs of some tasks are prorated among the two sources.

In this example, Tasks 1 and 2 are both eligible for funding from fund A and are assigned to group 1; group 2 consists of Tasks 3 and 4, funded by fund B only, and group 3 (task 5) is identified separately since it is supported by both fund sources.

ELIGIBILITY GROUP		Group 1	Group 2		Group 3	Project
TASKS IN GROUP		Tasks 1 & 2	Tasks 3 & 4		Task 5	
MAXIMUM ELIGIBLE COSTS FOR GROUP		**$20,000**	**$60,000**	(PRORATE to FUNDS)	**$20,000**	**$100,000**
FUND NAME	FUND SHARE (%)	MAXIMUM FUND AMOUNT				TOTAL BY FUND
Fund A	50%	50% x 20,000 =		45%	45% x 20,000 = **$9,000**	**$19,000**
Fund B	75%		75% x 60,000 = **$45,000**	30%	30% x 20,000 = **$6,000**	**$51,000**
MATCH	MATCH SHARE (%)	MATCH AMOUNT				TOTAL MATCH
Cash and/or In-Kind Match to A	at least 50%	50% x 20,000 = **$10,000**				
Cash and/or In-Kind Match B	at least 25%		25% x 60,000 = **$15,000**	at least 25%	25% x 20,000 = **$5,000**	**$30,000**

APPENDIX F
GRANT/LOAN DOCUMENTATION REQUIREMENTS

This flow chart details standard financial reporting and documentation requirements for all Ecology grants and loans. Other supporting documentation included in the following schematic may be required according to program guidelines (see specific program guidelines) or as the result of a risk assessment. The forms included within the dotted box are explained in detail in Part IV, section E.



APPENDIX G

CLASSIFICATION OF EXPENDITURES BY OBJECT

Definitions

A* SALARIES AND WAGES

B* EMPLOYEE BENEFITS

C* PERSONAL SERVICES CONTRACTS
- CA Management & Organizational Services
- CF Technical Research Services
- CJ Employee Training

E* GOODS AND SERVICES

J* CAPITAL OUTLAYS
- JE Land
- JF Buildings and Structures

P* DEBT SERVICE:
- PA Principal
- PB Interest

M* INTERFUND OPERATING TRANSFERS

Other Objects and Sub-Objects may be found in the Statewide Administrative and Accounting Manual (SAAM) located on the Office of Financial Management's web site at:

http://www.ofm.wa.gov/policy/75.70.htm

*Only the object (first character) is required for reporting purposes. The sub-object (second character) is recommended for accounting purposes.

INDEX

CITY OF
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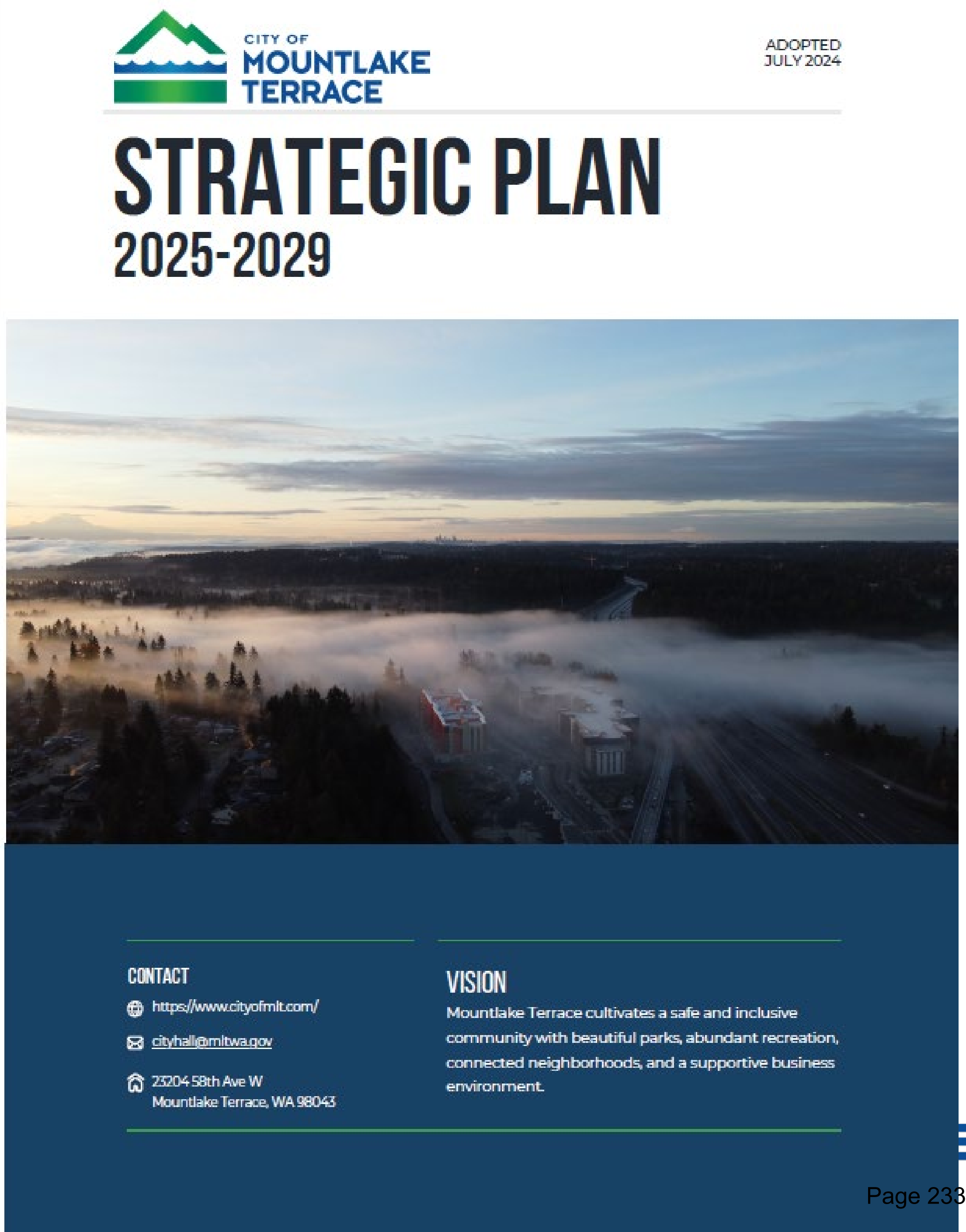
CITY OF MOUNTLAKE TERRACE

Performance Metrics Report 2026

City Council Work Session: July 23, 2025

PURPOSE

- In 2024, the City Council adopted a new Strategic Plan. Staff created performance metrics to coincide with the plan and measure progress towards those goals.
- Many of those goals are based on community feedback measured through the city's biennial survey.
- That survey was recently completed and presented to City Council on May 28.


CITY OF MOUNTLAKE TERRACE

ADOPTED JULY 2024

STRATEGIC PLAN

2025-2029

CONTACT

https://www.cityofmlt.com/

cityhall@mltwa.gov

23204 58th Ave W
Mountlake Terrace, WA 98043

VISION

Mountlake Terrace cultivates a safe and inclusive community with beautiful parks, abundant recreation, connected neighborhoods, and a supportive business environment.

AGENDA

- Review and discuss performance measures based on Council's Strategic Plan Goals adopted in 2024

1 GROWING OUR VIBRANT COMMUNITY

An active and dynamic city where arts, culture, and diversity thrive, fostering connections among community members who call Mountlake Terrace home.

2 RESPONSIBLE GOVERNANCE TO ENSURE DESIRED LEVEL OF SERVICE

Strive for cost efficiency and effectiveness by leveraging city assets to their fullest potential, maintaining transparency and responsiveness in decision-making, and balancing infrastructure maintenance and expansion to support economic development and anticipated population growth.

3 AN INFORMED AND ENGAGED COMMUNITY

Foster engaged and well-informed diverse community members, who feel heard, empowered, and knowledgeable about the city's actions and initiatives.

4 ENVIRONMENTAL SUSTAINABILITY AND RESILIENCY

Minimize climate impacts while protecting vulnerable populations, plan for city-wide resilience, safeguard water quality and critical areas, and collaborate regionally for environmental sustainability.

CITY OF MOUNTLAKE TERRACE

Strategic Plan Goals

An active and dynamic city where arts, culture, and diversity thrive, fostering connections among community members who call Mountlake Terrace home.

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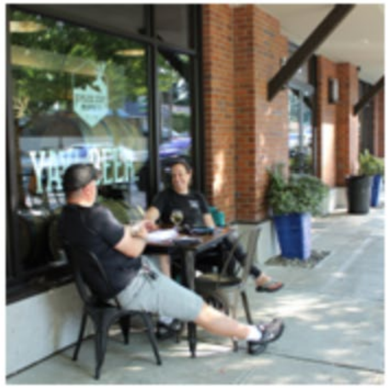
OBJECTIVES

A Create quality places that add visual interest and attract activities like street festivals, food trucks, pop-up activities, public art, live entertainment and musical performances.

B Allow for diverse housing options to ensure community members can live and work in the city.

C Grow city events and recreation programming to foster community connectedness and celebrate our cultural, ethnic and individual diversity.

D Prioritize investments in marketing, recruitment, and coordination efforts aimed at attracting new development, businesses, and residents to the city, while also focusing on retaining existing businesses.



E Support businesses and organizations by removing obstacles to their success and improving partnerships with these groups.

F Create inviting, active, and safe business districts.

G Continue to prepare Town Center for development through continued investment in the buildout of Main Street, utility infrastructure, park improvements, and places for community gathering.

H Identify a pathway to redevelop the Recreation Pavilion to continue providing recreation opportunities for all ages and abilities.

Strategic Plan Goals

Strive for cost efficiency and effectiveness by leveraging city assets to their fullest potential, maintaining transparency and responsiveness in decision-making, and balancing infrastructure maintenance and expansion to support economic development and anticipated population growth.

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A Ensure sufficient resources are dedicated to meet desired levels of service in each department.

B Invest in systems and technology to enhance efficiency and minimize risk, ensuring cost-effective service delivery.

C Engage the community in evaluating short and long-term options to resolve the operating and capital budget gaps and confirm the desired level of service, while balancing essential services with preparing for growth and private investments.

D Identify efficiencies and opportunities to reduce the cost of government.

E Increase partnerships to leverage city resources, embrace opportunities to collaborate, and improve the city more holistically.

F Maintain public health and safety through police, fire, and emergency preparedness services.

G Promote existing public assistance tools provided locally and regionally, and advocate for additional resources to support our most vulnerable populations.

H Continually evaluate ways to improve equitable service delivery to community members with challenges to accessing services or where resources have not been invested recently.

Strategic Plan Goals

Foster engaged and well-informed diverse community members, who feel heard, empowered, and knowledgeable about the city's actions and initiatives.

CITY OF MOUNTLAKE TERRACE

A Proactively engage the community in infrastructure improvements and other plans to accommodate growth.

B Continue to adapt and update the Communications Plan and a Citywide Community Engagement Plan to ensure the city reaches a representative audience of the community.

C Develop and implement a Community Ambassadors program to inspire more community leaders with connections to city government.

D Advocate for subsidies to support low-income families access to broadband internet.

Strategic Plan Goals

Minimize climate impacts while protecting vulnerable populations, plan for city-wide resilience, safeguard water quality and critical areas, and collaborate regionally for environmental sustainability.

CITY OF MOUNTLAKE TERRACE

A Plan for climate and environmental protection while incorporating community health and environmental justice.

B Plan for emergencies and climate crises.

C Continue to design active transportation projects to increase alternatives to driving and connect our neighborhoods.

D Prioritize resources to improve climate resiliency through projects and programs.

Progress Towards Achieving the 2024 Strategic Plan Goals

Key to Tracking Performance

Improving

Steady

Declining

CITY OF MOUNTLAKE TERRACE

An active and dynamic city where arts, culture, and diversity thrive, fostering connections among community members who call Mountlake Terrace home.

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Citywide

Performance Measure	Goal	2025 Actuals
Community members rate Mountlake Terrace as a good or excellent place to live.	85% or better	**92%**
Valuing and respecting residents from diverse backgrounds	90% or better	**80%**
Racial demographics of employee population mirror community	within 10% over 4 years	-13.15%
Making all residents feel welcome	90% or better	**73%**
Number of volunteer hours logged	2,000	**3,235**

Economic Development

Performance Measure	Goal	2025 Actuals
Number of new mixed-use developments recruited to city	1/yr	0
Number of business retention contacts	5 per month	72
Number of business licenses issued	294	316
Number of new jobs created (incl. Home Occ and Commercial, not rental properties)	86	352

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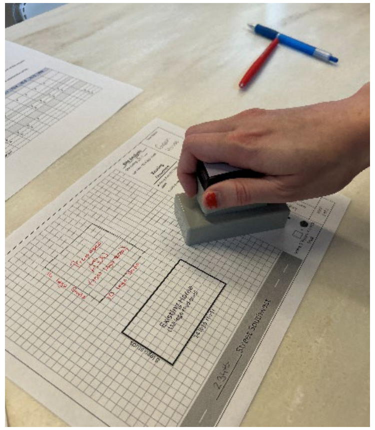
Community Development

Performance Measure	Goal	2025 Actuals
Number of total housing units that are below 80% AMI that are constructed	182/year	0
Number of building permits applications processed	2,244	1,631
Number of building inspections completed	8,545	12,593
Number of housing units built per year	289	25
Percent of permits reviewed within schedules set in policy and state law	99%	87% (4,002 reviews)



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Recreation

Performance Measure	Goal	2025 Actuals
Number of recreation program attendance	325,000	282,677
Number of recreation swim attendance	65,000	46,846
Number of swim instruction registrants	1,600	1,542
Number of scholarships awarded	30	20
Number of licensed childcare attendees	195	178
Number of city-sponsored community events	18	19

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Human Resources

Performance Measure	Goal	2025 Actuals
Employees see themselves working at the city a year from now.	Rating of 4.0+	4.4
Maintain positive employee morale	Rating of 4.3+	4.16
Number of compensable work-related injuries	Less than 13 compensable injuries	7
Turnover rate for benefitted employees	12%	Benefitted: 8.75%
Maintain employee training programs to mitigate risk	12 trainings	10
Average number of days to recruit new full-time staff	80 calendar days	47.16
Percent of Performance Reviews Complete on Time	100%	93%

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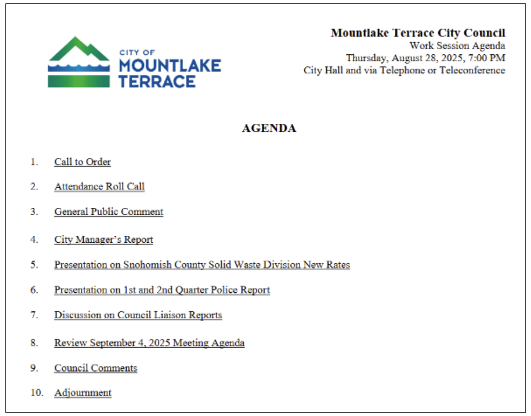
City Clerk

Performance Measure	Goal	2025 Actuals
Provide records management training to staff (in person and recorded)	1/year	2
Post available meeting materials the Friday before the meeting	100%	100%
Post council meeting agendas and minutes online within legal timeframe	100%	100%
Post approved ordinances and publish in the Everett Daily Herald (hard copy newspaper of record) within legal timeframe.	100%	100%
Post council special meeting notices and publish in the Everett Daily Herald (hard copy newspaper of record) within legal timeframe	100%	100%
Respond to public records requests within the legal timeframe	100%	100%


CITY OF MOUNTLAKE TERRACE

Mountlake Terrace City Council
Work Session Agenda
Thursday, August 28, 2025, 7:00 PM
City Hall and via Telephone or Teleconference

AGENDA

1. Call to Order
2. Attendance Roll Call
3. General Public Comment
4. City Manager's Report
5. Presentation on Snohomish County Solid Waste Division New Rates
6. Presentation on 1st and 2nd Quarter Police Report
7. Discussion on Council Liaison Reports
8. Review September 4, 2025 Meeting Agenda
9. Council Comments
10. Adjournment

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CITY OF MOUNTLAKE TERRACE

Finance

Performance Measure	Goal	2025 Actuals
City General Obligation Bond Rating	AA	No rating
Timely completion of the Annual Comprehensive Financial Report (ACFR)	Yes/No	Yes
Clean annual WA State Audit	Yes/No	Yes
Reduce the number of accounts with outstanding payments for utility bills from 206	0	115
Number of passports issued	1,500	691

INDEPENDENT AUDITOR'S REPORT

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

City of Mountlake Terrace
January 1, 2024 through December 31, 2024

Council
City of Mountlake Terrace
Mountlake Terrace, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of the City of Mountlake Terrace, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's financial statements, and have issued our report thereon dated February 4, 2026.

We issued an unmodified opinion on the fair presentation of the City's financial statements in accordance with its regulatory basis of accounting. We issued an adverse opinion on the fair presentation with regard to accounting principles generally accepted in the United States of America (GAAP) because the financial statements are prepared by the City using accounting practices prescribed by state law and the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) manual described in Note 1, which is a basis of accounting other than GAAP. The effects on the financial statements of the variances between the basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

ANNUAL REPORT CERTIFICATION

City of Mountlake Terrace
(Official Name of Government)

0687
MCAG No.

On Time!

Submitted pursuant to RCW 43.09.230 to the Washington State Auditor's Office

For the Fiscal Year Ended 12/31/2025

GOVERNMENT INFORMATION:

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Mountlake Terrace, WA 98043
Official Website Address: www.cityofmlt.com
Official E-mail Address: ssalminen@mltwa.gov
Official Phone Number:

AUDIT CONTACT or PREPARER INFORMATION and CERTIFICATION:

Audit Contact or Preparer Name and Title: Sirke Salminen Finance Director
Contact Phone Number:
Contact E-mail Address: ssalminen@mltwa.gov

I certify 28th day of May, 2026, that annual report information is complete, accurate and in conformity with the Budgeting, Accounting and Reporting Systems Manual, to the best of my knowledge and belief, having reviewed this information and taken all appropriate steps in order to provide such certification. I acknowledge and understand our responsibility for the design and implementation of controls to ensure accurate financial reporting, comply with applicable laws and safeguard public resources, including controls to prevent and detect fraud. Finally, I acknowledge and understand our responsibility for immediately submitting corrected annual report information if any errors or an omission in such information is subsequently identified.

Signatures

Sirke Salminen (ssalminen@mltwa.gov)

Information Technology

Performance Measure	Goal	2025 Actuals
Percent of IT capital projects completed annually	100%	60%
System up time	99%	99%
Number of supported hardware devices	Variable	880
Number of supported business software applications	Variable	95
Number of supported network users.	Variable	170
Percent of employees that pass cybersecurity Phishing Tests.	100%	97%

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CITY OF MOUNTLAKE TERRACE

Strive for cost efficiency and effectiveness by leveraging city assets to their fullest potential, maintaining transparency and responsiveness in decision-making, and balancing infrastructure maintenance and expansion to support economic development and anticipated population growth.

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Code Compliance

Performance Measure	Goal	2025 Actuals
Number of open code violation cases	5% increase/ yr for 3 years with 30% drop the 4th year (2029)	**193**
Percent of code violation cases resolved overall	85%	**90%**
Percent of code violations resolved voluntarily	100%	100%
Number of code compliance educational opportunities provided	4/yr	**7**

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Police

Performance Measure	Goal	2025 Actuals
100% of officers maintain state annual Criminal Justice Training Commission (CJTC) training mandates and certifications are maintained.	100%	100%
Percent of the time that police staff provide real-time updates of critical significant incidents to command staff during the incident or within 2-hours following the conclusion of the incident.	100%	100%
Average response times are under 5 minutes for Level 1 in-progress calls (people or property in danger of harm).	100%	100%
Percent of community members that rate the city as a safe place.	80%	84%

Property Management

Performance Measure	Goal	2025 Actuals
Percent of maintenance requests responded to within 2 workdays	70%	60%
Number of maintenance requests per year	150	300
Number of Recreation Pavilion pool closure days due to maintenance	5	46
Number of maintenance related call backs	5	10

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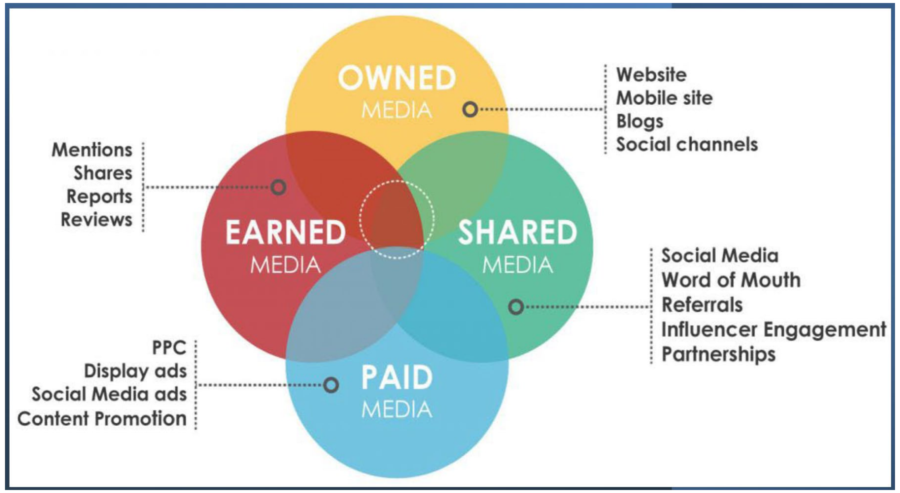
Recreation & Parks

Performance Measure	Goal	2025 Actuals
Percent overall cost recovery	75%	78%
Percent of responses to reported issues within 2 workdays	80%	80%
Number of vandalism issues reported	90	75
Number of playground inspections performed	85	88

Communications & Community Engagement

Performance Measure	Goal	2025 Actuals
Community members rate the city as being open and transparent to the public.	70%	63%
Increase in percentage of followers who engage with city digital media	27%	43%
Number of community engagement opportunities such as public meetings, council meetings, board and commission meetings, online tools.	Varies	42
Increase the number of public materials prepared in languages other than English.	15%	12%
# of articles published because of proactive PR efforts (press releases and story pitching)	50 articles	75

Foster engaged and well-informed diverse community members, who feel heard, empowered, and knowledgeable about the city's actions and initiatives.



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Strive for cost efficiency and effectiveness by leveraging city assets to their fullest potential, maintaining transparency and responsiveness in decision-making, and balancing infrastructure maintenance and expansion to support economic development and anticipated population growth.

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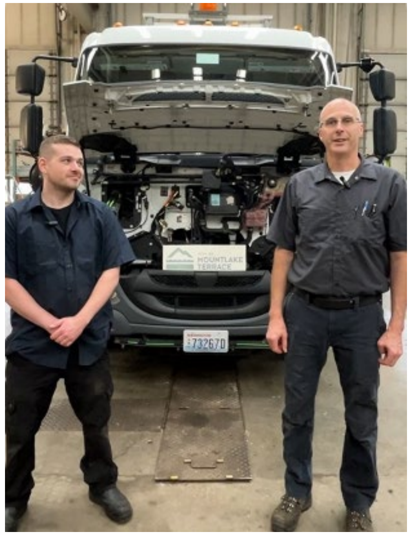
Public Works

Performance Measure	Goal	2025 Actuals
Number of water main breaks with > 12-hour service disruption	2 or less	0
Percent of documented customer service requests responded to within two business days	90%	Data Not Available
Percent of fleet receiving inspection/maintenance/year	90%	90%
Percent of stormwater and wastewater pipes inspected using CCTV	20%	5%
Number of neighborhood traffic safety plans completed on an annual basis	1/yr	0
Number of ADA compliant curb ramps installed per year.	10	**13**
Number of traffic signals upgraded per year	1/yr	1



Minimize climate impacts while protecting vulnerable populations, plan for city-wide resilience, safeguard water quality and critical areas, and collaborate regionally for environmental sustainability.

CITY OF MOUNTLAKE TERRACE

Public Works

Performance Measure	Goal	2025 Actuals
Residential waste diversion rate from landfill	60%	33%
Amount of material removed from roads by street sweeping	400 CY/yr	350 CY/yr
Prevent sanitary sewer overflows	0	1
Number of violations of the National Pollutant Discharge Elimination System (NPDES) Permit	0	0
Meet NPDES target of 20% of businesses qualifying for pollution prevention inspections	20%	20%
Plant sufficient trees on city property annually to achieve 37% tree canopy by 2050	137	175

DISCUSSION
& QUESTIONS

CITY OF MOUNTLAKE TERRACE

Thank you

CITY OF MOUNTLAKE TERRACE

Item: 8.

STAFF REPORT

To: Mountlake Terrace City Council
From: Brooke Eidem, Community Development Director
Meeting Date: July 23, 2026
Subject: Discussion on Countywide Growth Centers

Required Reviews:

Jennifer Joki	Created/Initiated - 07/15/2026
Jeff Niten	Approved - 07/16/2026
Sirke Salminen	Approved - 07/16/2026
Hillary Evans	Final Approval - 07/16/2026

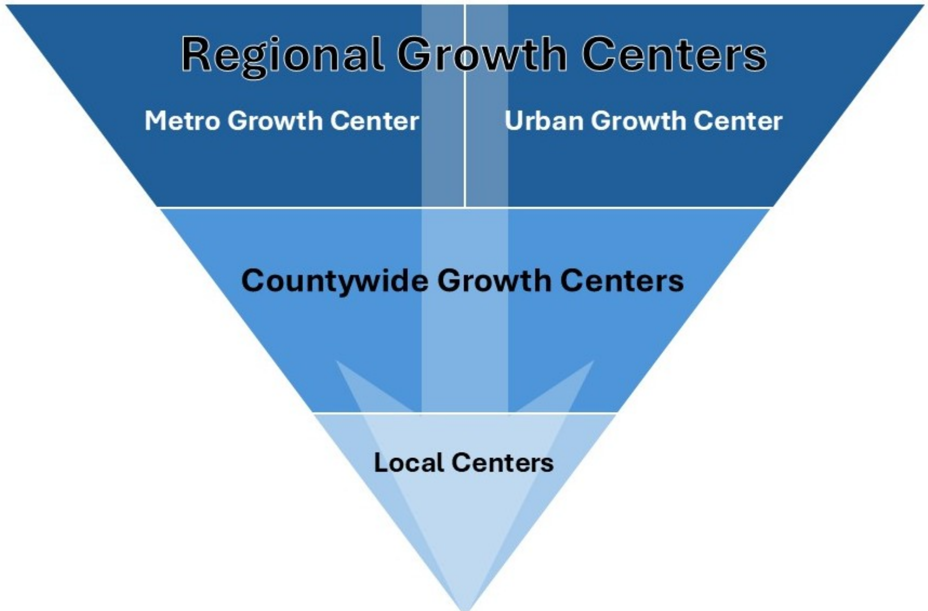
Council Goal(s):
Growing our Vibrant Community, An Informed and Engaged Community

Legislative History:
N/A

Subject Summary:
Centers were emphasized in the regional growth strategy with adoption of VISION 2040 by the Puget Sound Regional Council (PSRC). Centers are locations with compact, pedestrian-oriented development, containing a mix of office, commercial, civic, entertainment, and residential uses. Centers range in size and are strategically identified to receive a significant proportion of future population and employment growth when compared to the rest of the urban area, consistent with the intent of the Growth Management Act.

VISION 2050 maintained the emphasis on development of regional centers as a growth management strategy. The Regional Centers Framework (2018) established criteria and growth expectations for centers. Three Snohomish County regional growth centers are identified in VISION 2050, including: Bothell Canyon Park, downtown Everett, and Lynnwood/Alderwood Mall Blvd.

The framework designates a hierarchy of centers, illustrated below:



While metro and urban growth centers are identified by PSRC at the regional level, countywide centers are designated by the county. All types are intended for relatively dense housing and employment, transit service, a mix of uses that includes shopping and recreation, and capacity for future growth. These areas are focal points for local and county investment (see applicable policies below):

VISION 2050:
MPP-T-19: *Design transportation programs and projects to support local and regional growth centers and high-capacity transit station areas.*

Snohomish County CPPs:
MPP-RC-8: *Direct subregional funding, especially county-level and local funds, to countywide centers, high-capacity transit areas with a station area plan, and other local centers. County-level and local funding are also appropriate to prioritize regional centers.*

Countywide centers are designated through Countywide Planning Policies (CPPs), where a consistent framework is provided to align with local Comprehensive Plans across jurisdictions. The Snohomish County CPPs address Countywide Centers in Appendix I. In addition to containing policies related to centers, this outlines the process for nominating and designating centers, establishes criteria, and includes a list of 18 candidate Countywide Centers that were identified during the 2021 CPP update.

Local centers are designated by each jurisdiction through local planning processes. These areas are identified in the framework as character-defining community hubs that provide local gathering places and are appropriate for growth and services. Local centers may become candidates for countywide or regional centers. The Town Center subarea is a local center, and has been listed as one of the candidate countywide growth centers in the CPPs.

The County is currently in the process of establishing a list of Countywide Centers from the candidate centers list in Appendix I of the CPPs. The Snohomish County Tomorrow Planning Advisory Committee has formed a working group to participate in the process. Mountlake Terrace is represented on this working group. The review process is anticipated to continue throughout the remainder of this year. CPP amendments, including the final Countywide Centers list, are expected to be presented to the Snohomish County Council in early 2027.

Criteria for Countywide Center Designation:
At the time of identification, the center shall have:

- An existing activity unit (AU) density of 10 AU/acre;
- An existing planning and zoning designation for a mix of uses of 20% residential and 20% employment;
- An existing capacity and planning for additional growth; and
- Goals and policies that encourage mixed use development and increased densities in the local comprehensive or subarea plan.

The center is served by a Community Transit Core Transit Emphasis Corridor or High-Capacity Transit (HCT). The center shall encompass areas that fall within the following radii:

- ¼ mile from a planned or existing Community Transit Core Transit Emphasis Corridor or local transit service that is equivalent in level of service;
- ¼ mile from an existing or planned bus rapid transit stop; or
- ½ mile of an existing or planned light rail station or commuter rail station.

The center has a compact, walkable, shape and size:

- Size of ¼ square mile (160 acres), up to ½ mile transit walkshed (500 acres).
- It is recommended that centers are nodal with a generally round or square shape.
- Centers should generally avoid linear or gerrymandered shapes that are not walkable or connected by transit.
- The local comprehensive or subarea plan shall have goals and policies for the center that support the development of infrastructure and/or street patterns that encourage nonmotorized forms of transportation, such as walking and bicycling.

Candidate Countywide Growth Centers:

1. 196th Street Mixed Use Node – Lynnwood
2. Airport Road and Highway 99 Provisional Light Rail Station – Everett and Snohomish County
3. Ash Way Light Rail Station Area– Snohomish County
4. Edmonds Downtown – Edmonds
5. Everett Mall – Everett
6. Evergreen Way and SR 526 – Everett

7. Lakewood – Marysville
8. Mariner Light Rail Station Area – Snohomish County
9. Marshall/Kruse Area – Marysville
10. Marysville Downtown – Marysville
11. Medical/Highway 99 Activity Center – Edmonds, Lynnwood, and Mountlake Terrace
12. Mill Creek Town Center – Mill Creek
13. Mountlake Terrace Town Center/Light Rail Station Area – Mountlake Terrace
14. Mukilteo Old Town – Mukilteo
15. North Everett – Everett
16. Red Barn Village – Bothell
17. Smokey Point – Arlington
18. Thrasher's Corner – Snohomish County

Financial/Budget Impacts:

Budget Amendment Required? No

Budget and Sources:	
Expenditure:	
New Appropriation Required + Sources:	

Additional Financial Information:

N/A

Community Notifications:

City Council Agenda

If "Other," please specify:

Board/Commission Recommendation:

N/A

Staff Recommendation:

N/A

Council Motion:

N/A

Attachments:

1. Presentation

CITY OF
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TERRACE

CITY OF MOUNTLAKE TERRACE

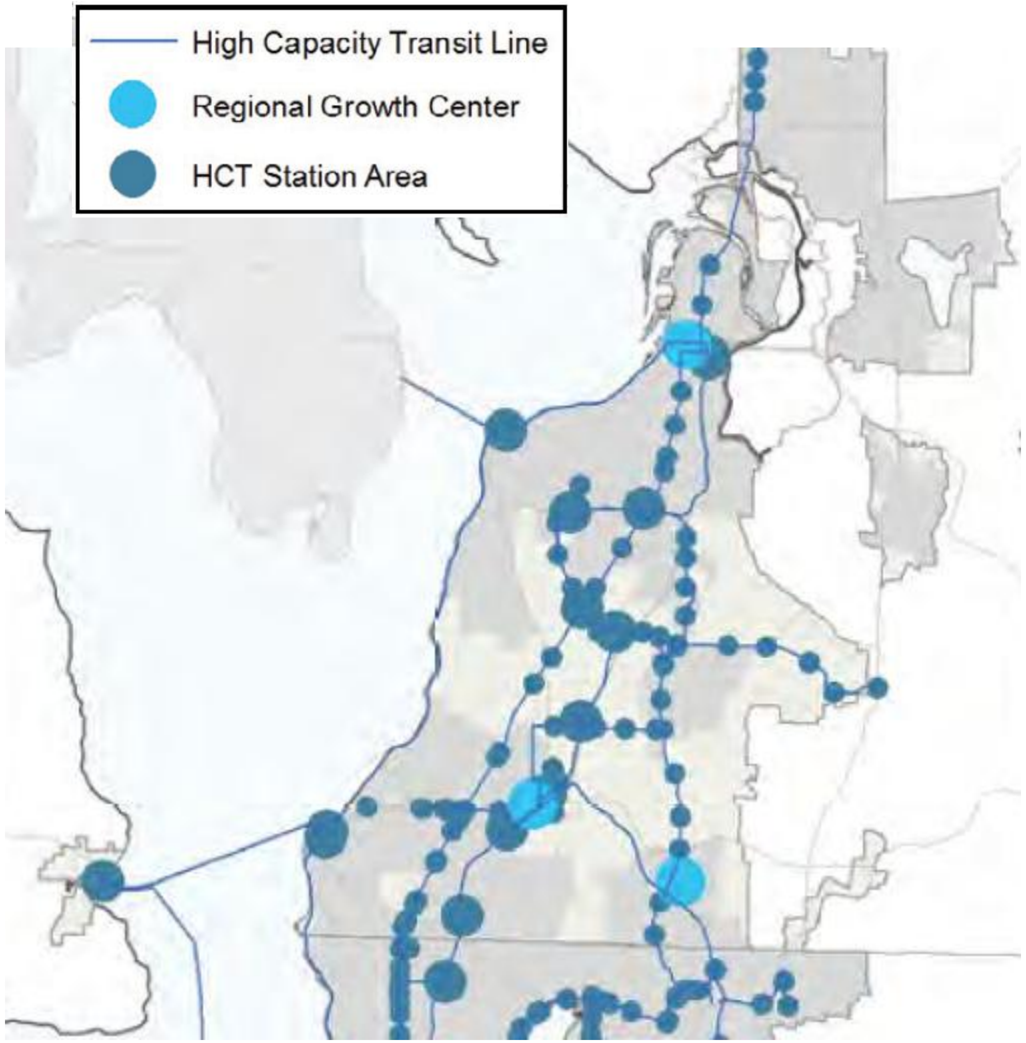
Countywide Growth Centers

City Council Work Session: July 23, 2026

Brooke Eidem, Community Development Director

WHAT ARE CENTERS?

- Centers are areas of compact development that are pedestrian-oriented, mixed-use, and relatively high density
- Centers are prioritized in PSRC's VISION 2050 as critical to the region's growth strategy
- Centers can affect:
  - Growth allocations
  - Local planning
  - Transit service planning
  - Regional transportation funding



HIERARCHY

- Three levels of Centers under the PSRC Regional Centers Framework (2018)
- Regional Growth Centers
  - Includes Metro & Urban Growth Centers
  - Designated by PSRC
  - Have important regional role
  - Large size and high density
- Countywide Growth Centers
  - Designated by the County
  - Include downtowns, high-capacity transit station areas, neighborhood centers linked by transit
  - Criteria guidance in Regional Centers Framework, but varies by county
- Local Centers
  - Identified by local plans

CURRENT PROJECT

- 18 Countywide Center candidates identified in the Countywide Planning Policies (Appendix I)
- Mountlake Terrace Town Center listed among them
- Snohomish County Tomorrow Planning Advisory Committee work group
  - review designations and verify criteria
  - Recommend centers on Countywide Centers list
  - Recommendation by December 2026

Jurisdiction	Center
Arlington	Smokey Point
Bothell	Red Barn Village
Edmonds	Edmonds Downtown
Everett	Everett Mall
	Evergreen Way and SR 526
	North Everett
Lynnwood	196th Street Mixed Use Node
Marysville	Lakewood
	Marshall/Kruse Area
	Marysville Downtown
Mill Creek	Mill Creek Town Center
Mountlake Terrace	Mountlake Terrace Town Center/Light Rail Station Area
Mukilteo	Mukilteo Old Town
Snohomish County	Ash Way Light Rail Station Area
	Mariner Ligh Rail Station Area
	Thrasher's Corner
Edmonds, Lynnwood, and Mountlake Terrace	Medical/Highway 99 Activity Center
Everett and Snohomish County	Airport Road and Highway 99 Provisional Light Rail Station

CITY OF MOUNTLAKE TERRACE

DISCUSSION
& QUESTIONS

CITY OF
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Thank you

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TERRACE

Item: 9.

STAFF REPORT

To: Mountlake Terrace City Council
From: Carolyn Hope, Deputy City Manager, Jeff Betz, Parks and Recreation Director
Meeting Date: July 23, 2026
Subject: Review and Vote Joint Resolution Requesting Snohomish County Funding for Regional Aquatics

Required Reviews:

Lan Nguyen	Created/Initiated - 07/16/2026
Jeff Betz	Approved - 07/16/2026
Jeff Niten	Approved - 07/17/2026
Hillary Evans	New -
Sirke Salminen	-

Council Goal(s):
Growing our Vibrant Community

Legislative History:
Over the past two years, staff presented the need to replace the Recreation Pavilion and the financial challenges of rebuilding such a facility without partners. These presentations occurred on August 22, 2024, November 14, 2024, January 9, 2025, and March 22, 2025.

Subject Summary:
In 2025, the City Council authorized staff to begin discussions with neighboring jurisdictions and other agencies to evaluate partnerships. Since April 2025, Mountlake Terrace has hosted monthly meetings with several agencies represented by staff and elected officials. The cities of Mountlake Terrace and Edmonds, and possibly others, are interested in building off the North King County Regional Aquatics Centers Feasibility Study, which covered a similar service area and need, to evaluate options for a South Snohomish County facility. Given that Snohomish County Councilmembers have a grant program for cities due at the end of July, Edmonds and Mountlake Terrace wanted to show our intent to collaborate on regional aquatics planning through this resolution and add it to our applications for funding from Councilmembers Strom Petersen and Jared Mead, respectively.

Financial/Budget Impacts:

Budget Amendment Required?	No

Budget and Sources:	
Expenditure:	
New Appropriation Required + Sources:	

Additional Financial Information:
N/A

Community Notifications:
City Council Agenda
If "Other," please specify:

Board/Commission Recommendation:
N/A

Staff Recommendation:
Staff recommends that City Council adopt the resolution on July 23.

Council Motion:
Move to adopt a resolution of the cities of Edmonds and Mountlake Terrace, Washington, requesting funding from Snohomish County to support regional aquatics in South Snohomish County.

Attachments:

1. Joint Resolution Requesting Snohomish County Funding for Regional Aquatics (Draft)

CITY OF EDMONDS AND THE CITY OF MOUNTLAKE TERRACE

JOINT RESOLUTION NO. ________

A RESOLUTION OF THE CITIES OF EDMONDS AND MOUNTLAKE TERRACE, WASHINGTON, REQUESTING FUNDING FROM SNOHOMISH COUNTY TO SUPPORT REGIONAL AQUATICS IN SOUTH SNOHOMISH COUNTY

WHEREAS, water safety, skill-building, community-building, and both mental and physical health benefits of neighborhood pool use are well accepted; and

WHEREAS, water safety skills are essential in our state, which is surrounded by water and where we are ranked 9th is the nation for drownings; and

WHEREAS, school and community swim teams need pools in which to train and compete; and

WHEREAS, adults also enjoy competitive swimming, aquatics exercise, and aquatic therapy; and

WHEREAS, Snohomish County has four public pools including Snohomish Aquatic Center, Lynnwood Recreation Center, Edmonds Yost Pool, and Mountlake Terrace Recreation Pavilion; and while there are other pools open to the public, these pools are at capacity and have wait lists for aquatics programs; and

WHEREAS, City-owned pools including the Edmonds Yost Pool (opened in 1971) and the Mountlake Terrace Recreation Pavilion (opened in 1968) are at end-of-life and will be needing replacement soon; and

WHEREAS, the capital and operating costs of aquatic facilities are a financial challenge that individual cities may be incapable of surmounting without assistance; and

WHEREAS, if Edmond's Yost Pool and Mountlake Terrace's Recreation Pavilion were to close, only one public aquatics facility (in Lynnwood) would be available to the residents of South Snohomish County; and

WHEREAS, the Lynnwood facility alone would not be able to meet the aquatics needs of our current residents or for the growth expected in the region, especially with the closure of the Shoreline Pool in 2020; and

WHEREAS, representatives of concerned South Snohomish County cities (Edmonds, Mountlake Terrace, Brier) and North King County cities (Shoreline, Lake Forest Park) and other stakeholders (such as the school districts) have been meeting monthly for the greater part of a year to seek solutions to replace, repair, and grow our aquatics facilities to maintain our level of service with our current populations and meet future demands with the anticipated growth in the region; and

WHEREAS, the Snohomish County Executive and Snohomish County Council have determined that it is consistent with the Parks and Recreation element of the County's Comprehensive Plan and is in the public interest to partner with Snohomish County cities to increase recreational opportunities and facility capacity; and

WHEREAS, Snohomish County's Amended Ordinance 24-081 included $1,600,000 REET II funds, collected pursuant to 82.46 RCW, to be distributed evenly among the 5 council districts; and

WHEREAS, similar funding and distribution is anticipated in the upcoming biennium;

NOW, THEREFORE, THE CITY COUNCILS OF EDMONDS AND MOUNTLAKE TERRACE, WASHINGTON, HEREBY RESOLVE AS FOLLOWS:

Section 1. For the reasons stated above, the Cities request to receive the full allotment of Snohomish County District 3 and District 4 REET funds, respectively, in the 2027/2028 biennium to contribute to capital facilities project work related to Edmonds Yost Pool and the Mountlake Terrace Recreation Pavilion, thus supporting continued access to aquatic recreation and athletics in South Snohomish County.

Section 2. The Cities request Snohomish County Parks, Recreation, and Tourism Department to evaluate funding options to support aquatics and recreation facilities across the county.

ADOPTED BY THE EDMONDS CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE 28th of July 2026.

CITY OF EDMONDS

____
Mike Rosen, Mayor

ATTEST/AUTHENTICATED:

____
Luke Lonie, City Clerk

APPROVED AS TO FORM:

____

Jeff Taraday, City Attorney

ADOPTED BY THE MOUNTLAKE TERRACE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE 23rd of July 2026.

CITY OF MOUNTLAKE TERRACE

____
Steve Woodard, Mayor

ATTEST/AUTHENTICATED:

____
Jennifer Joki, City Clerk

APPROVED AS TO FORM:

____
Hillary J. Evans, City Attorney