PLEDGE OF ALLEGIANCE

CONSENT AGENDA
1. Approval of Agenda 01/09/18
2. Approval of Minutes 12/12/17 Commission Meeting
3. Ratification of Vouchers 12/19/17; 12/26/17; 01/02/18
4. Approval of Vouchers 01/09/18
5. Project Acceptance
   Mundt Creek Intake Improvements (Skagit County)
   Woodbury Lane, Waterline Extension (Sedro-Woolley)
6. Recommendation to Award
   Updating District’s SCADA Controls to Quality Controls Corporation

AUDIENCE COMMENTS

OLD BUSINESS
7. Manager’s Report
8. Quarterly Report – IT Department

NEW BUSINESS
   Appendix A, Sections 3.3.5 & 4.2.3 - Ratify
10. IT Policy #1028 Draft - Discussion
11. Enterprise Fleet Management Agreement – Action

MISCELLANEOUS
12. 2018 Personal Vehicle Mileage Allowance
13. Commission Disclosure of Conflicts of Interest
   Per Governance Policy Section 7.2.2; Commission obligation to disclose any conflicts of interest as defined in Chapter 42.23 RCW
14. Draft Commission Meeting Schedule 2018

COMMISSIONER COMMENTS

EXECUTIVE SESSION - Approximate 30-60 Minute Duration
Per RCW 42.30.110 (1) (g): General Manager’s Performance Review

ADJOURNMENT

JUDY RESERVOIR ELEVATION
MINUTES OF THE REGULAR MEETING OF THE COMMISSION
PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY, WASHINGTON

December 12, 2017

The regular meeting of the Commission of Public Utility District No. 1 was held in the Aqua Room of the utility located at 1415 Freeway Drive, Mount Vernon, Washington, on December 12, 2017.

The meeting was called to order at 5:00 PM. Those Commissioners in attendance were: Robbie Robertson, President; Eron Berg, Vice President; and Al Littlefield Secretary. Also in attendance were: George Sidhu, General Manager; Mark Handzlik, Engineering Manager; Sally Saxton, Treasurer; Peter Gilbert, Attorney; and Kim Carpenter, Clerk of the Board; Audience: Judy Littlefield, Richard Mitchell; and District Employees: Kathy White, Kevin Tate, Luis Gonzalez, Mark Semrau.

Commissioner Littlefield led the Pledge of Allegiance.

Commissioner Littlefield moved to approve the Consent Agenda for December 12, 2017:

1. Approval of Agenda 12/12/17
2. Approval of Minutes 11/28/17 Commission Meeting
3. Ratification of Vouchers 12/05/17
   No. 2768-Voucher Nos. 11037-11102 ($222,314.88)
4. Approval of Vouchers 12/12/17
   No. 2769-Voucher Nos. 11103-11171, Payroll Check Nos. 20466-20546 ($828,777.58)
   No 2770-Voucher No. 11172 ($21,086.01)
5. Project Acceptance
   Twin Brooks, Phase 6 (Mount Vernon)
   Chuckanut Drive, Joe Leary Slough Crossing (Mount Vernon)
6. Project Award – Skagit River Diversion (SRD) Pump and Motor Refurbishment

Treasurer Saxton presented the Status of Budget/Financial Summary for the third quarter of 2017.

Under Old Business:

7. Manager’s Report - Manager Sidhu reported on the following:
   • Reviewed recent joint work sessions with the Port of Skagit County regarding the community fiber backbone and Skagit County Commissioners regarding water rights issues.
   • Today’s meeting is the last scheduled for 2017
   • Employee Training Day is Friday, December 15. Commission is welcome to attend and employee service awards will be presented at approximately 11:30. Commissioners Littlefield and Berg plan to attend.
Under New Business:

   
   Manager Sidhu stated that this item was discussed during the budget process as it was requested by the Department of Health during a recent sanitary survey. The operations manual will be electronic and can be updated by staff. Commissioner Littlefield moved to authorize the General Manager to enter into a contract with Carollo Engineers in the amount of $155,000 for the preparation of an Electronic Operations Manual for the Water Treatment Plant. The motion passed.

9. Annual Recognition of Uncollectible Accounts-Action
   
   Treasurer Saxton presented the Annual Recognition of Uncollectible Accounts for the period September 1, 2016 through August 31, 2017 in the amount of $54,821. Commissioner Robertson suggested checking to see if the large commercial account had reorganized, in which case the District may be able to collect the debt; Treasurer Saxton replied she would look into it. Commissioner Berg moved to recognize and authorize the write-off of uncollectible accounts in the amount of $54,821. The motion passed.

10. Scope of Work for District’s 5-Year Strategic Plan Request for Proposals (RFP)-Discussion
    
    Manager Sidhu reviewed the Scope of Work. Discussion ensued, including costs, task-based scope of work and bringing forth a recommended agreement to the Commission following negotiations, with agreement that the Commission is on board.

    
    Manager Sidhu provided background regarding Initiative 1433, requirements of same and how the District will implement the new requirements under the law, as outlined in Policy #1027. He stated that Personal Leave Policy #1003 requires revision. Discussion ensued regarding various aspects of the proposed policy and revisions.

12. Personal Leave Policy-Action
    
    Manager Sidhu stated that Personal Leave Policy #1003 requires revision to include references to the WSSL and also Policy #1027. Commissioner Littlefield moved to approve Washington State Paid Sick Leave Policy #1027 and revisions to Personal Leave Policy #1003 effective January 1, 2018. The motion passed.

13. General Manager’s 2018 Goals-Discussion
    
    Manager Sidhu stated that he received one comment regarding the proposed goals. Commissioner Berg stated he requested a line item budget. Discussion ensued regarding various aspects of the goals, including Cayenta financial modules. Commissioner Robertson requested that Financial Systems Administrator Ren come before the Commission in January or February about her vision for the District with regard to Cayenta; Manager Sidhu replied he would meet with IT Manager Chrysler and Financial Systems Administrator Ren.

Commissioner Robertson suggested that since this is the last meeting of the year and Manager Sidhu’s annual review will not be completed prior to year end that the intent is to pay any potential salary adjustment over and above COLA be effective January 1, 2018. Discussion ensued regarding Manager Sidhu’s employment agreement and discussion in a
future executive session.

Under Miscellaneous, Manager Sidhu stated that there is a copy of a recent Skagit Valley Herald article regarding the compensation study included in the Commission notebooks.

Under Commissioner Comments, Commissioner Littlefield commented positively on the work session with Skagit County earlier today. Commissioners Robertson extended Merry Christmas and Happy Holiday wishes to the staff.

At this time, President Robertson recessed the regular meeting to go into executive session per RCW42.30.110 (1) (i) (ii) to discuss Project Acceptance for the Plat of Saratoga Passage for an approximate duration of 15-30 minutes. Commissioner Robertson stated that there may be action taken by the Commission following conclusion of the executive session. The meeting was recessed at 5:49 PM.

The executive session convened at 5:51 PM.

President Robertson reconvened the regular meeting of the Commission at 6:26 PM.

Commissioner Robertson stated that the Commission would address an additional item under New Business. Manager Sidhu presented Resolution No. 2257-17, A RESOLUTION OF THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY, WASHINGTON, AUTHORIZING CONDITIONAL ACCEPTANCE OF CERTAIN IMPROVEMENTS WITHIN THE PLAT OF SARATOGA PASSAGE and recommended adoption. Commissioner Berg moved to adopt Resolution No. 2257-17 as presented, subject to revision of the indemnity clause between the participants and the District as approved by District counsel. The motion passed.

Having no further business to come before the Board, Commissioner Littlefield moved for adjournment. The motion passed and the meeting of December 12, 2017 was adjourned at 6:28 PM.

Respectfully submitted:

Kim Carpenter
Clerk of the Board
January 9, 2018

Board of Commissioners
Public Utility District No. 1 of Skagit County
Post Office Box 1436
1415 Freeway Drive
Mount Vernon, WA 98273-1436

RE: Project Acceptance

Name of Project: Mundt Creek Intake Improvements
Reference: C.O. # 4920, Project # 3626
Location: Skagit County
Developer: District
Contractor: TRICO Companies LLC

Gentlemen:

The District has approved the plans and specifications and has inspected the installation of the new water plant within the above project. The Engineering Department has received satisfactory pressure and bacteriological test results. All documentation for this project has been completed.

I recommend that the Commission of the District accept this project.

Respectfully submitted,

Mark C. Handzlik, P.E.
Engineering Manager

cmp

Attachment

cc: George Sidhu, P.E., General Manager
    Bill Trueman, Engineering Supervisor
January 9, 2018

Board of Commissioners
Public Utility District No. 1 of Skagit County
Post Office Box 1436
1415 Freeway Drive
Mount Vernon, WA 98273-1436

RE: Project Acceptance

Name of Project: Woodbury Lane, Waterline Extension
Reference: Project # 3701
Location: Sedro-Woolley
Developer: Kent R. Frye
Contractor: RAZZ Construction, Inc.

Gentlemen:

The District has approved the plans and specifications and has inspected the installation of the new water plant within the above project. The Engineering Department has received satisfactory pressure and bacteriological test results. All documentation for this project has been completed.

I recommend that the Commission of the District accept this project.

Respectfully submitted,

Mark Handzlik, P.E.
Engineering Manager

cc: George Sidhu, P.E., General Manager
    Michael E. Demers, Engineering Technician
January 9, 2018

TO: George Sidhu, P.E., General Manager

FROM: Mark Handzlik, P.E., Engineering Manager

BY: Mike Benton, Project Manager

SUBJECT: Recommendation to Award, Programming SCADA Screens

Requested Action:
Authorize the General Manager to enter into a contract with Quality Controls Corporation (QCC) to update the District’s SCADA controls from InTouch to System Platform in the amount of $45,582.00.

Background:
The District’s SCADA system relies on two platforms, System Platform and InTouch. The newer platform, System Platform is used at the Water Treatment Plant and at the Division Street Booster Pump Station. InTouch is an older platform that is used at many of the District’s smaller sites. This work will translate all of the District’s InTouch SCADA controls to the newer System Platform. Having all SCADA working under one platform will allow better communication between sites and reduce the number of required licenses. All new systems will be developed under System Platform.

QCC was selected from the 2017 Statement of Qualifications evaluations for this scope of work.

Fiscal Impact:
Funding for this contract and project will come from the original Division Street Tank and Booster Pump Station Project budget of $15,250,000.00. The encumbered budget balance is currently $827,615.26. The scope and work is consistent with the intended use of these funds.

cmp
Pricing

Total Price to perform the scope of work detailed below: $ 45,582.00

Scope of Work

QCC provides all required engineering and software development to perform the following upgrades to your SCADA system:

1. Offsite Facilities Wonderware Intouch Application Upgrade (Rev B):
   QCC provides all required software development and configuration to Re-develop the PUD’s existing Offsite Facilities Intouch only SCADA application in System Platform using latest graphics and object-oriented programming. QCC includes deployment in the PUD’s existing Wonderware System Platform SCADA Galaxy.

QCC will provide the required software development and configuration necessary to upgrade existing application and maintain all functionality of the current SCADA system. The upgraded application will be deployed as a System Platform Intouch View App. QCC’s services includes, but are not limited to the following major tasks:

- **Installation of all district provided Wonderware software licenses and keys as required for development of the fully functional SCADA system.**
- Coordinate with the PUD’s operations and IT staff to deploy a new virtualized Windows Server machine with network connections to the Water Plants SCADA network.
- Setup and deploy a new Application Platform on the new server. The new platform will be utilized for running and viewing the new Intouch System Platform View App by the offsite facilities operations staff from the PUD's Headquarters.
- Create a new System Platform Intouch View app and import the existing Intouch application. Make all necessary modifications and configurations to at a minimum maintain the existing functionality for all systems and sites.
- Provide all Wonderware and Win911 software development required to provide local and remote alarm notification of all system alarms.
- Provide SCADA software engineer to work in collaboration with PUD staff for a 2-week testing period to confirm that the upgraded application is functioning correctly, and critical IO and alarms are displayed and annunciates as required. **Following district review, QCC provides final correction of any deficiencies resulting from district internal review.**

Note: QCC’s proposal is to develop new System Platform screens and objects for each of the PUD’s existing remote sites. The new screens and objects will be built using System Platforms latest vector graphics and object oriented programming capabilities. This upgraded application will maintain the existing functionality of each site. This quotation does NOT include software development or engineering to implement functional upgrades.
to the SCADA application or any individual telemetry site's SCADA or local control system not inherent in System Platforms built in capacity.

2. Division Street Tank and Booster Pump Station SCADA Development:
   QCC provides the required Wonderware System Platform SCADA programming to control and monitor the new Division Street Tank and Booster Pump Station. This includes the following major tasks:

   - Configuration of the System Platform IO servers to allow SCADA communications to the Division Street Booster Station PLC.
   - Development of the Wonderware System Platform objects required for viewing, operator control and interaction, alarming, and historical logging of all data associated with the new tank and booster station.
   - Develop and deploy new Intouch App screens to graphically display and allow operator control of all necessary status information, set points, and alarms for this new facility.
   - Provide all required Wonderware System Platform, Win911, and Win911 mobile programming and configuration to annunciate alarms conditions associated with this project.

   This SCADA programming quotation includes software development and implementation of functionality similar to the PUD's other offsite locations, and in adherence to industry standards and best practices. QCC will meet periodically with PUD staff during the software development efforts to receive staff input and ensure the screens are developed to the satisfaction of the PUD.

3. System Platform Redundancy Setup and Configuration (Rev A)-
   - QCC provides the required Wonderware System Platform SCADA software installation and configuration for redundant AOS servers for the existing SP Galaxy. The redundant server is to be provided by the PUD and installed at the new Division Street Booster Station. Note there must be high speed Ethernet network connection between the new server and the existing Wonderware AOS server.
   - QCC provides screen development for Redundant server status display.
   - QCC provides required alarm configuration for notification of redundant server alarms.

   Note: QCC supplies engineering and software development services only. This quotation does NOT include the supply of new software licenses or hardware.

4. QCC supplies all required start-up, commissioning, and training for all software included in this scope of work.
Standard Inclusions

We provide the following unless specifically excluded on our bill of material:
1. Equipment shipped FOB factory with freight allowed, tailgate, destination.
2. Field wiring diagrams showing interconnection of field instruments and instrumentation panels.
3. Instruction manuals as required.
4. All necessary field start-up and calibration of the equipment we supply.

Standard Exclusions

We do NOT include the following unless specifically included in our bill of material:
1. Pipe, tubing, valves or fittings between the instrument and the process.
2. Conduit, wire or cable not integral to instrument or control panels supplied by QCC.
3. Mounting brackets, stanchions, supports or mounting pads not an integral part of the instrument.
4. Labor to install the equipment.
5. The Cost, (if due to local union regulations), to have local craftsman make adjustments or wiring modifications to our equipment during start-up and calibration.
6. Any material or services not in our quoted sections.
7. This proposal is based on award of a supply purchase order and does not include any of the costs associated with bonding or subcontract administration. If bonding or a subcontract is required they can be provided for additional cost.
January 5, 2018

TO: Commission

FROM: George Sidhu, P.E., General Manager

SUBJECT: Water Policy Manual Revisions

Requested Action:
Ratify housekeeping revisions which have been made to Appendix “A”, Tables A-1 through A-10, and Sections 3.3.5 and 4.2.3.

Background:
The General Manager may make such reasonable modifications to the Water Policy Manual as deemed necessary, including the application of standard fees and charges; provided, however, such modifications are reported to and ratified by the Board within the next two regularly scheduled meetings.

Redline changes for the following housekeeping revisions mentioned above are attached. The Water Policy Manual is available online and revisions will be posted following today’s meeting:

- Ratify the 8.5% rate adjustments in Tables A-1 through A-6 of Appendix “A” as approved in the 2018 Budget.
- Ratify changes to Section 3.3.5 extending the hours for Turn On/Reconnections from 3:00 PM to 4:00 PM Monday through Friday, excluding holidays, based on restructured staffing in the Meter Department.
- Ratify revisions to Section 4.2.3 (System Development Fees) based on increases in the Engineering News Record Construction Cost Index for the Seattle area from November of the preceding year.
- Based on direction from the Board we have reduced the Bulk Water Fill Station Charge from $20.29 per ccf to $2.72 per ccf as addressed in Appendix “A”, Table A-7.
- Ratify Table A-8 based on increases in Engineering News Record Construction Cost Index.
- Ratify revisions to Appendix “A”, Table A-9, Items 2, 3 & 6 increasing charges, and Items 4 & 5 as identified in Section 3.3.5.
• Ratify revisions to Appendix “A”, Table A-10, increasing Customer Deposit amounts.

**Fiscal Impact:**
Regarding extending Turn On/Reconnection hours, fiscal impact would be minimal while improving customer goodwill.

Regarding Rates, Fees, Charges and Deposits, the approved rate increase will provide additional revenue as outlined in the 2018 Budget.

\[ \text{kac} \]

**Attachments:**
Appendix “A” – Rates, Fees, Charges and Deposits, Tables A-1 through A-10
Section 3.3.5 – Metering and Billing Procedures
Section 4.2.3 – System Development Fees –Calculating System Development Fees
3.3.5 Turn On/Reconnection Charges (1814-98)

Water services that are disconnected will be levied a charge for turn on/reconnection. Turn on/reconnection charges will vary based on the time and day the turn on/reconnection is completed:

- between the hours of 8:00 a.m. through 3:00 4:00 p.m. Monday through Friday excluding holidays;
- outside the above hours Monday through Friday or on Saturday; or
- Sundays and Holidays

Turn on/Reconnection charges for these situations shall be as indicated in Appendix A, Table A-9. The General Manager or Customer Service Department employees are authorized, at their discretion, to reduce or reverse Turn On/Reconnection charges on an account, provided that the account has had no Turn On/Reconnection charges within the previous twelve (12) months. Water services that are disconnected shall require the past due bill to be paid in full prior to turn on/reconnection. (1814-98)
### 4.2.3 Policies for Calculating System Development Fees

The System Development Fee for a 5/8-inch meter shall be the unit basis of System Development Fees for all meters.

The System Development Fees for positive displacement meters ranging from 5/8-inch to and including 1-1/2-inch and compound meters ranging from 2-inch to and including 8-inch shall be based on the System Development Fee for a 5/8-inch meter multiplied by the weighting factor for that meter, charged as follows:

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>Weighting Factor</th>
<th>System Development Fee* 01/01/17</th>
<th>Effective 01/01/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8</td>
<td>1</td>
<td>$4,515.00</td>
<td>$4,865.00</td>
</tr>
<tr>
<td>3/4-inch</td>
<td>1.5</td>
<td>$6,772.50</td>
<td>$7,297.50</td>
</tr>
<tr>
<td>1-inch</td>
<td>2.5</td>
<td>$11,287.50</td>
<td>$12,162.50</td>
</tr>
<tr>
<td>1 1/2-inch</td>
<td>5</td>
<td>$22,575.00</td>
<td>$24,325.00</td>
</tr>
<tr>
<td>2-inch</td>
<td>8</td>
<td>$36,120.00</td>
<td>$38,920.00</td>
</tr>
<tr>
<td>3-inch</td>
<td>16</td>
<td>$72,240.00</td>
<td>$77,840.00</td>
</tr>
<tr>
<td>4-inch</td>
<td>25</td>
<td>$112,875.00</td>
<td>$121,625.00</td>
</tr>
<tr>
<td>6-inch</td>
<td>50</td>
<td>$225,750.00</td>
<td>$243,250.00</td>
</tr>
<tr>
<td>8-inch</td>
<td>80</td>
<td>$361,200.00</td>
<td>$389,200.00</td>
</tr>
<tr>
<td>10-inch</td>
<td>115.0</td>
<td>$519,225.00</td>
<td>$559,475.00</td>
</tr>
</tbody>
</table>

*See Section 4.2.4 Water Contracts*
Appendix A
Rates, Fees, Charges and Deposits

Table A-1
Monthly Basic Fixed Charge

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>Effective 01/01/17</th>
<th>Effective 01/01/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8-inch</td>
<td>$24.75</td>
<td>26.85</td>
</tr>
<tr>
<td>¾-inch</td>
<td>24.75</td>
<td>26.85</td>
</tr>
<tr>
<td>1-inch</td>
<td>41.25</td>
<td>44.74</td>
</tr>
<tr>
<td>1 ½-inch</td>
<td>82.20</td>
<td>89.20</td>
</tr>
<tr>
<td>2-inch</td>
<td>131.35</td>
<td>142.50</td>
</tr>
<tr>
<td>3-inch</td>
<td>246.20</td>
<td>267.15</td>
</tr>
<tr>
<td>4-inch</td>
<td>410.00</td>
<td>444.85</td>
</tr>
<tr>
<td>6-inch</td>
<td>820.00</td>
<td>889.70</td>
</tr>
<tr>
<td>8-inch</td>
<td>1,311.80</td>
<td>1,423.30</td>
</tr>
</tbody>
</table>

Notes:
- Total rate includes the sum of Table A-1 (as applicable) and Table A-2 below.
- These rates apply to all customers except: A) those described in Section 4.1.2 (Wholesale or Special Contract Customers) of the main document; and B) those described in Tables A-3, A-4, and A-5.

Table A-2
Consumption Charges

<table>
<thead>
<tr>
<th></th>
<th>Effective 01/01/17</th>
<th>Effective 01/01/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Family &amp; Duplex with Individual Meters</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0-3 ccf</td>
<td>$2.73 per ccf</td>
<td>2.96</td>
</tr>
<tr>
<td>4-100 ccf</td>
<td>4.29 per ccf</td>
<td>4.66</td>
</tr>
<tr>
<td>101-Excess</td>
<td>2.51 per ccf</td>
<td>2.72</td>
</tr>
<tr>
<td>All Others: Except those described in Tables A-3 and A-5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0-3 ccf</td>
<td>$4.29 per ccf</td>
<td>4.66</td>
</tr>
<tr>
<td>4-100 ccf</td>
<td>4.29 per ccf</td>
<td>4.66</td>
</tr>
<tr>
<td>101-Excess</td>
<td>2.51 per cef</td>
<td>2.72</td>
</tr>
</tbody>
</table>

All Others: Except those described in Tables A-3

| Infrastructure Improvement | $2.00/month |
| Infrastructure Improvement | $2.00/month |

Notes:
- The District bills in hundred cubic feet increments (ccf). One hundred cubic feet (1 ccf) equals 748 gallons.
- Total rate includes the sum of Table A-1 (as applicable) and Table A-2.
- These rates apply to all customers except: A) those described in Section 4.1.2 (Wholesale or Special Contract Customers) of the main document; and B) those described in Tables A-3 and A-5.
- Infrastructure Improvement charge implemented 01/01/13.
### Monthly Basic Charges-Private Fire Systems (Automatic Sprinkler Equipment)

<table>
<thead>
<tr>
<th>Private Fire System Based Upon Inch Size</th>
<th>Effective 01/01/17</th>
<th>Effective 01/01/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-inch</td>
<td>$4.20</td>
<td>4.55</td>
</tr>
<tr>
<td>2-inch</td>
<td>8.30</td>
<td>9.00</td>
</tr>
<tr>
<td>3-inch</td>
<td>12.55</td>
<td>13.60</td>
</tr>
<tr>
<td>4-inch</td>
<td>16.60</td>
<td>18.00</td>
</tr>
<tr>
<td>6-inch</td>
<td>24.95</td>
<td>27.05</td>
</tr>
<tr>
<td>8-inch</td>
<td>33.25</td>
<td>36.10</td>
</tr>
<tr>
<td>10-inch</td>
<td>41.65</td>
<td>45.20</td>
</tr>
<tr>
<td>12-inch</td>
<td>49.85</td>
<td>54.10</td>
</tr>
</tbody>
</table>

### Privately Owned Fire System (Other than Automatic Sprinkler Systems)

| Privately Owned Fire System | $41.55 | $45.10 |

**Note:**
- Charges to be computed on a monthly basis.

### Fire Hydrant Use Charge

| Monthly Basic Charge | $100.00 per month |

<table>
<thead>
<tr>
<th>Monthly Consumption Charges:</th>
<th>Effective 01/01/17</th>
<th>Effective 01/01/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-3 ccf</td>
<td>$4.29 per ccf</td>
<td>4.66 per ccf</td>
</tr>
<tr>
<td>4-100 ccf</td>
<td>4.29 per ccf</td>
<td>4.66 per ccf</td>
</tr>
<tr>
<td>101-Excess</td>
<td>2.51 per ccf</td>
<td>2.72 per ccf</td>
</tr>
</tbody>
</table>

**Same as All Others (Table A-2)**

### Potlatch Water System Charges

| Monthly Basic Charge | $88.95 |

| Monthly Consumption Charges | $15.07 per ccf |

**Note:**
- The District bills in hundred cubic feet increments (ccf). One hundred cubic feet equals 748 gallons.
### Table A-6
System Development Fees Summary – 5/8 to 10-inch Meters

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>Weighting Factor</th>
<th>Effective 01/01/17</th>
<th>Effective 01/01/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8-inch</td>
<td>1</td>
<td>$4,515.00</td>
<td>4,865.00</td>
</tr>
<tr>
<td>3/4-inch</td>
<td>1.5</td>
<td>$6,772.50</td>
<td>7,297.50</td>
</tr>
<tr>
<td>1-inch</td>
<td>2.5</td>
<td>$11,287.50</td>
<td>12,162.50</td>
</tr>
<tr>
<td>1-1/2-inch</td>
<td>5</td>
<td>$22,875.00</td>
<td>24,325.00</td>
</tr>
<tr>
<td>2-inch</td>
<td>8</td>
<td>$36,120.00</td>
<td>38,920.00</td>
</tr>
<tr>
<td>3-inch</td>
<td>16</td>
<td>$72,240.00</td>
<td>77,840.00</td>
</tr>
<tr>
<td>4-inch</td>
<td>25</td>
<td>$112,875.00</td>
<td>121,625.00</td>
</tr>
<tr>
<td>6-inch</td>
<td>50</td>
<td>$225,750.00</td>
<td>243,250.00</td>
</tr>
<tr>
<td>8-inch</td>
<td>80</td>
<td>$361,200.00</td>
<td>389,200.00</td>
</tr>
<tr>
<td>10-inch</td>
<td>115.0</td>
<td>$519,225.00</td>
<td>559,475.00</td>
</tr>
</tbody>
</table>

Satellite Systems General Plant portion of System Development Fee structure*

Notes:

*Refer to Section 4.2 for further System Development Fee and Water Contract information.

*System Development Fees developed specifically for future LUDs or satellite systems, such as Potlatch Beach LUD No. 23, Skagit View Village LUD No. 27 and Marblemount LUD No. 28, that are not anticipated to connect to the Judy Reservoir System or conveyed water via the District’s Water Supply Agreement with the City of Anacortes, shall be subject to only the “General Plant” portion of the System Development Fee structures, providing required criteria has been met for obtaining water service. The General Plant portion charged shall account for annual construction cost index increases and shall be multiplied by the appropriate weighting factor for the meter selected.

*Fees are based upon the cost of a 5/8-inch meter ($4,420 x meter capacity weighting factor). The weighting factor is based upon the safe maximum operating capacity for displacement and compound water meters as identified in the American Water Works Association C-700 and C-702 standards.

The District shall adjust the System Development Fees on January 1 each year based on increases in the Engineering News Record Construction Cost Index for the Seattle area from November of the preceding year. The fee adjustment in the 5/8-inch meter size is to be based on the change in the construction cost index for the preceding 12 months, using the previous November as a baseline. The fee shall be rounded to the nearest $5.00 increment. Fees for other meter sizes are incrementally determined using a multiplier upon the 5/8-inch rounded meter fee.
<table>
<thead>
<tr>
<th>Table A-7</th>
<th>Bulk Water Fill Station Use Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>One Time Account Set Up Fee:</td>
<td>$30.00</td>
</tr>
<tr>
<td>Consumption Charge:</td>
<td>Effective 01/01/17</td>
</tr>
<tr>
<td>Per Use</td>
<td>$20.29 per ccf</td>
</tr>
</tbody>
</table>
### Table A-8
Installation Charges

<table>
<thead>
<tr>
<th>Connection Charge Type</th>
<th>Meter Size</th>
<th>Effective 01/01/17*</th>
<th>Effective 01/01/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type One</td>
<td>5/8-inch</td>
<td>$3,785</td>
<td>$4,075.00</td>
</tr>
<tr>
<td>Type One</td>
<td>3/4-inch</td>
<td>$3,815</td>
<td>$4,110.00</td>
</tr>
<tr>
<td>Type One</td>
<td>1-inch</td>
<td>$4,000</td>
<td>$4,310.00</td>
</tr>
<tr>
<td>Type Two</td>
<td>5/8-inch</td>
<td>$4,265</td>
<td>$1,365.00</td>
</tr>
<tr>
<td>Type Two</td>
<td>3/4-inch</td>
<td>$1,340</td>
<td>$1,445.00</td>
</tr>
<tr>
<td>Type Two</td>
<td>1-inch</td>
<td>$1,490</td>
<td>$1,605.00</td>
</tr>
<tr>
<td>Type Three</td>
<td>5/8-inch</td>
<td>$345</td>
<td>$370.00</td>
</tr>
<tr>
<td>Type Three</td>
<td>3/4-inch</td>
<td>$370</td>
<td>$400.00</td>
</tr>
<tr>
<td>Type Three</td>
<td>1-inch</td>
<td>$480</td>
<td>$515.00</td>
</tr>
<tr>
<td>Type Four</td>
<td>(Varies)</td>
<td>Part of Water Main Extension Cost</td>
<td></td>
</tr>
<tr>
<td>Type Five (Deduct)</td>
<td>5/8-inch</td>
<td>$4,265</td>
<td>$1,365.00</td>
</tr>
<tr>
<td>Type Five (Deduct)</td>
<td>3/4-inch</td>
<td>$1,340</td>
<td>1,445.00</td>
</tr>
<tr>
<td>Type Five (Deduct)</td>
<td>1-inch</td>
<td>$1,490</td>
<td>1,605.00</td>
</tr>
<tr>
<td>Type Six</td>
<td>5/8-inch</td>
<td>$8,715</td>
<td>9,390.00</td>
</tr>
<tr>
<td>Type Six</td>
<td>3/4-inch</td>
<td>$8,750</td>
<td>9,425.00</td>
</tr>
<tr>
<td>Type Six</td>
<td>1-inch</td>
<td>$9,305</td>
<td>10,025.00</td>
</tr>
<tr>
<td>Renewal of Service (meter only) within one year</td>
<td>5/8-inch, 3/4-inch and 1-inch</td>
<td><strong>$50</strong></td>
<td>Turn On/Reconnect Fee</td>
</tr>
<tr>
<td>Renewal of Service (meter only) after one year</td>
<td>5/8-inch, 3/4-inch and 1-inch</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Renewal of Service (complete service)</td>
<td>5/8-inch, 3/4-inch and 1-inch</td>
<td></td>
<td>Type Three Charge Time and Materials, not to exceed Type One Installation Charge</td>
</tr>
<tr>
<td>Renewal of Service (complete service)</td>
<td>Larger than 1-inch</td>
<td></td>
<td>Time and Materials</td>
</tr>
<tr>
<td>Type One, Two, Three, Four and Six</td>
<td>1 ½-inch and Larger</td>
<td></td>
<td>Time and Materials</td>
</tr>
</tbody>
</table>

**Notes:**

*The District shall adjust Installation Charges on January 1 each year, based on increases in the Engineering News Record Construction Cost Index for the Seattle area from November of the preceding year.*
<table>
<thead>
<tr>
<th></th>
<th>Miscellaneous Charges</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Service Activation Charge</td>
<td>$20.00</td>
</tr>
<tr>
<td>2</td>
<td>Deduct Meter – Monthly Basic Fixed Charge</td>
<td>$2.55  $2.75</td>
</tr>
<tr>
<td>3</td>
<td>Financial Instrument Charge (NSF, ACH return, closed account, etc.)</td>
<td>$25.00 $35.00</td>
</tr>
<tr>
<td>4</td>
<td>Turn On/Reconnection (8 AM to 3 4 PM, M-F, excluding Holidays)</td>
<td>$50.00 $80.00</td>
</tr>
<tr>
<td>5</td>
<td>Turn On/Reconnection (After 3 4 PM, M-F, or on Saturday)</td>
<td>$160.00 $220.00</td>
</tr>
<tr>
<td>6</td>
<td>Turn On/Reconnection (Sundays and Holidays)</td>
<td>$190.00 $280.00</td>
</tr>
<tr>
<td>7</td>
<td>Late Fee – A late payment charge of $5 or 2% per month, whichever is greater, applied to unpaid balances 14 calendar days beyond bill due date</td>
<td>$5 or 2% Per Month</td>
</tr>
<tr>
<td>8</td>
<td>Reactivation of abandoned service, Type I</td>
<td>Type I Charge</td>
</tr>
<tr>
<td>9</td>
<td>Reactivation of abandoned service for larger than 1”, plus associated service charges, fees, permits, expenses from other local, state or federal agencies</td>
<td>Actual Cost</td>
</tr>
<tr>
<td>10</td>
<td>Water Service Installations Involving Connection to a Water Pipeline Larger than 18”, or Any Concrete Cylinder Water Pipeline</td>
<td>Actual Cost</td>
</tr>
<tr>
<td>11</td>
<td>Temporary Connection Charge (Installation/Removal)</td>
<td>Actual Cost</td>
</tr>
<tr>
<td>12</td>
<td>Crew/Serviceman Standby (Customer Request)</td>
<td>Actual Cost</td>
</tr>
<tr>
<td>13</td>
<td>Damage from Addition of New Equipment</td>
<td>Actual Cost</td>
</tr>
<tr>
<td>14</td>
<td>Damage to District Property</td>
<td>Actual Cost</td>
</tr>
<tr>
<td></td>
<td>(unless shown below)</td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>Unauthorized Use Fee</td>
<td>$200.00</td>
</tr>
<tr>
<td>16</td>
<td>Meter Yoke Replacement Charge</td>
<td>$300.00</td>
</tr>
<tr>
<td>17</td>
<td>Satellite System Compliance Inspection Charge</td>
<td>Actual Cost</td>
</tr>
<tr>
<td>18</td>
<td>Satellite System Water Quality Testing Charge</td>
<td>Actual Cost</td>
</tr>
</tbody>
</table>

**Note:**

- The General Manager or Customer Service Department employees are authorized, at their discretion, to reverse or reduce specific charges on an account, provided that the account has had no charge reversals or reductions, late payments or finance fee charges within the previous twelve (12) months.
<table>
<thead>
<tr>
<th>Meter Size</th>
<th>Deposit Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8” or ¾” Residential</td>
<td>$135.00</td>
</tr>
<tr>
<td></td>
<td>$215.00</td>
</tr>
<tr>
<td>1” Residential</td>
<td>$200.00</td>
</tr>
<tr>
<td></td>
<td>$325.00</td>
</tr>
<tr>
<td>Greater than 1” Residential</td>
<td>$250.00</td>
</tr>
<tr>
<td></td>
<td>$390.00</td>
</tr>
<tr>
<td>Hydrant Meter</td>
<td>$950.00</td>
</tr>
<tr>
<td></td>
<td>$950.00</td>
</tr>
</tbody>
</table>

**Note:** Commercial and larger metered service deposits are to be calculated based on two times the two month average billing as determined from time to time when water rates are adjusted or increased or when customer applies for service. In unusual or exceptional cases where management deems it necessary in order to adequately protect the District, the District may exceed the amounts indicated.
January 4, 2018

TO: George Sidhu, P.E., General Manager

FROM: Gary Chrysler, IT Manager

SUBJECT: IT Policy Document and Review Plan for Subordinate Administrative Practice and Procedure Documents

Requested Action: None required at this time.

Background: After reviewing the existing Information Technology Policy, and in light of new Payment Card Industry (PCI-DSS) requirements, it was determined that rather than revise existing policies, I would begin the process of reviewing our processes and requirements and write a new IT Policy document with accompanying administrative practices and procedures.

The goals of this project are as follows:

- To provide an up to date IT policy framework that is more in keeping with technology management standards and our present methods and environment;
- To create a set of Administrative Practices and Procedures divided and distributed according to the intended audience, in order to maintain relevance to the targeted group;
- To present the new IT policy and Administrative Practice and Procedure framework to the Commission in smaller sections, for the purpose of review and comment.
- To present the remainder of the new set of documents to the Commission over the next several months in order to provide time for a review and comment period after each submission;
- To complete the review and comment period by the end of April, 2018;
- To complete the project with Commission approval of the policy as is convenient to the Commission by May, 2018.

Attached is Draft District Policy #1028 for the Board’s review and comment. I will submit the PCI-DSS draft document set as a hard copy for Board review and comment at the next meeting. After receiving feedback from the Board, I will coordinate with you for the submission of the next set of documents in February.

Fiscal Impact: There is no fiscal impact at this time.

kac
Information Technology Policy Statement
Policy #1028

In accordance with the authority granted by Board Resolution #2160-09, an Information Technology Policy is hereby established for all employees, consultants, vendors, and contractors.

1. Purpose
The purpose of this Policy is to ensure an information technology infrastructure that promotes the basic mission of the District. In particular, this Policy aims to promote the following goals:

- To ensure the integrity, reliability, availability, and superior performance of Information Technology Systems;
- To protect privacy and maintain legally required restrictions to information as required by District policies and procedures, state and federal law, and industry best practices;
- To ensure that use of Information Technology Systems is consistent with the principles and values that govern use of other District facilities and services;
- To ensure that Information Technology Systems are used for their intended purposes; and
- To establish processes for addressing policy violations and sanctions for violators.

All hardware, software, and related technology systems and services are provided by the District for the sole purpose of enhancing and attaining the District’s stated and published mission, vision, and values, the District’s Code of Conduct, and other code of ethics / responsibilities documents as referenced in District policies and Administrative Practices and Procedures.

2. Definition
Information technology systems and electronic resources are provided by the District with the understanding that approved users will interact with them with a sense of compliance and adherence to all applicable laws and regulations, mutual respect, cooperation and collaboration. These resources are finite, and must be shared. With any established interconnection of electronic resources, the effect of one individual can have a dramatic effect on others within the network. As such, the use of District network and electronic resources is a revocable privilege. All constituents will benefit if all users of the District’s electronic systems avoid any activities that may cause interruptions or degradation of services for other users of the same systems.

The Information Technology Department proactively monitors the network for activity which violates District policies, practices, and procedures. Failure to comply with the terms of this policy may lead to disciplinary or legal action. Penalties for unacceptable use, as outlined in the accompanying Administrative Practices and Procedures, range from immediate deactivation of the user’s account, disciplinary action up to and including termination, and/or referral to law enforcement authorities for further investigation.
The District reserves the right to monitor, limit, and/or restrict any electronic messages, network and/or systems traffic, and public or private information stored on computers owned, maintained, or managed by the District. Computers, systems, or services not owned, maintained, or managed by the District shall not be used to interact with District systems, unless granted, in writing, specific privilege on a case-by-case basis. Email, voice mail, web pages, and digital content are subject to archiving, monitoring, and review, and may be subject to public disclosure in accordance with RCW 42.56.

3. Enforcement
The District expects that all individuals using its electronic resources, including, but not limited to, employees, commissioners, consultants, vendors, contractors, and anyone else granted temporary or permanent access, will abide by this policy. All access to the District’s systems must be authorized and pre-approved, and users must understand that laws currently exist prohibiting the following:

- Electronic libeling or defamation;
- Sending/Posting/Broadcasting messages that incite hate or discontent;
- Transmitting repeated unwanted advances;
- Falsifying information or impersonation;
- Unauthorized use, providing, or copying protected intellectual or copyrighted property and/or;
- The unauthorized transmission, in any form, of legally protected information;

The District also states definitively that its networks are private, separate, and distinct from the public Internet. As such, access and use must comply with all District administrative practices and procedures, rules, and regulations, as well as compliance and adherence to all federal, state, and local laws.

4. Policy Management
The Information Technology Department, in cooperation with District Management and Staff, will continue to update, maintain, improve, and add to its Administrative Practices and Procedures as regulation, industry standards, and District procedures require. Information Technology Administrative Practices and Procedures are grouped under the following headings for clarity.

- **IT Staff Manual**
The IT Staff Manual contains Administrative Practices and Procedures applicable to the technical and security operations of the IT Department. The IT Staff Manual is directed, primarily, at IT Department Staff.

- **Managers’ Manual**
The Managers’ Manual contains Administrative Practices and Procedures applicable to the management of the District and its various departments in relation to Information Technology requirements. The Managers’ Manual is directed, primarily, at the District’s management team.
### PCI Manual

The PCI Manual contains Administrative Practices and Procedures as required by Payment Card Industry Standards (PCI-DSS) for the protection of systems and data security, response plans, and training within the District. The PCI Manual is directed, primarily, at the IT, Finance, and Customer Service Department staff.

### Operational Technology Manual

The Operational Technology Manual contains Administrative Practices and Procedures applicable to the management of the District’s Operational Technology, such as building security, supervisory control systems (SCADA). The Operational Technology manual is directed, primarily, at IT, Operations, and Water Treatment Plant staff.

### End User Manual

The End User Manual Contains Administrative Practices and Procedures applicable to the use and day-to-day operation of the District’s Information and Operational Technology assets. The End User Manual is directed toward all District staff, contract employees, contractors, consultants, and anyone else who may be authorized to access and use District technology assets.

### 5. Updates

Information Technology will work with District leadership and staff to maintain and facilitate the distribution of all related Administrative Practices and Procedures under the authority of this policy. District Staff may revise, replace, or delete specific Administrative Practices and Procedures, as the law, District practices, industry standards, and/or circumstances require.

<table>
<thead>
<tr>
<th>Former Title/Policy #:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Board Approval Date:</td>
<td></td>
</tr>
<tr>
<td>Effective Date:</td>
<td></td>
</tr>
<tr>
<td>Revision Date:</td>
<td></td>
</tr>
<tr>
<td>General Manager Signature:</td>
<td>Date:</td>
</tr>
</tbody>
</table>
January 5, 2018

TO: Commission

FROM: George Sidhu, P.E., General Manager

SUBJECT: Enterprise Fleet Management Agreement for Purchasing Vehicles

Requested Action:
Authorize the General Manager to execute Master Equity Lease Agreement and associated amendments and addendums with Enterprise Fleet Management, Inc., for the purchase of District fleet vehicles.

Background:
Pursuant to discussions held during work sessions and regular Commission meetings, the Board is supportive of utilizing the services of the Enterprise Fleet Management program to purchase vehicles for the District’s fleet. The Enterprise Fleet Management program will allow the District to take advantage of preferred pricing on the purchase of the vehicles, management of the vehicle during ownership, and preferred pricing on the sale of the vehicle based on selling them when they reach about 75,000 miles.

The purchase of the vehicles will be under an equity lease agreement, meaning that District will purchase the full value of the vehicles, except for a $1 stake in ownership that will be held by Enterprise Fleet Management. The $1 ownership stake and the monthly management fee is the reason that the agreement is still technically a lease, however the Capital Lease Amendment, Tax Ownership amendment and Lease Schedule clarifies how the District still has ownership rights and is able to capitalize the vehicle on our financial statements. Brief explanations of the amendments are as follows:

Capital Lease Amendment – this ensures that the District will be able to treat the leases as capital leases instead of operating leases on our financial statements.

Tax Ownership Amendment – in the standard lease language, Enterprise retains the right to write off the cost of the vehicle on their tax return. The tax ownership amendment gives the District the ability to write off the cost of the vehicle for tax purposes.

Sample Lease Schedule – this is an example of what the District’s agreement would look like, showing that many of the terms in the Master Lease Agreement are not applicable.

In terms of the cash outlay during the ownership of the vehicle, the following is a summary of the transactions that will take place between the District and Enterprise:

Initial Charges
The District will pay the full negotiated cost of the vehicle (less $1.00 which is the lease amount) with all incentives, including taxes, licensing fees, and delivery charge.

Monthly Charges
The District will pay a monthly management fee and taxes which will total about $27 per month.

Charges During the Lease Term
The District will pay any registration fees and tickets or tolls applied to the vehicles.

Lease Termination
There is a $400 service charge at the end of the lease that will be deducted from the sale price of the vehicle.

Fiscal Impact:
The Enterprise Fleet Management agreement does not specifically have a financial impact, although it will be used to purchase the vehicles that are identified in the 2018 Budget.

kac
1. LEASE OF VEHICLES: Lessor hereby leases to Lessee and Lessee hereby leases from Lessor the vehicles (individually, a "Vehicle" and collectively, the "Vehicles") described in the schedules from time to time delivered by Lessor to Lessee as set forth below ("Schedule(s)") for the rentals and on the terms described in this Agreement and in the applicable Schedule. References to this "Agreement" shall include this Master Equity Lease Agreement and the various Schedules and addenda to this Master Equity Lease Agreement. Lessor will, on or about the date of delivery of each Vehicle to Lessee, send Lessee a Schedule covering the Vehicle, which will include, among other things, a description of the Vehicle, the lease term and the monthly rental and other payments due with respect to the Vehicle. The terms contained in each such Schedule will be binding on Lessee unless Lessee objects in writing to such Schedule within ten (10) days after the date of delivery of the Vehicle covered by such Schedule. Lessor is the sole legal owner of each Vehicle. This Agreement is a lease only and Lessee will have no right, title or interest in or to the Vehicles except for the use of the Vehicles as described in this Agreement. This Agreement shall be treated as a true lease for federal and applicable state income tax purposes with Lessor having all benefits of ownership of the Vehicles. It is understood and agreed that Enterprise Fleet Management, Inc. or an affiliate thereof (together with any subserivec, agent, successor or assign as servicer on behalf of Lessor, "Servicer") may administer this Agreement on behalf of Lessor and may perform the service functions herein provided to be performed by Lessor.

2. TERM: The term of this Agreement ("Term") for each Vehicle begins on the date such Vehicle is delivered to Lessee (the "Delivery Date") and, unless terminated earlier in accordance with the terms of this Agreement, continues for the "Lease Term" as described in the applicable Schedule.

3. RENT AND OTHER CHARGES:

(a) Lessee agrees to pay Lessor monthly rental and other payments according to the Schedules and this Agreement. The monthly payments will be in the amount listed as the "Total Monthly Rental Including Additional Services" on the applicable Schedule (with any portion of such amount identified as "taxes and insurance") in such Schedule and will be due and payable in advance on the first day of each month. If a Vehicle is delivered to Lessee on any day other than the first day of a month, monthly rental payments will begin on the first day of the next month. In addition to the monthly rental payments, Lessee agrees to pay Lessor a pro-rated rental charge for the number of days that the Delivery Date precedes the first monthly rental payment date. A portion of each monthly rental payment, being the amount designated as "Depreciation Reserve" on the applicable Schedule, will be considered as a reserve for depreciation and will be credited against the Delivered Price of the Vehicle for purposes of computing the Book Value of the Vehicle under Section 3(c).

(b) Lessee agrees to pay Lessor the "Total Initial Charges" set forth in each Schedule on the due date of the first monthly rental payment under such Schedule. Lessee agrees to pay Lessor the "Service Charge Due at Lease Termination" set forth in each Schedule at the end of the applicable Term (whether by reason of expiration, early termination or otherwise).

(c) In the event the Term for any Vehicle ends prior to the last day of the scheduled Term, whether as a result of a default by Lessee, a Casualty Occurrence or any other reason, the rentals and management fees paid by Lessee will be recalculated in accordance with the rule of 78's and the adjusted amount will be payable by Lessee to Lessor on the termination date.

(d) Lessee agrees to pay Lessor within thirty (30) days after the end of the Term for each Vehicle, additional rent equal to the excess, if any, of the Book Value of such Vehicle over the greater of (i) the wholesale value of such Vehicle as determined by Lessor in good faith or (ii) except as provided below, twenty percent (20%) of the Delivered Price of such Vehicle as set forth in the applicable Schedule. If the Book Value of such Vehicle is less than the greater of (i) the wholesale value of such Vehicle as determined by Lessor in good faith or (ii) except as provided below, twenty percent (20%) of the Delivered Price of such Vehicle as set forth in the applicable Schedule, Lessor agrees to pay such deficiency to Lessee as a terminal rental adjustment within thirty (30) days after the end of the applicable Term. Notwithstanding the foregoing, if (i) the Term for a Vehicle is greater than forty-eight (48) months (including any extension of the Term for such Vehicle), (ii) the mileage on a Vehicle at the end of the Term is greater than 15,000 miles per year on average (prorated on a daily basis) (i.e., if the mileage on a Vehicle with a Term of thirty-six (36) months is greater than 45,000 miles) or (iii) in the sole judgment of Lessor, a Vehicle has been subject to damage or any abnormal or excessive wear and tear, the calculations described in the immediately preceding sentence shall be made with the following modifications: (a) if the Book Value of such Vehicle is less than forty-eight (48) months, (b) the Book Value of such Vehicle over the greater of (i) the "Delivered Price" of the Vehicle as set forth in the applicable Schedule minus (ii) the total Depreciation Reserve paid by Lessee to Lessor with respect to such Vehicle plus (iii) all accrued and unpaid rent and/or other amounts owed by Lessee with respect to such Vehicle.

(e) Any rental payment or other amount owed by Lessee to Lessor which is not paid within twenty (20) days after its due date will accrue interest, payable on demand of Lessor, from the date due until paid in full at a rate per annum equal to the lesser of (i) Eighteen Percent (18%) per annum or (ii) the highest rate permitted by applicable law (the "Default Rate").

(f) If Lessee fails to pay any amount due under this Agreement or to comply with any of the covenants contained in this Agreement, Lessor, Servicer or any other agent of Lessor may, at its option, pay such amounts or perform such covenants and all sums paid or incurred by Lessor in connection therewith will be repayable by Lessee to Lessor upon demand together with interest thereon at the Default Rate.

(g) Lessee's obligations to make all payments of rent and other amounts under this Agreement are absolute and unconditional and such payments shall be made in immediately available funds without setoff, counterclaim or deduction of any kind. Lessee acknowledges and agrees that neither any Casualty Occurrence to any Vehicle nor any defect, unfitness or lack of governmental approval in, of, or with respect to, any Vehicle regardless of the cause or consequence nor any breach by Enterprise Fleet Management, Inc. of any maintenance agreement between Enterprise Fleet Management, Inc. and Lessee covering any Vehicle regardless of the cause or consequence will relieve Lessee from the performance of any of its obligations under this Agreement, including, without limitation, the payment of rent and other amounts under this Agreement.

4. USE AND SURRENDER OF VEHICLES: Lessee agrees to allow only duly authorized, licensed and insured drivers to use and operate the Vehicles. Lessee agrees to comply with, and cause its drivers to comply with, all laws, statutes, rules, regulations and ordinances and the provisions of all insurance policies affecting or covering the Vehicles or their use or operation. Lessee agrees to keep the Vehicles free of all liens, charges and encumbrances. Lessee agrees that in no event will any Vehicle be used or operated for transporting hazardous substances or persons for hire, for any illegal purpose or to pull trailers that exceed the manufacturer's trailer towing recommendations. Lessee agrees that no Vehicle is intended to be or will be utilized as a "school bus" as defined in the Code of Federal Regulations or any applicable state or municipal statute or regulation.

Agenda Item #11

MASTER EQUITY LEASE AGREEMENT

This Master Equity Lease Agreement is entered into this eleventh day of December, 2017, by and between Enterprise FM Trust, a Delaware statutory trust ("Lessor"), and the lessee whose name and address is set forth on the signature page below ("Lessee").

Initials: EFM  Cust.  Page 1
5. COSTS, EXPENSES, FEES AND CHARGES: Lessee agrees to pay all costs, expenses, fees, charges, fines, tickets, penalties and taxes (other than federal and state income taxes on the income of Lessor) incurred in connection with the titling, registration, delivery, purchase, sale, rental, use or operation of the Vehicles during the Term. If Lessor, Servicer or any other agent of Lessor incurs any such costs or expenses, Lessee agrees to promptly reimburse Lessor for the same.

6. LICENSE AND CHARGES: Each Vehicle will be titled and licensed in the name designated by Lessor at Lessee’s expense. Certain other charges relating to the acquisition of each Vehicle and paid or satisfied by Lessor have been capitalized in determining the monthly rental, treated as an initial charge or otherwise charged to Lessee. Such charges have been determined without reduction for trade-in, exchange allowance or other credit attributable to any Lessor-owned vehicle.

7. REGISTRATION PLATES, ETC.: Lessee agrees, at its expense, to obtain in the name designated by Lessor all registration plates and other plates, permits, inspections and/or licenses required in connection with the Vehicles, except for the initial registration plates which Lessor will obtain at Lessee’s expense. The parties agree to cooperate and to furnish any and all information or documentation, which may be reasonably necessary for compliance with the provisions of this Section or any federal, state or local law, rule, regulation or ordinance. Lessee agrees that it will not permit any Vehicle to be located in a state other than the state in which such Vehicle is then titled for any continuous period of time that would require such Vehicle to become subject to the titling and/or registration laws of such other state.

8. MAINTENANCE OF AND IMPROVEMENTS TO VEHICLES:
   (a) Lessee agrees, at its expense, to (i) maintain the Vehicles in good condition, repair, maintenance and running order and in accordance with all manufacturer’s instructions and warranty requirements and all legal requirements and (ii) furnish all labor, materials, parts and other essentials required for the proper operation and maintenance of the Vehicles. Any alterations, additions, replacement parts or improvements to a Vehicle will become and remain the property of Lessor and will be returned with such Vehicle upon such Vehicle’s return pursuant to Section 4. Notwithstanding the foregoing, so long as no Event of Default has occurred and is continuing, Lessee shall have the right to remove any additional equipment installed by Lessor on a Vehicle prior to returning such Vehicle to Lessor under Section 4. The value of such alterations, additions, replacement parts and improvements will in no instance be regarded as rent. Without the prior written consent of Lessor, Lessee will not make any alterations, additions, replacement parts or improvements to any Vehicle which detract from its economic value or functional utility. Lessor will not be required to make any repairs or replacements of any nature or description with respect to any Vehicle, to maintain or repair any Vehicle or to make any expenditure whatsoever in connection with any Vehicle or this Agreement.
   (b) Lessor and Lessee acknowledge and agree that if Section 4 of a Schedule includes a charge for maintenance, (i) the Vehicle(s) covered by such Schedule are subject to a separate maintenance agreement between Enterprise Fleet Management, Inc. and Lessee and (ii) Lessor shall have no liability or responsibility for any failure of Enterprise Fleet Management, Inc. to perform any of its obligations thereunder or to pay or reimburse Lessee for its payment of any costs and expenses incurred in connection with the maintenance or repair of any such Vehicle(s).

9. SELECTION OF VEHICLES AND DISCLAIMER OF WARRANTIES:
   (a) LESSOR ACCEPTANCE OF DELIVERY AND USE OF EACH VEHICLE WILL CONCLUSIVELY ESTABLISH THAT SUCH VEHICLE IS OF A SIZE, DESIGN, EQUIPMENT, PERFORMANCE AND MANUFACTURE SELECTED BY LESSEE AND THAT SUCH VEHICLE IS IN GOOD CONDITION AND REPAIR AND IS SATISFACTORY IN ALL RESPECTS AND IS SUITABLE FOR LESSEE’S PURPOSE. LESSEE ACKNOWLEDGES THAT LESSOR IS NOT A MANUFACTURER OF ANY VEHICLE OR AN AGENT OF A MANUFACTURER OF ANY VEHICLE.
   (b) LESSOR MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO ANY VEHICLE, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY AS TO CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, IT BEING AGREED THAT ALL SUCH RISKS ARE TO BE BORNE BY LESSEE. THE VEHICLES ARE LEASED “AS IS,” “WITH ALL FAULTS.” All warranties are made by any supplier, vendor and/or manufacturer of a Vehicle are hereby assigned by Lessor to Lessee for the applicable Tender and Lessee’s only remedy, if any, is against the supplier, vendor or manufacturer of the Vehicle.
   (c) None of Lessor, Servicer or any other agent of Lessor will be liable to Lessee for any liability, claim, loss, damage (direct, incidental or consequential) or expense of any kind or nature, caused directly or indirectly, by any Vehicle or any inadequacy of any Vehicle for any purpose or any defect (latent or patent) in any Vehicle or the use or maintenance of any Vehicle or any repair, servicing or adjustment of or to any Vehicle, or any delay in providing or failure to provide any Vehicle, or any interruption or loss of service or use of any Vehicle, or any loss of business or any damage whatsoever and however caused. In addition, none of Lessor, Servicer or any other agent of Lessor will have any liability to Lessee under this Agreement or under any order authorization form executed by Lessee if Lessor is unable to locate or purchase a Vehicle ordered by Lessee or for any delay in delivery of any Vehicle ordered by Lessee.

10. RISK OF LOSS: Lessee assumes and agrees to bear the entire risk of loss of, theft of, damage to or destruction of any Vehicle from any cause whatsoever (“Casualty Occurrence”). In the event of a Casualty Occurrence to a Vehicle, Lessee shall give Lessor prompt notice of the Casualty Occurrence and thereafter will place the applicable Vehicle in good repair, condition and working order; provided, however, that if the applicable Vehicle is determined by Lessor to be lost, stolen, destroyed or damaged beyond repair (a “Totaled Vehicle”), Lessee agrees to pay Lessor no later than the date thirty (30) days after the date of the Casualty Occurrence the amounts owed under Sections 3(b) and 3(c) with respect to such Totaled Vehicle. Upon such payment, this Agreement will terminate with respect to such Totaled Vehicle.

11. INSURANCE:
   (a) Lessee agrees to purchase and maintain in force during the Term, insurance policies in at least the amounts listed below covering each Vehicle, to be written by an insurance company or companies satisfactory to Lessor, insuring Lessee, Lessor and any other person or entity designated by Lessor against any damage, claim, suit, action or liability:
      (i) Commercial Automobile Liability Insurance (including Uninsured/Underinsured Motorist Coverage and No-Fault Protection where required by law) for the limits listed below (Note - $2,000,000 Combined Single Limit Bodily Injury and Property Damage with No Deductible is required for each Vehicle capable of transporting more than 8 passengers):
      | State of Vehicle Registration | Coverage |
      |-------------------------------|----------|
      | Connecticut, Massachusetts, Maine, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont | $1,000,000 Combined Single Limit Bodily Injury and Property Damage - No Deductible |
      | Florida | $500,000 Combined Single Limit Bodily Injury and Property Damage or $100,000 Bodily Injury Per Person, $300,000 Per Occurrence and $50,000 Property Damage (100/300/50) - No Deductible |
      | All Other States | $300,000 Combined Single Limit Bodily Injury and Property Damage or $100,000 Bodily Injury Per Person, $300,000 Per Occurrence and $50,000 Property Damage (100/300/50) - No Deductible |
If the requirements of any governmental or regulatory agency exceed the minimums stated in this Agreement, Lessee must obtain and maintain the higher insurance requirements. Lessee agrees that each required policy of insurance will by appropriate endorsement or otherwise name Lessor and any other person or entity designated by Lessor as additional insureds and loss payees, as their respective interests may appear. Further, each such insurance policy must provide the following: (i) that the same may not be cancelled, changed or modified until after the insurer has given to Lessor, Servicer and any other person or entity designated by Lessor at least thirty (30) days prior written notice of such proposed cancellation, change or modification, (ii) that no act or default of Lessee or any other person or entity shall affect the right of Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns to recover under such policy or policies of insurance in the event of any loss of or damage to any Vehicle and (iii) that the coverage is “primary coverage” for the protection of Lessor, Servicer, any other agent of Lessor and their respective successors and assigns notwithstanding any other coverage or any provision to the contrary contained in such Policy, Loss Payee Agreement, Servicer Agreement, Lessor Agreement or any other agreement between Lessor or any other agent of Lessor and any other person or entity designated by Lessor as additional insureds and losses shall be furnished to Lessor prior to the Delivery Date, and annually thereafter and/or as reasonably requested by Lessor from time to time. In the event of default, Lessee hereby appoints Lessor, Servicer and any other agent of Lessor as Lessee’s attorney-in-fact to receive payment of, to endorse all checks and other documents and to take any other actions necessary to pursue insurance claims and recover payments if Lessee fails to do so. Any expense of Lessor, Servicer or any other agent of Lessor in adjusting or collecting insurance shall be borne by Lessee.

Lessee, its drivers, servants and agents agree to cooperate fully with Lessor, Servicer, any other agent of Lessor and any insurance carriers in the investigation, defense and prosecution of all claims or suits arising from the use or operation of any Vehicle. If any claim is made or action commenced for death, personal injury or property damage resulting from the ownership, maintenance, use or operation of any Vehicle, Lessee will promptly notify Lessor of such action or claim and forward to Lessor a copy of every demand, notice, summons or other process received in connection with such claim or action.

(b) Notwithstanding the provisions of Section 11(a) above: (i) if Section 4 of a Schedule includes a charge for physical damage waiver, Lessor agrees that (A) Lessee will not be required to obtain or maintain the minimum physical damage insurance (collision and comprehensive) required under Section 11(a) for the Vehicle(s) covered by such Schedule and (B) Lessor will assume the risk of physical damage (collision and comprehensive) to the Vehicle(s) covered by such Schedule; provided, however, that such physical damage waiver shall not apply to, and Lessee shall be and remain liable and responsible for, damage to a covered Vehicle caused by wear and tear or mechanical breakdown or failure, damage to or loss of any parts, accessories or components added to a covered Vehicle by Lessee without the prior written consent of Lessor and/or damage to or loss of any property and/or personal effects contained in a covered Vehicle. Lessee agrees to comply with all laws, rules and regulations applicable to the replacement of a Vehicle rather than repair, the damaged Vehicle with an equivalent vehicle, which replacement vehicle will then constitute the “Vehicle” for purposes of this Agreement; and (ii) if Section 4 of a Schedule includes a charge for commercial automobile liability enrollment, Lessor agrees that it will, at its expense, obtain for and on behalf of Lessee, by adding Lessee as an additional insured under a commercial automobile liability insurance policy issued by an insurance company selected by Lessor, commercial automobile liability insurance satisfying the minimum commercial automobile liability insurance required under Section 11(a) for the Vehicle(s) covered by such Schedule. Lessor may at any time during the applicable Term terminate said obligation to provide physical damage waiver and/or commercial automobile liability enrollment and cancel such physical damage waiver and/or commercial automobile liability enrollment upon giving Lessee at least ten (10) days prior written notice. Upon such cancellation, insurance in the minimum amounts as set forth in 11(a) shall be obtained and maintained by Lessee at Lessee’s expense. An adjustment will be made in monthly rental charges payable by Lessee to reflect any such change and Lessee agrees to furnish Lessor with satisfactory proof of insurance coverage within ten (10) days after mailing of the notice. In addition, Lessor may change the rates charged by Lessor under this Section 11(b) for physical damage waiver and/or commercial automobile liability enrollment upon giving Lessee at least thirty (30) days prior written notice.

12. INDEMNITY: To the extent permitted by state law, Lessee agrees to defend and indemnify Lessor, Servicer, any other agent of Lessor and their respective successors and assigns from and against any and all losses, damages, liabilities, suits, claims, demands, costs and expenses (including, without limitation, reasonable attorneys’ fees and expenses) which Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns may incur by reason of Lessee’s breach or violation of, or failure to observe or perform, any term, provision or covenant of this Agreement, or as a result of any loss, damage, theft or destruction of any Vehicle related to or arising out of or in connection with the use, operation or condition of any Vehicle. The provisions of this Section 12 shall survive any expiration or termination of this Agreement. Nothing herein shall be deemed to affect the rights, privileges, and immunities of Lessee and the foregoing indemnity provision is not intended to be a waiver of any sovereign immunity afforded to Lessee pursuant to the law.

13. INSPECTION OF VEHICLES; ODOMETER DISCLOSURE; FINANCIAL STATEMENTS: Lessee agrees to accomplish, at its expense, all inspections of the Vehicles required by any governmental authority during the Term. Lessor, Servicer, any other agent of Lessor and any of their respective successors or assigns will have the right to inspect any Vehicle at any reasonable time(s) during the Term and for this purpose to enter into or upon any building or place where any Vehicle is located. Lessee agrees to comply with all laws, rules and regulations applicable to the completion of odometer disclosure forms and to provide such written and signed disclosure information on such forms and in such manner as directed by Lessor. Providing false information or failure to complete the odometer disclosure form as required by law may result in fines and/or imprisonment. Lessee hereby agrees to promptly deliver to Lessor such financial statements and other financial information regarding Lessee as Lessor may from time to time reasonably request.

14. DEFAULT; REMEDIES: The following shall constitute events of default (“Events of Default”) by Lessee under this Agreement: (a) if Lessee fails to pay when due any rent or other amount due under this Agreement and any such failure shall remain unremedied for ten (10) days; (b) if Lessee fails to perform, keep or observe any term, provision or covenant contained in Section 11 of this Agreement; (c) if Lessee fails to perform, keep or observe any other term, provision or covenant contained in this Agreement and any such failure shall remain unremedied for thirty (30) days after written notice thereof is given by Lessor, Servicer or any other agent of Lessor to Lessee; (d) any seizure or confiscation of any Vehicle or any other act (other than a Casualty Occurrence) otherwise rendering any Vehicle unsuitable for use (as determined by Lessor); (e) if any present or future guaranty in favor of Lessor of any of the obligations of Lessee under this Agreement or as a result of any loss, damage, theft or destruction of any Vehicle related to or arising out of or in connection with the use, operation or condition of any Vehicle shall be declared to be null and void by a court of competent jurisdiction, or if the validity or enforceability of any such guaranty shall be contested or denied by any guarantor, or if any guarantor shall deny that it, he or she has any further liability or obligation under any such guaranty or if any guarantor shall fail to comply with or observe any of the terms, provisions or conditions contained in any such guaranty; (f) the occurrence of a material adverse change in the financial condition or business of Lessee or any guarantor; or (g) if Lessee or any guarantor is in default under or fails to comply with any other present or future agreement with or in favor of Lessor, The Crawford Group, Inc. or any direct or indirect subsidiary of The Crawford Group, Inc.. For purposes of this Section 14, the term “guarantor” shall mean any present or future guarantor of all or any portion of the obligations of Lessee under this Agreement.

Upon the occurrence of any Event of Default, Lessor, without notice to Lessee, will have the right to exercise concurrently or separately (and without any election of remedies being deemed made), the following remedies: (a) Lessor may demand and receive immediate possession of any or all of the Vehicles from Lessee, without releasing Lessee from its obligations under this Agreement; if Lessee fails to surrender possession of the Vehicles to Lessor on default (or termination or expiration of the Term), Lessor, Servicer, any other agent of Lessor and any of Lessor’s independent contractors shall have the right to enter upon any premises where the Vehicles may be located and to remove and repossess the Vehicles; (b) Lessor may enforce performance by Lessee of its obligations under this Agreement; (c) Lessor may recover damages and expenses sustained by Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns by reason of Lessee’s default including, to the extent permitted by applicable law, all costs and expenses, including court costs and reasonable attorneys’ fees and expenses, incurred by Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns in attempting or effecting enforcement of Lessor’s rights under this Agreement (whether or not litigation is commenced) and/or in connection with bankruptcy or insolvency proceedings; (d) upon written notice to Lessee, Lessor may terminate Lessee’s rights

Initials: EFM _ Cust  Page 3
under this Agreement; (e) with respect to each Vehicle, Lessor may recover from Lessee all amounts owed by Lessee under Sections 3(b) and 3(c) of this Agreement (and, if Lessor does not recover possession of a Vehicle, (i) the estimated wholesale value of such Vehicle for purposes of Section 3(c) shall be deemed to be $0.00 and (ii) the calculations described in the first two sentences of Section 3(c) shall be made without giving effect to clause (ii) in each such sentence); and/or (f) Lessor may exercise any other right or remedy which may be available to Lessor under the Uniform Commercial Code, any other applicable law or in equity. A termination of this Agreement shall occur only upon written notice by Lessor to Lessee. Any termination shall not affect Lessee’s obligation to pay all amounts due for periods prior to the effective date of such termination or Lessee’s obligation to pay any indemnities under this Agreement. All remedies of Lessor under this Agreement or at law or in equity are cumulative.

15. ASSIGNMENTS: Lessor may from time to time assign, pledge or transfer this Agreement and/or any or all of its rights and obligations under this Agreement to any person or entity. Lessee agrees, upon notice of any such assignment, pledge or transfer of any amounts due or to become due due to Lessor under this Agreement to pay all such amounts to such assignee, pledgee or transferee. Any such assignee, pledgee or transferee of any rights or obligations of Lessor under this Agreement will have all of the rights and obligations that have been assigned to it. Lessee’s rights and interest in and to the Vehicles are and will continue at all times to be subject and subordinate in all respects to any assignment, pledge or transfer now or hereafter executed by Lessor with or in favor of any such assignee, pledgee or transferee, provided that Lessee shall have the right of quiet enjoyment of the Vehicles so long as no Event of Default under this Agreement has occurred and is continuing. Lessee acknowledges and agrees that the rights of any assignee, pledgee or transferee in and to any amounts payable by the Lessee under any provisions of this Agreement shall be absolute and unconditional and shall not be subject to any abatement whatsoever, or to any defense, setoff, counterclaim or recoupment whatsoever, whether by reason of any damage to or loss or destruction of any Vehicle or by reason of any defect in or failure of title of the Lessor or interruption from whatsoever cause in the use, operation or possession of any Vehicle, or by reason of any indebtedness or liability howsoever and whenever arising of the Lessor or any of its affiliates to the Lessee or to any other person or entity, or for any other reason.

Without the prior written consent of Lessor, Lessee may not assign, sublease, transfer or pledge this Agreement, any Vehicle, or any interest in this Agreement or in and to any Vehicle, or permit its rights under this Agreement or any Vehicle to be subject to any lien, charge or encumbrance. Lessee’s interest in this Agreement is not assignable and cannot be assigned or transferred by operation of law. Lessee will not transfer or relinquish possession of any Vehicle (except for the sole purpose of repair or service of such Vehicle) without the prior written consent of Lessor.

16. MISCELLANEOUS: This Agreement contains the entire understanding of the parties. This Agreement may only be amended or modified by an instrument in writing executed by both parties. Lessor shall not by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies under this Agreement and no waiver whatsoever shall be valid unless in writing and signed by Lessor and then only to the extent therein set forth. A waiver by Lessor of any right or remedy under this Agreement on any one occasion shall not be construed as a bar to any right or remedy, which Lessor would otherwise have on any future occasion. If any term or provision of this Agreement or any application of any such term or provision is invalid or unenforceable, the remainder of this Agreement and any other application of such term or provision will not be affected thereby. Giving of all notices under this Agreement will be sufficient if mailed by certified mail to a party at its address set forth below or at such other address as such party may provide in writing from time to time. Any such notice mailed to such address will be effective one (1) day after deposit in the United States mail, duly addressed, with certified mail, postage prepaid. Lessee will promptly notify Lessor of any change in Lessee’s address. This Agreement may be executed in multiple counterparts (including facsimile and pdf counterparts), but the counterpart marked “ORIGINAL” by Lessor will be the original lease for purposes of applicable law. All of the representations, warranties, covenants, agreements and obligations of each Lessee under this Agreement (if more than one) are joint and several.

17. SUCCESSORS AND ASSIGNS; GOVERNING LAW: Subject to the provisions of Section 15, this Agreement will be binding upon Lessee and its heirs, executors, personal representatives, successors and assigns, and will inure to the benefit of Lessor, Servicer, any other agent of Lessor and their respective successors and assigns. This Agreement will be governed by and construed in accordance with the substantive laws of the State of Missouri (determined without reference to conflict of law principles).

18. NON-PETITION: Each party hereto hereby covenants and agrees that, prior to the date which is one year and one day after payment in full of all indebtedness of Lessor, it shall not institute against, or join any other person in instituting against, Lessor any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or other similar proceeding under the laws of the United States or any state of the United States. The provisions of this Section 18 shall survive termination of this Master Equity Lease Agreement.

19. NON-APPROPRIATION: Lessee’s funding of this Agreement shall be on a Fiscal Year basis and is subject to annual appropriations. Lessor acknowledges that Lessee is a municipal corporation, is precluded by the County or State Constitution and other laws from entering into obligations that financially bind future governing bodies, and that, therefore, nothing in this Agreement shall constitute an obligation of future legislative bodies of the County or State to appropriate funds for purposes of this Agreement. Accordingly, the parties agree that the lease terms within this Agreement or any Schedules relating hereto are contingent upon appropriation of funds. The parties further agree that should the County or State fail to appropriate such funds, the Lessor shall be paid all rentals due and owing hereunder up until the actual day of termination. In addition, Lessor reserves the right to be paid for any reasonable damages. These reasonable damages will be limited to the losses incurred by the Lessor for having to sell the vehicles on the open used car market prior to the end of the scheduled term (as determined in Section 3 and Section 14 of this Agreement).

IN WITNESS WHEREOF, Lessor and Lessee have duly executed this Master Equity Lease Agreement as of the day and year first above written.

LESSEE: Public Utility District No. 1 of Skagit County

LESSOR: Enterprise FM Trust

By: Enterprise Fleet Management, Inc., its attorney in fact

By: Fiona Watson

Title: Finance Manager

Address: 1119 SW 7th St

Renton WA 98057

Title: General Manager

Address: 1415 Freeway Drive

Mount Vernon, WA 98273

INITIALS: EFM_______ Cust_______

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THIS AMENDMENT TO MASTER EQUITY LEASE AGREEMENT (this "Amendment") is made and entered into
as of the day of by and between Enterprise FM Trust, a Delaware statutory trust ("Lessor") and ("Lessee").

WITNESSETH:

WHEREAS, Lessor and Lessee are parties to certain Master Equity Lease Agreement dated XXX, as amended
the "Agreement"; all capitalized terms used and not otherwise defined in this Amendment shall have the respective
meanings ascribed to them in the Agreement as amended by this Amendment); and

WHEREAS, Lessor and Lessee desire to amend the Agreement in the manner hereinafter set forth;

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt
and sufficiency of which are hereby acknowledged, Lessor and Lessee hereby agree as follows:

1. Notwithstanding the second last sentence of Section 1 of the Agreement, Lessor and Lessee hereby
agree that, solely for federal, state and local income tax purposes, the lease by Lessor to Lessee under the Agreement of
the following Vehicles (the "Specified Vehicles") will be treated as a conditional sale rather than a true lease and that Lessee
will be treated as the owner of the Vehicle solely for such income tax purposes:

| Year | Make | Model | Unit No. | Vehicle Identification No. |

The Agreement and this Amendment have the specific intent of creating a conditional sale rather than a true lease with
respect to the vehicles listed above, and by design, give appropriate consideration to tax statutes, Regulations, Court
decisions, and IRS rulings and positions. In recognition of that intent, each of Lessor and Lessee hereby further agrees
that it will not take any action or file any return or other document inconsistent with such tax treatment or with the
ownership of the Specified Vehicles by Lessee solely for such income tax purposes.

Notwithstanding the foregoing, or anything else in this Amendment, the Agreement or any Schedule to the contrary, and
given the inherent uncertainty that exists with respect to any advertised tax result or outcome, Lessee hereby
acknowledges and agrees that Lessor makes no representation, warranty or covenant that any tax authority will not assert
a contrary position or assert that (a) the lease of the Specified Vehicles by Lessor to Lessee is a true lease for tax
purposes, (b) Lessee is not the owner of the Specified Vehicles for tax purposes and/or (c) Lessee is not entitled to claim
any depreciation or recovery deduction for tax purposes with respect to the Specified Vehicles. Lessee shall be solely
liable for any and all costs and expenses, including, without limitation, any and all attorneys’ fees, incurred in contesting
any such treatment of the lease of the Specified Vehicles as other than a conditional sale and shall keep Lessor informed,
in writing, of any dispute with any tax authority as to the tax treatment of the lease of the Specified Vehicles.

2. All references in the Agreement and in the various Schedules and addenda to the Agreement to the
Agreement and any other references of similar import shall henceforth mean the Agreement as amended by this
Amendment. Except to the extent specifically amended by this Amendment, all of the terms, provisions, conditions,
covenants, representations and warranties contained in the Agreement shall be and remain in full force and effect and the
same are hereby ratified and confirmed.

IN WITNESS WHEREOF, Lessor and Lessee have executed this Amendment to Master Equity Lease Agreement as of
the _________ day of ________, 2012._
ENTERPRISE FM TRUST ("Lessor")

BY: Enterprise Fleet Management, Inc., its attorney-in-fact

By ____________________________
Title: __________________________

("Lessee")

By ____________________________
Title: __________________________
Agenda Item #11

Amendment made as of the 17th day of August 2010 between Enterprise FM Trust ("Lessor") and ("Lessee").

1. In consideration of the continued leasing of vehicles by Lessee from Lessor, Lessor hereby amends the provisions of the Lease(s) in the following respects, for vehicles presently under lease as well as for vehicles to be subsequently leased:

   Paragraph 3(c) of the Master Equity Lease Agreement is amended to read as follows:

   (c) Lessee agrees to pay Lessor within thirty (30) days after the end of the Term for each Vehicle, additional rent equal to the excess, if any, of (1) the Book Value of such Vehicle over (2) the wholesale value of such Vehicle as determined by Lessor in good faith. If the wholesale value of a Vehicle is greater than the Book Value of such Vehicle, Lessor agrees to pay such excess to Lessee as a terminal rental adjustment within thirty (30) days after the end of the applicable Term. The "Book Value" of a Vehicle means the sum of (i) the "Delivered Price" of the Vehicle as set forth in the applicable Schedule minus (ii) the total Depreciation Reserve paid by the Lessee to Lessor with respect to such Vehicle plus (iii) all accrued and unpaid rent and/or other amounts owed by Lessee with respect to such Vehicle.

2. Except as hereby amended, the Lease shall remain in full force and effect as originally written or heretofore amended.

Enterprise FM Trust (Lessor)

By: Enterprise Fleet Management, Inc., its attorney in fact

By: ______________________________

Steve Usselmann, Vice President
Open - End (Equity) Lease Schedule

Supplemental to and part of Master Equity Lease Agreement date: 07/30/2015

1. Lessee Name
   Address
   City
   ATTN
   Driver
   Address
   City
   State
   WA
   Garag County
   PIERCE
   State
   WA

2. Lease Term
   Commencing on the delivery date of the vehicle and ending 36 months after the first full monthly rental payment date with an option to continue month-to-month for an unlimited period of time.

3. Vehicle Description
   Year 2015 Make Ford Model F-150 Series XLT 4x4 SuperCab Styleside 6 ft.
   License # C82624E Unit # 2226RN Replacement Unit # VIN# 1FTFX1EF4FKE7908

4. Monthly Rental and Other Payments Due
   4A. Calculation of Monthly Rental
       $33,367.92 Capitalized Price of Vehicle
       $0.00 Initial License Fee
       $0.00 License and Certain Other Charges
       $300.00 Courtesy Delivery Fee
       $0.00 Extended Mechanical Service Program
       $0.00 Less Gain Applied From Prior Unit
       $34,266.92 Total Capitalized Price Reduction
       $1.00 Total Capitalized Amount (Delivered Price)
       $0.00 Depreciation Reserve @0.00%
       $21.31 Monthly Lease Charge
       $21.31 Total Monthly Rental Excluding Additional Services

   Additional Services
   $0.00 Full Maintenance¹
   $0.00 Contract Miles 0
   $0.00 Overmileage Charge 00.0000 Per Mile
   $0.00 Master Policy Enrollment Fees
   $0.00 Physical Damage Management
   $0.00 Commercial Automobile Liability Enrollment
   $0.00 Liability Limit
   $21.31 Monthly Rental Sub-Total
   $21.72 Sales Tax 10.2000
   $23.48 Total Monthly Rental Including Additional Services

4B. Initial Charges
   $47.17 Pro-Rated Rental
   $33.48 First Month’s Rental
   $0.00 Security Deposit
   $34,266.12 Capitalized Price Reduction
   $3,325.33 Sales Tax on Capitalized Price Reduction
   $0.00 Tax on Gain On Prior
   $0.00 Tax on Incentive (Taxable Incentive Total: $0.00)
   $75.00 License and Certain Other Charges
   $120.29 Aftermarket Equipment
   $90.00 Other: (See Page 2)
   $38,066.59 Total Initial Charges

4C. Service Charge
   $400.00 Service Charge Due at Lease Termination

4D. Reduced Book Value
   Quote based on estimated annual mileage of 25,000

Special Provisions

As set forth in the Master Open - End (Equity) Lease Agreement, the terms and provisions contained in this schedule shall be conclusive and binding on Lessee unless Lessee objects in writing to the same within ten (10) days after the date of delivery of the vehicle.

Enterprise FM Trust, a Delaware statutory trust, is the owner of the vehicle covered by this Schedule. Enterprise FM Trust (not Enterprise Fleet Management) is and shall be deemed to be the Lessor of such vehicle under the Master Open - End (Equity) Lease Agreement and shall have all rights and obligations of the Lessor under the Master Open - End (Equity) Lease Agreement with respect to such vehicle. All rental and other payments owed by the Lessee with respect to such vehicle under the Master Open - End (Equity) Lease Agreement shall be paid to Enterprise Fleet Management in its capacity as the servicer for Enterprise FM Trust. All references in Sections 11(a) and 12 of the Master Open - End (Equity) Lease Agreement to the “Lessor” shall include any servicer(s) and/or other agent(s) or entity(ies). The inclusion herein of references to maintenance fees/services are solely for the administrative convenience of Lessee. Notwithstanding the inclusion of such references in this schedule, all maintenance services are to be performed by Enterprise Fleet Management, Inc. and all such maintenance fees are payable by Lessee solely for the account of Enterprise Fleet Management, Inc., pursuant to that certain separate [Maintenance Agreement] entered into by and between Lessee and Enterprise Fleet Management, Inc., provided that such maintenance fees are being billed by Enterprise FM Trust, and are payable at the direction of Enterprise FM Trust, solely as an authorized agent for collection on behalf of Enterprise Fleet Management, Inc.

Printed On 11/13/2017 11:15:38 AM
January 5, 2018

TO: Commissioners
   District Employees

FROM: George Sidhu, General Manager

SUBJECT: Personal Vehicle Mileage Allowance

The Internal Revenue Service (IRS) has announced the standard mileage rate allowance beginning January 1, 2018.

In conformance with Resolution No. 1886-99 and the IRS ruling, the District will allow a mileage reimbursement rate of **54.5 cents ($0.545)** per mile for the use of an employee’s private vehicle while performing their regular duties for the District. Please note that the 2018 rate is an increase of 1 ½ cents from 2017.

Use of employee personal vehicles for District business must be pre-approved by the General Manager or his designated representative. To ensure that the District’s insurance is in force to cover use of private vehicles for District business, a standard form must be completed each time you want authorization to use your personal vehicle. The Training/Professional Development/Travel Request forms are available on the Public Drive under Forms/Travel and Professional Development.

Should you have any questions, please contact me.

kac
## DRAFT MEETING SCHEDULE FOR 2018

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<thead>
<tr>
<th>Month</th>
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<tbody>
<tr>
<td>January</td>
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<td>May</td>
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<td>November</td>
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<td>Commission Meeting (Potential cancellation-follows Monday holiday)</td>
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