

COMMISSIONERS RECORD 51  
FRANKLIN COUNTY  
Commissioners' Proceedings for May 16, 2012

*This document is a summarized version of the Board of Commissioners proceedings. The minutes are paraphrased, not verbatim. Access to an electronic audio recording of the meeting is available upon request.*

The Honorable Board of Franklin County Commissioners met on the above date. Present for the meeting were Brad Peck, Chairman; Rick Miller, Chair Pro Tem; and Robert E. Koch, Member; Fred Bowen, County Administrator; and Mary Withers, Clerk to the Board. Meeting convened at 9:02 am.

**WSU EXTENSION**

Don Llewellyn, WSU Livestock Educator, met with the Board. Present in audience: Lester Storms, Jim Follansbee, Rich Lahtinen, Tom Larsen, Toni Fulton, Auditor Matt Beaton and Patrick Barnett.

Mr. Llewellyn gave an update on the work he does regarding livestock. Current projects include:

- work regarding comparisons between Canola and Camelina byproducts for cattle feed;
- animal health work including development of a bovine respiratory disease (BRD) risk assessment tool, low-stress cattle handling (animal well-being awareness for people and safety for people and cattle), and work as part of a national team headed at Kansas State University regarding use of antibiotics for treatment of mastitis in dairy cattle. The team is hoping for a significant breakthrough. The project is funded by the Center for Animal Health Innovation in Kansas.
- livestock management work in conjunction with a WSU Extension forage specialist regarding forage quality and how those materials can be fed to livestock

He answered Mr. Miller's question about hogs and told about the education work being done with youth regarding pork quality assurance training.

**OFFICE BUSINESS (9:16 am)**

Administrative Assistant Toni Fulton met with the Board. Present in audience: Lester Storms, Jim Follansbee, Rich Lahtinen, Tom Larsen, Toni Fulton and Patrick Barnett.

COMMISSIONERS RECORD 51  
FRANKLIN COUNTY  
Commissioners' Proceedings for May 16, 2012

Vouchers

**Motion** – Mr. Koch moved for approval of expenditures in the bottom line of \$164,747.71. They have been approved by Matt Beaton and the vouchers audited by Julie Jordan. Second by Mr. Miller. 3:0 vote in favor.

<b>Fund Expenditures</b>	<b><u>Warrants</u></b>		<b>Amount Issued</b>
Trial Court Improvement Fund	Excise Tax		\$2,667.60
Current Expense	Excise Tax		\$1,968.56
TRAC Operations Fund	Excise Tax		\$567.51
Current Expense	65573	65693	\$41,251.01
Current Expense	65694	65733	\$38,233.48
Current Expense	65734	65737	\$7,712.10
Auditor O & M	65738	65739	\$52.54
Crime Victims/Witness Assist	65740	65741	\$2,954.67
Courthouse Facilitator Program	65742	-	\$1,050.00
Jail Commissary	65743	65745	\$1,920.66
.3% Criminal Justice Const Fund	65746	-	\$1,527.76
TRAC Operations Fund	65747	65768	\$12,388.81
Current Expense	65769	65897	\$42,529.43
Current Expense	65898	66163	\$9,923.58

(Exhibit 1)

**Motion** – Mr. Koch moved for approval of vouchers: County Road for \$1,372,719.68; Motor Vehicle for \$48,907.67; Solid Waste for \$472.34; and Probation Work Crew for \$15.54; for a total amount of \$1,422,115.23. It has been approved by Guy Walters and vouchers were prepared by Len Langston. Second by Mr. Miller. 3:0 vote in favor. (Exhibit 2)

**Motion** – Mr. Miller: Mr. Chairman, I move that we approve the Salary Clearing payroll, Emergency Management payroll and Irrigation payroll in the bottom line amount of \$606,780.98, and these are signed by Matt Beaton and Connie Curiel. Second by Mr. Koch. 3:0 vote in favor.

Salary Clearing payroll warrants 56050 through 53133 for \$165,296.09; Direct Deposit for \$339,320.51; and Benefits warrants 56134 through 56138 for \$78,661.57; for a total of \$583,278.17;

COMMISSIONERS RECORD 51  
FRANKLIN COUNTY  
Commissioners' Proceedings for May 16, 2012

Emergency Management payroll warrants 55303 through 65309 for \$2427.92; Direct Deposit for \$7192.08; and Benefits warrants 65310 through 65313 for \$1449.53; for a total of \$11,069.53; and

Irrigation payroll warrants 65476 through 65490 for \$6607.52; Direct Deposit for \$3944.69; and Benefits warrants 65491 through 65494 for \$1881.07; for a total of \$12,433.28.

Grand total is \$606,780.98. (Exhibit 3)

**Motion** – Mr. Miller moved for approval of vouchers for County Road Fund payroll warrants 65499 through 65516 for \$25,890.50; Direct Deposit for \$38,692.99; and Benefits warrants 65517 through 65520 for \$10,945.63; for a total of \$75,529.12; and Motor Vehicle payroll warrants 65521 through 65534 for \$4799.93; Direct Deposit for \$5987.80; and Benefits warrants 65535 through 65538 for \$1829.84; for a total amount of \$12,617.67. The grand total amount is \$88,146.69. These are also signed by Guy Walters and Whitney Osborn. Second by Mr. Koch. 3:0 vote in favor. (Exhibit 4)

**Minutes**

**Motion** – Mr. Koch: I move for approval of Commissioners Proceedings for May 11, which was the WSAC meeting. Second by Mr. Miller. 2:0 vote in favor. Abstain: Mr. Peck.

Tri-City Herald Reporter John Trumbo joined the audience.

**Consent Agenda**

**Motion** - Mr. Koch: I move for approval of the consent agenda for Wednesday, May 16, items 1 and 2.

1. Approval of Resolution 2012-171, amending the 2010-2012 Collective Bargaining Agreement between Benton-Franklin Counties, Juvenile Justice Department, and the Washington State Council of County and City Employees, AFSCME, Council 2, Local 3892 (Juvenile Clerical)
2. Approval of Resolution 2012-172, authorizing Facilities Department to dispose of surplus property

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COMMISSIONERS RECORD 51  
FRANKLIN COUNTY  
Commissioners' Proceedings for May 16, 2012

**PLANNING AND BUILDING DEPARTMENT (9:25 am)**

Planning Director Jerrod MacPherson and Assistant Director Greg Wendt met with the Board. Present in audience: Rich Lahtinen, John Trumbo, Jim Follansbee, Lester Storms, Tom Larsen, Auditor Matt Beaton and Patrick Barnett.

**Department Update**

The planners told the Board about some current applications that have been received. Public Meeting: CUP 2012-06 (Colin Tebay), a Conditional Use Permit application to construct a 2088 square foot accessory building (detached garage/storage building) in the Residential Suburban 40,000 (RS-40) Zoning District

Public Meeting convened at 9:28 am. Present: Commissioners Peck, Miller and Koch; County Administrator Fred Bowen; Planning Director Jerrod MacPherson; Assistant Director Greg Wendt; and Clerk to the Board Mary Withers. Present in audience: Rich Lahtinen, John Trumbo, Jim Follansbee, Lester Storms, Tom Larsen, Auditor Matt Beaton and Patrick Barnett.

Mr. Wendt reviewed the information on the Action Summary Report (Exhibit 5).

Mr. MacPherson showed three pictures on the screen: an aerial photograph with zoning overlay, a 2009 aerial photograph with proposed site location and drawing, and a drawing of the elevations of the proposed shop. The square footage amount is above what is allowed without a CUP.

Mr. Koch asked where access to building will be located. Mr. MacPherson showed on the photograph. He said the drain line will be relocated prior to building.

**Motion** – Mr. Miller: I move to grant approval of CUP 2012-06 subject to the six findings of fact and 11 conditions of approval. Second by Mr. Koch. 3:0 vote in favor. Resolution 2012-173 was approved.

**PROSECUTOR**

Deputy Prosecutor Janet Taylor met with the Board. Present in audience: Jim Follansbee, Lester Storms, Tom Larsen, John Trumbo, Rich Lahtinen and Patrick Barnett.

**Executive Session** at 9:40 am pursuant RCW 42.30.110(1)(i) for legal risks of a proposed action related to Tim Fife's unemployment claim expected to last 20 minutes. Those in the audience left the meeting. Prosecutor Shawn Sant joined the meeting at 9:50 am.

COMMISSIONERS RECORD 51  
FRANKLIN COUNTY  
Commissioners' Proceedings for May 16, 2012

**Open Session** at 10:02 am.

**Executive Session** resumed at 10:03 am on the same topic under the same RCW expected to last up to 10 minutes.

**Open Session** at 10:19 am.

Present in audience: Jim Follansbee, Lester Storms, Tom Larsen, John Trumbo, Rich Lahtinen, Patrick Barnett, Jeff Nave, Jim Nelson, Auditor Matt Beaton, Treasurer Josie Koelzer, Becky Mulkey and Tom Westerman.

Mr. Peck said his view is the county should file the appeal of unemployment benefits for Tim Fife with the state.

**Motion** – Mr. Miller: I make a motion that we file an appeal against Tim Fife's unemployment benefits. Second by Mr. Koch.

Mr. Peck asked if the motion could also include a request that the PA's office undertake discussions with anyone they feel is appropriate, whether the state or Mr. Fife or anyone representing him. He would like them to continue discussion with all the parties.

Mr. Miller said I'm adamant that we just file an appeal. I'm not interested in any addition to the motion.

Mr. Peck asked Mr. Koch if he was in favor of filing the appeal and having no further discussion with Mr. Fife or the unemployment office. Mr. Koch said no.

**Motion failed for lack of a second.**

**Motion** – Mr. Peck: I would move that the Board request the Prosecuting Attorney's office to go forward with the necessary documents to appeal the state's decision to grant unemployment benefits to Mr. Fife and further request that they stay in communication with the state and Mr. Fife to ensure that we have as much relevant information as possible and to advise the Board if at any time they feel a change in course is in the county's best interest. Second by Mr. Koch. 2:1 vote in favor. Yeas: Peck and Koch. Nay: Miller.

**BOND**

Bond Agent Jim Nelson and Attorney Jeff Nave met with the Board. Present in audience: Jim Follansbee, Lester Storms, Tom Larsen, John Trumbo, Patrick Barnett, Tom Westerman, Becky Mulkey, Josie Koelzer, Shawn Sant, Matt Beaton and Rich Lahtinen.

COMMISSIONERS RECORD 51  
FRANKLIN COUNTY  
Commissioners' Proceedings for May 16, 2012

Mr. Nelson reviewed information about financing the jail project and computer costs using a handout (Exhibit 6). The bonds will have a prepayment option starting in 2022.

Mr. Nave presented a resolution authorizing issuance of the bonds. He said the resolution includes language about the tax compliance policy. The county has already been doing tax compliance with all bonds. Mr. Nave told the Board about other details included in the bond resolution.

**Motion** – Mr. Koch: Mr. Chairman, I would move to approve Resolution Number 2012-170, a resolution of the Board of County Commissioners of Franklin County, Washington, relating to contracting indebtedness; providing for the issuance of \$20,345,000 aggregate principal amount of limited tax general obligation bonds to pay costs of improvements to the County's courthouse and criminal justice facilities, costs of computer software, and costs of issuing said bonds; fixing the date, form, maturities, interest rates, terms and covenants of the bonds; creating and adopting certain funds and accounts; providing for bond insurance; approving the sale and providing for the delivery of the bonds to Martin Nelson & Company; and providing for other matters properly related thereto. Second by Mr. Miller. 3:0 vote in favor. (Exhibit 7)

Mr. Peck also signed the purchase offer from Martin Nelson & Company which was authorized by the resolution (Exhibit 8).

**Recessed** at 10:47 am.

**Reconvened** at 10:56 am.

**COUNTY ADMINISTRATOR**

County Administrator Fred Bowen met with the Board. Present in audience: Rich Lahtinen, Jim Follansbee, Tom Larsen, John Trumbo and Patrick Barnett.

**Basin City Water and Sewer District Project – Phase I**

James Sewell & Associates has requested the Board's approval to accept the Basin City Water System Improvements - Phase I project as complete (Exhibit 9).

**Motion** – Mr. Koch: I would move to approve the work completed by Sharpe and Preszler Construction as complete per the plans and specifications and authorize the filing of the Notice of Completion of Public Works for Basin City Water System improvements – Phase 1 project. Second by Mr. Miller. 3:0 vote in favor.

COMMISSIONERS RECORD 51  
FRANKLIN COUNTY  
Commissioners' Proceedings for May 16, 2012

Courthouse Space Agreement with City of Pasco

**Executive Session** at 11:01 am expected to last up to 10 minutes based on RCW 42.30.140(4), regarding contract negotiations on the City of Pasco Lease. Those in the audience left the room.

**Open Session** at 11:13 am.

Present in audience: John Trumbo.

Mr. Peck said the City of Pasco has requested approval to remove the third floor courtroom from the courthouse use agreement since they do not use it often with the understanding that if the City of Pasco does sometime need it, the county will let them use it on a case-by-case basis as available and only with the county's consent and treat it as a partnership. Mr. Koch and Mr. Miller each stated agreed.

TRAC

**Executive Session** at 11:15 am expected to last up to 8 minutes pursuant to RCW 42.30.140(4) to discuss contract negotiations regarding the Pasco Public Facilities District.

**Open Session** at 11:26 am. Present in audience: John Trumbo.

The Board discussed some ideas about TRAC uses in the future.

**OTHER BUSINESS**

City of Connell

Mr. Peck asked Mr. Koch to check with City of Connell regarding property owned by the county that is being used by the city.

**ADJOURNMENT**

**Motion** – Mr. Koch: I move for adjournment. Second by Mr. Miller. 3:0 vote in favor.

**Adjourned** at 11:35 am.

COMMISSIONERS RECORD 51  
FRANKLIN COUNTY  
Commissioners' Proceedings for May 16, 2012

There being no further business, the Franklin County Board of Commissioners meeting was adjourned until May 23, 2012.

BOARD OF COUNTY COMMISSIONERS  
FRANKLIN COUNTY, WASHINGTON



Brad Peck, Chairman



Rick Miller, Chairman Pro Tem



Robert E. Koch, Member

Attest:

  
Clerk to the Board

Approved and signed June 6, 2012.





# FRANKLIN COUNTY AUDITOR

*Matt Beaton, Auditor*

5/16/2012

Franklin County Commissioners:

Vouchers audited and certified by the auditing officer by RCW 42.24.080, expense reimbursement claims.

Action: As of this date, 5/16/2012

Move that the following warrants be approved for payment:

certified by RCW 42.24.090, have been recorded on a listing, which has been sent to the board members.

FUND Expenditures	WARRANTS		AMOUNT ISSUED
Trial Court Improvement Fund	Excise Tax		\$2,667.60
Current Expense	Excise Tax		\$1,968.56
TRAC Operations Fund	Excise Tax		\$567.51
Current Expense	65573	65693	\$41,251.01
Current Expense	65694	65733	\$38,233.48
Current Expense	65734	65737	\$7,712.10
Auditor O & M	65738	65739	\$52.54
Crime Victims/Witness Assist	65740	65741	\$2,954.67
Courthouse Facilitator Program	65742	-	\$1,050.00
Jail Commissary	65743	65745	\$1,920.66
.3% Criminal Justice Const Fund	65746	-	\$1,527.76
TRAC Operations Fund	65747	65768	\$12,388.81
Current Expense	65769	65897	\$42,529.43
Current Expense	65898	66163	\$9,923.58

In the amount of

\$164,747.71

The motion was seconded by

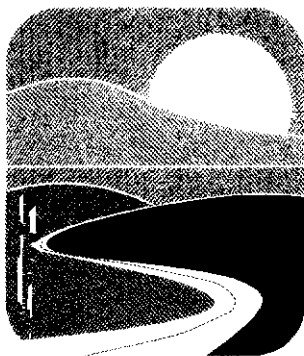
And passed by a vote of 3 to 0

A handwritten signature of Matt Beaton, the Auditor.

The attached vouchers have been approved by Auditor or Deputy

A handwritten signature of Julie Jordan, the Auditing Officer.

Vouchers Audited By



# FRANKLIN COUNTY

## PUBLIC WORKS DEPARTMENT

Malcolm Bowie, P.E., County Engineer  
Guy Walters, Interim Public Works Director

May 16, 2012

Franklin County Commissioners:

Vouchers audited and certified by the auditing officer by RCW 42.24.080, expense reimbursement claims certified by RCW 42.24.90, have been recorded on a listing, which has been sent to the board members.

Action: As of this date, May 16, 2012, *ReKoch*,  
move that the following vouchers be approved for payment:

<u>FUND</u>	<u>AMOUNT</u>
<b>County Road</b>	
- Vouchers	\$1,372,719.68
<b>Total</b>	<b>\$1,372,719.68</b>
<b>Motor Vehicle</b>	
- Vouchers	\$48,907.67
<b>Total</b>	<b>\$48,907.67</b>
<b>Solid Waste</b>	
- Vouchers	\$472.34
<b>Total</b>	<b>\$472.34</b>
<b>Probation Work Crew</b>	
- Vouchers	\$15.54
<b>Total</b>	<b>\$15.54</b>

in the total amount of **\$1,422,115.23** ( \$15.54 + \$472.34 + \$48,907.67 + \$1,372,719.68 ).  
The motion was seconded by *[Signature]* and passed by a vote of 3 to 2.

*[Signature]*  
The attached vouchers have been approved by  
the Public Works Director

*[Signature]*  
Vouchers Prepared By



# FRANKLIN COUNTY AUDITOR

*Matt Beaton, Auditor*

May 9, 2012

Franklin County Commissioners:

Vouchers audited and certified by the auditing officer by RCW 42.24.080, expense reimbursement claims certified by RCW 42.24.090, have been recorded on a listing, which has been sent to the board members.

Action: As of this date, <sup>16</sup>May 8, 2012 *[Signature]*  
move that the following warrants be approved for payment.

<u>FUND</u>	<u>WARRANT</u>	<u>AMOUNT</u>
<b>Salary Clearing Payroll:</b>		
Payroll	56050-53133	165,296.09
Direct Deposit		339,320.51
		504,616.60
Benefits	56134-56138	78,661.57
	<b>Total</b>	<b>\$583,278.17</b>
 <b>Emergency Mgmt Payroll:</b>		
Payroll	65303-65309	\$2,427.92
Direct Deposit		7,192.08
		\$9,620.00
Benefits	65310-65313	1,449.53
	<b>Total</b>	<b>\$11,069.53</b>
 <b>Irrigation Payroll:</b>		
Payroll	65476-65490	\$6,607.52
Direct Deposit		3,944.69
		\$10,552.21
Benefits	65491-65494	1,881.07
	<b>Total</b>	<b>\$12,433.28</b>
 <b>Grand Total All Payrolls</b>		 <b>\$606,780.98</b>

In the total amount of **\$606,780.98**

(\$583,278.17+\$11,069.53+\$12,433.28)

The motion was seconded by *[Signature]*

and passed by a vote of 3 to 2

*[Signature]*

*[Signature]*

The attached payroll has been approved by Auditor or Deputy

Payroll Prepared By



# FRANKLIN COUNTY

## PUBLIC WORKS DEPARTMENT

Malcolm Bowie, P.E., County Engineer  
Guy Walters, Interim Public Works Director


May 10, 2012

Franklin County Commissioners:

Vouchers audited and certified by the auditing officer by RCW 42.24.080, expense reimbursement claims certified by RCW 42.24.090, have been recorded on a listing, which has been sent to the board members.

Action: As of this date, May 10, 2012 ,  
move that the following warrants be approved for payment:

<u>FUND</u>	<u>WARRANT</u>	<u>AMOUNT</u>
<b>County Road</b>		
- Payroll	65499 - 65516	25,890.50
- Direct Deposit (3501-3505)		38,692.99
		\$64,583.49
- Benefits	65517 - 65520	10,945.63
	<b>Total</b>	<b>\$75,529.12</b>
<b>Motor Vehicle</b>		
- Payroll	65521 - 65534	4,799.93
- Direct Deposit (3501-3505)		5,987.80
		\$10,787.73
- Benefits	65535 - 65538	1,829.84
	<b>Total</b>	<b>\$12,617.57</b>

in the total amount of **\$88,146.69** (\$75,529.12 + \$12,617.57). The motion was seconded  
by  and passed by a vote of 3 to 0.

  
The attached payroll has been approved by the Public Works Director

  
Payroll Prepared By

**Franklin County**  
**Board of Commissioners**  
**Agenda Summary Report**

**DATE:** May 4, 2012**PRESENTED BY:** Jerrod MacPherson

**ITEM:** (Select One) ☐ Consent Agenda.  
☒ To Be Brought Before the Board. Date: May 16, 2012  
 Time needed: 15 minutes

**SUBJECT / ISSUE:** CUP 2012-06 (Calin Tebay), a Conditional Use Permit (CUP) application to construct a 2,088 square foot accessory building (detached garage/storage building) in the Residential Suburban 40,000 (RS-40) Zoning District.

**ACTION(S) REQUESTED:**

Review the Planning Commission Recommendation in a Public Meeting; Pass a motion; and Pass a Resolution.

**BACKGROUND:**

A Conditional Use Permit application request to construct a 2,088 square foot accessory building (detached garage/storage building) in the Residential Suburban 40,000 (RS-40) Zoning District.

The exterior of the new building is proposed to match the existing home at the site in siding, roofing, and color. A Conditional Use Permit is required to exceed the maximum size allowed (1,680 sf) in the Residential Suburban 40,000 (RS-40) Zoning District.

**Public Testimony and Discussions:**

Phone and/or In-Office Discussions: Planning Staff did not receive any phone calls or in office inquiries regarding this application.

Open Record Hearing Testimony:

*-In support of application:* The applicant spoke in support of the application.

*-Opposed to application:* No public spoke against the application.

*- Clarification only:* None.

Planning Commission Voting/Discussion: Positive recommendation with 6 in favor; 0 against.

**Summary:** At the regularly scheduled Planning Commission hearing on May 1, 2012 the Franklin County Planning Commission voted to forward a positive recommendation for this application to the Board of County Commissioners subject to the following six (6) findings of fact and eleven (11) conditions of approval:

**Finding of Fact:**

1. The proposal **is** in accordance with the goals, policies, objectives, maps and or narrative text of the comprehensive plan.
2. The proposal **will not** adversely affect public infrastructure.
3. The proposal **will be** constructed, maintained and operated to be in harmony with the existing or intended character of the general vicinity.
  - a. The intended character of the area is residential with the construction of single family residential homes and compatible residential accessory buildings.

**Page 2**  
**Agenda Summary Report**

- b. Large metal/steel sided and roofed industrial style buildings are not consistent with the intended residential character of the area.
- c. Accessory buildings, located in the RS-40 Zone, that are proposed to be larger than what is outright permitted in the zone shall be constructed to match the home as closely as possible in color, siding, and construction. This will assist in ensuring the accessory building is constructed to be in harmony with the intended character of the residentially zoned area.
  - (i) Roofing materials must be residential in nature and be compatible with the home in style and color. Typical residential roofing materials must be utilized. Metal roofing is not permitted with this approval.
  - (ii) Siding materials must be residential in nature and be compatible with the home in style and color. Typical residential siding materials must be utilized (i.e. brick, stucco, lap siding, T1-11, etc). Metal siding is not permitted with this approval.
  - (iii) The height of the proposed accessory building, per the County Zoning Ordinance, shall be no higher than 18' average roof height.
- 4. The location and height of proposed structures and the site design **will not** discourage the development of permitted uses on property in the general vicinity or impair the value thereof.
  - a. An accessory building that exceeds the size allowed in the zoning district (in this case, greater than 1680 s.f.) *may be constructed in a manner as to not discourage the development of other permitted uses in the zone. Limiting the height of the building to be no greater than 18' average roof height and constructing the accessory building to match the home as closely as possible in color, siding, and construction. These mitigation measures will ensure the proposal will not discourage the development of permitted uses and meet the intent of the Urban Area Comprehensive Plan.*
- 5. The operation in connection with the proposal **will not** be more objectionable to nearby properties by reason of noise, fumes, vibrations, dust, traffic, or flashing lights than would be the operation of any permitted uses within the district.
- 6. The proposal **will not** endanger the public health, safety, or general welfare if located where proposed.

**Conditions of Approval**

- 1. Approval grants the applicant the ability to construct a 2,088 square foot accessory building (detached garage/storage building). The total square footage granted is larger than the square foot size limitation for the Residential Suburban 40,000 (RS-40) Zoning District. The property is approximately 1 acre in size. The use of the building is for typical residential uses and is not for commercial use.
- 2. The exterior of the new building is proposed to match the existing home at the site in siding, roofing, and color.
- 3. Accessory buildings in the Urban Growth Area that are proposed to be larger than what is outright permitted in the zone shall be constructed to match the home as closely as possible in color, siding, and construction. This will assist in ensuring the accessory building is constructed to be in harmony with the intended character of the residentially zoned area.
  - a. Roofing materials must be residential in nature and be compatible with the home in style and color. Typical residential roofing materials must be utilized. Metal roofing is not permitted with this approval.
  - b. Siding materials must be residential in nature and be compatible with the home in style and color. Typical residential siding materials must be utilized. Metal siding is not permitted with this approval.
  - c. The height of the proposed accessory building, per the County Zoning Ordinance, shall be no higher than 18' average roof height.

**Page 3**  
**Agenda Summary Report**

4. Compliance with Fire Code Official requirements including:
  - a. This property shall remain free of all fire hazards, including but not limited to weeds, debris, new or used tires, discarded vehicle parts, hazardous waste, fuel or oil storage.
  - b. The proposed use, occupancy and associated classification(s) for any activity and additional use shall meet all current & adopted Building Codes, Residential Codes, Zoning Codes, Fire Codes and Fire & Life Safety codes in effect and as adopted by Franklin County.
  - c. An access rd/lane, for fire & emergency apparatus response, shall be installed and approved. This access lane and/or access road is to meet Franklin County Road and Fire Code requirements for Emergency Fire Apparatus Access lane/road requirements at this site. This access lane or access road shall be at least 12 feet wide with 4" of gravel and with a 4 foot clear area on each side and kept passable at all times.
5. Applicant must meet the requirements of the Benton-Franklin Health Department.
6. Applicant shall coordinate with the Benton Franklin Health Department to complete an evaluation of the existing on-site sewage system and additionally make the necessary changes to the on-site septic/drain-field to comply with the Health Department requirement that there be a 10' setback from the driveway to the drain-field. Verification shall be provided to the Planning and Building Department prior to building permit issuance.
7. Applicant shall comply with the Building Division requirements including obtaining a building permit. This process includes, but is not limited to, obtaining an access permit, plan submittal (engineered/architect stamped plans if applicable), roof height verification (18' average roof height maximum), and health dept. approval.
8. Approach permits are required for any new approaches onto county roads.
9. The applicant shall apply for a building permit for the new structure within 18 months after the effective date of the special permit, or the special permit shall expire.
10. Nothing in this CUP approval shall be construed as excusing the applicant from compliance with any federal, state, or local statutes, ordinances, or regulations applicable to this project.
11. This permit applies to the described lands and shall be for the above named individual and/or his heirs and/or assigns. Any transferring of this permit will require that notice be granted to the Franklin County Planning Department or the permit will be cancelled. It cannot be transferred to another site.

**COORDINATION:**

N/A

**RECOMMENDATION:**

The County Planning Commission recommends the Board of Commissioners approve CUP 2012-06 with the following motion:

**Motion:**

Grant approval of CUP-2012-06, subject to the six (6) findings of fact and eleven (11) conditions of approval.

**HANDLING / ROUTING:**

N/A

**Page 4**  
**Agenda Summary Report**

**ATTACHMENTS:**

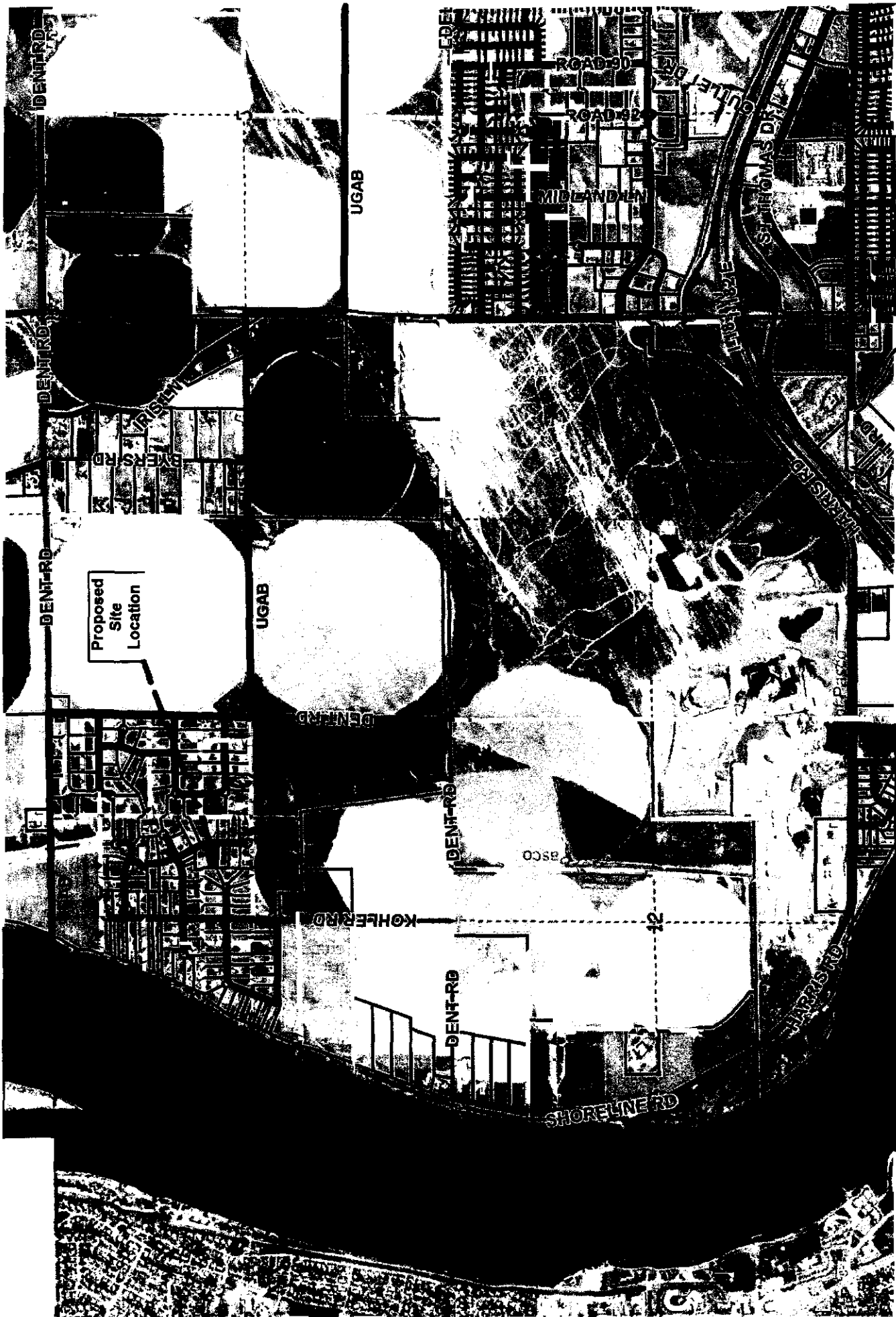
Three (3) exhibits are attached for consideration: 1) An aerial overlay map of the general area and parcel in question; 2) A detailed aerial overlay map and site plan of the parcel in question; and 3) Elevation renderings of the *proposed* accessory building.

I certify the above information is accurate and complete.

A handwritten signature in black ink, appearing to read "Jerrod MacPherson", is written over the printed name.

Jerrod MacPherson – Director of Planning and Building





# CUP 2012-06 - Tebay - Accessory Building

May 4, 2012  
<http://www.co.franklin.wa.us>  
 gfr@co.franklin.wa.us

Franklin County Regional Information System  
 2016 North 4th Avenue  
 Pasco, Washington 99301  
 Telephone: (509) 545-3565 Fax: (509) 546-5871

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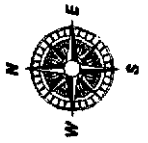
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**CUP 2012-06 - Tebay - Accessory Building**

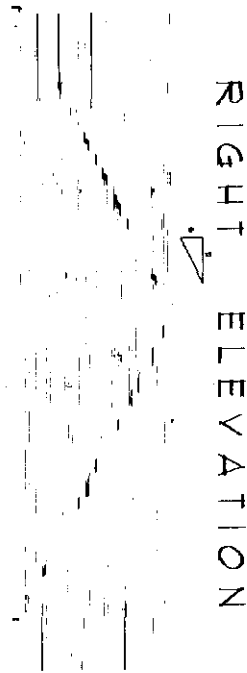
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Telephone: (509)545-3585 Fax: (509)546-5871

May 1, 2012

<http://www.co.franklin.wa.us>  
990@co.franklin.wa.us



## LEFT ELEVATION



## RIGHT ELEVATION

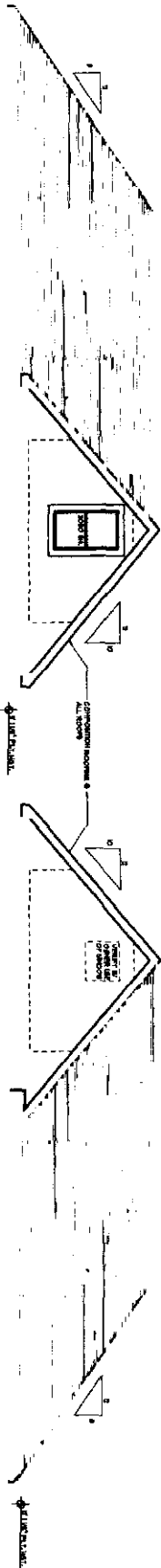


## FRONT ELEVATION



1/2" SCALE

## REAR ELEVATION



1/2" SCALE

## GENERAL NOTES

1. ALL WORK SHALL BE DONE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE BUILDING CODES AND SPECIFICATIONS.
2. ALL MATERIALS SHALL BE OF THE BEST QUALITY AND SHALL BE SUBMITTED FOR APPROVAL TO THE ARCHITECT PRIOR TO INSTALLATION.
3. ALL WORK SHALL BE DONE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE BUILDING CODES AND SPECIFICATIONS.
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## SHEET INDEX

1. ELEVATIONS & NOTES
2. FOUNDATION & FLOOR PLANS
3. ROOF & TRUSS PLAN

## SQUARE FOOTAGES

1. SHOP AREA - 1000 SQ. FT.
2. OFFICE FLOOR - 500 SQ. FT.

## RESPONSIBILITY OF THE BUILDING OWNER

THE BUILDING OWNER SHALL BE RESPONSIBLE FOR THE ACCURACY OF THE INFORMATION PROVIDED TO THE ARCHITECT AND FOR THE COMPLETION OF THE PROJECT. THE ARCHITECT SHALL BE RESPONSIBLE FOR THE DESIGN AND CONSTRUCTION OF THE BUILDING. THE BUILDING OWNER SHALL BE RESPONSIBLE FOR THE PAYMENT OF THE ARCHITECT'S FEES AND FOR THE OBTAINING OF THE NECESSARY PERMITS AND APPROVALS. THE BUILDING OWNER SHALL BE RESPONSIBLE FOR THE PROTECTION OF THE ADJACENT PROPERTIES AND FOR THE MAINTENANCE OF THE SITE DURING THE CONSTRUCTION OF THE BUILDING.

TEBAY SHOP BUILDING

DRAWN BY: C.D. LEE  
SCALE: 1/4" = 1'-0"  
DATE: 02/06/12  
REVISED:

OREGON  
WASHINGTON  
IDAHO

O.W.I.  
HOMES INC.  
6855 W. CLEARWATER AVE. SUITE N  
KENNEWICK, WASHINGTON 99336  
PHONE: (509) 331-8182  
FAX: (509) 331-8503

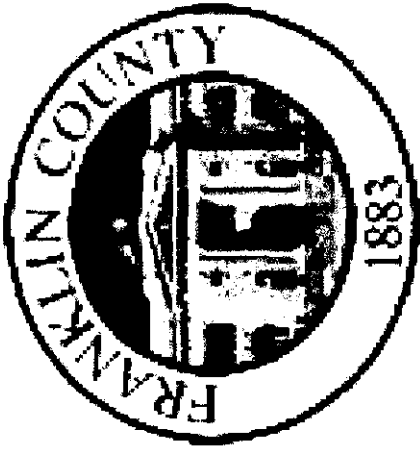
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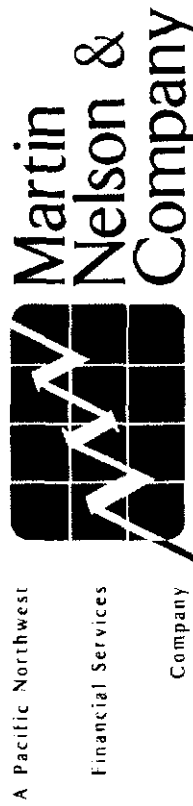
SHT. 1 ELEVATIONS

PRESENTATION TO



## FINANCING THE JAIL PROJECT AND COMPUTER COSTS

Presented by: Jim Nelson, Vice President & Senior Municipal Underwriter  
May 16, 2012 10:00 AM



Public Finance Department  
1500 Westlake Avenue North, Suite 200, Seattle, Washington 98109  
Phone: (206) 682-2763 or 1-888-342-6864  
Email: [JimNelson@MartinNelsonCo.com](mailto:JimNelson@MartinNelsonCo.com)

## SUMMARY

1. The 2012 Limited Tax General Obligation Bonds are funding the Jail Project and Computer Costs.
2. The County is timing the sale of the Limited Tax General Obligation Bonds near a historic low in interest rates.
3. The County was notified on April 24<sup>th</sup> that the underlying bond rating grade was re-affirmed at “A” with a “positive outlook”.
4. The Bonds are insured by Assured Guaranty Municipal (current rating is “AA-”).
5. The Net Borrowing Cost for the 30-year financing is 3.82%.



# SALES TAX ANALYSIS FOR THE JAIL PROJECT BONDS

*(local economist and Department of Revenue analyst agree that using the "6-year average" with a "no growth scenario" is a conservative estimate)*

## TAXABLE RETAIL SALES AND UNIT COUNT QUARTERLY TRENDS

As of April 6, 2012

Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total	2 Year Average	3 Year Average	4 Year Average	5 Year Average	6 Year Average	7 Year Average	8 Year Average
2011	232,124,612	259,774,819	0	0	0							
2010	222,066,272	258,043,128	244,745,880	239,729,600	964,584,880							
2009	199,551,346	238,700,510	250,301,573	231,865,522	906,000,037 <sup>(1)</sup>	935,292,459						
2008	257,041,456	300,658,790	268,977,477	225,424,478	1,052,102,201		974,229,039					
2007	221,173,963	285,775,285	276,331,188	273,724,026	1,057,004,462			994,922,895				
2006	199,975,123	239,420,354	252,976,409	237,827,654	930,199,540				981,978,224			
2005	201,664,743	231,897,892	227,563,455	202,238,825	863,364,915					962,209,339		
2004	180,394,043	221,831,408	221,904,100	204,965,111	829,094,662						943,192,957	
2003	165,220,788	197,867,609	197,405,094	174,314,052	734,807,543							917,144,780
2002	152,149,005	178,606,506	188,636,197	165,863,285	685,254,993							
2001	142,688,143	170,495,914	172,431,036	166,819,392	652,434,485							

(1) Spoke with Ray Phillen of the Department of Revenue, Ray explained the 2009 Total was adjusted and not reflected in the Department's historical reports. The 2009 Total changed from \$920,418,951 to \$906,000,037.

Source: Taxable Retail Sales and Unit Count for All Cities and Counties in Washington State By Calendar Year Comparison from the Washington State Department of Revenue. Department of Revenue analyst and local economist both agreed that using the "6-year average" with a future "no growth scenario" is very conservative. Using the 2010 Total of \$964,584,880 is similar to using the 6-year average above.

Department of Revenue estimates that Farm Equipment Sales account for 2.50% to 5.0% of all Taxable Retail Sales in Franklin County, we used 5.0% to be conservative.

Total Taxable Retail Sales	Less 5% Farm Equipmt	Adjusted Taxable Retail Sales	County 60% 1/10th for Jail related costs	County 60% 2/10th for Jail Bond Payments & related costs	County 60% 3/10th for Jail Bond & related costs
2010	964,584,880 (48,229,244)	916,355,636	549,813	1,099,627	1,649,440
2009	906,000,037 (45,300,002)	860,700,035	516,420	1,032,840	1,549,260
2008	1,052,102,201 (52,605,110)	999,497,091	599,698	1,199,397	1,799,095
<b>6-yr Avg.</b>	962,209,339 (48,110,467)	<b>914,098,872</b>	<b>548,459</b>	<b>1,096,919</b>	

May 16, 2012



*Martin Nelson & Co., Inc. - Providing Investment Banking Services to Municipalities.*

## Financing the Jail Project and Computer Costs

1	2	3	4	5	6
	<b>Assume</b>	[Local economist said using the 6yr Average is realistic.]			
	<b>2/10th of 1%</b>	[Also, the County has NOT assumed future growth in Taxable Retail Sales.]			
	<b>6-year Average</b>	Jail Project, 29.5-years			
	<b>Taxable Retail</b>	Fund \$19,000,000			
	<b>Sales figure of</b>	Payment Dates of Jan. 1 and July 1			
	<b>\$962,209,339</b>	[Column 2 minus Column 5]			
Year Ending (1/1 & 7/1 dates)	Principal	Interest	Debt Service	Surplus/(Deficit)	
2013	\$548,460	396,083	546,083	2,376	
2014	1,096,919	420,000	1,096,000	919	
2015	1,096,919	430,000	1,097,600	(681)	
2016	1,096,919	440,000	1,099,000	(2,081)	
2017	1,096,919	445,000	1,095,200	1,719	
2018	1,096,919	455,000	1,096,300	619	
2019	1,096,919	465,000	1,097,200	(281)	
2020	1,096,919	475,000	1,097,900	(981)	
2021	1,096,919	485,000	1,096,025	894	
2022	1,096,919	500,000	1,096,475	444	
2023	1,096,919	515,000	1,096,475	444	
2024	1,096,919	530,000	1,096,025	894	
2025	1,096,919	550,000	1,098,800	(1,881)	
2026	1,096,919	570,000	1,096,800	119	
2027	1,096,919	590,000	1,096,850	69	
2028	1,096,919	610,000	1,097,675	(756)	
2029	1,096,919	630,000	1,096,325	594	
2030	1,096,919	650,000	1,094,275	2,644	
2031	1,096,919	675,000	1,096,525	394	
2032	1,096,919	700,000	1,097,900	(981)	
2033	1,096,919	725,000	1,098,400	(1,481)	
2034	1,096,919	755,000	1,095,775	1,144	
2035	1,096,919	790,000	1,096,800	119	
2036	1,096,919	825,000	1,096,250	669	
2037	1,096,919	865,000	1,099,125	(2,206)	
2038	1,096,919	900,000	1,095,200	1,719	
2039	1,096,919	935,000	1,094,200	2,719	
2040	1,096,919	975,000	1,096,800	119	
2041	1,096,919	1,015,000	1,097,800	(881)	
2042	1,096,919	1,055,000	1,097,200	(281)	
<b>Totals:</b>	<b>\$ 19,125,000</b>	<b>\$13,227,983</b>	<b>\$ 32,352,983</b>	<b>\$</b>	<b>6,127</b>
<b>Net Borrowing Cost (30 Years):</b>		<b>3.86%</b>			
<b>Avg. Annual Payment (after 2013):</b>		<b>\$1,096,790</b>			



Financing the Jail Project and Computer Costs

**Jail Project, 29.5-years**      **Computer Costs, 12.5 years**

**Paid from General Fund, including public safety**      **Paid from the General Fund**

**sales tax increase for the next 30 years.**

**Fund \$19,000,000**      **Fund \$1,240,000**

**Payment Dates of Jan. 1 and July 1**      **Payment Dates of Jan. 1 and July 1**

Year Ending	Principal	Interest	Debt Service	Principal	Interest	Debt Service	Combined Debt Service
2013	150,000	396,083	546,083	-	18,572	18,572	564,655
2014	420,000	676,000	1,096,000	90,000	31,838	121,838	1,217,838
2015	430,000	667,600	1,097,600	90,000	30,038	120,038	1,217,638
2016	440,000	659,000	1,099,000	95,000	28,238	123,238	1,222,238
2017	445,000	650,200	1,095,200	95,000	26,338	121,338	1,216,538
2018	455,000	641,300	1,096,300	100,000	24,438	124,438	1,220,738
2019	465,000	632,200	1,097,200	100,000	22,438	122,438	1,219,638
2020	475,000	622,900	1,097,900	100,000	20,438	120,438	1,218,338
2021	485,000	611,025	1,096,025	105,000	17,938	122,938	1,218,963
2022	500,000	596,475	1,096,475	105,000	14,788	119,788	1,216,263
2023	515,000	581,475	1,096,475	110,000	11,638	121,638	1,218,113
2024	530,000	566,025	1,096,025	115,000	8,338	123,338	1,219,363
2025	550,000	548,800	1,098,800	115,000	4,600	119,600	1,218,400
2026	570,000	526,800	1,096,800	-	-	-	1,096,800
2027	590,000	506,850	1,096,850	-	-	-	1,096,850
2028	610,000	487,675	1,097,675	-	-	-	1,097,675
2029	630,000	466,325	1,096,325	-	-	-	1,096,325
2030	650,000	444,275	1,094,275	-	-	-	1,094,275
2031	675,000	421,525	1,096,525	-	-	-	1,096,525
2032	700,000	397,900	1,097,900	-	-	-	1,097,900
2033	725,000	373,400	1,098,400	-	-	-	1,098,400
2034	755,000	340,775	1,095,775	-	-	-	1,095,775
2035	790,000	306,800	1,096,800	-	-	-	1,096,800
2036	825,000	271,250	1,096,250	-	-	-	1,096,250
2037	865,000	234,125	1,099,125	-	-	-	1,099,125
2038	900,000	195,200	1,095,200	-	-	-	1,095,200
2039	935,000	159,200	1,094,200	-	-	-	1,094,200
2040	975,000	121,800	1,096,800	-	-	-	1,096,800
2041	1,015,000	82,800	1,097,800	-	-	-	1,097,800
2042	1,055,000	42,200	1,097,200	-	-	-	1,097,200
Totals	\$ 19,125,000	\$ 13,227,983	\$ 32,352,983	\$ 1,220,000	\$ 259,634	\$ 1,479,634	\$ 33,832,617
					2.54%		3.82%

Avg. Annual Payment (after 2013): \$1,096,790

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**BOND RATING CATEGORIES FOR INVESTMENT GRADE BONDS**

	<u>Standard &amp; Poor's</u>	<u>Moody's</u>	<u>Fitch's</u>
Highest Quality	AAA	Aaa	AAA
	AA+	Aa1	AA+
High Quality	AA	Aa2	AA
	AA-	Aa3	AA-
	A+	A1	A+
Upper Medium Grade	A	A2	A
	A-	A3	A-
	BBB+	Baa1	BBB+
Medium Grade	BBB	Baa2	BBB
	BBB-	Baa3	BBB-

**Key Factors for Franklin County's "A" rating grade with a "positive outlook"**

1. Growth in population and assessed value;
2. Fund Balance and reserves
3. New Financial Policy;
4. Experienced management in operating the County in an efficient manner; and
5. Strength of the Tri-Cities economy.

Special thanks to Fred Bowen, Josie Koelzer, Matt Beaton, Tom Westerman, Becky Mulkey, Robin Stanco and Jerrod MacPherson for participating in the conference call on April 16, 2012 with Standard & Poor's.



## Financing the Jail Project and Computer Costs

**SAVINGS SUMMARY WITH BOND INSURANCE***Combined \$20,240,000 for Jail Project and Computer Costs*

	Assume "AA-" Assured Guaranty Insured	Assume "A" Rated	NET SAVINGS
Principal	\$20,345,000	\$20,240,000	
Interest	\$13,487,618	\$14,009,236	
Total Debt Service	\$33,832,618	\$34,249,236	<b>\$416,618</b>
Average Interest Rate %	3.85%	4.00%	0.15%
True Interest Cost (TIC%)	3.82%	3.92%	<b>0.10%</b>
Present Value of Debt Service at TIC%:	3.92%	\$20,302,060	<b>\$252,312</b>

**Under current market conditions, which are subject to change, this analysis indicates that bond insurance is cost-effective.**

**The net present value savings in today's dollars is approximately \$252,000.**

[The cost of insurance (\$152,247 (45 bp)) and the rating fees (\$11,250), which are one-time up-front fees, are already included in the Net Savings calculations.]

*The net present value savings in today's dollars (approximately \$252,000) must be greater than the cost of bond insurance (\$152,247).*



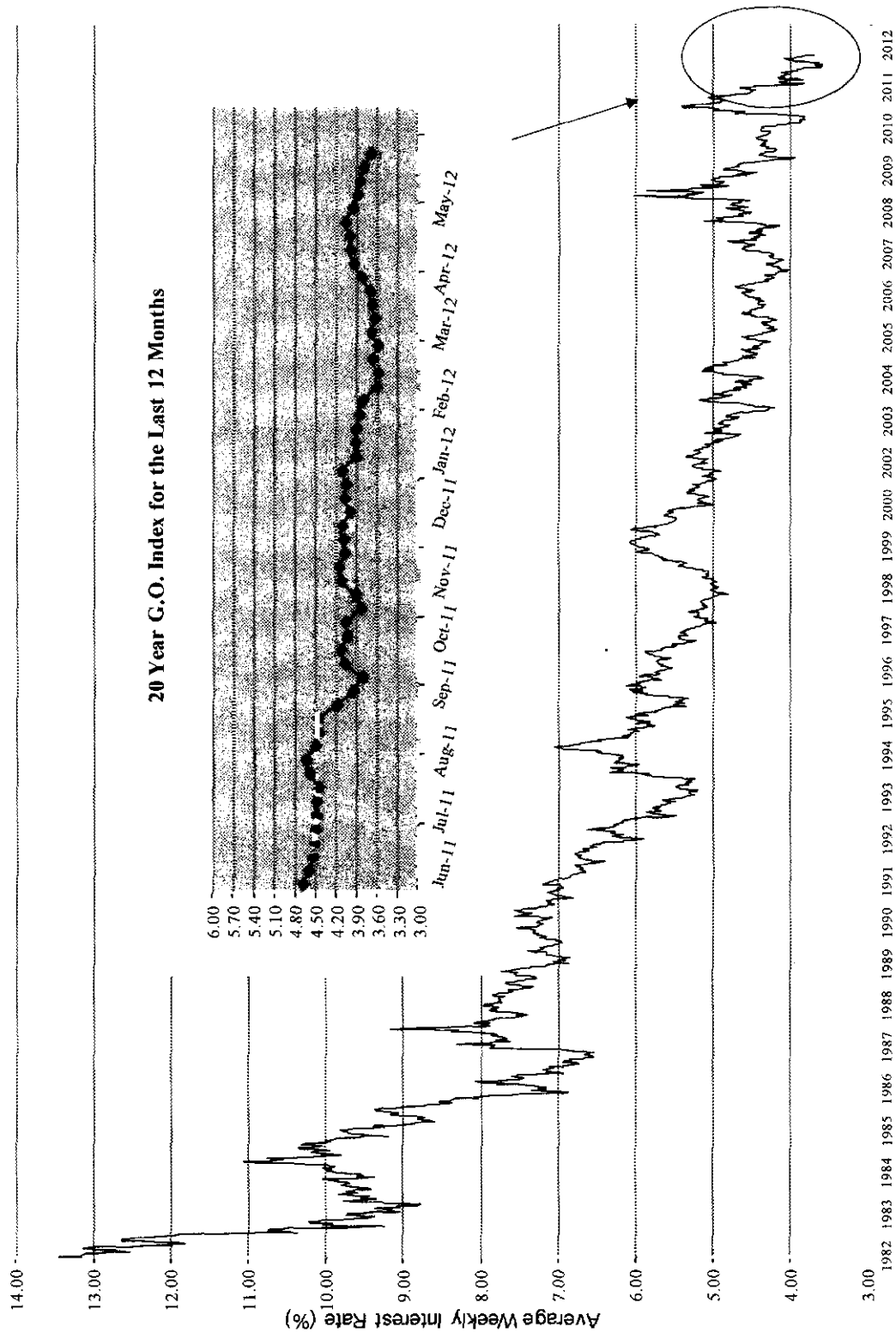
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Financing the Jail Project and Computer Costs

## BOND BUYER INDEX

01/01/82 thru 05/10/12

### 20-YEAR GENERAL OBLIGATION BOND INDEX\*



\*The 20 G.O. Index is made up of bond issues with a rating of "AA-" maturing in 20 years.



**Martin Nelson & Co., Inc.** - Providing Investment Banking Services to Municipalities.

## FRANKLIN COUNTY, WASHINGTON

## RESOLUTION NO. 2012-170

A RESOLUTION of the Board of County Commissioners of Franklin County, Washington, relating to contracting indebtedness; providing for the issuance of \$20,345,000 aggregate principal amount of limited tax general obligation bonds to pay costs of improvements to the County's courthouse and criminal justice facilities, costs of computer software, and costs of issuing said bonds; fixing the date, form, maturities, interest rates, terms and covenants of the bonds; creating and adopting certain funds and accounts; providing for bond insurance; approving the sale and providing for the delivery of the bonds to Martin Nelson & Company; and providing for other matters properly related thereto.

Adopted: May 16, 2012

*This document prepared by:*

*Foster Pepper PLLC  
West 422 Riverside Avenue, Suite 1310  
Spokane, Washington 99201  
(509) 777-1600*

## TABLE OF CONTENTS

	Page
Section 1 . Definitions.....	1
Section 2 . Recitals and Findings.....	3
Section 3 . Authorization and Description of Bonds .....	4
Section 4 . Bond Registrar; Registration and Transfer of Bonds.....	4
Section 5 . Form and Execution of Bonds .....	5
Section 6 . Payment of Bonds .....	6
Section 7 . Redemption Provisions and Open Market Purchase of Bonds .....	6
Section 8 . Pledge Securing Bonds .....	8
Section 9 . Tax Covenants .....	8
Section 10 . Refunding or Defeasance of the Bonds .....	8
Section 11 . Debt Service Account; Deposit of Bond Proceeds .....	9
Section 12 . Undertaking to Provide Continuing Disclosure.....	9
Section 13 . Official Statement .....	11
Section 14 . Approval of Bond Purchase Contract; Delivery of Bonds.....	12
Section 15 . Bond Insurance .....	12
Section 16 . General Authorization and Ratification .....	12
Section 17 . Severability .....	12
Section 18 . Effective Date of Resolution.....	13

Exhibit A – Maturity Schedule and Mandatory Redemption Schedule

Exhibit B – Post-Issuance Compliance Policies and Procedures for Tax-Exempt Bonds

## FRANKLIN COUNTY, WASHINGTON

## RESOLUTION NO. 2012-170

A RESOLUTION of the Board of County Commissioners of Franklin County, Washington, relating to contracting indebtedness; providing for the issuance of \$20,345,000 aggregate principal amount of limited tax general obligation bonds to pay costs of improvements to the County's courthouse and criminal justice facilities, costs of computer software, and costs of issuing said bonds; fixing the date, form, maturities, interest rates, terms and covenants of the bonds; creating and adopting certain funds and accounts; providing for bond insurance; approving the sale and providing for the delivery of the bonds to Martin Nelson & Company; and providing for other matters properly related thereto.

BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF FRANKLIN COUNTY, WASHINGTON, as follows:

Section 1. Definitions. The words and phrases set forth in this resolution with initial capitalization shall have the respective meanings ascribed to such words and phrases in this section unless the context clearly requires otherwise.

"Administrator" means the County's Administrator.

"Authorized Denomination" means \$5,000 or any integral multiple thereof within a maturity.

"Beneficial Owner" means the owner of any beneficial interests in the Bonds.

"Board" means the Board of County Commissioners.

"Bond Counsel" means Foster Pepper PLLC, attorneys, of Spokane, Washington, or such other firm of lawyers nationally recognized and accepted as bond counsel designated by the County.

"Bond Insurance Policy" means the insurance policy issued by the Bond Insurer insuring the payment when due of the principal of and interest on the Bonds.

"Bond Insurer" means Assured Guaranty Municipal Corp.

"Bond Purchase Contract" means the contract, dated the date hereof, presented by the Purchaser to purchase the Bonds.

"Bond Register" means the registration records of the County, maintained by the Bond Registrar, on which shall appear the names and addresses of the Registered Owners.

"Bond Registrar" means the fiscal agent of the State as the same may be designated by the State from time to time, currently The Bank of New York Mellon in New York, New York.

"Bonds" means the County's Limited Tax General Obligation Bonds, 2012, issued pursuant to and for the purposes provided in this resolution.

"Chairman" means the Chairman of the Board.

"Clerk" means the Clerk to the Board.

"Code" means the Internal Revenue Code of 1986, as amended, and any Treasury Regulations promulgated thereunder.

"County" means Franklin County, Washington, a public body corporate of the State.

"Debt Service Account" means the County's existing Limited Tax General Obligation Bond Debt Service Account maintained in the office of the Treasurer for the purpose of paying principal of and interest on the Bonds and all other non voted general obligation bonds of the County.

"DTC" means The Depository Trust Company, New York, New York.

"Issue Date" means the date of initial delivery of the Bonds to the Purchaser.

"Letter of Representations" means the Blanket Issuer Letter of Representations between the County and DTC, dated March 3, 1998, as it may be amended from time to time.

"MSRB" means the Municipal Securities Rulemaking Board.

"Owners" means, without distinction, the Registered Owner(s) and the Beneficial Owner(s).

"Project" means (i) the purchase of computer software; and (ii) the acquisition, construction, installation and equipping of improvements to the County's courthouse, criminal justice facilities and jail facilities.

"Project Fund" means the fund created pursuant to Section 11 of this resolution.

"Purchaser" means Martin Nelson & Company.

"RCW" means the Revised Code of Washington.

"Registered Owner" means the person in whose name a Bond is registered on the Bond Register. For so long as the County utilizes the book-entry system for the Bonds under the Letter of Representations, "Registered Owner" shall mean DTC.

"Rule 15c2-12" means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934, as amended.

"SEC" means the United States Securities and Exchange Commission.

"State" means the State of Washington.

"Term Bonds" means those Bonds maturing on January 1 in the years 2032, 2037 and 2042.

"Treasurer" means the Treasurer of the County.

"Undertaking" means the continuing disclosure agreement set forth in Section 12 of this resolution.

## Section 2. Recitals and Findings.

(a) The County is authorized to acquire, construct, operate and maintain correctional facilities pursuant to chapter 70.48 RCW. The County has retained architects to design improvements to the County's jail and criminal justice facilities that will comprise part of the Project, and is in the process of finalizing such plans and causing the specifications for such facilities to be prepared.

(b) The County currently imposes local sales and use taxes for various purposes pursuant to the authority granted to the County by chapter 82.14 RCW. Pursuant to RCW 82.14.450, the Board submitted a proposition to the County voters at the November 8, 2011, general election authorizing the County to increase the County's sales and use tax by an additional rate of three-tenths of one percent of the selling price (in the case of the sales tax), or value of the article used (in the case of the use tax), for the purposes of (i) improving public safety (including criminal gang suppression), (ii) expanding, operating and maintaining the County jail, the Pasco municipal courts, and the Pasco police department, and (iii) supporting other criminal justice and public safety purposes (*i.e.*, the "Sales Tax"). Such proposition was approved by a majority (*i.e.* 61.4%) of persons voting thereon. The Sales Tax was imposed pursuant to County Ordinance No. 7-11, will take effect on April 1, 2012, and will expire on April 1, 2042. Pursuant to RCW 82.14.450(6), money received by the County as proceeds of the Sales Tax shall be shared between the County and the cities within the County as follows: sixty percent (60%) shall be retained by the County and forty percent (40%) shall be distributed on a *per capita* basis to such cities. The County currently expects to use proceeds of the Sales Tax to pay that portion of the principal of and interest on the Bonds that is allocable to the costs of expanding the County jail and other capital costs of the County relating to criminal justice and public safety facilities.

(c) Chapter 36.67 RCW authorizes counties to contract indebtedness for general county purposes and issue bonds evidencing such indebtedness that are payable from annual tax levies and by any other money lawfully available and pledged therefor.

(d) The Board has determined to pay costs of the Project through the issuance and sale of the Bonds. The general indebtedness to be incurred by the issuance of the Bonds shall be within the limit of up to one and one-half percent (1½%) of the value of the taxable property within the County permitted for general municipal purposes without a vote of the qualified voters therein.



(e) The Bond Insurer has made a commitment to issue the Bond Insurance Policy, and the Board deems that the purchase of the Bond Insurance Policy is in the best interest of the County.

(f) The Purchaser has offered to purchase the Bonds under the terms and conditions hereinafter set forth and pursuant to the Bond Purchase Contract.

Section 3. Authorization and Description of Bonds. The County shall borrow money on the credit of the County and shall sell, issue and deliver negotiable limited tax general obligation bonds in the aggregate principal amount of \$20,345,000 evidencing that indebtedness. The Bonds shall be dated the Issue Date; shall be in Authorized Denominations; shall be numbered separately in the manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification and shall bear interest (computed on the basis of a 360-day year of twelve 30-day months), payable semiannually on each January 1 and July 1, commencing January 1, 2013, to the maturity or earlier redemption of the Bonds. The expected useful life of the Project exceeds the term of the Bonds. The cost of particular categories of the Project having a shorter reasonably expected useful life is allocated to Bonds having correspondingly earlier maturity dates.

The Bonds shall be designated as the County's "Limited Tax General Obligation Bonds, 2012;" shall be issued to pay costs of the Project; and shall mature on January 1 in years and amounts and bear interest at the rates *per annum* as set forth in Exhibit A, which is attached to this resolution and incorporated by this reference.

Section 4. Bond Registrar; Registration and Transfer of Bonds.

(a) Registration of Bonds. The Bonds shall be issued only in registered form as to both principal and interest and shall be recorded on the Bond Register.

(b) Bond Registrar. Pursuant to RCW 39.46.030(3)(a), the Treasurer has appointed the Bond Registrar. The Bond Registrar shall keep, or cause to be kept, sufficient books for the registration and transfer of the Bonds, which shall be open to inspection by the County at all times. The Bond Register shall contain the name and mailing address of the Registered Owner of each Bond and the principal amount and number of each of the Bonds held by each Registered Owner. The Bond Registrar is authorized, on behalf of the County, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of the Bonds and this resolution, to serve as the County's paying agent for the Bonds and to carry out all of the Bond Registrar's powers and duties under this resolution. The Bond Registrar shall be responsible for its representations contained in the Bond Registrar's Certificate of Authentication on the Bonds. The Bond Registrar may become an Owner of Bonds with the same rights it would have if it were not the Bond Registrar and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as members of, or in any other capacity with respect to, any committee formed to protect the rights of Beneficial Owners.

(c) Transfer and Exchange of Bonds. Bonds surrendered to the Bond Registrar may be exchanged for Bonds in any Authorized Denomination of an equal aggregate principal amount and of the same series, interest rate and maturity. Bonds may be transferred only if

endorsed in the manner provided thereon and surrendered to the Bond Registrar. Any exchange or transfer shall be without cost to the owner or transferee. The Bond Registrar shall not be obligated to exchange or transfer any Bond during the 15 days preceding any principal payment or redemption date.

(d) DTC and the Book Entry System. The Bonds initially shall be registered in the name of Cede & Co., as the nominee of DTC. The Bonds so registered shall be held in fully immobilized form by DTC as depository in accordance with the provisions of the Letter of Representations. Neither the County nor the Bond Registrar shall have any responsibility or obligation to DTC participants or the persons for whom they act as nominees with respect to the Bonds regarding accuracy of any records maintained by DTC or DTC participants of any amount in respect of principal of or interest on the Bonds, or any notice which is permitted or required to be given to Registered Owners hereunder (except such notice as is required to be given by the Bond Registrar to DTC).

For as long as any Bonds are held in fully immobilized form, DTC, its nominee or its successor depository shall be deemed to be the Registered Owner for all purposes hereunder and all references to registered owners, bondowners, bondholders or the like shall mean DTC or its nominee and, except for the purpose of the Undertaking herein to provide continuing disclosure, shall not mean the Beneficial Owners. Registered ownership of such Bonds, or any portions thereof, may not thereafter be transferred except: (i) to any successor of DTC or its nominee, if that successor shall be qualified under any applicable laws to provide the services proposed to be provided by it; (ii) to any substitute depository appointed by the County or such substitute depository's successor; or (iii) to any person if the Bonds are no longer held in immobilized form.

Upon the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository, or a determination by the County that it no longer wishes to continue the system of book entry transfers through DTC or its successor (or any substitute depository or its successor), the County may appoint a substitute depository. Any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it.

If (i) DTC or its successor (or substitute depository or its successor) resigns from its functions as depository, and no substitute depository can be obtained or (ii) the County determines that the Bonds are to be in certificated form, the ownership of Bonds may be transferred to any person as provided herein and the Bonds no longer shall be held in fully immobilized form.

Section 5. Form and Execution of Bonds. The Bonds shall be prepared in a form consistent with the provisions of this resolution and State law and shall be signed by the Chairman and Clerk, either or both of whose signatures may be manual or in facsimile, and the seal of the County or a facsimile reproduction thereof shall be impressed or printed thereon.

No Bond shall be valid or obligatory for any purpose, or entitled to the benefits of this resolution, unless the Bond bears a certificate of authentication manually signed by the Bond Registrar stating: "This Bond is one of the fully registered Franklin County, Washington,

Limited Tax General Obligation Bonds, 2012, described in the Bond Resolution." A minor deviation in the language of such certificate shall not void a certificate of authentication that otherwise is substantially in the form of the foregoing. The authorized signing of a certificate of authentication shall be conclusive evidence that the Bond so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this resolution.

If any officer whose manual or facsimile signature appears on the Bonds ceases to be an officer of the County authorized to sign bonds before the Bonds bearing his or her manual or facsimile signature are authenticated or delivered by the Bond Registrar or issued by the County, those Bonds nevertheless may be authenticated, issued and delivered and, when authenticated, issued and delivered, shall be as binding on the County as though that person had continued to be an officer of the County authorized to sign bonds. Any Bond also may be signed on behalf of the County by any person who, on the actual date of signing of the Bond, is an officer of the County authorized to sign bonds, although he or she did not hold the required office on the Issue Date.

Section 6.     Payment of Bonds. Both principal of and interest on the Bonds shall be payable in lawful money of the United States of America. For as long as the Bonds are registered in the name of DTC or its nominee, payment of principal of and interest on the Bonds shall be made in the manner set forth in the Letter of Representations. If the Bonds cease to be in book-entry-only form, interest on the Bonds shall be paid by checks or drafts of the Bond Registrar mailed on the interest payment date to the Registered Owners at the addresses appearing on the Bond Register on the 15th day of the month preceding the interest payment date or by electronic transfer on the interest payment date. The County shall not be required to make electronic transfers except to a Registered Owner of Bonds pursuant to a request in writing (and at the sole expense of that Registered Owner) received at least 10 days before an interest payment date. Principal of the Bonds shall be payable upon presentation and surrender of the Bonds, whether at maturity or earlier redemption, as applicable, by the Registered Owners to the Bond Registrar.

Section 7.     Redemption Provisions and Open Market Purchase of Bonds.

(a)     Optional Redemption. The Bonds maturing on or before January 1, 2022, shall be issued without the right or option of the County to redeem those Bonds prior to their stated maturity dates. The County reserves the right and option to redeem the Bonds maturing on or after January 1, 2023, prior to their stated maturity dates at any time on or after July 1, 2022, as a whole or in part (within one or more maturities selected by the County), at par plus accrued interest to the date fixed for redemption.

(b)     Mandatory Redemption. The Term Bonds, if not redeemed under the optional redemption provisions set forth above or purchased in the open market under the provisions set forth below, shall be called for redemption at par plus accrued interest on January 1 in years and amounts as set forth in Exhibit A. If the County redeems under the optional redemption provisions, purchases in the open market or defeases Term Bonds, the par amount of the Term Bonds so redeemed, purchased or defeased (irrespective of their actual redemption or purchase prices) shall be credited against one or more scheduled mandatory redemption amounts for those Term Bonds. The County shall determine the manner in which the credit is to be allocated and shall notify the Bond Registrar in writing of its allocation prior to the earliest mandatory

redemption date for that maturity of Term Bonds for which notice of redemption has not already been given.

(c) **Partial Redemption.** Portions of the principal amount of any Bond, in any Authorized Denomination, may be redeemed (but only to the extent those Bonds are otherwise subject to redemption). If less than all of the principal amount of any Bond is redeemed, upon surrender of that Bond to the Bond Registrar, there shall be issued to the Registered Owner, without charge, a new Bond (or Bonds, at the option of the Registered Owner) of the same maturity and interest rate in any Authorized Denomination in the aggregate principal amount remaining unredeemed.

(d) **Selection of Bonds for Redemption.** If fewer than all of the outstanding Bonds within a maturity are to be redeemed prior to maturity, Bonds shall be selected for redemption randomly within a maturity in such manner as the Bond Registrar shall determine. Notwithstanding the foregoing, for as long as the Bonds are registered in the name of DTC or its nominee, selection of Bonds for redemption shall be in accordance with the Letter of Representations.

(e) **Notice of Redemption.** While the Bonds are held by DTC in book-entry only form, any notice of redemption shall be given at the time, to the entity and in the manner required by DTC in accordance with the Letter of Representations, and the Bond Registrar shall not be required to give any other notice of redemption. If the Bonds cease to be in book-entry only form unless waived by any Registered Owner of the Bonds to be redeemed, the County shall cause any notice of redemption of Bonds to be given by the Bond Registrar not less than 20 nor more than 60 days prior to the date fixed for redemption by first-class mail, postage prepaid, to the Registered Owner of any Bond to be redeemed at the address appearing on the Bond Register at the time the Bond Registrar prepares the notice, and the requirements of this sentence shall be deemed to have been fulfilled when notice has been mailed as so provided, whether or not it is actually received by the Owner of any Bond. The County also shall cause notices of redemption to be provided to the MSRB, in the manner required by Section 12 of this resolution. In the case of an optional redemption, the notice may state that the County retains the right to rescind the redemption notice and the related optional redemption of Bonds by giving a notice of rescission to the affected Registered Owners at any time prior to the scheduled optional redemption date. Any notice of optional redemption that is so rescinded shall be of no effect, and the Bonds for which the notice of optional redemption has been rescinded shall remain outstanding.

(f) **Effect of Redemption.** Interest on Bonds called for redemption shall cease to accrue on the date fixed for redemption unless the Bond or Bonds called are not redeemed when presented pursuant to the call.

(g) **Failure To Redeem Bonds.** If any Bond is not redeemed when properly presented at its maturity or call date, as applicable, the County shall be obligated to pay interest on that Bond at the same rate provided in the Bond from and after its maturity or call date until that Bond, both principal and interest, is paid in full or until sufficient money for its payment in full is on deposit in the Debt Service Account and the Bond has been called for payment by giving notice of that call to the Registered Owner.

(h) **Open Market Purchase.** The County reserves the right to purchase any of the Bonds in the open market at any time and at any price.

Section 8. **Pledge Securing Bonds.** For as long as any of the Bonds are outstanding, the County irrevocably pledges to include in its budget and levy taxes annually, within the constitutional and statutory tax limitations applicable to taxes levied without a vote of the electors of the County, on all of the taxable property within the County in an amount sufficient, together with other money legally available and to be used therefor, to pay when due the principal of and interest on the Bonds. The full faith, credit and resources of the County are pledged irrevocably for the annual levy and collection of those taxes and the prompt payment of that principal and interest.

Section 9. **Tax Covenants.**

(a) **Preservation of Tax Exemption for Interest on Bonds.** The County covenants that it will take all actions necessary to prevent interest on the Bonds from being included in gross income for federal income tax purposes, and it will neither take any action nor make or permit any use of proceeds of the Bonds or other funds of the County treated as proceeds of the Bonds at any time during the term of the Bonds which will cause interest on the Bonds to be included in gross income for federal income tax purposes. The County also covenants that it will, to the extent the arbitrage rebate requirements of Section 148 of the Code are applicable to the Bonds, take all actions necessary to comply (or to be treated as having complied) with those requirements in connection with the Bonds, including the calculation and payment of any penalties that the County has elected to pay as an alternative to calculating rebatable arbitrage, and the payment of any other penalties if required under Section 148 of the Code to prevent interest on the Bonds from being included in gross income for federal income tax purposes.

(b) **Compliance Policies.** The Board hereby adopts the post-issuance compliance policies and procedures for tax-exempt bonds attached hereto as Exhibit B in connection with the Bonds and the County's other tax-exempt obligations.

Section 10. **Refunding or Defeasance of the Bonds.** The County may issue refunding bonds pursuant to the laws of the State or use money available from any other lawful source to pay when due the principal of and interest on the Bonds, or any portion thereof included in a refunding or defeasance plan, and to redeem and retire, refund or defease such then-outstanding Bonds (hereinafter collectively called the "defeased Bonds") and to pay the costs of the refunding or defeasance. If money and/or "government obligations" (as defined in chapter 39.53 RCW, as now or hereafter amended) maturing at a time or times and bearing interest in amounts (together with money, if necessary) sufficient to redeem and retire, refund or defease the defeased Bonds in accordance with their terms are set aside in a special trust fund or escrow account irrevocably pledged to that redemption, retirement or defeasance of defeased Bonds (hereinafter called the "trust account"), then all right and interest of the Owners of the defeased Bonds in the covenants of this resolution and in the funds and accounts obligated to the payment of the defeased Bonds shall cease and become void. The Owners of defeased Bonds shall have the right to receive payment of the principal of and interest on the defeased Bonds from the trust account. The County shall include in the refunding or defeasance plan such provisions as the County deems necessary for the random selection of any defeased Bonds that constitute less than

all of a particular maturity of the Bonds, for notice of the defeasance to be given to the owners of the defeased Bonds and to such other persons as the County shall determine, and for any required replacement of Bond certificates for defeased Bonds. The defeased Bonds shall be deemed no longer outstanding, and the County may apply any money in any other fund or account established for the payment or redemption of the defeased Bonds to any lawful purposes as it shall determine.

If the Bonds are registered in the name of DTC or its nominee, notice of any defeasance of Bonds shall be given to DTC in the manner prescribed in the Letter of Representations for notices of redemption of Bonds.

**Section 11.** Debt Service Account; Deposit of Bond Proceeds.

(a) All taxes collected for and allocated to the payment of the principal of and interest on the Bonds shall be deposited in the Debt Service Account. Until needed to pay principal of and interest on the Bonds, the County may invest money in the Debt Service Account temporarily in any legal investment, and the investment earnings shall be retained in the Debt Service Account and be spent for the purposes of that fund.

(b) There is hereby created and established in the office of the Treasurer a special fund (the "Project Fund") into which the County shall deposit the net Bond proceeds received from the sale of the Bonds, and from which the County shall pay costs of the Project and the costs of issuance and sale of the Bonds. Until needed to pay such costs, the County may invest money in the Project Fund temporarily in any legal investment, and the investment earnings shall be retained in the Project Fund and be spent for the purposes of that fund. The Project Fund shall be held separate and apart from other County funds.

**Section 12.** Undertaking to Provide Continuing Disclosure. To meet the requirements of paragraph (b)(5) of Rule 15c2-12, as applicable to a participating underwriter for the Bonds, the County makes the following written Undertaking for the benefit of holders of the Bonds:

(a) Undertaking to Provide Annual Financial Information and Notice of Listed Events. The County undertakes to provide or cause to be provided, either directly or through a designated agent, to the MSRB, in an electronic format as prescribed by the MSRB, accompanied by identifying information as prescribed by the MSRB:

(i) Annual financial information and operating data of the type included in the final official statement for the Bonds and described in subsection (b) of this section ("annual financial information");

(ii) Timely notice (not in excess of ten business days after the occurrence of the event) of the occurrence of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notice of Proposed Issue (IRS Form 5701 – TEB) or other material notices or determinations with respect to the tax

status of the Bonds; (7) modifications to rights of holders of the Bonds, if material; (8) bond calls (other than scheduled mandatory redemptions of Term Bonds), if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the County, as such "Bankruptcy Events" are defined in Rule 15c2-12; (13) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (14) appointment of a successor or additional trustee or the change of name of a trustee, if material.

(iii) Timely notice of a failure by the County to provide required annual financial information on or before the date specified in subsection (b) of this section.

(b) Type of Annual Financial Information Undertaken to be Provided. The annual financial information that the County undertakes to provide in subsection (a) of this section:

(i) Shall consist of (1) annual financial statements prepared (except as noted in the financial statements) in accordance with generally accepted accounting principles applicable to governmental units, as such principles may be changed from time to time and as permitted by State law, which statements shall not be audited, except, however, that if and when audited financial statements are otherwise prepared and available to the County they will be provided; (2) a statement of authorized, issued and outstanding general obligation debt of the County; (3) the assessed value of the property within the County subject to *ad valorem* taxation; and (4) *ad valorem* tax levy rates and amounts, and percentage of taxes collected;

(ii) Shall be provided not later than the last day of the ninth month after the end of each fiscal year of the County (currently, a fiscal year ending December 31), as such fiscal year may be changed as required or permitted by State law, commencing with the County's fiscal year ending December 31, 2012; and

(iii) May be provided in a single or multiple documents, and may be incorporated by specific reference to documents available to the public on the Internet website of the MSRB or filed with the SEC.

(c) Amendment of Undertaking. The Undertaking is subject to amendment after the primary offering of the Bonds without the consent of any holder of any Bond, or of any broker, dealer, municipal securities dealer, participating Purchaser, rating agency or the MSRB, under the circumstances and in the manner permitted by Rule 15c2-12. The County will give notice to the MSRB of the substance (or provide a copy) of any amendment to the Undertaking and a brief statement of the reasons for the amendment. If the amendment changes the type of annual financial information to be provided, the annual financial information containing the amended financial information will include a narrative explanation of the effect of that change on the type of information to be provided.

(d) Beneficiaries. The Undertaking evidenced by this section shall inure to the benefit of the County and any Beneficial Owner of Bonds, and shall not inure to the benefit of or create any rights in any other person.

(e) **Termination of Undertaking.** The County's obligations under this Undertaking shall terminate upon the legal defeasance of all of the Bonds. In addition, the County's obligations under this Undertaking shall terminate if those provisions of Rule 15c2-12 which require the County to comply with this Undertaking become legally inapplicable in respect of the Bonds for any reason, as confirmed by an opinion of Bond Counsel or other counsel familiar with federal securities laws delivered to the County, and the County provides timely notice of such termination to the MSRB.

(f) **Remedy for Failure to Comply with Undertaking.** As soon as practicable after the County learns of any failure to comply with the Undertaking, the County will proceed with due diligence to cause such noncompliance to be corrected. No failure by the County or other obligated person to comply with the Undertaking shall constitute a default in respect of the Bonds. The sole remedy of any Beneficial Owner of a Bond shall be to take such actions as that Beneficial Owner deems necessary, including seeking an order of specific performance from an appropriate court, to compel the County or other obligated person to comply with the Undertaking.

(g) **Designation of Official Responsible to Administer Undertaking.** The Administrator (or such other officer of the County who may in the future perform the duties of that office) or his or her designee is authorized and directed in his or her discretion to take such further actions as may be necessary, appropriate or convenient to carry out the Undertaking of the County in respect of the Bonds set forth in this section and in accordance with Rule 15c2-12, including, without limitation, the following actions:

(i) Preparing and filing the annual financial information undertaken to be provided;

(ii) Determining whether any event specified in subsection (a) has occurred, assessing its materiality, where necessary, with respect to the Bonds, and preparing and disseminating any required notice of its occurrence;

(iii) Determining whether any person other than the County is an "obligated person" within the meaning of Rule 15c2-12 with respect to the Bonds, and obtaining from such person an undertaking to provide any annual financial information and notice of listed events for that person in accordance with Rule 15c2-12;

(iv) Selecting, engaging and compensating designated agents and consultants, including but not limited to financial advisors and legal counsel, to assist and advise the County in carrying out the Undertaking; and

(v) Effecting any necessary amendment of the Undertaking.

**Section 13. Official Statement.** The County has been provided with copies of a preliminary official statement dated May 4, 2012, prepared in connection with the sale of the Bonds (the "Preliminary Official Statement"). For the sole purpose of the Purchaser's compliance with paragraph (b)(1) of Rule 15c2-12, the County "deems final" that Preliminary Official Statement as of its date, except for the omission of information permitted to be omitted by Rule 15c2-12 and ratifies the distribution by the Purchaser of that preliminary official statement to potential purchasers of the Bonds.



The County authorizes and approves the preparation, execution by the Chairman and delivery to the Purchaser of a final official statement for the Bonds, in the form of the Preliminary Official Statement, with such modifications and amendments thereto as shall be deemed necessary or desirable by the County. The County authorizes and approves the distribution by the Purchaser of that final official statement to potential purchasers and purchasers of the Bonds.

Section 14. Approval of Bond Purchase Contract; Delivery of Bonds. The Purchaser has presented the Bond Purchase Contract to the County offering to purchase the Bonds under the terms and conditions provided in the Bond Purchase Contract, which written Bond Purchase Contract is on file with the Clerk and is incorporated herein by this reference. The Board finds that entering into the Bond Purchase Contract is in the County's best interest and accepts the offer contained therein and authorizes its execution by either the Chairman or the Clerk. The Bonds will be printed at County expense and will be delivered to the Purchaser in accordance with the Bond Purchase Contract, with the approving legal opinion of Bond Counsel, regarding the Bonds.

Section 15. Bond Insurance. The Board finds that it is in the County's best interest to purchase, and that a savings will result from purchasing, the Bond Insurance Policy for the Bonds. The County is hereby authorized to purchase from the Bond Insurer the Bond Insurance Policy insuring the prompt payment of the principal of and interest on the Bonds and agrees to the conditions for obtaining that policy, including the payment of the premium therefor. The Chairman and the Administrator are hereby severally authorized to execute the Bond Insurer's Municipal Bond Insurance Commitment and all other documents on behalf of the County in connection with the Bond Insurance Policy.

Section 16. General Authorization and Ratification. The Chairman, the Clerk, the Treasurer, the Administrator and other appropriate officers of the County are severally authorized and directed to take any actions and to execute documents as in their judgment may be necessary or desirable to carry out the terms of, and complete the transactions contemplated by, this resolution and the Bond Purchase Contract (including everything necessary for the prompt delivery of the Bonds to the Purchaser and for the proper application, use and investment of the proceeds of the sale thereof), and all actions heretofore taken in furtherance thereof and not inconsistent with the terms of this resolution are ratified and confirmed in all respects.

Section 17. Severability. The provisions of this resolution are declared to be separate and severable. If a court of competent jurisdiction, all appeals having been exhausted or all appeal periods having run, finds any provision of this resolution to be invalid or unenforceable as to any person or circumstance, such offending provision shall, if feasible, be deemed to be modified to be within the limits of enforceability or validity. However, if the offending provision cannot be so modified, it shall be null and void with respect to the particular person or circumstance, and all other provisions of this resolution in all other respects, and the offending provision with respect to all other persons and all other circumstances, shall remain valid and enforceable.

Section 18. Effective Date of Resolution. This resolution shall become effective immediately upon its adoption.

ADOPTED by the Board of County Commissioners of Franklin County, Washington, at a regular meeting thereof, this 16<sup>th</sup> day of May, 2012.

BOARD OF COUNTY COMMISSIONERS  
FRANKLIN COUNTY, WASHINGTON



Brad Peck, Chairman

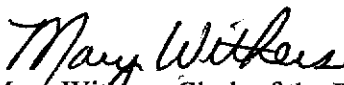


Rick Miller, Chair Pro Tem



Robert E. Koch, Member

ATTEST:



Mary Withers, Clerk of the Board

(SEAL)

**EXHIBIT A****Maturity Schedule:**

Maturity Years (January 1)	Amounts	Interest Rates	Maturity Years (January 1)	Amounts	Interest Rates
2013	\$150,000	2.00%	2024	\$ 645,000	3.25%
2014	510,000	2.00	2025	665,000	4.00
2015	520,000	2.00	2026	570,000	3.50
2016	535,000	2.00	2027	590,000	3.25
2017	540,000	2.00	***	***	***
2018	555,000	2.00	2032	3,265,000	3.50
2019	565,000	2.00	***	***	***
2020	575,000	2.50	2037	3,960,000	4.50
2021	590,000	3.00	***	***	***
2022	605,000	3.00	2042	4,880,000	4.00
2023	625,000	3.00			

**Mandatory Redemption Schedule:**

2032 Term Bonds		2037 Term Bonds		2042 Term Bonds	
Mandatory Redemption Years	Mandatory Redemption Amounts	Mandatory Redemption Years	Mandatory Redemption Amounts	Mandatory Redemption Years	Mandatory Redemption Amounts
2028	\$610,000	2033	\$725,000	2038	\$ 900,000
2029	630,000	2034	755,000	2039	935,000
2030	650,000	2035	790,000	2040	975,000
2031	675,000	2036	825,000	2041	1,015,000
2032*	700,000	2037*	865,000	2042*	1,055,000

\*Maturity.

**EXHIBIT B****Franklin County, Washington  
Post-Issuance Compliance Policies and Procedures for Tax-Exempt Bonds**

1. **Purpose.** The purpose of these post-issuance compliance policies and procedures ("Compliance Policy") for tax-exempt bonds issued by Franklin County, Washington (the "County") is to ensure that the County will be in compliance with requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied with respect to tax-exempt bonds and other obligations ("bonds") after the bonds are issued so that interest on the bonds will be and remain tax-exempt.

2. **Responsibility for Monitoring Post-Issuance Tax Compliance.** The Board of County Commissioners has the overall, final responsibility for monitoring whether the County is in compliance with post-issuance federal tax requirements for the County's tax-exempt bonds. However, the Board of County Commissioners assigns to the County Treasurer (the "Treasurer") the primary operating responsibility to monitor the County's compliance with post-issuance federal tax requirements for the County's tax-exempt bonds.

3. **Arbitrage Yield Restriction and Rebate Requirements.** The Treasurer shall maintain or cause to be maintained records of:

(a) purchases and sales of investments made with bond proceeds (including amounts treated as "gross proceeds of bonds under section 148 of the Code) and receipts of earnings on those investments;

(b) expenditures made with bond proceeds (including investment earnings on bond proceeds) for the governmental purposes of the bonds, such as for the costs of purchasing, constructing and/or renovating property and facilities;

(c) information showing, where applicable for a particular calendar year, that the County was eligible to be treated as a "small issuer" in respect of bonds issued in that calendar year because the County did not reasonably expect to issue more than \$5,000,000 of tax-exempt bonds in that calendar year;

(d) calculations that will be sufficient to demonstrate to the Internal Revenue Service ("IRS") upon an audit of a bond issue that, where applicable, the County has complied with an available spending exception to the arbitrage rebate requirement in respect of that bond issue;

(e) calculations that will be sufficient to demonstrate to the IRS upon an audit of a bond issue for which no exception to the arbitrage rebate requirement was applicable that the rebate amount, if any, that was payable to the United States of America in respect of investments made with gross proceeds of that bond issue was calculated and timely paid with Form 8038-T timely filed with the IRS; and

(f) information and records showing that investments held in yield-restricted advance refunding or defeasance escrows for bonds, and investments made with unspent bond proceeds after the expiration of the applicable temporary period, were not invested in higher-yielding investments.

4. **Restrictions on Private Business Use and Private Loans.** The Treasurer shall educate and inform the heads of those departments of the County (the "users") for which land, buildings, facilities and equipment ("property") are financed with proceeds of tax-exempt bonds about the restrictions on private

business use that apply to that property after the bonds have been issued, and of the restriction on the use of proceeds of tax-exempt bonds to make or finance any loan to any person other than a state or local government unit.

In particular, following the issuance of bonds for the financing of property, the Treasurer shall provide to the users of the property (other than members of the general public, to the extent they have no contract or special legal entitlement to use the property) a copy of this Compliance Policy and other appropriate written guidance advising that:

(a) "private business use" means use by any person other than a state or local government unit, including business corporations, partnerships, limited liability companies, associations, nonprofit corporations, natural persons engaged in trade or business activity, and *the United States of America and any federal agency*, as a result of ownership of the property or use of the property under a lease, management or service contract (except for certain "qualified" management or service contracts), output contract for the purchase of electricity or water, privately sponsored research contract (except for certain "qualified" research contracts), "naming rights" contract, "public-private partnership" arrangement, or any similar use arrangement that provides special legal entitlements for the use of the bond-financed property;

(b) under section 141 of the Code, no more than 10% of the proceeds of any tax-exempt bond issue (including the property financed with the bonds) may be used for private business use, of which no more than 5% of the proceeds of the tax-exempt bond issue (including the property financed with the bonds) may be used for any "unrelated" private business use—that is, generally, a private business use that is not functionally related to the governmental purposes of the bonds; and no more than the lesser of \$5,000,000 or 5% of the proceeds of a tax-exempt bond issue may be used to make or finance a loan to any person other than a state or local government unit;

(c) before entering into any special use arrangement with a nongovernmental person that involves the use of bond-financed property, the County user must consult with the Treasurer, provide the Treasurer with a description of the proposed nongovernmental use arrangement, and determine whether that use arrangement, if put into effect, will be consistent with the restrictions on private business use of the bond-financed property;

(d) in connection with the evaluation of any proposed nongovernmental use arrangement, the Treasurer should consult with nationally recognized bond counsel to the County as may be necessary to obtain federal tax advice on whether that use arrangement, if put into effect, will be consistent with the restrictions on private business use of the bond-financed property, and, if not, whether any "remedial action" permitted under section 141 of the Code may be taken by the County as a means of enabling that use arrangement to be put into effect without adversely affecting the tax-exempt status of the bonds that financed the property; and

(e) the Treasurer and the County user of the property shall maintain records of such nongovernmental uses, if any, of bond-financed property, including copies of the pertinent leases, contracts or other documentation, and the related determination that those nongovernmental uses are not inconsistent with the tax-exempt status of the bonds that financed the property.

5. Records to be Maintained for Tax-Exempt Bonds. It is the policy of the County that, unless otherwise permitted by future IRS regulations or other guidance, written records (which may be in electronic form) will be maintained with respect to each County bond issue for as long as those bonds remain outstanding, plus three years. For this purpose, the bonds include refunding bonds that refund the original bonds and thereby refinance the property that was financed by the original bonds.

The records to be maintained are to include:

- (a) the official Transcript of Proceedings for the original issuance of the bonds;
- (b) records showing how the bond proceeds were invested, as described in 3(a) above;
- (c) records showing how the bond proceeds were spent, as described in 3(b) above, including property purchase and construction contracts, progress payment requests, invoices, cancelled checks, payment of bond issuance costs, and records of "allocations" of bond proceeds to make reimbursement for project expenditures made before the bonds were actually issued;
- (d) information, records and calculations showing that, with respect to each bond issue, the County was eligible for the "small issuer" exception or one of the spending exception to the arbitrage rebate requirement or, if not, that the rebate amount, if any, that was payable to the United States of America in respect of investments made with gross proceeds of that bond issue was calculated and timely paid with Form 8038-T timely filed with the IRS, as described in 3(c), (d) and (e) above; and
- (e) records showing that special use arrangements, if any, affecting bond-financed property made by the County with nongovernmental persons, if any, are consistent with applicable restrictions on private business use of property financed with proceeds of tax-exempt bonds and restrictions on the use of proceeds of tax-exempt bonds to make or financed loans to any person other than a state or local government unit, as described in 4 above.

The basic purpose of the foregoing record retention policy for the County's tax-exempt bonds is to enable the County to readily demonstrate to the IRS upon an audit of any tax-exempt bond issue that the County has fully complied with all federal tax requirements that must be satisfied after the issue date of the bonds so that interest on those bonds continues to be tax-exempt under section 103 of the Code.

6. Education Policy With Respect to Federal Tax Requirements for Tax-Exempt Bonds. It is the policy of the County that the Treasurer and the heads of those County departments for which land, buildings, facilities and equipment are financed with proceeds of tax-exempt bonds should be provided with education and training on federal tax requirements applicable to tax-exempt bonds. The County recognizes that such education and training is vital as a means of ensuring that the County remains in compliance with those federal tax requirements in respect of its bonds. The County therefore will enable and encourage, to the extent the County can afford to do so, those personnel to attend and participate in the educational and training programs offered by, among others, the Washington Municipal Treasurers Association and the Washington Finance Officers Association with regard to the federal tax requirements applicable to tax-exempt bonds.

**CERTIFICATION**


I, Mary Withers, Clerk of the Board of County Commissioners (the "Board") of Franklin County, Washington (the "County"), hereby certify as follows:

1. The foregoing Resolution No. 2012-170 (the "Resolution") is a full, true and correct copy of the Resolution duly adopted at a regular meeting of the Board held at the regular meeting place thereof on May 16, 2012, as that Resolution appears on the minute book of the County; and

2. A quorum was present throughout the meeting and a majority of members of the Board voted in the proper manner for the adoption of the Resolution, and the Resolution is now in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the County on May 16, 2012.

FRANKLIN COUNTY, WASHINGTON

  
Mary Withers

Clerk of the Board of County Commissioners

(SEAL)

A Pacific Northwest  
Financial Services  
Company



May 16, 2012

Honorable Board of County Commissioners  
1016 North Fourth Avenue  
Pasco, Washington 99301

Re: Franklin County, Washington  
\$20,345,000 Limited Tax General Obligation Bonds, 2012  
Dated: June 1, 2012

Honorable Commissioners:

Martin Nelson & Co., Inc. ("Purchaser") offers to purchase from Franklin County, Washington ("Seller") all of the above-described bonds (the "Bonds"), on the terms and with the covenants, representations and warranties set forth below and contained in Appendices A and B (collectively the "Contract of Purchase"). These appendices are incorporated into this Contract of Purchase by reference, and contain a brief description of the Bonds, including principal amounts, maturities, interest rates, purchase price, and the proposed date and place of delivery and payment (the "Closing").

Each of the undersigned signatory parties represents and warrants that such party has been duly authorized and directed to execute and deliver this Contract of Purchase and to act hereunder on behalf of their respective party and that each such party has full authority to take such action as such party may deem advisable in respect of all matters relating to this Contract of Purchase.

The primary role of Martin Nelson & Co., Inc., as Purchaser, is to purchase the Bonds, for resale to investors, in an arm's-length commercial transaction with the Seller. Martin Nelson & Co., Inc., as Purchaser, has financial and other interests that differ from those of the Seller.

Other provisions of this Contract of Purchase are as follows:

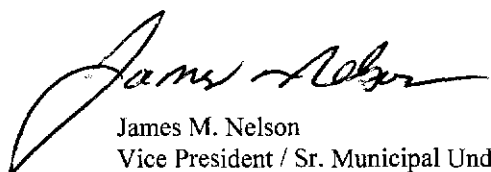
1. Prior to the Closing, Seller will approve the preliminary official statement regarding the Bonds, dated May 4, 2012 (the "Preliminary Official Statement"), with such changes as are requested by the Seller and the Bond Counsel firm of Foster Pepper PLLC of Spokane, Washington ("Bond Counsel"), and will have adopted a bond resolution authorizing the issuance of the Bonds (the "Bond Resolution"). The Purchaser is authorized by Seller to use these documents and the information contained therein in connection with the public offering of the Bonds and the final official statement in connection with the sale and delivery of the Bonds (the "Final Official Statement").
2. Seller, to the best of its knowledge, represents and covenants to the Purchaser that:
  - (a) it has, as of this date, and will have at the Closing, the power and authority to enter into and perform this Contract of Purchase, to adopt the Bond Resolution and to deliver and sell the Bonds to the Purchaser;
  - (b) this Contract of Purchase and the Bonds do not and will not conflict with, or constitute or create a breach of or default under, any existing law, regulation, order or agreement to which Seller is subject;



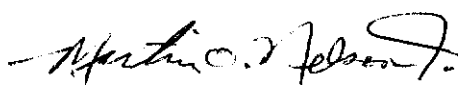
- (c) no governmental approval or authorization other than those that will be obtained prior to Closing, is required in connection with the sale of the Bonds to the Purchaser;
  - (d) the Preliminary Official Statement (except for information concerning The Depository Trust Company ("DTC"), DTC's Book-Entry System, The Bank of New York Mellon, and the Purchaser) with corrections, if any, by the Seller and Bond Counsel, as of its date and, except as to matters corrected or added in the Final Official Statement, as of the Closing, will be accurate and complete in all material respects to the knowledge and belief of the officers and employees of the Seller responsible for the issuance of the Bonds, after due review;
  - (e) the Seller has previously provided the Purchaser with a copy of the Preliminary Official Statement; and
  - (f) the Seller agrees to cooperate with the Purchaser to permit the Purchaser to deliver or cause to be delivered, within seven business days after any final agreement to purchase, offer, or sell the Bonds and in sufficient time to accompany any confirmation that requests payment from any customer of the Purchaser, copies of the Final Official Statement in sufficient quantity to comply with the rules of the Municipal Securities Rulemaking Board ("MSRB"). The Purchaser agrees to deliver three copies of the Final Official Statement to the MSRB on the business day on which the Final Official Statement is available, and in any event no later than seven business days after the date hereof.
3. Seller will pay expenses related to the issuance and sale of the Bonds, including the fees and expenses of the Bond Counsel, expenses associated with any rating agency and fees and expenses of the Purchaser associated with the issuance and registration of the Bonds, including CUSIP and DTC fees as well as the cost of printing and distributing the Preliminary and Final Official Statements. The Purchaser shall pay the costs of qualifying the Bonds for sale in the various states chosen by the Purchaser and all other expenses incurred by the Purchaser in connection with the public offering and distribution of the Bonds.
4. This Contract of Purchase is intended to benefit only the parties hereto, and Seller's representations and warranties shall survive any investigation made by or for the Purchaser, delivery and payment for the Bonds, and the termination of this Contract of Purchase. Should the Seller fail to satisfy any of the foregoing conditions or covenants, or if the Purchaser's obligations are terminated for any reasons permitted under this Contract of Purchase, then neither the Purchaser nor the Seller shall have any further obligations under this Contract of Purchase.
5. At or prior to the Closing, Seller will deliver, make available to the Purchaser or have adopted:
- (a) The Bonds, in book-entry form only in the name of Cede & Co., as bond owner and nominee for DTC;
  - (b) A certificate from an authorized officer of the Seller, in form and substance acceptable to the Seller and the Purchaser, stating that execution of such certificate shall constitute execution of the Final Official Statement, and to the knowledge and belief of such officer, after due review, the Final Official Statement, as of its date and as of the Closing (except that in no event will any representation be made with respect to information concerning the Purchaser, The Bank of New York Mellon, or DTC), does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which made, not misleading in any material respect, that there has not been any material adverse change in the normal operations or financial condition of the Seller, since the date of the Final Official Statement, and that the representations of the Seller contained in this Contract of Purchase were true and correct when made and are true and correct as of the Closing;
  - (c) The approving opinion of Bond Counsel, in substantially the form set forth in Appendix A of the Final Official Statement, dated the Closing Date;

- (d) The following documents executed by an authorized officer of the Seller:
- (1) A certificate, dated the day of the Closing to the effect that no litigation or other proceedings are pending or, to the knowledge of Seller, threatened in any way affecting the issuance, sale or delivery of, or security for, any of the Bonds; and
  - (2) A certified copy of the Bond Resolution.
- (e) The Bond Resolution includes a written agreement or contract, constituting an undertaking (the "Undertaking") to provide ongoing disclosure about the Seller for the benefit of the owners of the Bonds pursuant to Section (b)(5) of Securities and Exchange Commission Rule 15c2-12.
6. This offer expires on the date, and at the time, set forth in Appendix A.
  7. The Purchaser agrees to comply with all applicable laws and regulations governing the underwriting of the Bonds.
  8. This Contract of Purchase may not be changed or terminated orally. All understandings and agreements previously existing between the Seller and the Purchaser, if any, are merged into this Contract of Purchase, which alone fully expresses the agreement of the parties. The Purchaser may not assign its interest in this Contract of Purchase to any other party without the written permission of the Seller. This Contract of Purchase is made solely for the benefit of the parties (including the successor of the Purchaser) and no other person shall acquire or have any right hereunder or by virtue hereof.
  9. The Purchaser represents that it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and it is licensed by and registered with the Financial Industry Regulatory Authority as a broker-dealer and with the MSRB as a municipal bonds dealer.
  10. The Purchaser shall execute and deliver on the closing date an issue price or similar certificate, in form and substance reasonably satisfactory to the Seller and Bond Counsel, (i) confirming the initial reoffering prices ("Initial Reoffering Prices") at which each maturity of the Bonds was reasonably expected on the sale date to be sold to the public, exclusive of bond houses, brokers, and similar persons or organizations acting in the capacity of underwriters or wholesalers ("Public Buyers"); (ii) certifying that a bona fide offering of the Bonds has been made to Public Buyers; (iii) stating the first price at which a substantial amount (at least 10%) of each maturity of the Bonds was sold to Public Buyers; and (iv) if the first price at which a substantial amount of any maturity of the Bonds does not conform to the Initial Reoffering Price of that maturity, providing an explanation of the facts and circumstances that resulted in that non-conformity.

Respectfully submitted,

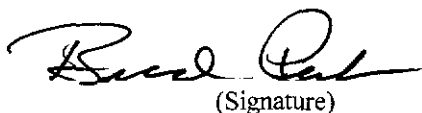


James M. Nelson  
Vice President / Sr. Municipal Underwriter  
Public Finance Department  
Martin Nelson & Co., Inc.



Martin O. Nelson, Jr.  
President  
Martin Nelson & Co., Inc.

Accepted: May 16, 2012



(Signature)

CHAIR, BOARD OF COMMISSIONERS  
(Title)

Franklin County, Washington

**Appendix A**

**Description Of  
Franklin County, Washington  
\$20,345,000 Limited Tax General Obligation Bonds, 2012**

- (a) Bonds Dated: Date of Initial Delivery (which is anticipated to be June 1, 2012)
- (b) Purchase Price: \$20,449,796.80 (\$100.515099 per \$100.00)
- (c) Denominations: \$5,000, or integral multiples thereof within a single maturity
- (d) Form: Book Entry Only and DTC Eligible
- (e) Interest Payment Date: January 1 and July 1, commencing January 1, 2013
- (f) Payment Schedule: See Appendix B on the following page.
- (g) Rating: The Bonds are issued with a Standard and Poor's rating of "AA-/A"
- (h) Insurance: The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by ASSURED GUARANTY MUNICIPAL CORP.
- (i) Optional Redemption: The District reserves the right and option to redeem the Bonds maturing on or after January 1, 2023, prior to their stated maturity dates at any time on or after July 1, 2022 as a whole or in part at par plus accrued interest to the date fixed for redemption.
- (j) Mandatory Redemption: If not previously redeemed as described above or purchased in the open market or defeased under the provisions set forth in the Bond Resolution, the Term Bonds maturing on January 1 in the years 2032, 2037 and 2042 will be called for redemption at a price of par, plus accrued interest, on January 1 in the years and amounts as follows:

**2032 Term Bond**

Mandatory Redemption Dates	Mandatory Redemption Amounts
2028	\$610,000
2029	630,000
2030	650,000
2031	675,000
2032 (Maturity)	700,000

**2037 Term Bond**

Mandatory Redemption Dates	Mandatory Redemption Amounts
2033	\$725,000
2034	755,000
2035	790,000
2036	825,000
2037 (Maturity)	865,000

**2042 Term Bond**

Mandatory Redemption Dates	Mandatory Redemption Amounts
2038	\$900,000
2039	935,000
2040	975,000
2041	1,015,000
2042 (Final Maturity)	1,055,000

- (k) Closing Date: June 1, 2012
- (l) Purchase Offer Expires: 11:59 p.m., May 16, 2012
- (m) Bond Counsel: Mr. Jeff Nave, Foster Pepper PLLC, Spokane Washington
- (n) True Interest Cost: 3.82%

## Appendix B

### Payment Schedule of Principal and Interest

#### BOND DEBT SERVICE

Franklin County - 2012 Limited Tax General Obligation Bonds  
Insured by AGM with County rating 'A' Positive Outlook by S&P  
Jail Project and Computer Costs  
Non Bank-Qualified  
Call Date 7/1/2022

		Dated Date Delivery Date	06/01/2012 06/01/2012		
Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2012					
01/01/2013	150,000	2.000%	414,655.21	564,655.21	564,655.21
07/01/2013			353,918.75	353,918.75	
01/01/2014	510,000	2.000%	353,918.75	863,918.75	1,217,837.50
07/01/2014			348,818.75	348,818.75	
01/01/2015	520,000	2.000%	348,818.75	868,818.75	1,217,637.50
07/01/2015			343,618.75	343,618.75	
01/01/2016	535,000	2.000%	343,618.75	878,618.75	1,222,237.50
07/01/2016			338,268.75	338,268.75	
01/01/2017	540,000	2.000%	338,268.75	878,268.75	1,216,537.50
07/01/2017			332,868.75	332,868.75	
01/01/2018	555,000	2.000%	332,868.75	887,868.75	1,220,737.50
07/01/2018			327,318.75	327,318.75	
01/01/2019	565,000	2.000%	327,318.75	892,318.75	1,219,637.50
07/01/2019			321,668.75	321,668.75	
01/01/2020	575,000	2.500%	321,668.75	896,668.75	1,218,337.50
07/01/2020			314,481.25	314,481.25	
01/01/2021	590,000	3.000%	314,481.25	904,481.25	1,218,962.50
07/01/2021			305,631.25	305,631.25	
01/01/2022	605,000	3.000%	305,631.25	910,631.25	1,216,262.50
07/01/2022			296,556.25	296,556.25	
01/01/2023	625,000	3.000%	296,556.25	921,556.25	1,218,112.50
07/01/2023			287,181.25	287,181.25	
01/01/2024	645,000	3.250%	287,181.25	932,181.25	1,219,362.50
07/01/2024			276,700.00	276,700.00	
01/01/2025	665,000	4.000%	276,700.00	941,700.00	1,218,400.00
07/01/2025			263,400.00	263,400.00	
01/01/2026	570,000	3.500%	263,400.00	833,400.00	1,096,800.00
07/01/2026			253,425.00	253,425.00	
01/01/2027	590,000	3.250%	253,425.00	843,425.00	1,096,850.00
07/01/2027			243,837.50	243,837.50	
01/01/2028	610,000	3.500%	243,837.50	853,837.50	1,097,675.00
07/01/2028			233,162.50	233,162.50	
01/01/2029	630,000	3.500%	233,162.50	863,162.50	1,096,325.00
07/01/2029			222,137.50	222,137.50	
01/01/2030	650,000	3.500%	222,137.50	872,137.50	1,094,275.00
07/01/2030			210,762.50	210,762.50	
01/01/2031	675,000	3.500%	210,762.50	885,762.50	1,096,525.00
07/01/2031			198,950.00	198,950.00	
01/01/2032	700,000	3.500%	198,950.00	898,950.00	1,097,900.00
07/01/2032			186,700.00	186,700.00	
01/01/2033	725,000	4.500%	186,700.00	911,700.00	1,098,400.00
07/01/2033			170,387.50	170,387.50	
01/01/2034	755,000	4.500%	170,387.50	925,387.50	1,095,775.00
07/01/2034			153,400.00	153,400.00	
01/01/2035	790,000	4.500%	153,400.00	943,400.00	1,096,800.00
07/01/2035			135,625.00	135,625.00	
01/01/2036	825,000	4.500%	135,625.00	960,625.00	1,096,250.00
07/01/2036			117,062.50	117,062.50	
01/01/2037	865,000	4.500%	117,062.50	982,062.50	1,099,125.00
07/01/2037			97,600.00	97,600.00	
01/01/2038	900,000	4.000%	97,600.00	997,600.00	1,095,200.00
07/01/2038			79,600.00	79,600.00	
01/01/2039	935,000	4.000%	79,600.00	1,014,600.00	1,094,200.00
07/01/2039			60,900.00	60,900.00	
01/01/2040	975,000	4.000%	60,900.00	1,035,900.00	1,096,800.00
07/01/2040			41,400.00	41,400.00	
01/01/2041	1,015,000	4.000%	41,400.00	1,056,400.00	1,097,800.00
07/01/2041			21,100.00	21,100.00	
01/01/2042	1,055,000	4.000%	21,100.00	1,076,100.00	1,097,200.00
			-	-	
	20,345,000		13,487,617.71	33,832,617.71	33,832,617.71

May 16, 2012

**JAMES A. SEWELL & ASSOCIATES, LLC**

9 South Washington, Suite 310

Spokane, Washington 99201

(509)747-5794

(509)747-5798 Fax

\*Civil Engineering \*Electrical Engineering \*Land Surveying \*Building Inspection \* Land Use Planning

May 11, 2012

**RECEIVED**

Franklin County Commissioners  
1016 N. 4<sup>th</sup> Avenue  
Pasco, WA 99301

**MAY 14 2012**

Franklin County Commissioners

**Attn: Fred Bowen, County Administrator**  
**Subj: Basin City Water System Improvements – Phase I**  
**Ref: Recommendation of Acceptance of Completion**

Dear Mr. Bowen,

The construction of the Basin City Water System Improvements – Phase I project appears to have been completed successfully and in accordance with the contract documents. The system is operating successfully and all outstanding items have been adequately addressed by Sharpe & Preszler. Our office recommends that the County formally accept the project as complete.

Once the project is formally accepted as complete by the County we will forward a completed Notice of Completion of Public Works Contract form to the Washington Department of Labor & Industries, the Washington Department of Revenue, and the Washington Employment Security Department for their approval to release the retainage on the project. There is a minimum 45 day waiting period from the time of formal acceptance by the County to the time when the retainage is allowed to be released.

We are also currently in the process of obtaining the necessary warranty and the lien releases for the project from Sharpe & Preszler. Once all items are received and assuming that there are no lien claims filed against the project within the 45 day waiting period, we will be able to move forward with releasing the retainage and closing out the project.

We are planning to go out to bid under a separate contract for the waterline extension work that has been added to the CDBG contract scope of work. Please feel free to contact me if you have any questions.

Sincerely,

JAMES A. SEWELL &amp; ASSOCIATES, LLC

By

*Jason J. Mellin*  
Jason J. Mellin, P.E.

JJM/jjm

pc: Arlene Escobar, Washington Dept. of Commerce  
Basin City Water-Sewer District