CITY COUNCIL MEETING AGENDA

City of Lake Stevens Vision Statement

We are a thriving community that promotes a vibrant economy, preserves natural beauty, and supports an exceptional quality of life for all.

March 26, 2024 - 6:00 PM
In Person: The Mill, Sawyers Room, 1808 Main Street, Lake Stevens
or Join Zoom Meeting: https://lakestevenswa.zoom.us/j/83195314049
or call in at (253) 215-8782 Meeting ID 83195314049

1.	**Call to Order**		
2.	**Pledge of Allegiance**		Mayor
3.	**Roll Call**		
4.	**Approval of Agenda**		Council President
5.	**Guest Business**		
	A.	Lake Stevens Community Food Bank	Anthony Hawley, Sophina Nunez
	B.	HASCO Presentation	David Levitan
6.	**Citizen Comments**		
7.	**Council Business**		Council President
8.	**Mayor's Business**		
9.	**City Department Report**		
	A.	2023 Finance Department Report	Barb Stevens
	B.	Bond Sale Report	Barb Stevens
10.	**Consent Agenda**		
	A.	2024 Vouchers	Barb Stevens
	B.	City Council Meeting Minutes of March 5, 2024	Caitlin Weaver
	C.	City Council Meeting Minutes of March 12, 2024	Kelly Chelin
	D.	Johnson & Johnson (Janssen) Opioid Settlement Participation	Barb Stevens
11.	**Closed Record Hearing**		

A. Sparman Rezone - LUA2023-0073 Melissa Place

12. Action Items

13. Discussion Items

14. Executive Session - Confidential Session of the Council

A. Discussion of Potential Litigation and Property Acquisition per RCW 42.30.110. No action is expected after the session.

15. Adjourn

THE PUBLIC IS INVITED TO ATTEND

The City of Lake Stevens strives to provide accessible opportunities for individuals with disabilities. Please contact Human Resources, City of Lake Stevens ADA Coordinator, (425) 622-9400, at least five business days prior to any City meeting or event if any accommodations are needed. For TDD users, please use the state's toll-free relay service, (800) 833-6384, and ask the operator to dial the City of Lake Stevens City Hall number.

CITY COUNCIL STAFF REPORT

Agenda Date: 3/26/2024

Subject: HASCO Presentation

Contact Person/Department: David Levitan, Community Development

Budget Impact: N/A

Legal Review: No

RECOMMENDATION(S)/ACTION REQUESTED:

No action is required. Duane Leonard, Executive Director of the Housing Authority of Snohomish County (HASCO), and Chris Collier, Program Manager for the Alliance for Housing Affordability (AHA), will provide an overview of the current and future housing needs in Lake Stevens. Their focus will be on the needs at extremely low (0-30% AMI) and very low (30-50% AMI) income ranges, including permanent supportive housing (PSH) and emergency housing.

Councilmembers are encouraged to ask questions and weigh in on potential policy and program options to help guide policy and zoning discussions for the city to meet its 2044 housing targets, under the Growth Management Act (GMA), as staff completes updates to the Comprehensive Plan.

SUMMARY/BACKGROUND:

A key component of the city's 2024 Comprehensive Plan Periodic Update is assessing current and future housing needs to develop policies and programs supporting its 2044 growth targets, as adopted into Appendix B of Snohomish County's Countywide Planning Policies. Between 2020 (the baseline year) and 2044 (the planning horizon), the city must plan to accommodate an additional 4,915 housing units. Growth since 2020 is credited towards the city's targets.

To gauge the city's ability to meet these growth targets, staff compared the targets to the city's existing zoned capacity for residential and employment, which was calculated as part of Snohomish County's 2021 Buildable Lands Report (BLR). The assumptions in the BLR and the city's progress in meeting its housing growth targets were assessed in the 2023 Housing Action Plan. Additional background information can be found in the February 7 Planning Commission staff report and in the meeting video.

In May 2021, House Bill (HB) 1220 was signed into law amending RCW Section 36.70A.070(2)(c) the Growth Management Act (GMA) to provide more direct and prescriptive requirements for cities to meet 2044 housing needs, including identifying sufficient capacity of land for:

- Moderate, low, very low, and extremely low-income households, based on income ranges as a percentage of area median income (AMI);
- Manufactured housing
- Multifamily housing
- Group homes
- Foster care facilities
- Emergency housing and emergency shelters (intended for temporary or transitional shelter and supportive services for no more than 60 days);
- Permanent supportive housing (PSH), which is low-income housing with integrated health care and supportive services; and
- Potential duplexes, triplexes and townhomes (for land within an urban growth boundary).

The city performed an initial analysis of its housing needs, integrating HB 1220 requirements, as part of its Housing Action Plan (HAP), which was adopted by the City Council in June 2023. The Housing Action Plan work occurred in tandem with the development of Snohomish County's Housing Characteristics and Needs Report, otherwise known as the "HO-5 Report" for Countywide Planning Policy HO-5. Attachment 1 shows the city's projected housing needs at different income levels, measured as a percentage of area median income (AMI). The 2023 AMI for a family of four was $146,500, and AMI is adjusted based on household size.

The city has determined that it has adequate zoned capacity to meet its housing needs above 50% AMI (low, moderate, and above moderate incomes) through its proactive approaches to allow diverse housing options in the city across all residential zoning districts. Between 2020 and 2023 the city exceeded the yearly growth rate needed at these income ranges to meet its 2044 growth targets. However, the HAP and subsequent staff analysis indicates we will need to consider map amendments (to allow more multifamily housing) as well as develop new policies, programs and reasonable measures to help accommodate its housing targets at the 0-30% AMI (extremely low, including PSH) and 30-50% AMI (very low) income ranges and emergency housing. For context, the city currently has 0 PSH units, and its 2044 target of 456 PSH units is more than twice the 2020 combined supply of PSH units in all incorporated cities in the county other than Everett (209 units).

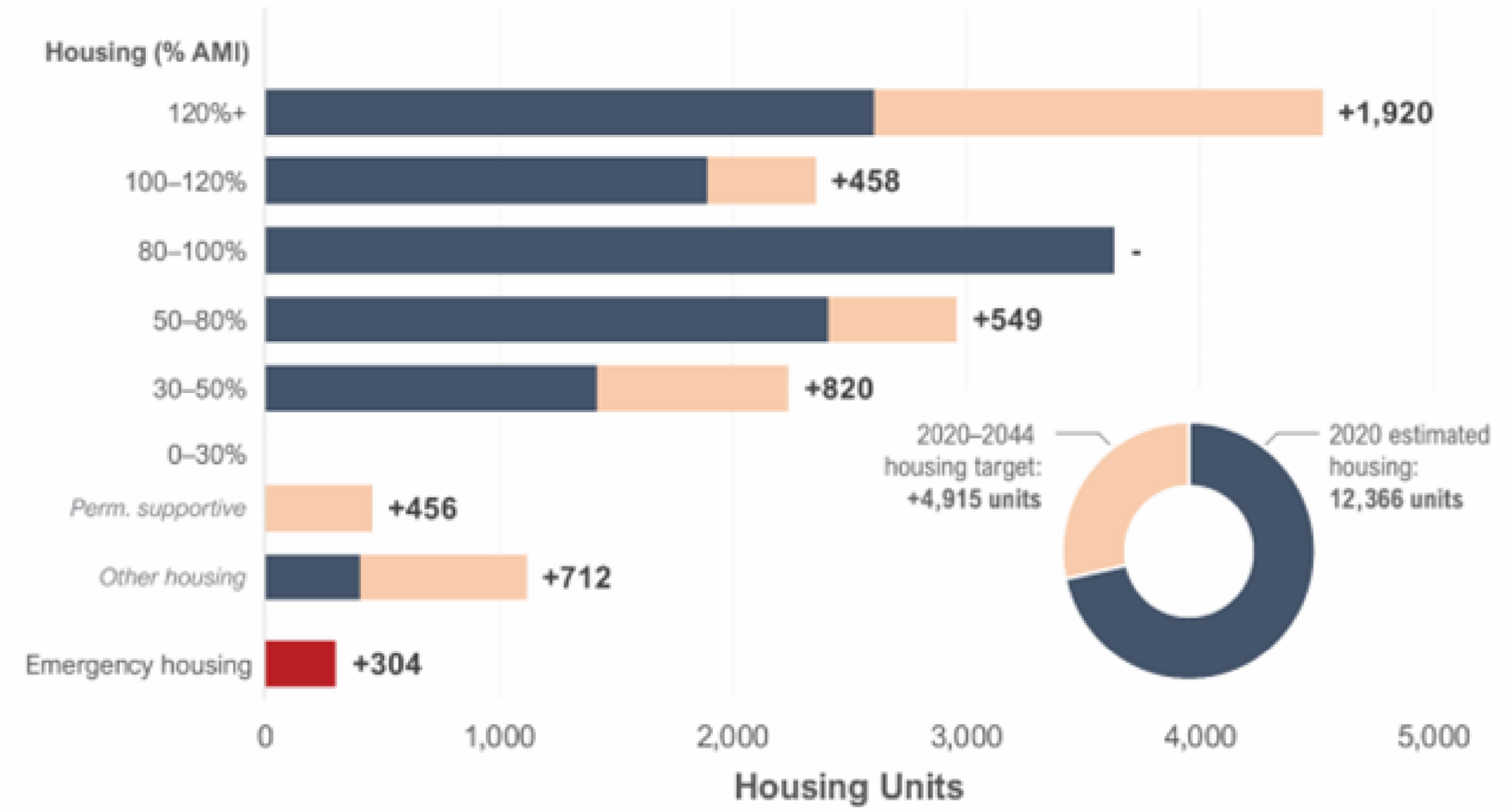
Even with map amendments and new policies and programs in place, the price of land, development costs and the fact that the city is not a housing developer or housing provider will make it difficult to meeting its 2044 growth targets for extremely low (PSH and non-PSH) and very low-income levels. Duane Leonard (Executive Director) and Chris Collier (AHA Program Manager) from the Housing Authority of Snohomish County will identify potential actions, strategies, and partnerships the city can pursue to help provide a policy framework to satisfy the diverse housing needs of current and future city residents at all income ranges.

APPLICABLE CITY POLICIES:

ATTACHMENTS:

1. Attachment 1 - 2044 Housing Targets Chart
2. Presentation

Exhibit 23. Revised 2020–2044 Lake Stevens Housing Targets, HO-5.



Source: Snohomish County Tomorrow, 2023.

How Things Work: Deep Subsidy Housing

Duane Leonard, CEO | Chris Collier
dleonard@hasco.org | ccollier@hasco.org

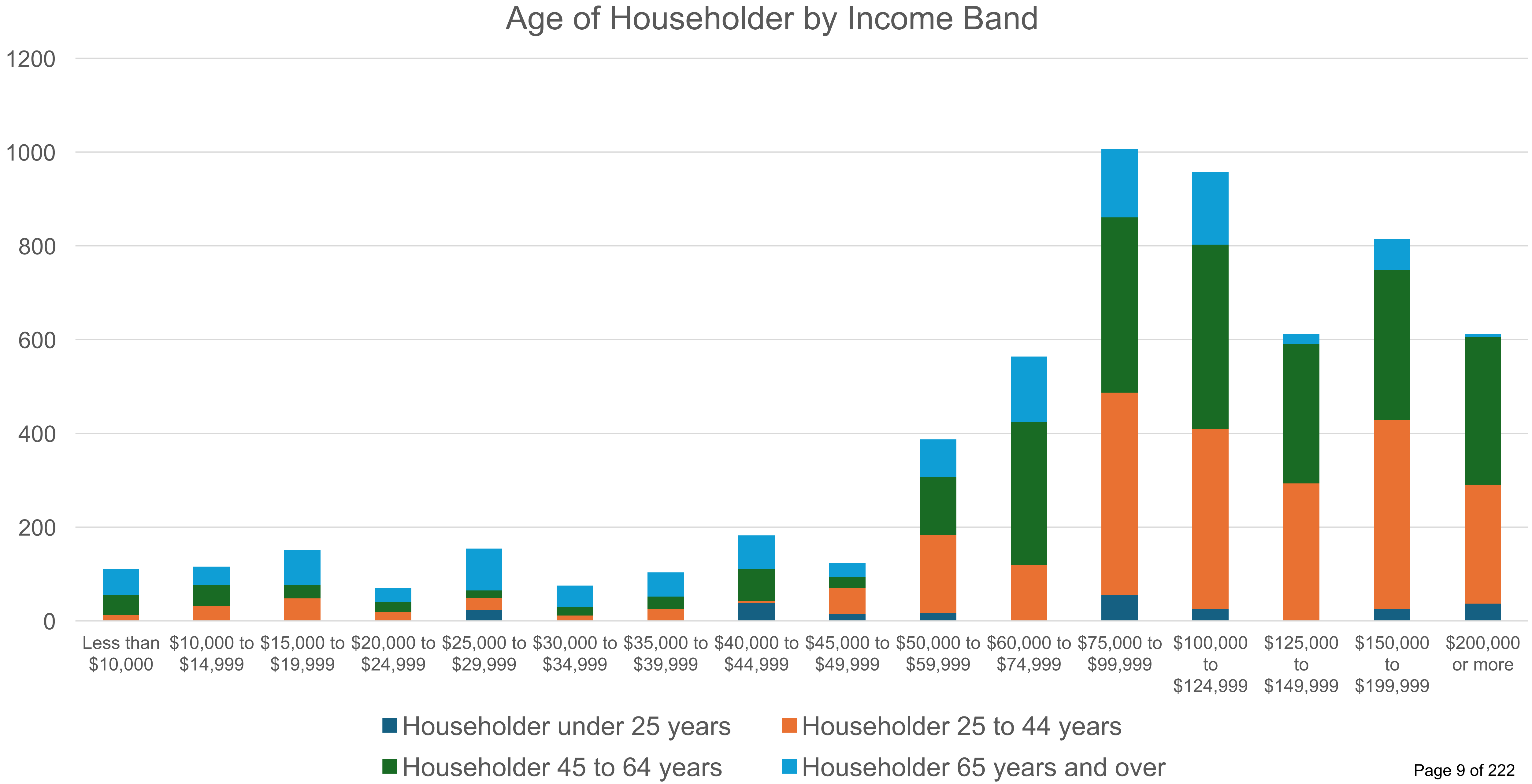
Housing Authority of Snohomish County
Lake Stevens City Council

March 19, 2024

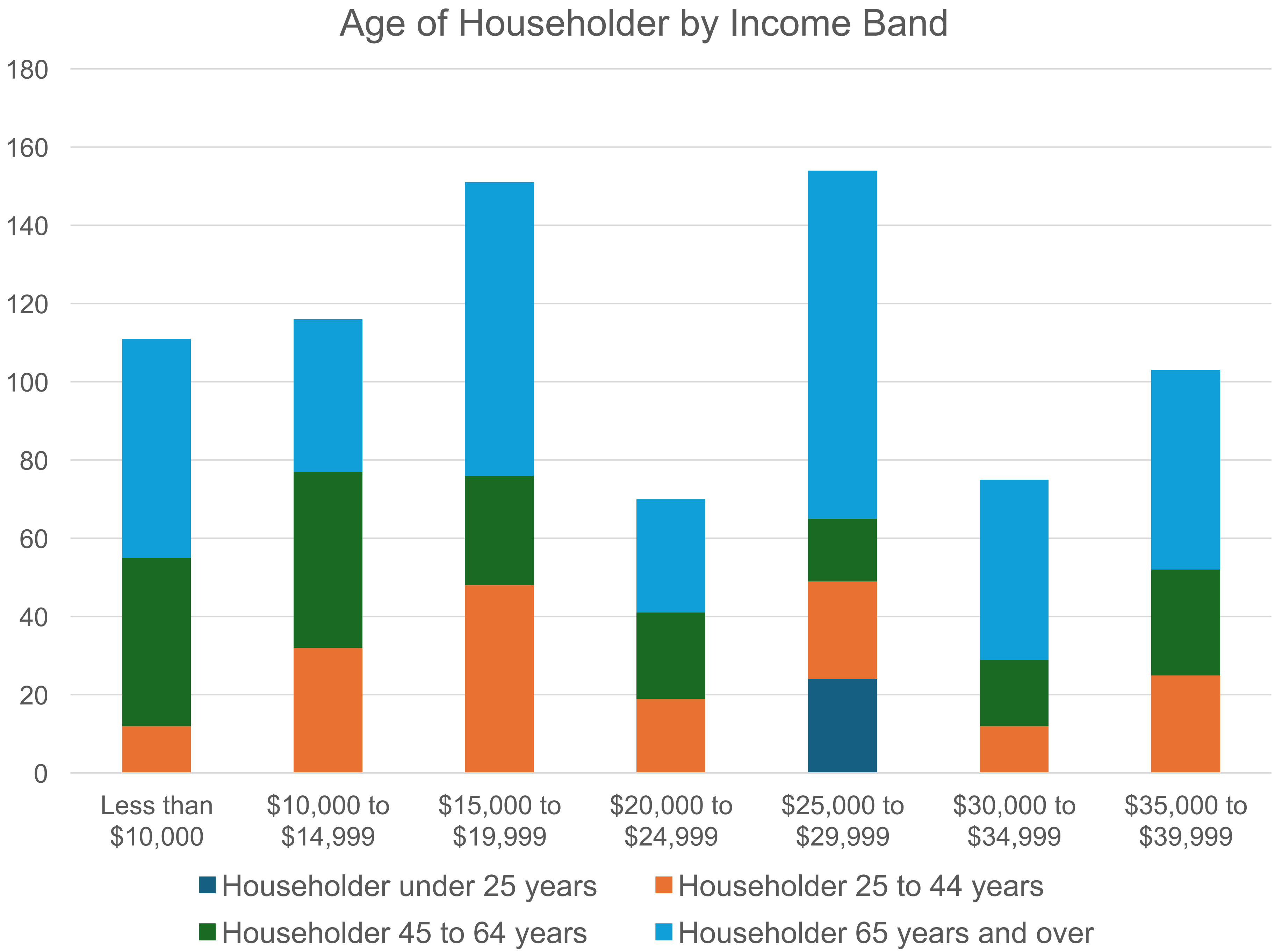
Who, What:

- Seattle-Bellevue Metro Median Family Income: $146,500 (4 people)
- Extremely Low Income = ½ of Very Low Income
  - VLI Rounded down to $68,500 as it exceeded ceiling calculation
  - +0.8% per person added, -1% per person subtracted
  - EX: $37,000 for 3-person household
- Still “just” housing: Safe, Decent, Sanitary, permanent
  - Not time-limited stay for the tenant – if they qualify, tenant can stay
  - Contrasts with transitional, temporary, or emergency housing

Who



Age of Householder by Income Band
1200
1000
800
600
400
200
0
Less than $10,000
$10,000 to $14,999
$15,000 to $19,999
$20,000 to $24,999
$25,000 to $29,999
$30,000 to $34,999
$35,000 to $39,999
$40,000 to $44,999
$45,000 to $49,999
$50,000 to $59,999
$60,000 to $74,999
$75,000 to $99,999
$100,000 to $124,999
$125,000 to $149,999
$150,000 to $199,999
$200,000 or more
Householder under 25 years
Householder 25 to 44 years
Householder 45 to 64 years
Householder 65 years and over



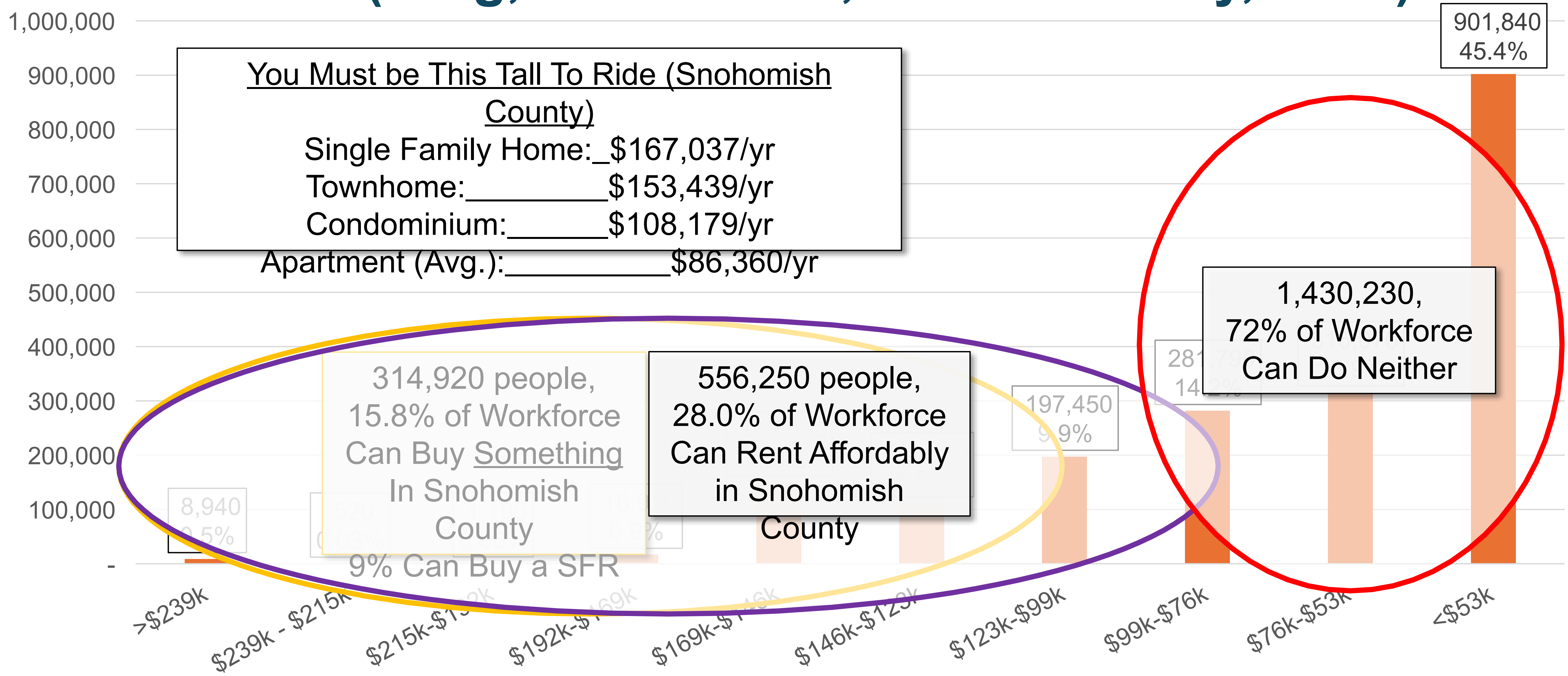
TODAY

- 780 households ELI
  - 385 65yr+
- 602 households if 2 people
  - 288 65yr+
- Approximately same value for 1-person, $28,800/yr

- Lake Stevens' HB 1220 allocation includes *future* need, too

- Thus, 1,168 0-30% AMI Units by 2044 (HO-5 Appx. G, P389)

Employees By Occupational Median Income (King, Snohomish, Pierce County, 2022)



Sources: Snohomish County Assessors Office; AHA Staff analysis of Apartments.Com Data; United States Bureau of Labor Statistics

How Do We Get 1,100 more 0-30% AMI Units?

- Core problem to solve:
- Close the financial gap between rents (almost nothing) and costs.
  - Construction costs (incl. debt coverage);
    - Tax Credits, Project Based Voucher
  - Operations & Maintenance costs;
    - Much less than Emergency Responders, Hospitals, and Jails
  - Service costs (very likely)
    - Availability

Another Challenge: Siting

- Kenmore; Everett; Edmonds; Stanwood…

- Even if approved (Stanwood), conditional uses & overwhelming bureaucracy to allay fears a substantial impediment

- Public outreach a critical component – needed before a project is ever proposed

Where Is Snohomish County Now?

- Snohomish County has 1,222 0-30% AMI units in operation <u>today</u>
  - 44,135 0-30% AMI units needed Countywide (HO-5 report)

- Housing Affordability Regional Taskforce (HART)
  - Political Courage
  - Fighting NIMBYism
  - Money

Thank You!

Duane Leonard | dleonard@hasco.org
Housing Authority of Snohomish County

Chris Collier | ccollier@hasco.org
Alliance for Housing Affordability

To: City Council
FROM: Barbara Stevens, Finance Director
SUBJECT: December 2023 Financial Report
DATE: March 14, 2024

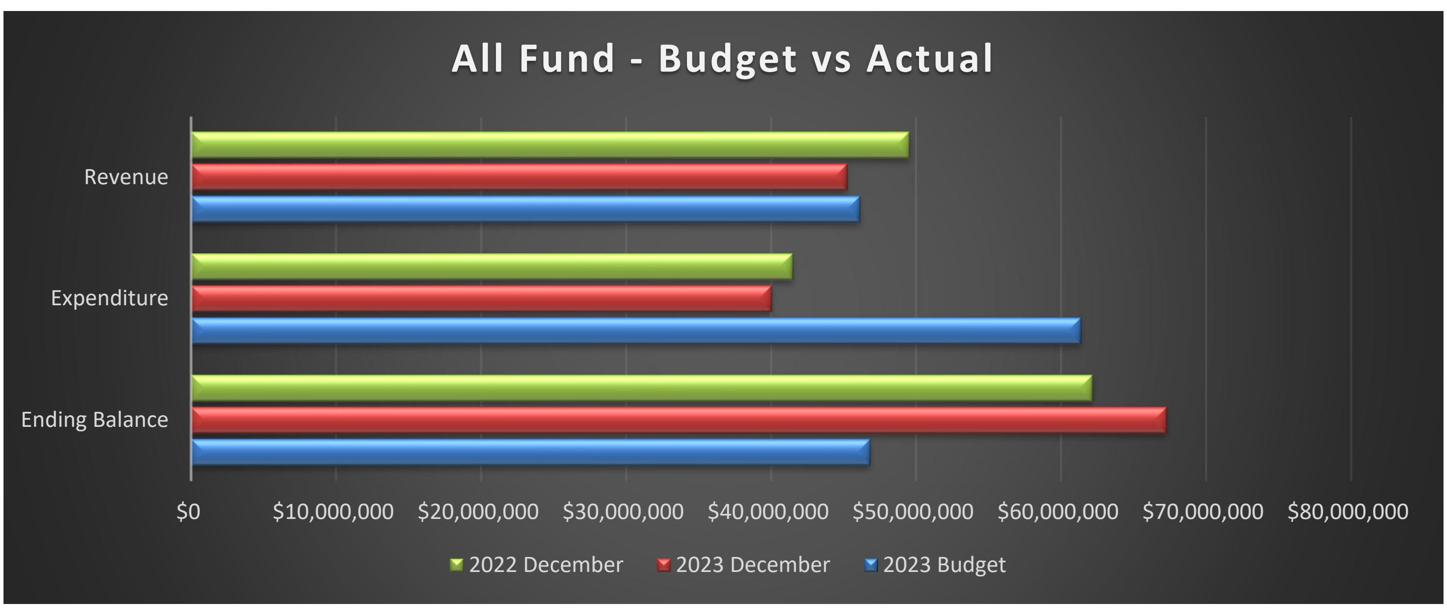
All Funds

Overview:

Overall, the City ended 2023 with a fund balance of $67,285,057. Revenues were $45,251,247 (98%) and expenses were $40,070,783 (65%).

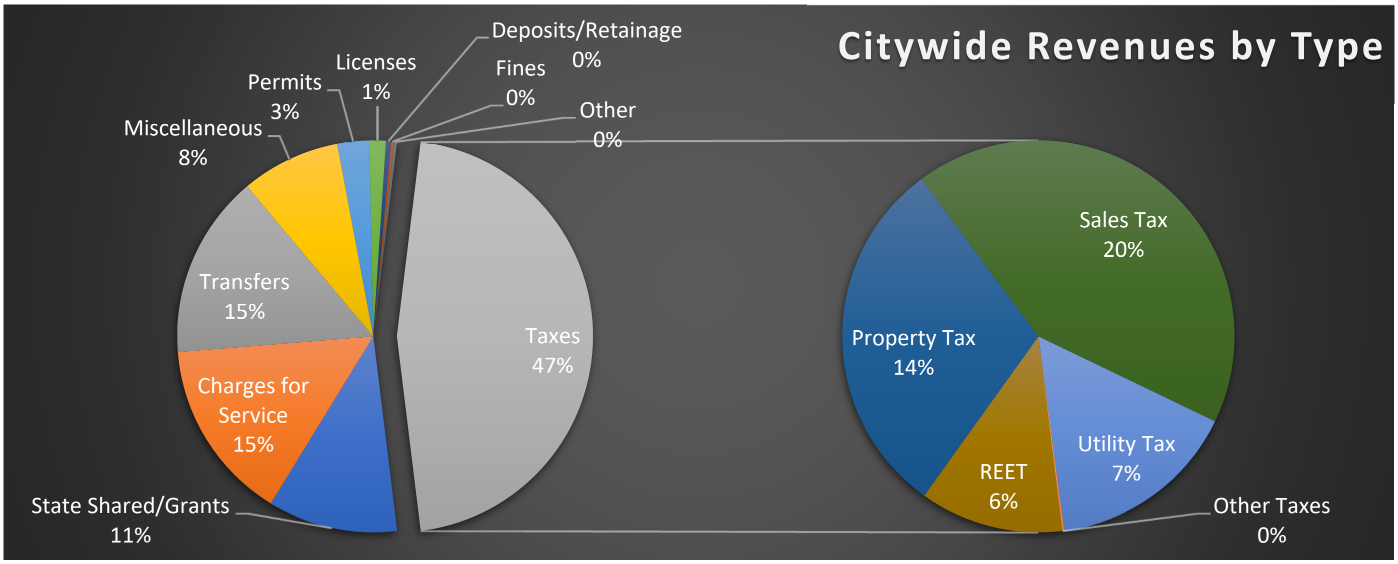
Revenues decreased by 9% from 2022. Expenditures have decreased by 3%. Overall, the fund balance ended 8% higher than 2022.

	2023 Budget	2023 December	2022 December	%BVA	% Comp 2022 - 2023
Beginning Balance	$62,109,618	**$62,109,618**	$54,086,749	100%	15%
Revenue	$46,150,715	**$45,251,247**	$49,570,976	98%	-9%
Expenditure	$61,404,199	**$40,070,783**	$41,515,242	65%	-3%
Ending Balance	$46,856,134	**$67,285,057**	$62,192,372	144%	8%



Revenues:

Citywide Yearend Revenues by Type



Taxes currently make up 47% of all revenues citywide and are at 101% of budget.

- Sales taxes are the largest source of sales tax and ended the year at 104% of budget or $8,832,949.
  - Local Retail Sales are 64% of this amount
  - Construction Sales are 13%
  - Criminal Justice is 11%
  - Transportation Benefit taxes currently make up 11% of this amount or $938,567
- Property taxes ended at 100% of budget or $6,247,368
- Utility taxes ended at 114% of budget or $3,287,142
- Real estate excise taxes (REET) ended at 82% of budget or $2,470,397

Charges for Services include various fees citywide that make up 15% of total revenues. 73% of these revenues are generated by storm water fees. Also included in this total are traffic and park impact fees which make up 19% of the total and ended below expectations.

Included in **Miscellaneous** is investment interest, which makes up 83% of this category or $2,863,840. Interest rates increased in 2022, so the 2023 budget was increased to $1.043M. Rates continued to rise in 2023 and expenditures were slow or postponed causing fund balance to increase. As such, investment interest exceeded the full-year budget by 175% or $1,820,940. About 67% of that amount has restriction on use based on the fund purpose.

The city invests excess funds in the Local Government Investment Pool (LGIP) which tends to correlate with the Federal Funds Rate. The rate range has been steady between at 5.25 – 5.50% since July 2023.

Citywide Yearend Revenue Comparison 2022-2023

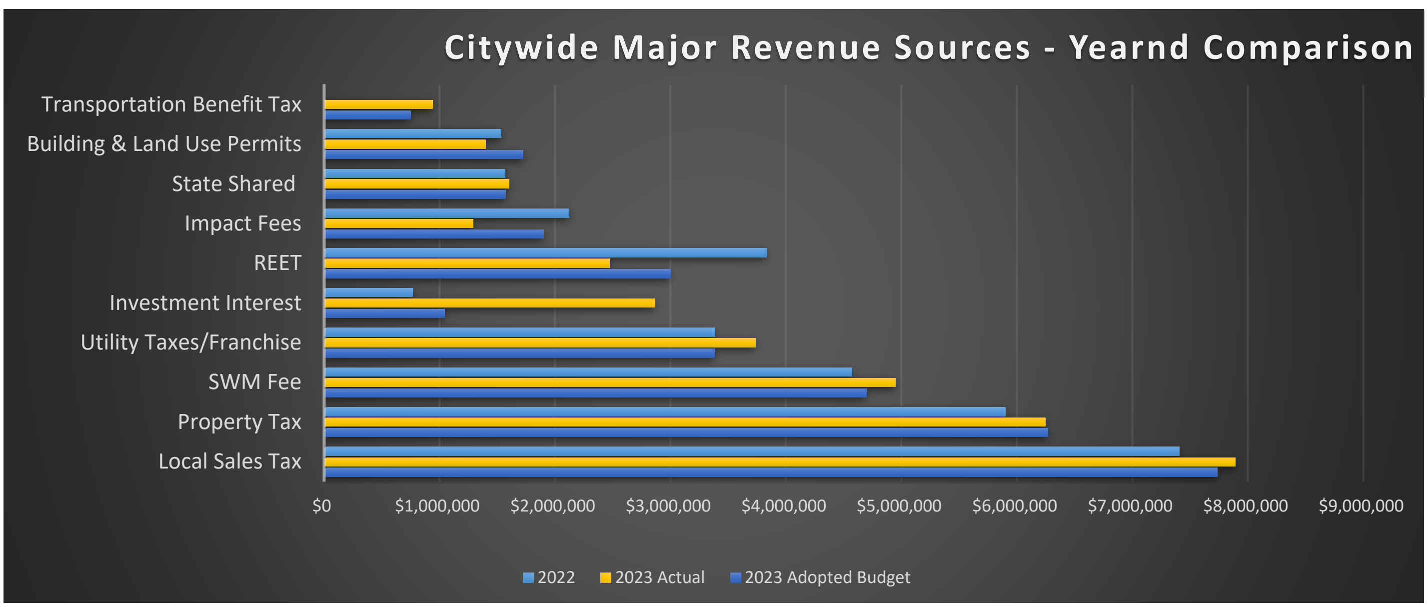
Citywide revenues have decreased by 9% over last year. The most significant contributor to this decrease was receipt of the final tranche of ARPA funds in 2022; a $4.7M decrease for 2023.

As mentioned previously, investment has increased significantly over the prior year, by nearly $2.1 million.

Additionally, sales tax and utility taxes have increased 19% and 13% respectively. About 66% of the sales tax increase is due to the addition of the transportation benefit program tax at $938,567 for 2023.

Construction sales tax (-21%), real estate excise taxes (-36%), building & land use permits (-9%) and impact fees (-39%) are all down over last year, which correlates with a decrease in homes build and sold.

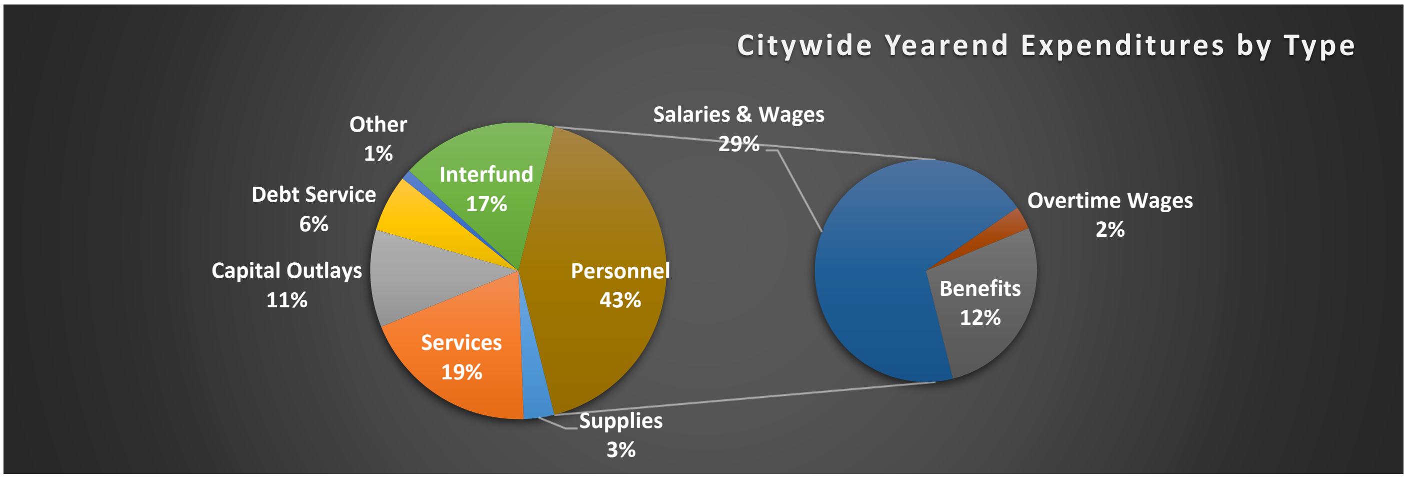
REET and impact fees are used for debt and capital projects; a decrease will affect future capital planning.



Expenditures:

Citywide expenditures decreased by 3% over the prior year. The largest contributor to this was completion of a significant number of capital projects in 2022. Much of the capital project funding in 2023 is rolling forward into 2024.

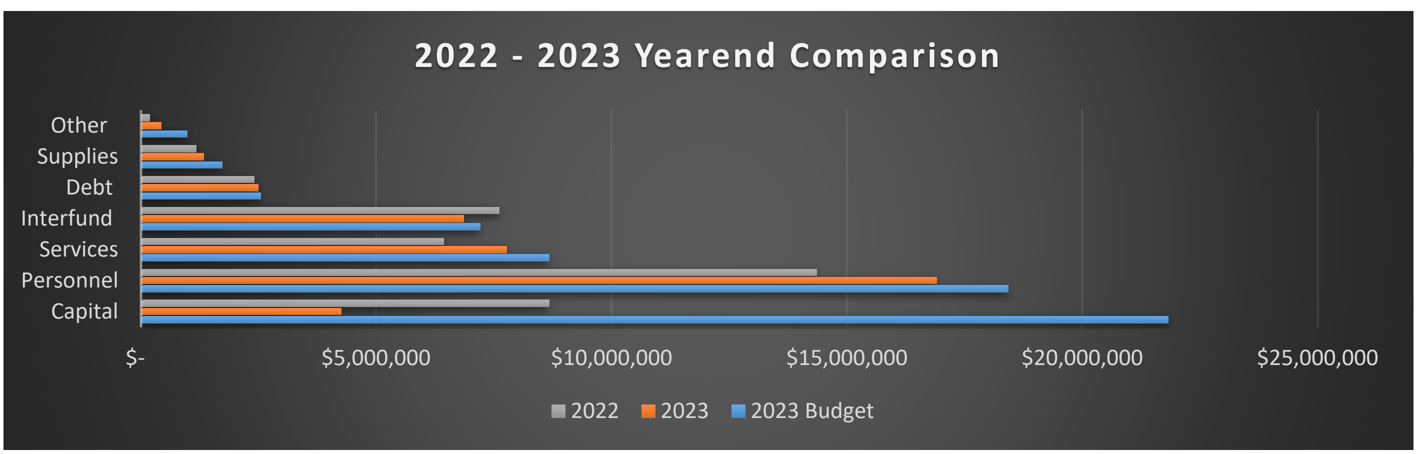
Citywide Yearend Expenditures by Type:



Personnel costs are 36% of the annual budget. They ended the year at 92% of the budget and make up 43% of citywide expenditures at yearend, an increase of 18% over the same period in 2022.

Capital Outlays are 36% of the annual budget. Many of the planned capital projects are in the early stages. As such, they make up only 20% of the citywide expenditure costs to date a 51% decrease from prior year.

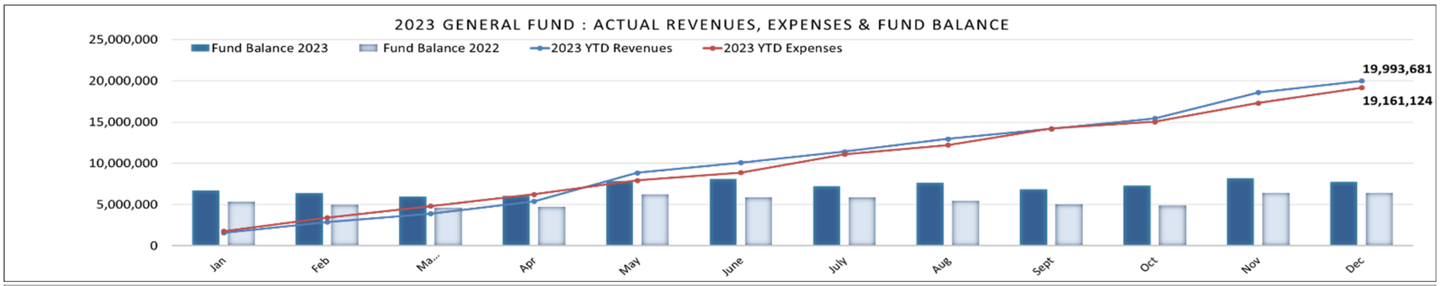
Services make up only 14% of the annual budget but are at 90% of their budget. As such, they currently make up 19% of actual expenditures to date, a 21% increase.

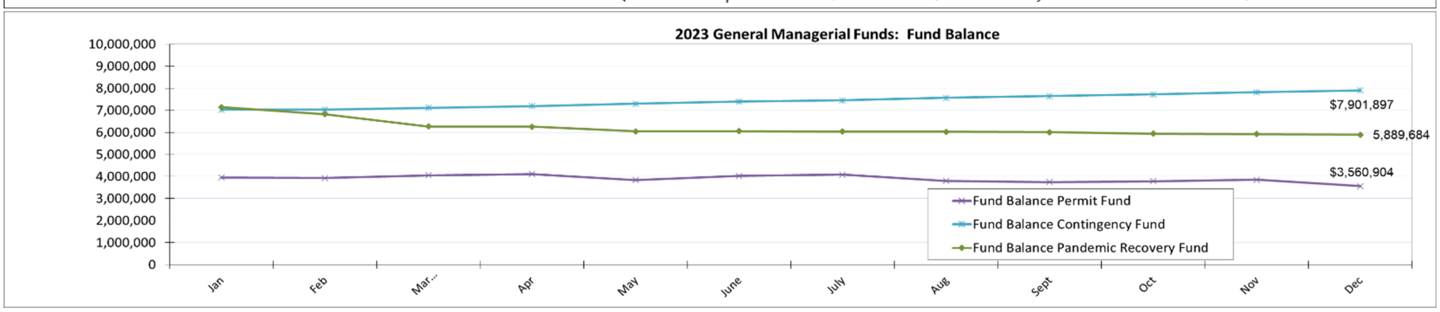


General Fund:

Fund Balance:

The General Fund ended the year with a fund balance of $7,736,114. Revenues were at $19,993,681 and expenses were at $19,161,124.





Revenues: **(Also see Monthly General Fund Revenue Graphs)**

Revenues ended at 108% collected.

The operating fund collected $7,016,952 in sales tax, or 101% of budget. Of this amount, $992,421 is Criminal Justice Sales Tax, $35,349 is Affordable Housing Sales Tax, and $300,000 is construction sales tax. An additional $877,429 in construction sales tax was collected in the reserve fund for future capital projects.

Utility taxes ended at 114% or $2,792,802. This tax is imposed on gas, telephone, electric and water providers at 6% of revenues and is based on their estimated receipts.

Licenses & Permit revenues (other than Building & Land Use) ended at 91% of budget or $565,530. The majority (78%) of this is from Cable Franchise Fees.

Intergovernmental revenues ended at 103% of budget or $1,233,019. These revenues consist of state shared revenues and grant receipts.

Charges for services ended at 99% of budget or $252,635. The bulk of these revenues are from School Resource officer services to the school district and extra duty law enforcement services to outside organizations.

Investment interest (under miscellaneous classification) ended at 221% of budget or $1,103,955.

REVENUE SOURCES	2023 BUDGET	THROUGH DECEMBER 2023	% OF BUDGET
Taxes:			
-Property Tax-Regular	$ 4,513,600	$ 4,498,105	99.7%
-Sales -.85%	5,490,875	5,689,182	103.6%
-Criminal Justice Sales - 0.1%	1,098,175	992,421	90.4%
-Affordable & Sup. Housing	46,460	35,349	76.1%
- Construction Sales Tax	300,000	300,000	100.0%
-Utility	2,439,877	2,792,802	114.5%
-Gambling tax/leasehold excise	34,166	33,258	97.3%
Licenses & Permits	621,124	565,530	91.0%
Intergovernmental	1,197,422	1,233,019	103.0%
Charges for services	254,454	252,635	99.3%
Fines & Forfeitures	151,000	105,042	69.6%
Miscellaneous	889,712	1,613,010	181.3%
Other financial sources/Transfers	1,432,500	1,883,328	131.5%
Total Revenues	**$ 18,469,365**	**$ 19,993,681**	**108%**
Beginning Fund Balance	$ 6,903,558	$ 6,903,558	100.0%
Total Resources	$ 25,372,923	$ 26,897,238	106.00%

Permit Fund (Managerial Fund):

Zoning and Subdivision fees are at $211,779 or 96% of budget.

Building Permits ended at $1,187,394 or 79% of budget.

These revenues are used to offset permit related expenditures in the General Fund.

Expenditures: **(Also see Monthly General Fund Expenditure Graphs)**

Overall, General Fund expenditures ended at 92% spent or $19,161,124.

EXPENDITURES	2023 BUDGET	THROUGH DECEMBER 2023	% OF BUDGET
Legislative & Executive	$ 432,109	$ 416,692	96.4%
Administration	288,386	282,863	98.1%
City Clerk	183,360	175,061	95.5%
Finance	891,891	843,078	94.5%
Human Resources	659,014	562,205	85.3%
Information Technology	589,635	511,244	86.7%
Planning & Community Development	2,964,355	2,624,282	88.5%
Law Enforcement	9,910,859	9,044,136	91.3%
Parks	2,383,047	2,139,871	89.8%
Legal	682,576	782,998	114.7%
Community	150,837	137,938	91.4%
General Government	1,742,501	1,640,757	94.2%
Total Expenditures	**$ 20,878,570**	**$ 19,161,124**	**92%**
Ending Fund Balance	**$ 4,494,353**	**$ 7,736,114**	**172.10%**

Street Fund:

(Also, see Street Fund Operating Revenues and Expenditure BvA)

The Street Maintenance Division maintains the City's public roadway system in a safe and passable condition. Maintenance activities include pothole repair; traffic signal maintenance and operation; installation and replacement of traffic control signs and pavement markings; vegetation control and maintenance; sidewalk repair; street sweeping; snow and ice removal; and street lighting.

Revenues:

Total Street Fund revenues were $3,408,587 or 103% of budget. The main revenue sources are Motor Vehicle Fuel Tax, which is a per gallon tax allocated on a per capita basis, and a 28% allocated contribution of Property Tax from the General Fund equaling approximately $1.75 million annually. Additionally, the City imposed a utility tax on garbage providers in the amount of 6% that is used for road maintenance.

REVENUE SOURCES	2023 BUDGET	THROUGH DECEMBER 2023	% OF BUDGET
Taxes:			
-Property Tax-Regular	$ 1,755,289	$ 1,749,263	99.7%
-Utility Tax - Garbage	$ 438,801	494,340	112.7%
Licenses & Permits	42,680	51,000	119.5%
Intergovernmental	840,048	869,168	103.5%
Charges for services	-	1,721	0.0%
Miscellaneous	58,208	127,737	219.4%
Other financial sources/Transfers	175,769	115,358	65.6%
Total Revenues	**$ 3,310,795**	**$ 3,408,587**	**103%**
Beginning Fund Balance	$ 2,518,999	$ 2,518,999	100.0%
Total Resources	$ 5,829,794	$ 5,927,586	101.70%

Expenditures:

Total Street Fund expenditures were $3,373,539 or 91% of budget.

EXPENDITURES	2023 BUDGET	THROUGH DECEMBER 2023	% OF BUDGET
Salaries	$ 1,233,240	$ 1,070,367	86.8%
Benefits	506,555	473,284	93.4%
Supplies	276,700	384,870	139.1%
Professional Services	826,642	634,989	76.8%
Capital Outlays	208,737	150,359	72.0%
Other financial uses	$ 40,000	47,067	117.7%
Interfund Transfers	612,603	612,603	100.0%
Total Expenditures	**$ 3,704,477**	**$ 3,373,539**	**91%**
Ending Fund Balance	**$ 2,125,317**	**$ 2,554,046**	**120%**

Storm and Surface Water Fund:

(Also, see Storm & Surface Water Fund Operating & Capital Fund Revenues and Expenditure BvA)

The Storm and Surface Water Fund maintains the City's storm system conveyance, detention, and retention systems, which includes: drainage pipes and ditches, catch basins, storm detention vaults and ponds, and water filtering systems.

Revenues:

The Storm and Surface Water Fund revenues ended at 103%, or $7,446,695. The main revenue source is from storm drainage charges, which we contract payment processing through Snohomish County and receive quarterly.

REVENUE SOURCES	2023 BUDGET	THROUGH DECEMBER 2023	% OF BUDGET
Taxes:			
Intergovernmental	$ 54,020	$ 54,019	100.0%
Charges for services	4,695,800	4,947,045	105.4%
Miscellaneous	105,996	242,214	228.5%
Other Financial Sources/Transfers	2,358,637	2,203,417	93.4%
Total Revenues	**$ 7,214,453**	**$ 7,446,695**	**103.2%**
Beginning Fund Balance	$ 4,884,258	$ 4,884,258	100.0%
Total Resources	$ 12,098,711	$ 12,330,953	101.90%

Expenditures:

The funds' Expenditures are 89% of budget at $5,867,647. In additional to operating expenditures, the Surface Water Capital Fund and Surface Water Debt Service Fund are included in the totals.

EXPENDITURES	2023 BUDGET	THROUGH DECEMBER 2023	% OF BUDGET
Salaries	$ 1,761,109	$ 1,588,926	90.2%
Benefits	753,003	707,543	94.0%
Supplies	318,433	272,650	85.6%
Professional Services	677,652	658,297	97.1%
Capital Outlays	607,034	171,101	28.2%
Debt Service	231,264	231,263	100.0%
Interfund Transfers	2,237,867	2,237,867	100.0%
Other	$ 10,000	-	0.0%
Total Expenditures	**$ 6,596,362**	**$ 5,867,647**	**89%**
Ending Fund Balance	**$ 5,502,349**	**$ 6,463,306**	**118%**

Transportation Benefit Fund:

The Transportation Benefit District was created on January 1, 2019, for the sole purpose of acquiring, constructing, improving, providing, and funding transportation improvements. Shortly after, the City followed RCW 36.74 and assumed the rights, powers, functions, and obligations of the district, eliminating the need for a separate entity and creating a Transportation Benefit Fund to account for all program transactions.

Voters approved a 0.2% sales tax or two cents on a $10 purchase that became effective April 1, 2023. This funding method means visitors who shop, dine, or recreate in Lake Stevens also help pay for city sidewalks, roads, and trails they use. The tax is projected to raise approximately $1.5 million per year beginning year 2, for projects and matching funds for larger grants.

Revenues:

The Transportation Benefit Fund revenues ended at 127%, or $953,359. The main revenue source is from transportation benefit tax, which the city began to receive in June.

REVENUE SOURCES	2023 BUDGET	THROUGH DECEMBER 2023	% OF BUDGET
Transportation Benefit Tax	$ 750,000	$ 938,567	125.1%
Investment Interest	-	14,791	100.0%
Total Revenues	**$ 750,000**	**$ 953,359**	**127%**
Beginning Fund Balance	$ -	$ -	
Total Resources	$ 750,000	$ 953,359	127.10%

Expenditures:

The budget includes transfers to capital project funds for the design and engineering costs related to the following sidewalk/trail projects currently in the planning stage:

- SW2 – 91st Ave SE, 4th St SE to Market St
- SW3 – 91st Ave SE, 8th St SE to 4th St SE
- SW4 – 117th Ave NE – 20th St NE to 26th St NE
- SW5 – 91st Ave SE – 20th St SE to 12th SE

EXPENDITURES	2023 BUDGET	THROUGH DECEMBER 2023	% OF BUDGET
Transfer Out - Wages	$ 70,769	$ 46,464	65.7%
Transfer Out - SW2	$ 80,000	$ -	0.0%
Transfer Out - SW3	$ 110,000	$ -	0.0%
Transfer Out - SW4	$ 175,000	$ -	0.0%
Transfer Out - SW5	$ 155,000	$ -	0.0%
Total Expenditures	**$ 590,769**	**$ 46,464**	**8%**
Ending Fund Balance	**$ 159,231**	**$ 906,894**	

CITY OF LAKE STEVENS

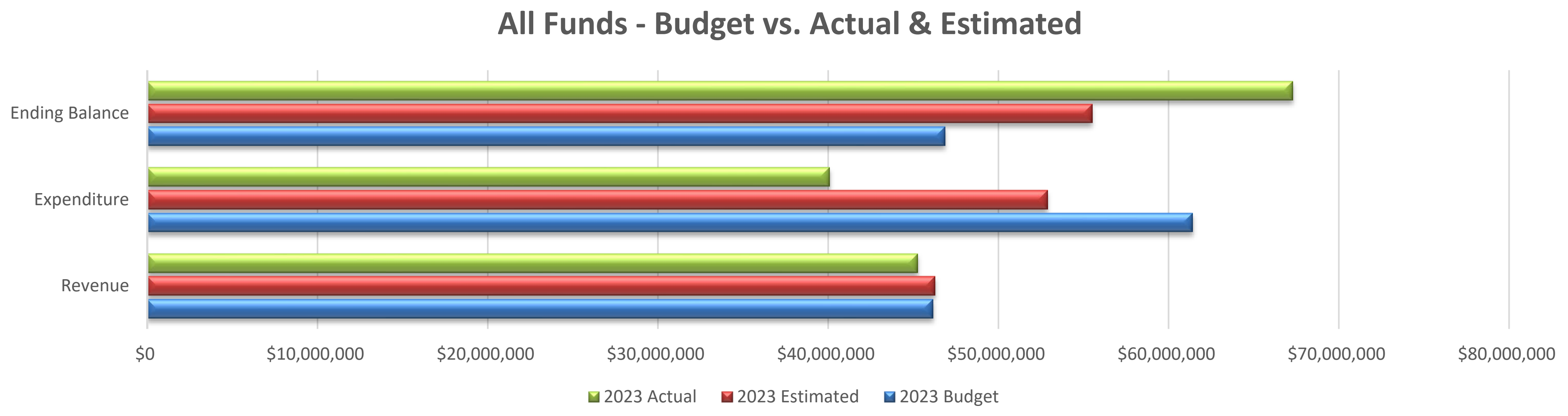
One Community Around The Lake

2023 Yearend Financial Update

BARB STEVENS, FINANCE DIRECTOR

MARCH 26, 2024

All Funds

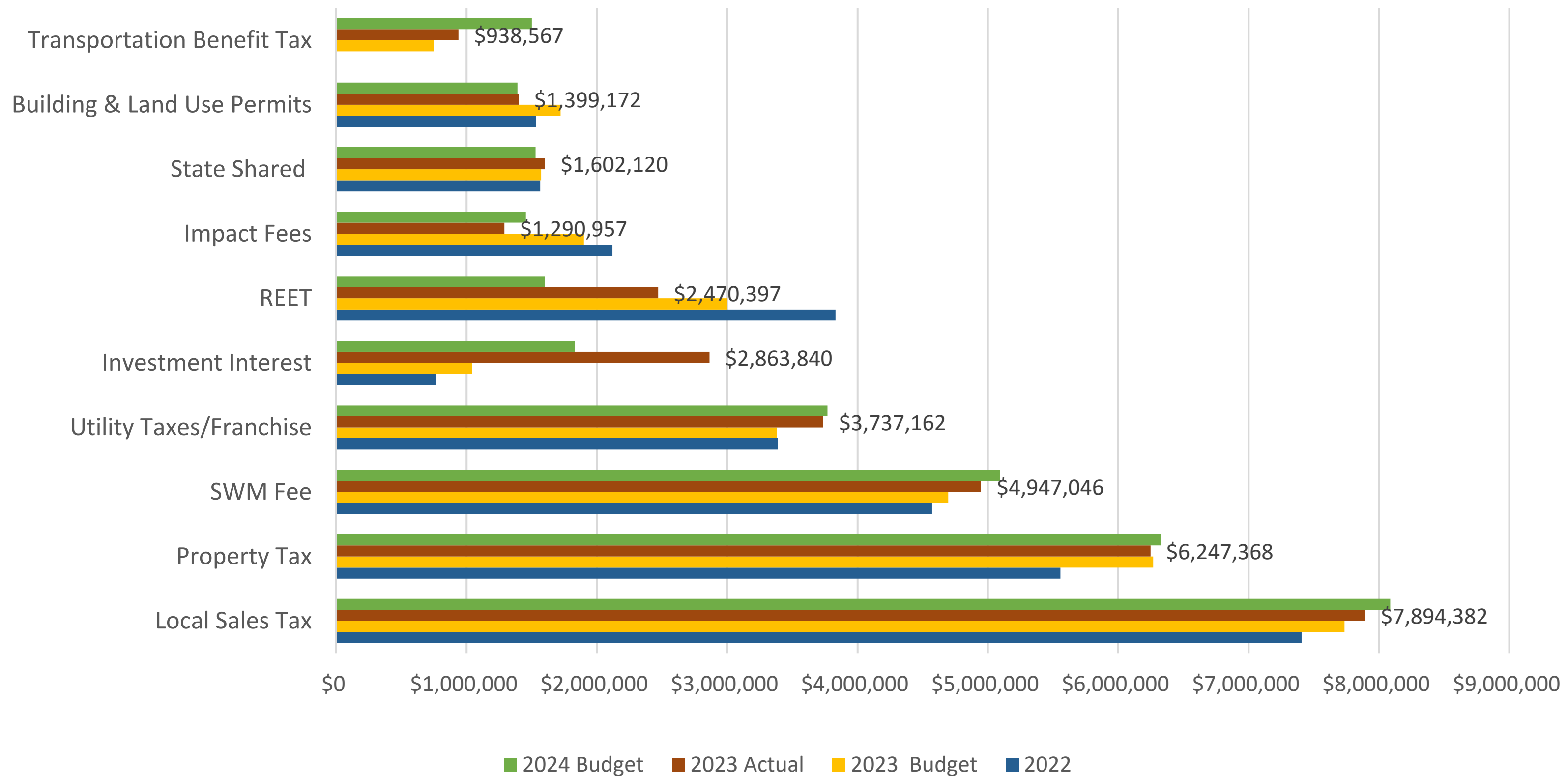


	2023 Budget	2023 Estimated	2023 Actual	%BVA	% Estimated V. Actual
Beginning Balance	$62,109,618	**$62,109,618**	$62,109,618	100%	100%
Revenue	$46,150,715	**$46,267,976**	$45,251,247	98%	98%
Expenditure	$61,404,199	**$52,877,377**	$40,070,783	65%	76%
Ending Balance	$46,856,134	**$55,500,217**	$67,290,082	144%	121%

Major Revenue Sources - Citywide

Revenue Source	Fund	Uses	2022	2023 Budget	2023 Estimated	2023 Actual	2023 % Acutal to Budget	2023 % Actual to Estimate	% Increase 2022 to 2023 Actual
GF - Property Tax	General 72%	Unrestricted	$4,000,408	$4,513,600	$4,513,600	$4,498,105	99.7%	99.7%	12%
GF - Local Sales & Use Tax	General/Reserve	Unrestricted	$6,400,788	$6,590,875	$6,757,201	$6,866,611	104%	102%	7%
GF - Crim Just./Afford Housing – ST	General	Some Restrictions	$1,006,190	$1,144,635	$983,722	$1,027,771	90%	104%	2%
GF - Utility Taxes/Franchise	General	Unrestricted	$2,962,609	$2,943,200	$3,258,665	$3,242,823	110%	100%	9%
GF - Liquor/DUI/State Shared	General	Some Restrictions	$813,832	$733,103	$741,349	$848,454	116%	114%	4%
GF - Building Permits	Permit	Restricted	$1,352,737	$1,500,000	$1,140,651	$1,187,394	79%	104%	-12%
GF - Zoning & Subdivision (Plats)	Permit	Restricted	$180,705	$220,989	$226,128	$211,779	96%	94%	17%
ST - Property Tax	Street – 28%	Unrestricted	$1,555,714	$1,755,289	$1,755,289	$1,749,263	100%	100%	12%
ST - Utility Taxes	Street	Unrestricted	$425,924	$438,801	$472,956	$494,340	113%	105%	16%
ST - State Shared - MVFT	Street	Restricted to Fund Usage	$752,148	$840,048	$767,230	$753,666	90%	98%	0%
TB - Transportation Benefit ST	Transportation Benefit	Restricted	$0	$750,000	$884,240	$938,567	125%	106%	100%
Real Estate Excise Taxes	REET I&II	Restricted	$3,830,150	$3,000,000	$1,950,716	$2,470,397	82%	127%	-36%
Traffic Impact Fees	Developer Contribution	Restricted	$1,162,420	$900,000	$688,006	$636,844	71%	93%	-45%
Park Impact Fees	Park Mitigation	Restricted	$957,544	$1,000,000	$641,686	$654,113	65%	102%	-32%
Surface Water Fees	Storm & Surface Water	Restricted to Fund Usage	$4,570,362	$4,695,800	$4,895,556	$4,947,046	105%	101%	8%
Investment Interest	Various	Unrestricted	$766,161	$1,042,900		$2,863,840	275%		274%

Revenue – Major Sources

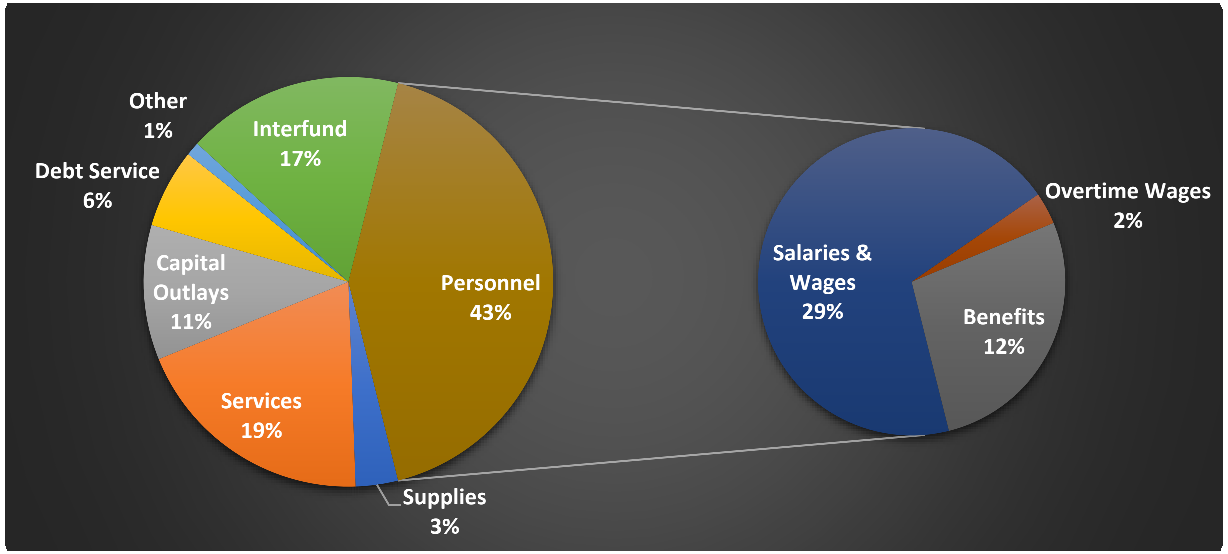


- Sales Tax is the largest revenue source making up 17% of citywide revenues.
- Property taxes are the 2nd largest at 14%.
- Investment Interest 6% of total revenues. Increased 274% over prior year.
- Real Estate Excise Taxes (REET) decreased 36% in 2023
- Traffic & Park Impact Fees decreased 45% & 32% respectively
- Building Permits decreased 12%

Sales Tax Trend by Classification

Naics subcode		Sum Reported 2021	Sum Reported 2022	Sum Reported 2023	Change % 2022 - 2023	% of Total
11	Agriculture, Forestry, Fishing & Hunting	$1,082	$780	$1,011	30%	0%
21	Mining, Quarrying, and Oil and Gas Extraction	$67	$62	$2,485	3919%	0%
22	Utilities	$1,486	$351	$460	31%	0%
23	**Contruction**	**$1,563,524**	**$1,484,215**	**$1,177,429**	**-21%**	**17%**
31	Manufacturing - food/clothing	$9,501	$9,550	$12,982	36%	0%
32	Manufacturing - wood/paper/chemicals/plastics/Furniture	$39,092	$42,301	$27,231	-36%	0%
33	Manufacturing - ironwork/RR/Steel/Equipment/countertops	$33,956	$42,311	$46,732	10%	1%
42	Wholesale Trade - medical/diamonds/cork/athletic	$175,536	$209,436	$229,461	10%	3%
44	**Retail Trade**	**$1,477,996**	**$1,214,009**	**$940,777**	**-23%**	**14%**
45	**Retail Trade**	**$1,249,768**	**$1,593,801**	**$2,535,894**	**59%**	**37%**
48	Transportation and Warehousing	$4,025	$5,172	$29,778	476%	0%
49	Transportation and Warehousing	$51,786	$47,671	$53,081	11%	1%
51	Information	$242,316	$268,317	$297,520	11%	4%
52	Finance and Insurance	$36,821	$44,327	$36,061	-19%	1%
53	Real Estate and Rental and Leasing	$42,509	$61,056	$46,013	-25%	1%
54	Professional, Scientific, and Technical Services	$91,508	$102,114	$110,868	9%	2%
55	Management of Companies and Enterprises	$406	$2,587	$868	-66%	0%
56	Admin & Support; Waste Mgmt; Remediation Srvs	$337,752	$397,150	$407,974	3%	6%
61	Educational Services	$9,489	$8,181	$7,722	-6%	0%
62	Health Care and Social Assistance	$4,182	$3,822	$6,337	66%	0%
71	Arts, Entertainment, and Recreation	$14,499	$20,252	$18,374	-9%	0%
72	**Accomodation and Food Services**	**$512,257**	**$567,511**	**$616,797**	**9%**	**9%**
81	Other Services (except Public Administration)	$86,376	$115,284	$123,743	7%	2%
92	Public Administration	$3,546	$2,087	$1,535	-26%	0%
99	???	$141,159	$158,441	$135,476	-14%	2%
	Total by Naics	**$6,130,641**	**$6,400,788**	**$6,866,611**	7%	100%

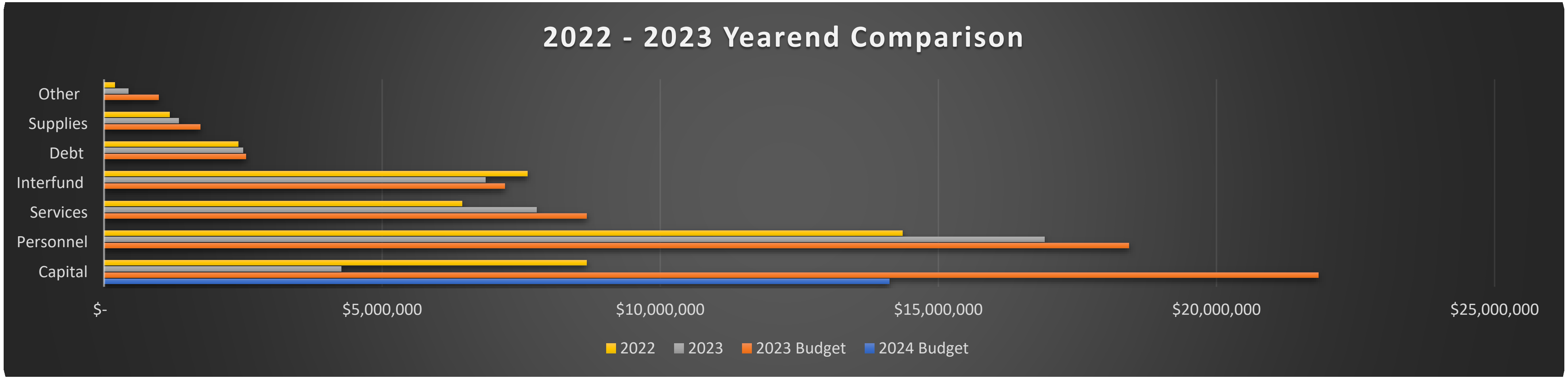
Citywide Expenditures by Type



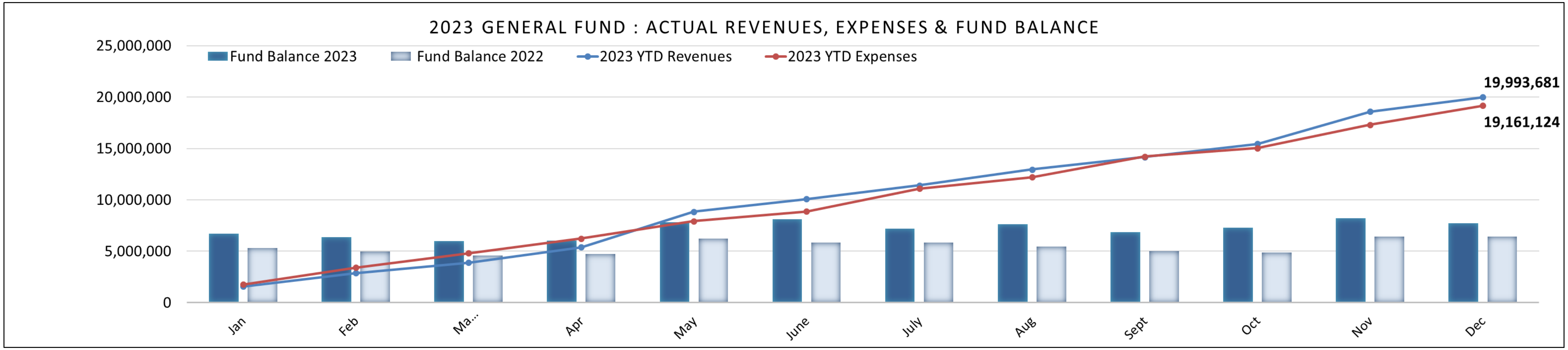
Salaries, Benefits & OT together make up 43% of the total citywide expenditures and increased 18% over 2022 yet ended 13% under budget

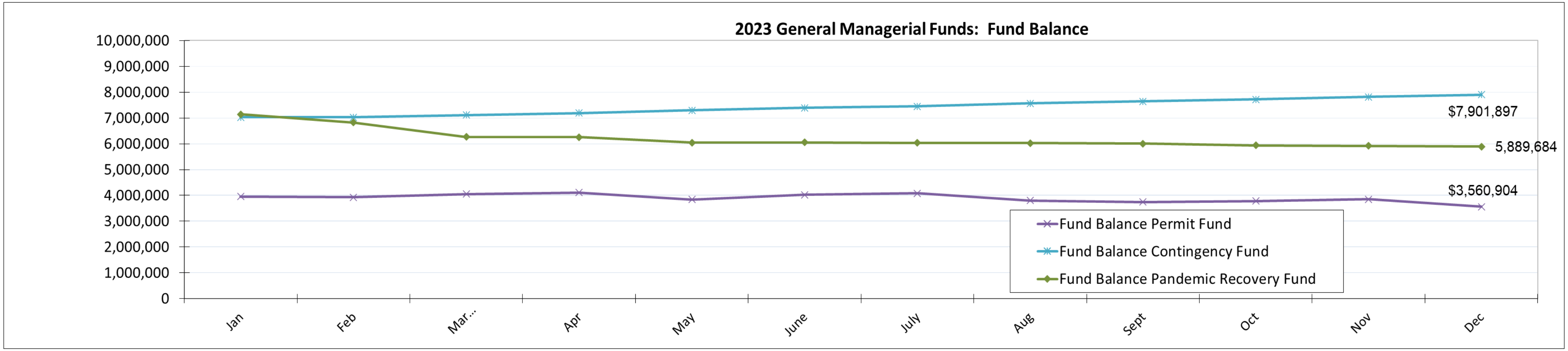
Capital Outlays are 11% of expenditures and ended 73% under budget. Estimating 15M in project budgets will roll into 2024.

Interfund includes transfers out that equal interfund transfers in on the revenue side



General Fund Summary





Fund	2023 Budgeted Revenue	2023 Revenue Collected	2023 % of Budget Collected		2023 Budgeted Expenditures	2023 Expended	2023 % of Budget Expended
General Funds:							
General Funds	$18,469,365	$19,993,681	108%		$20,878,570	$19,161,124	92%
Council Contingency	$800,000	$877,429	110%		$0	$0	0%
Permit Fund	$1,720,989	$1,399,172	81%		$1,500,200	$1,823,653	122%
Pandemic Recovery Fund	$0	$0	0%		$4,233,562	$1,259,932	30%
SPECIAL REVENUE FUNDS:							
Street	$3,310,795	$3,408,587	103%		$3,704,477	$3,373,539	91%
Drug Seizure & Forfeiture	$700	$30,277	4325%		$25,000	$8,438	34%
Municipal Arts	$27,100	$107	0%		$9,210	$9,943	108%
Transportation Benefit	$750,000	$953,359	127%		$590,769	$46,464	8%
DEBT SERVICE FUNDS:							
LTGO 2008A Bond	$210,605	$210,655	100%		$210,605	$210,655	100%
2015 LTGO Bond	$96,938	$96,938	100%		$96,938	$96,302	99%
2019A LTGO Bond -PD	$462,129	$462,229	100%		$462,129	$462,229	100%
2021A LTGO Bond - 17005	$609,850	$609,800	100%		$609,850	$609,800	100%
CAPITAL PROJECT FUNDS:							
Cap Project-Developer Contributions	$1,265,000	$882,012	70%		$1,793,999	$23,420	1%
Park Mitigation Fund	$1,341,245	$816,254	61%		$2,061,903	$449,856	22%
Real Estate Excise Tax I	$1,625,000	$1,551,985	96%		$884,672	$810,091	92%
Real Estate Excise Tax II	$2,331,604	$1,731,982	74%		$4,265,425	$1,794,447	42%
Downtown Redevelopment	$5,000	$23,185	464%		$0	$0	0%
Facility Capital Project Fund	$258,000	$137,849	53%		$258,000	$125,690	49%
Infrastructure Capital Project	$2,289,716	$1,840,157	80%		$8,494,277	$1,064,038	13%
Sidewalk Capital Project	$1,072,700	$570,939	53%		$1,568,387	$704,957	45%
20th Street SE Corridor CP	$0	$0	0%		$0	$0	0%
ENTERPRISE FUNDS:							
Sewer	$814,894	$818,758	100%		$799,394	$799,393	100%
Storm & Surface Water	$4,885,816	$5,131,076	105%		$5,733,064	$5,465,968	95%
Storm Water Capital	$2,097,373	$2,084,355	99%		$632,034	$170,416	27%
Storm Water Debt Service	$231,264	$231,264	100%		$231,264	$231,263	100%
INTERNAL SERVICE FUNDS:							
Unemployment	$25,600	$26,555	104%		$15,000	$17,055	114%
Capital Equipment - Computer	$374,411	$383,791	103%		$676,754	$539,834	80%
Capital Equipment - Vehicle Rpelacement	$21,000	$23,834	113%		$0	$0	0%
Capital Equipment - Police	$452,000	$445,359	99%		$814,262	$465,666	57%
Capital Equipment - PW	$210,000	$297,200	142%		$462,833	$136,532	29%
Aerator Equipment Replacement	$0	$0	0%		$0	$0	0%
FIDUCIARY FUNDS:							
Treasurer's Trust	$391,621	$212,459	54%		$391,621	$210,079	54%
Total All Funds	$46,150,715	$45,251,247	98%		$61,404,199	$40,070,783	65%

Bond Sale Report — City of Lake Stevens

D.A. Davidson & Co. served as Underwriter on the City of Lake Stevens Limited Tax General Obligation Bonds, 2024 (the "Bonds") on February 28 to provide funds for the development of a City Hall complex and facilities for the historical museum.

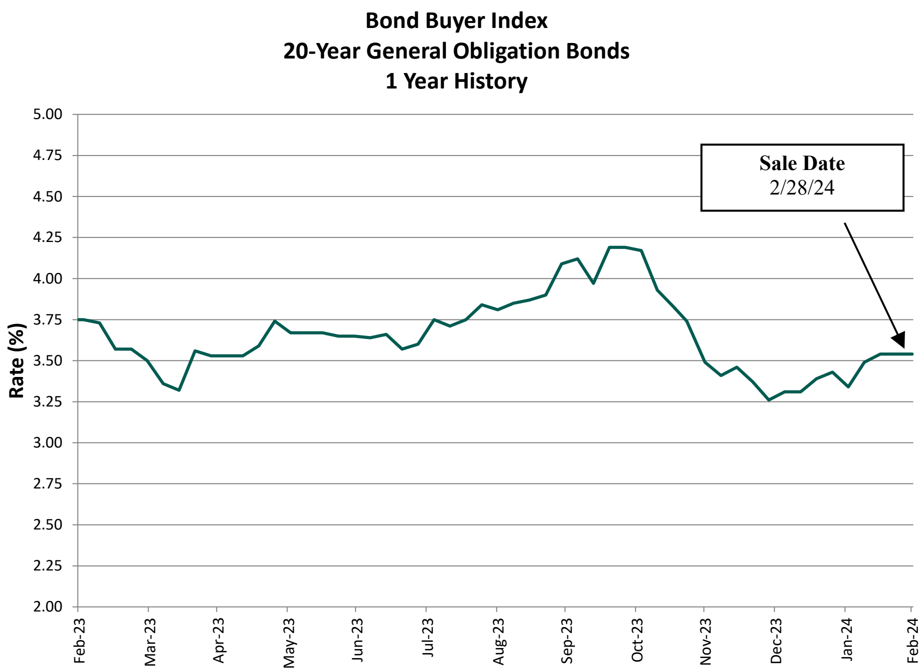
The City took advantage of favorable municipal bond market conditions and sold $9,610,000 of new money bonds with a true interest cost of 4.02%.

Municipal Bond Market, Credit Ratings:

Municipal borrowing rates reached historic lows with the onset of the pandemic and Federal Reserve Action. Inflation (supply chain and labor issues) and recent Federal Reserve action have all contributed to the 2023 interest rate pressure, which has abated in 2024.

The City approached Moody's Investors Service for a bond rating. The City's robust financial position, strong local economic growth, strong financial performance for the past 3 audited fiscal years, and low debt were key elements that contributed to Moody's decision to upgrade to Aa1. This strong bond rating can be credited with the high number of investors purchasing the Bonds and overall low borrowing cost to taxpayers. Strong credit has become increasingly important to investors in the face of market volatility.

One Year Snapshot:



Summary:

Bond Par Amount	$9,610,000
True Interest Cost	4.02%
Net Proceeds to Capital Projects Fund	$10,000,000
Average Annual Debt Service	$586,810

D.A. DAVIDSON & CO.

COLUMBIA CENTER ▪ 701 5TH AVENUE ▪ SUITE 4050 ▪ SEATTLE, WASHINGTON ▪ 98104

BLANKET VOUCHER APPROVAL

2024

Payroll Direct Deposits		**$0.00**
Payroll Checks		**$0.00**
Electronic Funds Transfers	**ACH**	**$4,427.42**
Claims	**60461-60548**	**$348,289.23**
Void Checks	**57764**	**($710.00)**
Total Vouchers Approved:		**$352,006.65**

This 26th day of March 2024

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein, that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment or a contractual obligation, and that the claim is a just, due and unpaid obligation against the City of Lake Stevens, and that I am authorized to authenticate and certify to said claim.

Finance Director/Auditing Officer, Barb Stevens

Mayor, Brett Gailey

March 26, 2024

City expenditures by type for this voucher packet			
Excise Tax	$	540	0%
Supplies	$	21,018	6%
Professional Services	$	155,530	44%
Refunds	$	473	0%
Capital *	$	31,497	9%
Debt Payments	$	143,660	41%
Void Checks	$	(710)	0%
Total	**$**	**352,007**	**100%**

Large Purchases *

* Eagle Ridge Park Phase 2 $12,704

* Retainage Release for Sunset Beach Park Improvements $17,786

City of Lake Stevens Blanket Voucher Report
Checks to be approved for period 03/09/2024 - 03/21/2024

Total for Period
$352,716.65

Vendor Name	Invoice #	Account #	Account Name	Description	Check #	Amount
911 Supply Inc	INV-2-31738	001 008 521 20 31 01	LE-Fixed Minor Equipment	Collar Letters	60462	$896.26
911 Supply Inc	INV-2-36438	001 008 521 20 31 05	LE-Equipment - New Officers	Jumpsuit - B Zelenock	60462	$48.12
911 Supply Inc	INV-2-36542	001 008 521 20 31 05	LE-Equipment - New Officers	Carrier - M Walters	60462	$127.89
911 Supply Inc	INV-2-36692	001 008 521 20 31 01	LE-Fixed Minor Equipment	Uniform - J Beazizo	60462	$523.53
					60462 Total	**$1,595.80**
Ace Hardware	78870	101 016 544 90 31 02	ST-Operating Cost	Clamps	60463	$17.06
Ace Hardware	78941	001 010 576 80 31 05	PK-R&M Supplies	Dooor Vent Screen Replacement Lundeen RR	60463	$16.38
Ace Hardware	78948	001 010 576 80 31 00	PK-Operating Costs	Buckets for Littler Picking	60463	$15.28
Ace Hardware	78948	001 010 576 80 31 05	PK-R&M Supplies	Brad Nails for Lundeen Annual Cleam	60463	$9.83
Ace Hardware	78992	101 016 544 90 31 02	ST-Operating Cost	Knife/Blade Set/Fiberglass Spreaders	60463	$34.94
Ace Hardware	79028	001 013 518 20 31 00	GG-Operating Costs	Clorox Wipes for CH	60463	$34.93
Ace Hardware	79064	101 016 544 90 31 02	ST-Operating Cost	Disinfectant/Pledge/Sponges/Paper Towels	60463	$109.21
Ace Hardware	79065	001 013 518 20 31 00	GG-Operating Costs	Lysol/Toilet Cleaner	60463	$65.49
					60463 Total	**$303.12**
Alliance for Innovation Inc	2024-100664	001 001 513 10 49 01	Executive - Prof. Development	AFI - TLG Conf Registration - B Gailey	60464	$950.00
Alliance for Innovation Inc	2024-100664	001 002 513 11 49 00	AD-Staff Development	AFI - TLG Conf Registration - G Brazel	60464	$950.00
Alliance for Innovation Inc	2024-100664	001 005 518 10 49 01	HR-Staff Development	AFI - TLG Conf Registration - A Warrington	60464	$950.00
					60464 Total	**$2,850.00**
Amazon Capital Services	11N6-QGMR-FG9F	001 000 369 91 00 00	Miscellaneous Revenue - Other	Refund Laptop Monitor Screen Extenders from 2023	60465	($351.94)
Amazon Capital Services	1DHH-YGDC-GH7T	001 000 369 91 00 00	Miscellaneous Revenue - Other	Refund Laptop Monitor Screen Extenders from 2023	60465	($351.94)
Amazon Capital Services	1KW6-XCX6-1TNG	001 008 521 20 31 01	LE-Fixed Minor Equipment	Gauze/Cleaner/Medical Scissors/Rescue Packs	60465	$594.99
Amazon Capital Services	1LJD-MQQW-QYHR	001 008 521 20 31 01	LE-Fixed Minor Equipment	Rescue Hyfin Vent Chest Seals	60465	$174.70
Amazon Capital Services	1RTQ-PCVY-HL61	001 008 521 20 31 01	LE-Fixed Minor Equipment	Compression Wound Trama Dressing	60465	$74.08
					60465 Total	**$139.89**
Amazon Capital Services	119P-1WWW-LH4P	001 006 518 80 31 00	IT-Office Supplies	Security Lock for AirTame Wireless Presentation Device	60466	$47.97
Amazon Capital Services	16RV-D9PT-4YCX	001 007 558 50 31 00	PL-Office Supplies	Laminating Pouches	60466	$32.19
Amazon Capital Services	176X-HV61-GD3N	001 008 521 50 30 00	LE-Facilities Supplies	Metering Replacement for Bathroom Faucet	60466	$74.94
Amazon Capital Services	177F-JHNJ-NGCX	001 010 576 80 31 03	PK- Equipment & Tools	White Noise Machine/Phone Charger Stand	60466	$45.51
Amazon Capital Services	1GPC-LG3P-3GQV	001 001 513 10 31 00	Executive - Supplies	Wireless Mouse for Mayor	60466	$43.23
Amazon Capital Services	1GPC-LG3P-3GQV	001 013 518 20 31 00	GG-Operating Costs	Dishwasher Magnet/Copy Paper for CH	60466	$49.82
Amazon Capital Services	1NW7-YRPT-VDDY	001 010 576 80 31 00	PK-Operating Costs	Vingear Trailer/AAA Batteries	60466	$18.47
Amazon Capital Services	1NW7-YRPT-VDDY	001 010 576 80 31 02	PK-Office Supplies	iPhone Screen Protectors	60466	$16.24
Amazon Capital Services	1NW7-YRPT-VDDY	001 010 576 80 31 02	PK-Office Supplies	Lithium Battery	60466	$4.44
Amazon Capital Services	1NW7-YRPT-VDDY	001 010 576 80 31 03	PK- Equipment & Tools	HDMI Cord Mill/Utility Knives	60466	$46.75
Amazon Capital Services	1NW7-YRPT-VDDY	001 010 576 80 31 07	PK-Recreation Supplies	Storage Containers	60466	$22.94
Amazon Capital Services	1NW7-YRPT-VDDY	101 016 544 90 31 01	ST-Office Supplies	Lithium Battery	60466	$4.44
Amazon Capital Services	1NW7-YRPT-VDDY	410 016 531 10 31 01	SW - Office Supplies	Lithium Battery	60466	$4.45
Amazon Capital Services	1QJ4-JMX9-HCPC	001 010 576 80 31 00	PK-Operating Costs	Batteries/Pressure Water Nozzle - Mill	60466	$20.87
Amazon Capital Services	1QJ4-JMX9-HCPC	001 010 576 80 31 02	PK-Office Supplies	Pens/Paper	60466	$33.16
Amazon Capital Services	1QJ4-JMX9-HCPC	001 010 576 80 31 05	PK-R&M Supplies	Fuel Filters/Oil Filters	60466	$27.27
Amazon Capital Services	1QJ4-JMX9-HCPC	101 016 544 90 31 01	ST-Office Supplies	Pens/Paper	60466	$33.15
Amazon Capital Services	1QJ4-JMX9-HCPC	410 016 531 10 31 01	SW - Office Supplies	Pens/Paper	60466	$33.16
					60466 Total	**$559.00**

Vendor Name	Invoice #	Account #	Account Name	Description	Check #	Amount
Appliance Recycling Outlet	184178	101 016 544 90 31 02	ST-Operating Cost	Refrigerator Recycling Fees	60467	$37.73
					60467 Total	**$37.73**
BCRA Inc	32002	004 010 594 76 60 01	PR - Eagle Ridge Park	Eagle Ridge Park Phase 2	60468	$12,703.90
					60468 Total	**$12,703.90**
Bendiksen	LSPD 11	001 008 521 20 41 00	LE-Professional Services	Pre-Employment Polygraph Exam	60469	$300.00
					60469 Total	**$300.00**
Brazel	040724 BRAZEL	001 002 513 11 43 00	AD-Travel & Meetings	AFI TLG Conf Meal PerDiem	60470	$238.00
					60470 Total	**$238.00**
Bridge Coordination Services	2024-LS2	001 008 521 20 41 01	LE-Professional Serv-Fixed	LS Vicitim Service Hours	60471	$3,932.50
					60471 Total	**$3,932.50**
Brummett Inc	21258	001 008 521 20 31 00	LE-Office Supplies	Engraved Plates with Logo & Shooting Star Acrylics	60472	$265.96
					60472 Total	**$265.96**
Business Card	BARNES 03-2024	001 008 521 20 43 00	LE-Travel & Per Diem	Pepperball Instructor Training Hotel - A Michael	60461	$269.38
Business Card	BARNES 03-2024	001 008 521 40 49 01	LE-Registration Fees	Animal Care Expo Registration - M Cooper	60461	$300.00
Business Card	BARNES 03-2024	001 008 521 40 49 01	LE-Registration Fees	Investigating Animal Crimes Registration - M Cooper	60461	$25.50
Business Card	BARNES 03-2024	001 008 521 40 49 01	LE-Registration Fees	Narcotic & Explosive Detection Conf Registration	60461	$550.00
Business Card	BARNES 03-2024	001 008 521 50 30 02	LE-Fleet Minor Equipment	Police Interceptor Seat Cover	60461	$320.25
Business Card	BEAZIZO 03-2024	001 008 521 20 43 00	LE-Travel & Per Diem	Advocay & Justice for Animals Conf Hotel - M Cooper	60461	$10.86
Business Card	BEAZIZO 03-2024	001 008 521 20 43 00	LE-Travel & Per Diem	WASPC Parking Fees - Beazizo	60461	$12.00
Business Card	BRAZEL 03-2024	001 001 511 60 49 02	Legislative - C.C.Retreat	Council Retreat Hotel	60461	$3,414.91
Business Card	BRAZEL 03-2024	001 001 513 10 43 00	Executive - Travel & Mtgs	Fuel for PW98	60461	$20.00
Business Card	BRAZEL 03-2024	001 002 513 11 43 00	AD-Travel & Meetings	AWC Action Days Hotel - Brazel	60461	$172.60
Business Card	BRAZEL 03-2024	001 002 513 11 43 00	AD-Travel & Meetings	AWC Action Days Parking Fees - Brazel	60461	$6.00
Business Card	BRAZEL 03-2024	001 002 513 11 43 00	AD-Travel & Meetings	AWWA Conf Flight - Brazel	60461	$406.20
Business Card	BRAZEL 03-2024	001 002 513 11 43 00	AD-Travel & Meetings	Fuel for PW98	60461	$20.00
Business Card	BRAZEL 03-2024	001 002 513 11 49 00	AD-Staff Development	AWWA Conf Registration - Brazel	60461	$1,150.00
Business Card	CHELIN 03-2024	001 001 513 10 49 01	Executive - Prof. Development	NLC Congressional City Conf Registration - B Gailey	60461	$810.00
Business Card	CHELIN 03-2024	001 003 514 20 43 00	CC-Travel & Meetings	Fuel to Attend Council Retreat	60461	$46.04
Business Card	CHELIN 03-2024	001 003 514 20 49 00	CC-Miscellaneous	WAPRO Membership - K Chelin	60461	$25.00
Business Card	CHELIN 03-2024	001 003 514 20 49 02	CC-Staff Development	PIO Academy Registration - O Baumgardner	60461	$491.85
Business Card	CHELIN 03-2024	001 003 514 20 49 02	CC-Staff Development	Social Media Academy Registration - O Baumgardner	60461	$491.85
Business Card	CLIFTON 03-2024	101 016 542 30 48 00	ST-Repair & Maintenance	Vehicle Repair Services 2023 Chevy Suburban	60461	$1,730.08
Business Card	CLIFTON 03-2024	101 016 543 30 43 00	ST-Travel & Meetings	AWPA Snow Conf Flight - B Connolly	60461	$291.20
Business Card	CLIFTON 03-2024	101 016 543 30 43 00	ST-Travel & Meetings	AWPA Snow Conf Flight - J Evans	60461	$291.20
Business Card	CLIFTON 03-2024	410 016 531 10 31 02	SW - Operating Costs	Grass Seed	60461	$361.02
Business Card	CLIFTON 03-2024	410 016 531 10 48 00	SW - Repairs & Maintenance	Vehicle Repair Services 2023 Chevy Suburban	60461	$1,730.08
Business Card	CLIFTON 03-2024	410 016 531 10 49 01	SW - Staff Development	APWA Stormwater Workshop Registration - C Jones	60461	$75.00
Business Card	DREHER 03-2024	001 008 521 20 31 01	LE-Fixed Minor Equipment	SWAT Task Force Target Shotshell Rounds	60461	$298.58
Business Card	DREHER 03-2024	001 008 521 20 31 08	LE - Business Meeting Supplies	FBI-LEEDA Command Leardership Institute Supplies	60461	$165.95
Business Card	DREHER 03-2024	001 008 521 20 43 01	LE-Business Meetings	Food Case #24-2417	60461	$9.13
Business Card	FOX 03-2024	001 008 521 20 31 00	LE-Office Supplies	Stationary/Seasonal Decor/Table Top	60461	$20.85
Business Card	FOX 03-2024	001 008 521 20 31 00	LE-Office Supplies	Stickers/Banner/Hanging Fan	60461	$4.10
Business Card	GAILEY 03-2024	001 001 513 10 43 00	Executive - Travel & Mtgs	AWC Action Days Hotel - B Gailey	60461	$172.60
Business Card	GAILEY 03-2024	001 001 513 10 43 00	Executive - Travel & Mtgs	AWC Mayors Exchange Hotel - B Gailey	60461	$247.23

Vendor Name	Invoice #	Account #	Account Name	Description	Check #	Amount
Business Card	HALVERSON 03-2024	001 005 517 90 41 01	HR-City Training Program	APWA WA Spring Conf Registration - E Mangold	60461	$275.00
Business Card	HALVERSON 03-2024	001 005 517 90 41 01	HR-City Training Program	APWA WA Spring Conf Registration - K Klinkers	60461	$550.00
Business Card	HALVERSON 03-2024	001 005 517 90 41 01	HR-City Training Program	APWA WA Spring Conf Registration - P Stevens	60461	$275.00
Business Card	HALVERSON 03-2024	101 016 542 30 48 00	ST-Repair & Maintenance	Vehicle Repair Services 2022 Ford Maverick	60461	$1,228.36
Business Card	HALVERSON 03-2024	101 016 542 30 49 01	ST-Staff Development	ITE Virtual Spring Conf Registration - W Ojalehto	60461	$124.50
Business Card	HALVERSON 03-2024	410 016 531 10 48 00	SW - Repairs & Maintenance	Vehicle Repair Services 2022 Ford Maverick	60461	$1,228.36
Business Card	HALVERSON 03-2024	410 016 531 10 49 01	SW - Staff Development	CESCL Certification Training Registration - S Luna	60461	$400.00
Business Card	HALVERSON 03-2024	410 016 531 10 49 01	SW - Staff Development	ITE Virtual Spring Conf Registration - W Ojalehto	60461	$124.50
Business Card	HALVERSON 03-2024	410 016 531 10 49 01	SW - Staff Development	Stream & Wetland Ecology Registration - T Pesce	60461	$100.00
Business Card	HINGTGEN 03-2024	001 008 521 20 31 01	LE-Fixed Minor Equipment	Stall Mat	60461	$92.89
Business Card	MACDONALD 03-2024	101 016 543 30 43 00	ST-Travel & Meetings	WorkTruckWeek Flight - MacDonald	60461	$110.00
Business Card	MACDONALD 03-2024	101 016 544 90 31 02	ST-Operating Cost	F-Camera for Vehicle	60461	$65.47
Business Card	MACDONALD 03-2024	101 016 544 90 31 02	ST-Operating Cost	Rotation Pin/Shackles/Bearings/Luck Ring PW94	60461	$103.58
Business Card	MACDONALD 03-2024	101 016 544 90 31 02	ST-Operating Cost	Vehicle DOL Registration Fees	60461	$32.00
Business Card	MACDONALD 03-2024	410 016 531 10 31 02	SW - Operating Costs	F-Camera for Vehicle	60461	$65.48
Business Card	MACDONALD 03-2024	410 016 531 10 31 02	SW - Operating Costs	Rotation Pin/Shackles/Bearings/Luck Ring PW94	60461	$103.58
Business Card	MACDONALD 03-2024	410 016 531 10 31 02	SW - Operating Costs	Vehicle DOL Registration Fees	60461	$32.00
Business Card	MACDONALD 03-2024	410 016 531 10 43 00	SW - Travel & Meetings	WorkTruckWeek Flight - MacDonald	60461	$110.00
Business Card	STEVENS T 03-2024	001 001 511 20 30 00	Boards & Comm Op Supplies	2FA Devices for Boards & Comm	60461	$865.03
Business Card	STEVENS T 03-2024	001 006 518 80 31 00	IT-Office Supplies	Tool Bag for IT A/V & Cable Ties	60461	$92.87
Business Card	STEVENS T 03-2024	001 006 518 80 31 00	IT-Office Supplies	USB Drive	60461	$17.48
Business Card	THOMAS 03-2024	001 008 521 20 49 00	LE-Dues & Memberships	FBI-LEEDA Membership - D Thomas	60461	$50.00
Business Card	UBERT 03-2024	001 008 521 20 41 01	LE-Professional Serv-Fixed	FUBO TV Subscription for PD	60461	$100.53
Business Card	UBERT 03-2024	001 008 521 20 43 00	LE-Travel & Per Diem	Advocay & Justice for Animals Conf Hotel - M Cooper	60461	$186.87
Business Card	UBERT 03-2024	001 008 521 20 49 00	LE-Dues & Memberships	FBI-LEEDA Membership - J Ubert	60461	$50.00
Business Card	WARRINGTON 03-2024	001 005 518 10 31 01	HR-Operating Cost	Lifepack AED Supplies	60461	$363.97
Business Card	WARRINGTON 03-2024	001 005 518 10 49 00	HR-Miscellaneous	SHRM Membership - A Warrington	60461	$264.00
Business Card	WARRINGTON 03-2024	001 005 518 10 49 01	HR-Staff Development	Collective Bargaining Registration - A Warrington	60461	$400.00
Business Card	WARRINGTON 03-2024	001 011 515 41 41 03	Ext Consult - Labor Relations	HIB Visa Government Filing Fee - IT Security Analyst	60461	$2,460.00
Business Card	WEAVER 03-2024	001 001 511 60 49 02	Legislative - C.C.Retreat	Council Retreat Hotel Deposit	60461	$4,440.00
Business Card	WEAVER 03-2024	001 001 513 10 43 00	Executive - Travel & Mtgs	AWC Mayors Exchange Hotel - B Gailey	60461	$230.37
Business Card	WEAVER 03-2024	001 001 513 10 49 01	Executive - Prof. Development	Mayor Exchange Registration - B Gailey	60461	$125.00
Business Card	WEAVER 03-2024	001 001 513 10 49 01	Executive - Prof. Development	State of the City Registration - B Gailey	60461	$28.52
Business Card	YOUNG 03-2024	111 008 521 20 31 01	Drug Seize - Canine Supplies	Dog Food	60461	$64.37
					60461 Total	**$28,699.19**
Business Card	GARCEAU 03-2024	001 010 576 80 31 00	PK-Operating Costs	Gabion NC Runoff Beach	60473	$1,440.32
Business Card	GARCEAU 03-2024	001 010 576 80 31 00	PK-Operating Costs	Wildflower Seeds	60473	$140.61
Business Card	GARCEAU 03-2024	001 010 576 80 31 01	PK-Ops-Clothing	STF Boots - D Green	60473	$169.42
Business Card	GARCEAU 03-2024	001 010 576 80 31 05	PK-R&M Supplies	Meterng Assembly - NC BL RR Leak	60473	$238.16
Business Card	GARCEAU 03-2024	001 010 576 80 43 00	PK-Travel & Meetings	OFEA Conf Gas for Ford Maverick	60473	$48.63
Business Card	GARCEAU 03-2024	001 010 576 80 43 00	PK-Travel & Meetings	OFEA Conf Hotel Refund - T Woldridge	60473	($200.26)
Business Card	GARCEAU 03-2024	001 010 576 80 43 00	PK-Travel & Meetings	OFEA Conf Lunch - Dawn Smith/T Woldridge	60473	$40.00
Business Card	GARCEAU 03-2024	001 010 576 80 43 00	PK-Travel & Meetings	Revenue Mgmt School - J Meis	60473	$240.00
Business Card	GARCEAU 03-2024	001 010 576 80 43 00	PK-Travel & Meetings	Revenue Mgmt School Airport Parking - J Meis	60473	$140.77
Business Card	GARCEAU 03-2024	001 010 576 80 49 01	PK-Staff Development	Digital Marketing Conf Registration - Dawn Smith	60473	$931.98
Business Card	GARCEAU 03-2024	001 010 576 80 49 01	PK-Staff Development	Electrical Training Registration - R Anderson	60473	$119.00

Vendor Name	Invoice #	Account #	Account Name	Description	Check #	Amount
Business Card	WRIGHT 03-2024	001 005 517 90 41 01	HR-City Training Program	AICP/APA Memberships - D Levitan	60473	$688.00
Business Card	WRIGHT 03-2024	001 005 517 90 41 01	HR-City Training Program	PAW Annual Conf Registration - J Needham	60473	$345.00
Business Card	WRIGHT 03-2024	001 007 558 50 41 04	Permit Related Professional Sr	Postcard Mailers Kaintz Final Plat Legal Notice	60473	$39.24
Business Card	WRIGHT 03-2024	001 007 558 50 41 04	Permit Related Professional Sr	Postcard Mailers Lanark He Legal Notice	60473	$72.33
Business Card	WRIGHT 03-2024	001 007 558 50 41 04	Permit Related Professional Sr	Postcard Mailers LUA2024-0014 NOA Legal Notice	60473	$29.61
Business Card	WRIGHT 03-2024	001 007 558 50 41 04	Permit Related Professional Sr	Postcard Mailers Revised Lanark He Legal Notice	60473	$72.33
Business Card	WRIGHT 03-2024	001 007 558 50 43 00	PL-Travel & Mtgs	WSAPT Spring Conf Hotel - J Fenrich	60473	$395.96
Business Card	WRIGHT 03-2024	001 007 558 50 49 00	PL-Miscellaneous	WACE Membership Dues - C Fauth	60473	$55.00
Business Card	WRIGHT 03-2024	001 007 558 50 49 01	PL-Staff Development	PAW Annual Conf Registration - C Schmidt	60473	$345.00
Business Card	WRIGHT 03-2024	001 007 558 50 49 01	PL-Staff Development	PAW Annual Conf Registration - N Faz	60473	$345.00
Business Card	WRIGHT 03-2024	001 007 559 30 49 01	PB-Staff Development	WSAPT Spring Conf Registration - J Fenrich	60473	$200.00
Business Card	WRIGHT 03-2024	120 016 595 61 60 01	TBP02: 91st - 8th to Market	Postcard Mailers 91st Sidewalk Project 8th to Market Advert	60473	$179.18
					60473 Total	$6,075.28
Canon Financial Services Inc	29005346	001 007 558 50 48 00	PL-Repairs & Maint.	2YJ04075 Copier Lease CH Tax	60474	$6.42
Canon Financial Services Inc	29005346	001 007 559 30 48 00	PB-Repair & Maintenance	2YJ04075 Copier Lease CH Tax	60474	$6.42
Canon Financial Services Inc	29005346	001 007 591 58 70 01	PL -Lease Agreements	2YJ04075 Copier Lease CH	60474	$70.56
Canon Financial Services Inc	29005346	001 007 591 59 70 01	PB - Lease Agreements	2YJ04075 Copier Lease CH	60474	$70.56
Canon Financial Services Inc	29005346	001 013 518 20 48 00	GG-Repair & Maintenance	2YJ04075 Copier Lease CH Tax	60474	$6.42
Canon Financial Services Inc	29005346	001 013 591 18 70 01	Lease Agreements	2YJ04075 Copier Lease CH	60474	$70.56
Canon Financial Services Inc	30304433	001 007 558 50 48 00	PL-Repairs & Maint.	2YJ04075 Copier Lease CH Tax	60474	$6.56
Canon Financial Services Inc	30304433	001 007 559 30 48 00	PB-Repair & Maintenance	2YJ04075 Copier Lease CH Tax	60474	$6.56
Canon Financial Services Inc	30304433	001 007 591 58 70 01	PL -Lease Agreements	2YJ04075 Copier Lease CH	60474	$70.56
Canon Financial Services Inc	30304433	001 007 591 59 70 01	PB - Lease Agreements	2YJ04075 Copier Lease CH	60474	$70.56
Canon Financial Services Inc	30304433	001 013 518 20 48 00	GG-Repair & Maintenance	2YJ04075 Copier Lease CH Tax	60474	$6.57
Canon Financial Services Inc	30304433	001 013 591 18 70 01	Lease Agreements	2YJ04075 Copier Lease CH	60474	$70.56
Canon Financial Services Inc	32197495	001 013 518 20 48 00	GG-Repair & Maintenance	Copier Lease CH Admin Month to Month Lease	60474	$286.05
Canon Financial Services Inc	32252430	001 007 558 50 48 00	PL-Repairs & Maint.	Copier Lease CH Tax	60474	$6.56
Canon Financial Services Inc	32252430	001 007 559 30 48 00	PB-Repair & Maintenance	Copier Lease CH Tax	60474	$6.56
Canon Financial Services Inc	32252430	001 007 591 58 70 01	PL -Lease Agreements	Copier Lease CH	60474	$70.56
Canon Financial Services Inc	32252430	001 007 591 59 70 01	PB - Lease Agreements	Copier Lease CH	60474	$70.56
Canon Financial Services Inc	32252430	001 013 518 20 48 00	GG-Repair & Maintenance	Copier Lease CH Tax	60474	$6.57
Canon Financial Services Inc	32252430	001 013 591 18 70 01	Lease Agreements	Copier Lease CH	60474	$70.56
Canon Financial Services Inc	32252431	001 008 521 20 48 00	LE-Repair & Maintenance Equip	2XW05905 Copier Lease PD Tax	60474	$23.52
Canon Financial Services Inc	32252431	001 008 591 21 70 01	Lease Agreements	2XW05905 Copier Lease PD	60474	$252.95
Canon Financial Services Inc	Proforma03182024	001 007 591 58 70 01	PL -Lease Agreements	2YJ04075 Copier Lease CH	60474	$63.82
Canon Financial Services Inc	Proforma03182024	001 007 591 59 70 01	PB - Lease Agreements	2YJ04075 Copier Lease CH	60474	$63.82
Canon Financial Services Inc	Proforma03182024	001 013 591 18 70 01	Lease Agreements	2YJ04075 Copier Lease CH	60474	$63.83
					60474 Total	$1,447.67
Carstar Collision Specialties	1903	101 016 542 30 48 00	ST-Repair & Maintenance	Vehicle Repair Services 2021 Ford Escape	60475	$2,568.45
Carstar Collision Specialties	1903	410 016 531 10 48 00	SW - Repairs & Maintenance	Vehicle Repair Services 2021 Ford Escape	60475	$2,568.45
					60475 Total	$5,136.90
Carter	032524 CARTER	001 008 521 20 43 00	LE-Travel & Per Diem	FTO Instructor Training Meal PerDiem	60476	$85.00
					60476 Total	$85.00
CDW Government Inc	QB88332	510 006 518 80 31 00	Purchase Computer Equipment	iPad Pro 6 - R Donoghue	60477	$1,141.78
					60477 Total	$1,141.78

Vendor Name	Invoice #	Account #	Account Name	Description	Check #	Amount
Central Welding Supply Co Inc	2001289	001 010 576 80 31 00	PK-Operating Costs	Argon/Centrashield/Propane	60478	$36.01
Central Welding Supply Co Inc	2001289	101 016 544 90 31 02	ST-Operating Cost	Argon/Centrashield/Propane	60478	$36.02
Central Welding Supply Co Inc	2001289	410 016 531 10 31 02	SW - Operating Costs	Argon/Centrashield/Propane	60478	$36.01
					60478 Total	**$108.04**
Cintas Loc 460	4183566761	001 010 576 80 41 00	PK-Professional Services	Parks Uniform Service	60479	$114.68
Cintas Loc 460	4183566761	101 016 542 30 41 02	ST-Professional Service	PW Uniform Service	60479	$203.05
Cintas Loc 460	4183566761	410 016 531 10 41 01	SW - Professional Services	PW Uniform Service	60479	$155.91
Cintas Loc 460	4184258351	001 010 576 80 41 00	PK-Professional Services	Parks Uniform Service	60479	$99.76
Cintas Loc 460	4184258351	101 016 542 30 41 02	ST-Professional Service	PW Uniform Service	60479	$202.15
Cintas Loc 460	4184258351	410 016 531 10 41 01	SW - Professional Services	PW Uniform Service	60479	$155.01
Cintas Loc 460	4184991115	001 010 576 80 41 00	PK-Professional Services	Parks Uniform Service	60479	$101.36
Cintas Loc 460	4184991115	101 016 542 30 41 02	ST-Professional Service	PW Uniform Service	60479	$202.25
Cintas Loc 460	4184991115	410 016 531 10 41 01	SW - Professional Services	PW Uniform Service	60479	$155.11
					60479 Total	**$1,389.28**
City of Everett	I240001459	410 016 531 50 31 16	DOE - Capacity Grant Op Costs	Laboratory Analysis	60480	$148.50
					60480 Total	**$148.50**
City of Marysville	LKS24-002	001 013 512 52 40 00	GG-Municipal Court Fees 2022	Marysville Court Citations 02-2024	60481	$14,583.89
					60481 Total	**$14,583.89**
CivicPlus LLC	293320	510 006 518 80 49 07	LR - Civic Plus Website	Premium Dept Header Annual Fees	60482	$6,884.06
					60482 Total	**$6,884.06**
Coast Construction Group	032124 COAST	304 000 582 20 00 00	Retainage Release	Retainage Release for Sunset Beach Park Improvements	60483	$17,785.50
					60483 Total	**$17,785.50**
DataQuest LLC	22750	001 010 576 80 41 00	PK-Professional Services	Background Checks	60484	$81.50
DataQuest LLC	22750	101 016 542 30 41 02	ST-Professional Service	Background Checks	60484	$81.50
					60484 Total	**$163.00**
Dept of Licensing	031624 DOL	633 000 589 30 00 05	Gun Permit - State DOL	Weapons Permits 02/18/24 - 03/16/24	60485	$1,074.00
					60485 Total	**$1,074.00**
Dept of Revenue EFT	02-2024 EXCISE	001 008 521 20 31 01	LE-Fixed Minor Equipment	Use Tax 02-2024 Royal Arms Inv #29890	EFT	$230.18
Dept of Revenue EFT	02-2024 EXCISE	001 013 518 90 49 06	GG-Excise Tax	Excise Taxes 02-2024	EFT	$230.43
Dept of Revenue EFT	02-2024 EXCISE	303 016 594 48 60 00	PW Shop Remodel	Use Tax 02-2024 Sunna Design Inv #ORD050855	EFT	$607.94
Dept of Revenue EFT	02-2024 EXCISE	633 000 589 30 00 11	DOR - Sales Tax Remittance	Excise Taxes 02-2024	EFT	$309.80
					EFT Total	**$1,378.35**
Dickinson	031824DICKINSON	001 013 582 10 00 00	Refund of Deposit	LS24-Dickinson_3-16 Mill Deposit Refund	60486	$150.00
					60486 Total	**$150.00**
Dicks Towing Inc	18274991	001 008 521 20 41 00	LE-Professional Services	Evidence Towing 2024-03505	60487	$151.66
Dicks Towing Inc	18275892	001 008 521 20 41 00	LE-Professional Services	Evidence Towing 2024-04141	60487	$151.66
					60487 Total	**$303.32**
Dubin	LUA2024-0035	003 000 345 81 00 00	Zoning-Subdivision Fees	LUA2024-0035 Refund	60488	$200.00
Dubin	LUA2024-0035	510 000 341 81 00 00	Technology Fee	LUA2024-0035 Refund	60488	$6.00
					60488 Total	**$206.00**
EFTPS	CP134B	001 013 518 20 49 00	GG-Miscellaneous	Federal Payroll Taxes - Penalties	EFT	$3,049.07
					EFT Total	**$3,049.07**

Vendor Name	Invoice #	Account #	Account Name	Description	Check #	Amount
Electronic Business Machines	AR270540	001 010 576 80 48 00	PK-Repair & Maintenance	Printer Copy Fees PW - 2YJ14491	60489	$59.57
Electronic Business Machines	AR270540	101 016 542 30 48 00	ST-Repair & Maintenance	Printer Copy Fees PW - 2YJ14491	60489	$59.57
Electronic Business Machines	AR270540	410 016 531 10 48 00	SW - Repairs & Maintenance	Printer Copy Fees PW - 2YJ14491	60489	$59.57
Electronic Business Machines	AR272336	001 007 558 50 48 00	PL-Repairs & Maint.	Printer Copy Fees CH - 2YJ04075	60489	$214.25
Electronic Business Machines	AR272336	001 007 559 30 48 00	PB-Repair & Maintenance	Printer Copy Fees CH - 2YJ04075	60489	$214.25
Electronic Business Machines	AR272336	001 013 518 20 48 00	GG-Repair & Maintenance	Printer Copy Fees CH - 2YJ04075	60489	$214.25
Electronic Business Machines	AR272412	001 008 521 50 48 00	LE-Facility Repair & Maint	Printer Copy Fees PD - 2WU09725	60489	$56.11
Electronic Business Machines	AR273126	001 008 521 50 48 00	LE-Facility Repair & Maint	Printer Copy Fees PD - 2XW05905	60489	$171.04
					60489 Total	**$1,048.61**
Enterprise FM Trust	604558-030524	530 016 591 48 70 01	PW Lease Agreements	City Vehicle Leases	60490	$7,284.33
Enterprise FM Trust	604558-030524	530 016 594 48 70 00	Capital Lease Principal	City Vehicle Leases Tax	60490	$1,346.16
					60490 Total	**$8,630.49**
Enterprise FM Trust	633992-030524	001 008 521 20 48 00	LE-Repair & Maintenance Equip	PD Vehicle Monthly Maint Fees	60491	$7,385.57
					60491 Total	**$7,385.57**
Erickson	031824 LORI	001 013 518 10 30 00	LEAN Training - Supplies	Lean Six Sigma Green Belt Course Materials Reimbursement	60492	$747.21
					60492 Total	**$747.21**
Fitzgerald	FITZGERALD	001 008 521 20 41 00	LE-Professional Services	Towing Fee Refund Dicks Inv #18272966	60493	$383.10
					60493 Total	**$383.10**
Gailey	040724 GAILEY	001 001 513 10 43 00	Executive - Travel & Mtgs	AFI TLG Conf Meal PerDiem	60494	$238.00
					60494 Total	**$238.00**
Glaser	030424 GLASER	001 007 559 30 49 00	PB-Miscellaneous	ICC Certification Reimbursement	60495	$305.00
					60495 Total	**$305.00**
Glens Saw Shop	S18988	001 010 576 80 48 00	PK-Repair & Maintenance	Blades & Hedger Maint	60496	$326.13
Glens Saw Shop	S18989	001 010 576 80 48 00	PK-Repair & Maintenance	Blades Hedger Repair	60496	$205.58
					60496 Total	**$531.71**
High Performance Homes	BLD2024-0215	003 000 322 10 00 00	Building Permits	BLD2024-0215 Building Permit Refund	60497	$40.00
High Performance Homes	BLD2024-0215	510 000 341 81 00 00	Technology Fee	BLD2024-0215 Building Permit Refund	60497	$1.20
High Performance Homes	BLD2024-0215	633 000 389 30 00 03	St. Bldg Permit Fee Non-Rev	BLD2024-0215 Building Permit Refund	60497	$6.50
High Performance Homes	BLD2024-0216	003 000 322 10 00 00	Building Permits	BLD2024-0216 Building Permit Refund	60497	$40.00
High Performance Homes	BLD2024-0216	510 000 341 81 00 00	Technology Fee	BLD2024-0216 Building Permit Refund	60497	$1.20
High Performance Homes	BLD2024-0216	633 000 389 30 00 03	St. Bldg Permit Fee Non-Rev	BLD2024-0216 Building Permit Refund	60497	$6.50
					60497 Total	**$95.40**
High Road Promotions LLC	4843	001 008 521 40 49 01	LE-Registration Fees	Evergreen Speedway Track Rental 03/11/2024	60498	$350.00
					60498 Total	**$350.00**
HolidayGoo Inc	20681	001 010 576 80 31 08	PK-Special Event Supplies	Plastic Eggs/Candy - Egg Hunt Supplies	60499	$2,719.00
					60499 Total	**$2,719.00**
Hyatt	010924 SCOTT	001 013 582 10 00 00	Refund of Deposit	LS23-Miller_1-9-24 Mill Deposit Refund	60500	$150.00
					60500 Total	**$150.00**
Hyun	030924 HYUN	001 013 582 10 00 00	Refund of Deposit	LS24-Hyun_3-9 Mill Deposit Refund	60501	$300.00
					60501 Total	**$300.00**
IALEFI	E2900	001 008 521 40 49 01	LE-Registration Fees	IALEFI Conf Registration - M Hingtgen	60502	$555.00
					60502 Total	**$555.00**
Iron Mountain Quarry LLC	4996	001 010 576 80 31 00	PK-Operating Costs	3/4 Stockpile	60503	$246.02
Iron Mountain Quarry LLC	4996	101 016 544 90 31 02	ST-Operating Cost	3/4 Stockpile	60503	$246.02
Iron Mountain Quarry LLC	4996	410 016 531 10 31 02	SW - Operating Costs	3/4 Stockpile	60503	$246.01
					60503 Total	**$738.05**

Vendor Name	Invoice #	Account #	Account Name	Description	Check #	Amount
Jamie S Kim PS Inc	4A0104177	001 011 515 91 41 00	LG-General Public Defender	Public Defender Services	60504	$300.00
					60504 Total	**$300.00**
Jones	030524 JONES	410 016 531 10 43 00	SW - Travel & Meetings	NWPWI Parking 03/05 - 03/08 Reimbursement	60505	$24.00
					60505 Total	**$24.00**
JP Cooke Co	824059	001 013 518 20 31 00	GG-Operating Costs	Animal License Tags	60506	$121.55
					60506 Total	**$121.55**
Kaiser Permanente	65425716	001 008 521 20 41 00	LE-Professional Services	Employee Health Screening	60507	$5,505.00
Kaiser Permanente	65425716	001 010 576 80 41 00	PK-Professional Services	Employee Health Screening	60507	$257.00
Kaiser Permanente	65425716	101 016 542 30 41 02	ST-Professional Service	Employee Health Screening	60507	$22.00
Kaiser Permanente	65425716	410 016 531 10 41 01	SW - Professional Services	Employee Health Screening	60507	$22.00
Kaiser Permanente	72904344	001 008 521 20 41 00	LE-Professional Services	Reissue CK #57764 - Employee Health Screening	60507	$710.00
					60507 Total	**$6,516.00**
Lake Stevens Sewer District	1195 03-2024	001 010 576 80 47 00	PK-Utilities	Sewer - Cedarwood Park Acct 1195-01	60508	$99.00
Lake Stevens Sewer District	12326 03-2024	001 010 576 80 47 00	PK-Utilities	Sewer - Boat Launch Restrooms Acct 12326-01	60508	$100.00
Lake Stevens Sewer District	13135 03-2024	101 016 543 50 47 00	ST-Utilities	Sewer - Decant Facility Acct 13135-01	60508	$24.75
Lake Stevens Sewer District	13135 03-2024	401 070 535 10 47 01	Sewer Dist Utilities	Sewer - Decant Facility Acct 13135-01	60508	$49.50
Lake Stevens Sewer District	13135 03-2024	410 016 531 10 47 00	SW - Utilities	Sewer - Decant Facility Acct 13135-01	60508	$24.75
Lake Stevens Sewer District	2538 03-2024	001 010 576 80 47 00	PK-Utilities	Sewer - Lundeen Park Acct 2538-02	60508	$198.00
Lake Stevens Sewer District	3628 03-2024	001 010 576 80 47 00	PK-Utilities	Sewer - Davies Beach Acct 3628-02	60508	$99.00
Lake Stevens Sewer District	6294 03-2024	001 008 521 50 47 00	LE-Facility Utilities	Sewer - PD Evidence Bldg Acct 6294-04	60508	$99.00
Lake Stevens Sewer District	6296 03-2024	001 008 521 50 47 00	LE-Facility Utilities	Sewer - Police Station Acct 6296-03	60508	$198.00
Lake Stevens Sewer District	6390 03-2024	005 000 518 20 40 01	Rental Property Utilities	Sewer - Leased Comm Building Acct 6390-03	60508	$338.10
Lake Stevens Sewer District	6666 03-2024	001 012 575 30 47 00	CS- Museum - Utilities	Sewer - Museum Acct 6666-01	60508	$99.00
Lake Stevens Sewer District	6671 03-2024	001 013 518 20 47 00	GG-Utilities	Sewer - City Hall Acct 6671-01	60508	$99.00
Lake Stevens Sewer District	6810 03-2024	001 012 575 50 47 00	CS- The Mill- Utilities	Sewer - The Mill Acct 6810-01	60508	$198.00
Lake Stevens Sewer District	7002 03-2024	001 010 576 80 47 00	PK-Utilities	Sewer - North Cove Park Restroom 7002-01	60508	$99.00
Lake Stevens Sewer District	8710 03-2024	001 008 521 50 47 00	LE-Facility Utilities	Sewer - Police Training Bldg Acct 8710-03	60508	$99.00
Lake Stevens Sewer District	9902 03-2024	001 012 572 20 47 00	CS- Library-Utilities	Sewer - Library Grade Rd Acct 9902-01	60508	$99.00
					60508 Total	**$1,923.10**
LEIRA	3819	001 008 521 40 49 01	LE-Registration Fees	Beginner Public Disclosure for LE Registration-B Ryan	60509	$150.00
LEIRA	3820	001 008 521 40 49 01	LE-Registration Fees	Beginner Public Disclosure for LE Registration-K Putnam	60509	$150.00
					60509 Total	**$300.00**
Lemay Mobile Shredding Inc	4831139S185	001 013 518 20 41 00	GG-Professional Service	Shredding Services CH	60510	$13.05
Lemay Mobile Shredding Inc	4832402S185	001 008 521 20 41 01	LE-Professional Serv-Fixed	Shredding Services PD	60510	$26.10
					60510 Total	**$39.15**
Lowes Companies	920606	101 016 544 90 31 02	ST-Operating Cost	DEWALT Benchtop Planer/Screwdriver/Wrench/Bit Sets	60511	$857.37
					60511 Total	**$857.37**
National Recreation and Park Assoc	381248	001 010 576 80 49 00	PK-Dues & Memberships	NRPA Membership - S Garceau	60512	$180.00
					60512 Total	**$180.00**
Ogden Murphy Wallace PLLC	888636	001 011 515 41 41 00	Ext Consultation - City Atty	Legal Services 02-2024	60513	$14,690.00
Ogden Murphy Wallace PLLC	888636	001 011 515 41 41 01	Ext Consult - PRA	Legal Services 02-2024 PRR	60513	$195.00
Ogden Murphy Wallace PLLC	888636	001 011 515 41 41 04	Ext Attorney - Sewer	Legal Services 02-2024 Sewer	60513	$552.50
					60513 Total	**$15,437.50**
On Target Solutions Group Inc	4318	001 008 521 40 49 01	LE-Registration Fees	Mgmt/Supervision of Investigative Units - M Hingtgen	60514	$325.00
On Target Solutions Group Inc	4318	001 008 521 40 49 01	LE-Registration Fees	Recruiting/Applicant Background Investigations - M Hingtgen	60514	$325.00
					60514 Total	**$650.00**

Vendor Name	Invoice #	Account #	Account Name	Description	Check #	Amount
Owen Equipment Company	114094	410 016 531 10 31 02	SW - Operating Costs	Gen 3 Wirel/Red Reggedizer	60515	$3,282.37
					60515 Total	**$3,282.37**
PNW Axe Throwing LLC	169	001 010 576 80 41 04	PK-Special Events Prof Service	Deposit for Axe Throwing Viking Event	60516	$494.55
					60516 Total	**$494.55**
PODS Enterprises LLC	PODS006933743	001 013 518 20 41 00	GG-Professional Service	POD Rental for Museum Storage	60517	$179.25
PODS Enterprises LLC	PODS006941952	001 013 518 20 41 00	GG-Professional Service	POD Rental for Museum Storage	60517	$179.25
					60517 Total	**$358.50**
Proforce Marketing Inc	544331	001 008 521 20 31 02	LE-Minor Equipment	HSG Duty Extended Pistol	60518	$192.20
					60518 Total	**$192.20**
Public Safety Testing Inc	2024-152	001 008 521 20 41 00	LE-Professional Services	PST Candidate Agency Testing	60519	$495.00
					60519 Total	**$495.00**
Puget Sound Energy	200003723810 03-2024	001 012 575 30 47 00	CS- Museum - Utilities	Natural Gas - Museum	60520	$214.19
Puget Sound Energy	200024316495 03-2024	001 010 576 80 47 00	PK-Utilities	Natural Gas - PW Shop	60520	$381.33
Puget Sound Energy	200024316495 03-2024	101 016 543 50 47 00	ST-Utilities	Natural Gas - PW Shop	60520	$381.34
Puget Sound Energy	200024316495 03-2024	410 016 531 10 47 00	SW - Utilities	Natural Gas - PW Shop	60520	$381.34
Puget Sound Energy	220022339471 03-2024	001 012 575 50 47 00	CS- The Mill- Utilities	Natural Gas - The Mill	60520	$676.72
Puget Sound Energy	220024770236 03-2024	001 008 521 50 47 00	LE-Facility Utilities	Natural Gas - Police Dept Evidence Bldg	60520	$168.10
Puget Sound Energy	220028663866 03-2024	001 008 521 50 47 00	LE-Facility Utilities	Natural Gas - Police Dept	60520	$493.60
Puget Sound Energy	220028663874 03-2024	005 000 518 20 40 01	Rental Property Utilities	Natural Gas - 1819 S Lake Stevens Rd	60520	$40.53
					60520 Total	**$2,737.15**
Rose	022224 ROSE	001 005 518 10 43 00	HR-Travel & Meetings	Job Fair Parking Fees Reimbursement	60521	$10.45
					60521 Total	**$10.45**
Roth	012424 ROTH	001 005 517 60 31 00	HR-Safety Program	QR Code Safety Data Sheet Stickers Reimbursement	60522	$53.60
					60522 Total	**$53.60**
SBN Planning LLC	COLS-011	001 007 558 50 41 00	PL-Professional Servic	2024 Comp Plan Update	60523	$1,568.75
					60523 Total	**$1,568.75**
SCCFOA	031924 SCCFOA	001 004 514 23 43 00	FI-Travel & Meetings	SCCFOA Monthly Meeting Lunch - B Stevens/M Heist	60524	$40.00
					60524 Total	**$40.00**
Scholz	032524 SCHOLZ	001 008 521 20 43 00	LE-Travel & Per Diem	FTO Instructor Training Meal PerDiem	60525	$85.00
					60525 Total	**$85.00**
Smarsh Inc	INV-156602	510 006 518 80 49 05	LR - Smarsh	Verizon MG Cloud MT	60526	$746.70
					60526 Total	**$746.70**
Snohomish County PUD	100777199	001 010 576 80 47 00	PK-Utilities	221908015 City Shop Mechanic	60527	$73.48
Snohomish County PUD	100777199	101 016 543 50 47 00	ST-Utilities	221908015 City Shop Mechanic	60527	$73.46
Snohomish County PUD	100777199	410 016 531 10 47 00	SW - Utilities	221908015 City Shop Mechanic	60527	$73.46
Snohomish County PUD	119365112	001 010 576 80 47 00	PK-Utilities	202340527 Old Decant 12701 36th St NE	60527	$7.95
Snohomish County PUD	119365112	101 016 543 50 47 00	ST-Utilities	202340527 Old Decant 12701 36th St NE	60527	$7.95
Snohomish County PUD	119365112	410 016 531 10 47 00	SW - Utilities	202340527 Old Decant 12701 36th St NE	60527	$7.95
Snohomish County PUD	125989433	001 010 576 80 47 00	PK-Utilities	201487055 2424 Soper Hill Mobile Water/Electric	60527	$162.83
Snohomish County PUD	129264717	001 010 576 80 47 00	PK-Utilities	203582010 Lundeen Restrooms Electric	60527	$285.14
Snohomish County PUD	129264717	001 010 576 80 47 00	PK-Utilities	203582010 Lundeen Restrooms Water	60527	$407.42
Snohomish County PUD	129264717	001 012 557 30 40 01	CS- VIC Utilities	203582010 Visitor Information Center Electric	60527	$181.94
Snohomish County PUD	129264717	101 016 542 63 47 00	ST-Lighting - Utilities	203582010 Street Lights	60527	$35.43
Snohomish County PUD	142404244	101 016 542 63 47 00	ST-Lighting - Utilities	202988481 Street Lights	60527	$98.63
Snohomish County PUD	152354325	101 016 542 63 47 00	ST-Lighting - Utilities	202648705 Street Lights Davies Beach	60527	$57.27
Snohomish County PUD	155618564	001 013 518 20 47 00	GG-Utilities	222931883 Row Club Wtr/Electric 12308 17th Pl NE	60527	$92.91
Snohomish County PUD	155618565	001 010 576 80 47 00	PK-Utilities	222942633 North Cove BBQ Shelter Electric	60527	$302.31
Snohomish County PUD	155622938	001 010 576 80 47 00	PK-Utilities	222205049 Oak Park Electric	60527	$36.19

Vendor Name	Invoice #	Account #	Account Name	Description	Check #	Amount
Snohomish County PUD	155624821	001 010 576 80 47 00	PK-Utilities	222509911 Davies Beach Electric/Water	60527	$82.80
Snohomish County PUD	155625437	001 010 576 80 47 00	PK-Utilities	223973587 Sunset Park Electric	60527	$24.65
Snohomish County PUD	161968601	001 010 576 80 47 00	PK-Utilities	222509887 Davies Beach Row Club Electric/Water	60527	$189.37
Snohomish County PUD	165150760	001 010 576 80 47 00	PK-Utilities	221860174 Frontier Park Electric	60527	$22.26
Snohomish County PUD	165156546	001 010 576 80 47 00	PK-Utilities	222658130 The Timbers Park Water	60527	$25.69
Snohomish County PUD	168305216	001 010 576 80 47 00	PK-Utilities	222625881 Froniter Circle Water	60527	$58.08
					60527 Total	**$2,307.17**
Snohomish County Sheriffs Office	2024-8150	001 008 523 60 41 00	LE-Jail	Jail Services 02-2024	60528	$19,757.77
Snohomish County Sheriffs Office	2024-8167	001 008 523 60 41 00	LE-Jail	Jail Services Medical 02-2024	60528	$4.57
					60528 Total	**$19,762.34**
Sound Publishing Inc	EDH991996	001 007 558 50 41 04	Permit Related Professional Sr	LUA2024-0014 NOA Legal Notice	60529	$80.24
Sound Publishing Inc	EDH992420	001 007 558 50 41 03	PL-Advertising	PC Meeting Cancelled Notice	60529	$17.32
Sound Publishing Inc	EDH992468	001 007 558 50 41 04	Permit Related Professional Sr	LUA2024-0032 Final Short Plat Legal Notice	60529	$80.96
					60529 Total	**$178.52**
Sound Security Inc	1124718	001 010 576 80 41 00	PK-Professional Services	Access Monitoring Lundeen Park	60530	$21.62
Sound Security Inc	1124718	001 010 576 80 41 00	PK-Professional Services	Fire Monitoring/Confidence Testing PW Shop	60530	$300.94
Sound Security Inc	1124718	001 010 576 80 41 00	PK-Professional Services	Intrusion Monitoring Eagle Ridge	60530	$134.61
Sound Security Inc	1124718	001 012 575 50 47 00	CS- The Mill- Utilities	Fire & Security Monitoring The Mill	60530	$644.87
Sound Security Inc	1124718	001 013 518 20 41 00	GG-Professional Service	Fire & Security Monitoring CH	60530	$616.42
Sound Security Inc	1124718	101 016 542 30 41 02	ST-Professional Service	Fire Monitoring/Confidence Testing PW Shop	60530	$300.94
Sound Security Inc	1124718	410 016 531 10 41 01	SW - Professional Services	Fire Monitoring/Confidence Testing PW Shop	60530	$300.94
Sound Security Inc	1124720	001 008 521 20 41 01	LE-Professional Serv-Fixed	Fire Monitoring 10518 18th St SE	60530	$68.25
Sound Security Inc	1126288	001 008 521 20 41 01	LE-Professional Serv-Fixed	Access Monitoring 10518 18th St SE	60530	$60.00
					60530 Total	**$2,448.59**
Sprague Pest Solutions	5372125	001 012 575 51 40 00	CS-Grimm House - Services	Pest Control - Grimm House	60531	$95.64
Sprague Pest Solutions	5372127	001 013 518 20 41 00	GG-Professional Service	Pest Control - CH	60531	$125.70
Sprague Pest Solutions	5372184	001 013 518 20 41 00	GG-Professional Service	Pest Control - VIC	60531	$95.64
Sprague Pest Solutions	5372185	001 013 518 20 41 00	GG-Professional Service	Pest Control - VIC	60531	$191.28
					60531 Total	**$508.26**
Springbrook Holding Company LLC	TM INV-007445	004 004 594 14 60 00	PR - Financial Software	Professional Service Hours Proj Mgmt	60532	$220.00
					60532 Total	**$220.00**
Springbrook Nursery & Trucking Inc	357647	101 016 544 90 31 02	ST-Operating Cost	Dump Fees - Brush/Stumps	60533	$16.00
					60533 Total	**$16.00**
Thompson	062224 THOMPSON	001 013 582 10 00 00	Refund of Deposit	LS23-Thomson_6-22-24 Mill Cancellation Refund	60534	$75.00
					60534 Total	**$75.00**
Trevor Justin Government Relations	16	001 013 511 70 40 00	Lobbying Services	Lobbying Services 02-2024	60535	$5,000.00
					60535 Total	**$5,000.00**
ULINE	174787338	001 008 521 20 31 01	LE-Fixed Minor Equipment	Drawstring Bags/Evidence Tape/Clear Carton	60536	$471.55
ULINE	175262074	101 016 542 64 31 00	ST-Traffic Control - Supply	Flexible Delineator Round Post/Adhesive Butyl Pads	60536	$1,138.39
					60536 Total	**$1,609.94**
UPS	0000074Y42064	001 008 521 20 42 00	LE-Communication	Evidence Shipping	60537	$12.33
UPS	0000074Y42094	001 008 521 20 42 00	LE-Communication	Evidence Shipping	60537	$35.67
UPS	0000074Y42104	001 008 521 20 42 00	LE-Communication	Evidence Shipping	60537	$1.85
					60537 Total	**$49.85**
US Bank St Paul	2508481	214 008 592 21 83 01	2019A-2 LTGO Interest Pmt PD	LAKSLTGO19A2 2019A-2 Interest	60538	$13,524.75
US Bank St Paul	2508483	214 008 592 21 83 00	2019A-1 LTGO Interest Pymt PD	LAKSLTGO19A1 2019A-1 Interest	60538	$120,425.00
					60538 Total	**$133,949.75**

Vendor Name	Invoice #	Account #	Account Name	Description	Check #	Amount
VanOstrand	030524 SCOTT	101 016 543 30 43 00	ST-Travel & Meetings	NWPWI Parking 03/05 - 03/08 Reimbursement	60539	$24.00
					60539 Total	**$24.00**
Verizon Wireless	9958052433	001 001 511 60 42 00	Legislative - Communication	Wireless Phone Service	60540	$295.68
Verizon Wireless	9958052433	001 001 513 10 42 00	Executive - Communication	Wireless Phone Service	60540	$42.24
Verizon Wireless	9958052433	001 002 513 11 42 00	AD-Communications	Wireless Phone Service	60540	$47.24
Verizon Wireless	9958052433	001 003 514 20 42 00	CC-Communications	Wireless Phone Service	60540	$89.48
Verizon Wireless	9958052433	001 004 514 23 42 00	FI-Communications	Wireless Phone Service	60540	$47.24
Verizon Wireless	9958052433	001 005 518 10 42 00	HR-Communications	Wireless Phone Service	60540	$183.96
Verizon Wireless	9958052433	001 006 518 80 42 00	IT-Communications	Wireless Phone Service	60540	$266.21
Verizon Wireless	9958052433	001 007 558 50 42 00	PL-Communication	Wireless Phone Service	60540	$425.17
Verizon Wireless	9958052433	001 007 559 30 42 00	PB-Communication	Wireless Phone Service	60540	$209.51
Verizon Wireless	9958052433	001 010 576 80 31 00	PK-Operating Costs	Wireless Phone Service	60540	$163.94
Verizon Wireless	9958052433	001 010 576 80 42 00	PK-Communication	Wireless Phone Service	60540	$625.56
Verizon Wireless	9958052433	101 016 543 30 42 00	ST-Communications	Wireless Phone Service	60540	$1,004.52
Verizon Wireless	9958052433	410 016 531 10 42 00	SW - Communications	Wireless Phone Service	60540	$1,048.77
					60540 Total	**$4,449.52**
Warrington	040724 WARRINGTON	001 005 518 10 43 00	HR-Travel & Meetings	AFI TLG Conf Meal PerDiem	60541	$238.00
					60541 Total	**$238.00**
Washington Dept of Health	032124 HANDLER	001 008 521 20 49 00	LE-Dues & Memberships	Change of Location Fee for Dog Handler	60542	$55.00
					60542 Total	**$55.00**
Washington State Dept of Enterprise Svcs	731131846	001 008 521 20 31 00	LE-Office Supplies	Business Cards for PD	60543	$224.60
					60543 Total	**$224.60**
Wave	103946401-0010682	001 002 513 11 42 00	AD-Communications	Telephone Service	60544	$82.45
Wave	103946401-0010682	001 003 514 20 42 00	CC-Communications	Telephone Service	60544	$164.90
Wave	103946401-0010682	001 004 514 23 42 00	FI-Communications	Telephone Service	60544	$164.90
Wave	103946401-0010682	001 005 518 10 42 00	HR-Communications	Telephone Service	60544	$82.45
Wave	103946401-0010682	001 006 518 80 42 00	IT-Communications	Telephone Service	60544	$247.35
Wave	103946401-0010682	001 007 558 50 42 00	PL-Communication	Telephone Service	60544	$536.20
Wave	103946401-0010682	001 007 559 30 42 00	PB-Communication	Telephone Service	60544	$82.45
Wave	103946401-0010682	001 008 521 20 42 00	LE-Communication	Telephone Service	60544	$2,804.41
Wave	103946401-0010682	001 012 575 30 42 00	CS- Museum - Communications	Telephone Service	60544	$82.45
Wave	103946401-0010682	001 012 575 50 42 00	CS- The Mill- Communication	Telephone Service	60544	$82.45
Wave	103946401-0010682	001 013 518 20 42 00	GG-Communication	Telephone Service	60544	$329.80
Wave	103946401-0010682	101 016 543 30 42 00	ST-Communications	Telephone Service	60544	$474.51
Wave	103946401-0010682	410 016 531 10 42 00	SW - Communications	Telephone Service	60544	$474.51
Wave	103946401-0010682	510 006 518 80 49 04	LR - WaveBroadband Fiber Lease	Fiber Leases	60544	$634.41
					60544 Total	**$6,243.24**
WHIA	WHIA CONF	001 008 521 40 49 01	LE-Registration Fees	WHIA Conf Registration - Hingtgen/Parnell/Bassett	60545	$1,275.00
					60545 Total	**$1,275.00**
Willards Pest Control Co	428809	001 008 521 50 48 00	LE-Facility Repair & Maint	Monthly Rodent Service - PD	60546	$85.53
Willards Pest Control Co	428811	001 008 521 50 48 00	LE-Facility Repair & Maint	All Nuisance Ants - PD	60546	$160.39
					60546 Total	**$245.92**
Zaragoza	031824 ZARAGOZA	001 000 362 00 00 05	The Mill - Rental	LS23-Zaragoz_9-20-24 Mill Cancellation Refund	60547	$200.00
					60547 Total	**$200.00**
Ziply Fiber	03-2024 ZIPLY	001 012 575 30 47 00	CS- Museum - Utilities	Telephone Services Museum	60548	$237.99
Ziply Fiber	03-2024 ZIPLY	101 016 542 64 47 00	ST-Traffic Control -Utility	Traffic Control Modem	60548	$73.15
					60548 Total	**$311.14**

CITY OF LAKE STEVENS
CITY COUNCIL WORKSHOP MEETING MINUTES
March 5, 2024, at 6:00 p.m.
By Remote Participation via Zoom and In Person at The Mill, 1808 Main Street, Lake Stevens.

CALL TO ORDER:	6:00 p.m. by Council President Petershagen
ELECTED OFFICIALS PRESENT:	Mayor Brett Gailey, Councilmembers Anji Jorstad, Kim Daughtry, Gary Petershagen, Marcus Tageant, Steve Ewing, Kymm Shipman and Ryan Donoghue

Call to Order
Council President Petershagen called the meeting to order at 6:00 p.m.

Guest Business
Mayor Gailey administered an oath of office to Police Officer Robert Fenton.

Discussion Items
Ordinance 1180-Fireworks
City Attorney Rubstello presented a draft of Ordinance 1180. Council discussed and asked for more information from Police Chief Beazizo focused on the enforcement action, prosecution statistics, and disposal processes in municipalities where fireworks are banned.

Executive Session
Council adjourned for Executive Session to discuss two topics with no action to follow. Property Acquisition per RCW 42.30.110 1 (b) and Potential Litigation per RCW 42.30.110 1 (i). Executive session started at 6:52 p.m. with a requested duration of 40 minutes and a return time of approximately 7:32 p.m. Two minutes were needed to clear the council chambers. Council reconvened at 7:34 p.m.

Adjournment
The meeting adjourned at 7:34 p.m.

Brett Gailey, Mayor

Caitlin Weaver, Deputy City Clerk

CITY OF LAKE STEVENS
CITY COUNCIL REGULAR MEETING MINUTES
March 12, 2024, at 6:00 p.m.
Hybrid Meeting - By Remote Participation via Zoom & in Person at The Mill Building

CALL TO ORDER:	6:00 p.m. Council President Petershagen
ELECTED OFFICIALS PRESENT:	Councilmembers Gary Petershagen, Kim Daughtry, Ryan Donoghue, Kymm Shipman, Steve Ewing, Marcus Tageant, and Anji Jorstad.

Call to Order
Council President Petershagen called the meeting to order at 6:00 p.m.

Pledge of Allegiance
Council President Petershagen led the Pledge of Allegiance.

Roll Call
All Councilmembers were present. Mayor Gailey was out of state at a conference.

Approval of Agenda
MOTION. Councilmember Daughtry made a motion, seconded by Councilmember Jorstad, to approve the agenda as written. The motion passed 7-0-0-0.

Guest Business
Introduction of Public Works Crew Members Sawyer Luna and Anthony Villarreal

Introduction of Police Records Specialist Cady Byram

Presentation from Port of Everett

Citizen Comments
There were no citizen comments.

Council Business

City Department Report
1st Quarter 2024 Update on the Transportation Benefit Program
Presented by Senior Civil Engineer Frank Reinart

Consent Agenda
MOTION. Councilmember Donoghue made a motion, seconded by Councilmember Ewing, to approve the consent agenda. The motion passed 7-0-0-0.

The consent agenda items were as follows:

- 2024 Vouchers
- City Council Retreat Meeting Minutes of February 8 and February 9, 2024
- City Council Meeting Minutes of February 20, 2024
- City Council Meeting Minutes of February 27, 2024
- Professional Services Supplement Agreement 4 for AquaTechnex, LLC
- Professional Services Agreement to Kimley-Horn and Associates for the 20th Street NE and Main Street Intersection Project (Main Street Roundabout Project)

Discussion Items

Draft Council Agenda for March 19, 2024

Adjournment

MOTION. Councilmember Donoghue made a motion, seconded by Councilmember Ewing, to adjourn the meeting. The motion passed 7-0-0-0.

The meeting adjourned at 6:55 p.m.

Brett Gailey, Mayor Kelly M. Chelin, City Clerk

CITY COUNCIL STAFF REPORT

Agenda Date: 3/26/2024

Subject: Johnson & Johnson (Janssen) Opioid Settlement Participation

Contact Person/Department: Barb Stevens, Finance

Budget Impact: Opioid Settelment funds will increase.

Legal Review: Yes

RECOMMENDATION(S)/ACTION REQUESTED:
Authorize the Mayor to sign the Settlement Participation Form and any related documents to join the Janssen Opioid Settlement, when available.

SUMMARY/BACKGROUND:
Across the nation, there have been multiple lawsuits against the manufacturers and distributors of opioid drugs (e.g., OxyContin). The central claim in these opioid lawsuits is that drug manufacturers and distributors improperly marketed and distributed opioids, leading to the deaths of hundreds of thousands of Americans and costs to governments dealing with the impacts of drug addiction. Since 2022, the State of Washington has reached multiple settlements with distributors and pharmacies.

The state recently entered into an opioid settlement with Johnson & Johnson (Janssen) that the City and other eligible Washington counties and cities can join. As with the prior distributor settlement and Pharmacy & Manufacturer Settlements, this new settlement is contingent on eligible cities and counties joining the settlement. The deadline to sign on is May 11, 2024. If not enough cities and counties join, the settlement is void. An email will soon be sent with a link to the Participation Form that the Mayor will need to sign. The sooner all eligible cities and counties join the settlement, the sooner J&J will pay.

If all eligible local governments join, as they did for prior settlements, the local government share will be $61.67 million, payable in a one-time payment in June 2024. The City's allocation share will be the same as past settlements as listed on the One Washington MOU. Based on our allocation, we estimate a one-time payment of approximately $85,000. With the addition of the J&J Settlement, we estimate that the city will receive $164,000 in 2024 (see table below). These are estimates as the calculations are quite complex, and some settlements pay multiple distributions per year.

$ 36,894.14	Walmart Payment 1 (One time payment)
$ 4,210.86	Allergan Payment 1
$ 4,689.10	CVS Payment 1
$ 3,799.88	TEVA Payment 1
$ 5,424.68	Walgreens Payment 1
$ 3,649.24	Walgreens Payment 2
$ 6,264.80	Distribution Payment 7 (partial prepayment)
$ 64,932.70	**Total (Notification already sent)**
$14,233.40	Distribution Payment 4
$85,000.00	J&J Payment??? (Rough Est. - Paid in full in June)
$164,166.10	**Estimated to collect in 2024**

The Participation Form (Exhibit B of the settlement agreement) requires the local governments to abide by the terms of the settlement agreement. Exhibit H of the settlement agreement is the "One Washington Memorandum of Understanding between the Washington Municipalities," which explains the apportionment of the settlement proceeds between the state and local governments. The City of Lake Stevens apportionment remains at 0.1385202891%.

APPLICABLE CITY POLICIES:

ATTACHMENTS:

1. JNJ WA Settlement (2-5-24) - JNJ WA signed with Exhibit I

JANSSEN WASHINGTON STATE-WIDE OPIOID SETTLEMENT AGREEMENT

I. Overview

This settlement agreement (the "*Agreement*") sets forth the terms and conditions of a settlement agreement between and among Janssen, the State of Washington, and Participating Subdivisions (as those terms are defined below). Janssen has agreed to the below terms for the sole purpose of settlement, and nothing herein may be taken as or construed to be an admission or concession of any violation of law, rule, or regulation, or of any other matter of fact or law, or of any liability or wrongdoing, all of which Janssen expressly denies. No part of this Agreement, including its statements and commitments, shall constitute evidence of any liability, fault, or wrongdoing by Janssen. Unless the contrary is expressly stated, this Agreement is not intended for use by any third party for any purpose, including submission to any court for any purpose.

II. Definitions

Unless otherwise specified, the following definitions apply:

1. "*Agreement*" means this agreement as set forth above, inclusive of all exhibits.

2. "*Alleged Harms*" means the alleged past, present, and future financial, societal, and related expenditures arising out of the alleged misuse and abuse of opioid products, that have allegedly been caused by Janssen.

3. "*Attorney*" means any of the following retained through a legal contract: a solo practitioner, multi-attorney law firm, or other legal representative of a Participating Subdivision.

4. "*Claim*" means any past, present or future cause of action, claim for relief, cross-claim or counterclaim, theory of liability, demand, derivative claim, request, assessment, charge, covenant, damage, debt, lien, loss, penalty, judgment, right, obligation, dispute, suit, contract, controversy, agreement, *parens patriae* claim, promise, performance, warranty, omission, or grievance of any nature whatsoever, whether legal, equitable, statutory, regulatory or administrative, whether arising under federal, state or local common law, statute, regulation, guidance, ordinance or principles of equity, whether filed or unfiled, whether asserted or unasserted, whether known or unknown, whether accrued or unaccrued, whether foreseen, unforeseen or unforeseeable, whether discovered or undiscovered, whether suspected or unsuspected, whether fixed or contingent, and whether existing or hereafter arising, in all such cases, including but not limited to any request for declaratory, injunctive, or equitable relief, compensatory, punitive, or statutory damages, absolute liability, strict liability, restitution, subrogation, contribution, indemnity, apportionment, disgorgement, reimbursement, attorney fees, expert fees, consultant fees, fines, penalties, expenses, costs or any other legal, equitable, civil, administrative, or regulatory remedy whatsoever.

5. "*Claim Over*" means a Claim asserted by a Non-Released Entity against a Released Entity on the basis of contribution, indemnity, or other claim-over on any theory relating to a Non-Party Covered Conduct Claim asserted by a Releasor.

6. "*Compensatory Restitution Amount*" means the aggregate amount of payments by Janssen hereunder other than amounts used for attorneys' fees and costs.

7. "*Consent Judgment*" means a consent judgment in the form attached as Exhibit E.

8. "*Court*" means the court to which the Agreement and the Consent Judgment are presented for approval and/or entry.

9. "*Covered Conduct*" means any actual or alleged act, failure to act, negligence, statement, error, omission, breach of any duty, conduct, event, transaction, agreement, misstatement, misleading statement or other activity of any kind whatsoever from the beginning of time through the Effective Date (and any past, present, or future consequence of any such act, failure to act, negligence, statement, error, omission, breach of duty, conduct, event, transaction, agreement, misstatement, misleading statement or other activity) relating in any way to (a) the discovery, development, manufacture, packaging, repackaging, marketing, promotion, advertising, labeling, recall, withdrawal, distribution, delivery, monitoring, reporting, supply, sale, prescribing, dispensing, physical security, warehousing, use or abuse of, or operating procedures relating to any Product, or any system, plan, policy, or advocacy relating to any Product or class of Products, including but not limited to any unbranded promotion, marketing, programs, or campaigns relating to any Product or class of Products; (b) the characteristics, properties, risks, or benefits of any Product; (c) the reporting, disclosure, non-reporting or non-disclosure to federal, state or other regulators of orders for any Product placed with any Released Entity; (d) the selective breeding, harvesting, extracting, purifying, exporting, importing, applying for quota for, procuring quota for, handling, promoting, manufacturing, processing, packaging, supplying, distributing, converting, or selling of, or otherwise engaging in any activity relating to, precursor or component Products, including but not limited to natural, synthetic, semi-synthetic or chemical raw materials, starting materials, finished active pharmaceutical ingredients, drug substances, or any related intermediate Products; or (e) diversion control programs or suspicious order monitoring related to any Product.

10. "*Effective Date*" means January 22, 2024.

11. "*Janssen*" means Johnson & Johnson, Johnson & Johnson Innovative Medicine, Janssen Pharmaceuticals, Inc., Ortho-McNeil-Janssen Pharmaceuticals, Inc., and Janssen Pharmaceutica, Inc.

12. "*Litigating Subdivision*" means a Subdivision (or Subdivision official asserting the right of or for the Subdivision or the State to recover for alleged harms to the Subdivision, the State, and/or the people thereof) that brought any Released Claims against any Released Entity on or before the Effective Date that were not separately

resolved prior to that date. A list of all Litigating Subdivisions known to the Parties is included in Exhibit F hereto.

13. "*Net Settlement Amount*" means the amount paid by Janssen into the Settlement Fund under subsection V.C. For the avoidance of doubt, the Net Settlement Amount does not include amounts paid for State Outside and Inside Counsel Fees and Costs pursuant to subsection IX.A.

14. "*Non-Litigating Subdivision*" means a Subdivision that is not a Litigating Subdivision.

15. "*Non-Party Covered Conduct Claim*" means a Claim against any Non-Released Entity involving, arising out of, or related to Covered Conduct (or conduct that would be Covered Conduct if engaged in by a Released Entity).

16. "*Non-Party Settlement*" means a settlement by any Releasor that settles any Non-Party Covered Conduct Claim and includes a release of any Non-Released Entity.

17. "*Non-Released Entity*" means an entity that is not a Released Entity.

18. "*Opioid Remediation*" means care, treatment, and other programs and expenditures (including reimbursement for past such programs or expenditures except where this Agreement restricts the use of funds solely to future Opioid Remediation) designed to (1) address the misuse and abuse of opioid products, (2) treat or mitigate opioid use or related disorders, or (3) mitigate other alleged effects of the opioid abuse crisis, including on those injured as a result of the opioid abuse crisis. Exhibit J provides a non-exhaustive list of expenditures that qualify as being paid for Opioid Remediation. Qualifying expenditures may include reasonable related administrative expenses.

19. "*Participating Subdivision*" means a Subdivision that meets the requirements for becoming a Participating Subdivision under Section VII.

20. "*Parties*" means Janssen and the State of Washington (each, a "*Party*").

21. "*Product*" means any chemical substance, whether used for medicinal or non-medicinal purposes, and whether natural, synthetic, or semi-synthetic, or any finished pharmaceutical product made from or with such substance, that is an opioid or opiate, as well as any product containing any such substance. It also includes: 1) the following when used in combination with opioids or opiates: benzodiazepine, carisoprodol, zolpidem, or gabapentin; and 2) a combination or "cocktail" of any stimulant or other chemical substance prescribed, sold, bought, or dispensed to be used together that includes opioids or opiates. For the avoidance of doubt, "Product" does not include benzodiazepine, carisoprodol, zolpidem, or gabapentin when not used in combination with opioids or opiates. "Product" includes but is not limited to any substance consisting of or containing buprenorphine, codeine, fentanyl, hydrocodone, hydromorphone, meperidine, methadone, morphine, naloxone,

naltrexone, oxycodone, oxymorphone, tapentadol, tramadol, opium, heroin, carfentanil, any variant of these substances, or any similar substance. "Product" also includes any natural, synthetic, semi-synthetic or chemical raw materials, starting materials, finished active pharmaceutical ingredients, drug substances, and any related intermediate products used or created in the manufacturing process for any of the substances described in the preceding sentence.

22. "*Released Claims*" means any and all Claims that directly or indirectly are based on, arise out of, or in any way relate to or concern the Covered Conduct occurring prior to the Effective Date. Without limiting the foregoing, "Released Claims" include any Claims that have been asserted against the Released Entities by the State or any of its Litigating Subdivisions in any federal, state or local action or proceeding (whether judicial, arbitral, or administrative) based on, arising out of or relating to, in whole or in part, the Covered Conduct, or any such Claims that could be or could have been asserted now or in the future in those actions or in any comparable action or proceeding brought by the State, any of its Subdivisions, or any Releasors (whether or not such State, Subdivision, or Releasor has brought such action or proceeding), provided the Covered Conduct occurs prior to the Effective Date. Released Claims also include all Claims asserted in any proceeding to be dismissed pursuant to the Agreement, whether or not such claims relate to Covered Conduct, provided the Covered Conduct occurs prior to the Effective Date. The Parties intend that "Released Claims" be interpreted broadly. This Agreement does not release Claims by private individuals. It is the intent of the Parties that Claims by private individuals be treated in accordance with applicable law. Released Claims is also used herein to describe Claims brought by a Subdivision or other non-party Subdivision after the Effective Date that would have been Released Claims if they had been brought by a Releasor against a Released Entity.

23. "*Released Entities*" means Janssen and (1) all of Janssen's past and present direct or indirect parents, subsidiaries, divisions, predecessors, successors, assigns, including Noramco, Inc. and Tasmanian Alkaloids PTY. LTD.; (2) the past and present direct or indirect subsidiaries, divisions, and joint ventures, of any of the foregoing; (3) all of Janssen's insurers (solely in their role as insurers with respect to the Released Claims); (4) all of Janssen's, or of any entity described in subsection (1), past and present joint ventures; and (5) the respective past and present officers, directors, members, shareholders (solely in their capacity as shareholders of the foregoing entities), partners, trustees, agents, and employees of any of the foregoing (for actions that occurred during and related to their work for, or employment with, Janssen). Any person or entity described in subsections (3)-(5) shall be a Released Entity solely in the capacity described in such clause and shall not be a Released Entity with respect to its conduct in any other capacity. For the avoidance of doubt, the entities listed in Exhibit D are not Released Entities; and provided further that any joint venture partner of Janssen or Janssen's subsidiary is not a Released Entity unless it falls within subsections (1)-(5) above. A list of Janssen's present subsidiaries and affiliates is attached as Exhibit G. Janssen's predecessor entities include but are not limited to those entities listed on Exhibit A. For the avoidance of

doubt, any entity acquired, or joint venture entered into, by Janssen after the Effective Date is not a Released Entity.

24. "*Releasors*" means (1) the State; (2) each Participating Subdivision; and (3) without limitation and to the maximum extent of the power of the State's Attorney General and/or Participating Subdivision to release the Claims, (a) the State's and Participating Subdivision's departments, agencies, divisions, boards, commissions, Subdivisions, districts, instrumentalities of any kind and attorneys, including its Attorney General, and any person in their official capacity whether elected or appointed to serve any of the foregoing and any agency, person, or other entity claiming by or through any of the foregoing, (b) any public entities, public instrumentalities, public educational institutions, unincorporated districts, fire districts, irrigation districts, water districts, law enforcement districts, emergency services districts, school districts, hospital districts and other Subdivisions in the State, and (c) any person or entity acting in a *parens patriae*, sovereign, quasi-sovereign, private attorney general, qui tam, taxpayer, or other capacity seeking relief on behalf of or generally applicable to the general public with respect to the State or Subdivision in the State, whether or not any of them participate in the Agreement. The inclusion of a specific reference to a type of entity in this definition shall not be construed as meaning that the entity is not a Subdivision. In addition to being a Releasor as provided herein, a Participating Subdivision shall also provide the Settlement Participation Form referenced in Section VII providing for a release to the fullest extent of the Participating Subdivision's authority, which shall be attached as an exhibit to the Agreement. The State's Attorney General represents that he or she has or has obtained the authority set forth in the Representation and Warranty subsection of Section IV.

25. "*Settlement Fund*" means the interest-bearing fund established under the Agreement into which all Net Settlement Amount payments by Janssen are made.

26. "*Settlement Fund Administrator*" means the entity that calculates the allocation of payments under Section VI of this Agreement, and administers and distributes amounts from the Settlement Fund. A detailed description of the Settlement Fund Administrator's duties, including a detailed mechanism for paying the Settlement Fund Administrator's fees and costs, shall be appended to the Agreement as Exhibit I.

27. "*Settlement Participation Form*" means the form attached as Exhibit B that Participating Subdivisions must execute and return to Janssen and the State of Washington, and which shall (1) make such Participating Subdivisions signatories to this Agreement, (2) include a full and complete release of any and of such Subdivision's claims, and (3) require the prompt dismissal with prejudice of any Released Claims that have been filed by any such Participating Subdivision.

28. "*Special District*" means a formal and legally recognized sub-entity of the State that is authorized by State law to provide one or a limited number of designated

functions, including but not limited to school districts, fire districts, healthcare & hospital districts, and emergency services districts.

29. "*State*" means the State of Washington.

30. *"State Outside and Inside Counsel Fees and Costs"* means fees and costs of the Washington Attorney General's Office and State Outside Counsel.

31. "*State Outside Counsel*" means Nix Patterson, LLP and Whitten Burrage, who were engaged by the Washington Attorney General's Office for *State of Washington v. Johnson & Johnson, et al.*, King County Superior Court, Cause No. 20-2-00184-8SEA.

32. "*Subdivision*" means a formal and legally recognized sub-entity of the State that provides general governance for a defined area, including a county, city, town, village, or similar entity. Unless otherwise specified, "Subdivision" includes all functional counties and other functional levels of sub-entities of the State that provide general governance for a defined area. Historic, non-functioning sub-entities of the State are not Subdivisions, unless the entity has filed a lawsuit that includes a Released Claim against a Released Entity in a direct, *parens patriae*, or any other capacity. For purposes of this Agreement, the term Subdivision also includes Special Districts.

III. <u>Injunctive Relief</u>

As part of the Consent Judgment, the Parties agree to the injunctive relief terms attached as Exhibit C.

IV. <u>Release</u>

A. *Scope*. As of the Effective Date, the Released Entities will be released and forever discharged from all of the Releasors' Released Claims. The State of Washington (for itself and its Releasors) and each Participating Subdivision (for itself and its Releasors) will, on or before the Effective Date, absolutely, unconditionally, and irrevocably covenant not to bring, file, or claim, or to cause, assist in bringing, or permit to be brought, filed, or claimed, or to otherwise seek to establish liability for any Released Claims against any Released Entity in any forum whatsoever. The releases provided for in the Agreement are intended by the Parties to be broad and shall be interpreted so as to give the Released Entities the broadest possible bar against any liability relating in any way to Released Claims and extend to the full extent of the power of the State and its Attorney General to release claims. The Release shall be a complete bar to any Released Claim.

B. *Claim Over and Non-Party Settlement*.

1. *Statement of Intent.* It is the intent of the Parties that:

a. Released Entities should not seek contribution or indemnification (other than pursuant to an insurance contract) from other parties for their payment obligations under this Agreement;

b. The payments made under this Agreement shall be the sole payments made by the Released Entities to the Releasors involving, arising out of, or related to Covered Conduct (or conduct that would be Covered Conduct if engaged in by a Released Entity);

c. Claims by Releasors against non-Parties should not result in additional payments by Released Entities, whether through contribution, indemnification or any other means; and

d. The Agreement meets the requirements of the Uniform Contribution Among Joint Tortfeasors Act and any similar state law or doctrine that reduces or discharges a released party's liability to any other parties.

e. The provisions of this subsection IV.B are intended to be implemented consistent with these principles. This Agreement and the releases and dismissals provided for herein are made in good faith.

2. *Contribution/Indemnity Prohibited*. No Released Entity shall seek to recover for amounts paid under this Agreement based on indemnification, contribution, or any other theory from a manufacturer, pharmacy, hospital, pharmacy benefit manager, health insurer, third-party vendor, trade association, distributor, or health care practitioner, provided that a Released Entity shall be relieved of this prohibition with respect to any entity that asserts a Claim-Over against it. For the avoidance of doubt, nothing herein shall prohibit a Released Entity from recovering amounts owed pursuant to insurance contracts.

3. *Non-Party Settlement*. To the extent that, on or after the Effective Date, any Releasor enters into a Non-Party Settlement, including in any bankruptcy case or through any plan of reorganization (whether individually or as a class of creditors), the Releasor will include (or in the case of a Non-Party Settlement made in connection with a bankruptcy case, will cause the debtor to include), unless prohibited from doing so under applicable law, in the Non-Party Settlement a prohibition on contribution or indemnity of any kind substantially equivalent to that required from Janssen in subsection IV.B.2, or a release from such Non-Released Entity in favor of the Released Entities (in a form equivalent to the releases contained in this Agreement) of any Claim-Over. The obligation to obtain the prohibition and/or release required by this subsection is a material term of this Agreement.

4. *Claim-Over*. In the event that any Releasor obtains a judgment with respect to Non-Party Covered Conduct against a Non-Released Entity that does not contain a prohibition like that in subsection IV.B.3, or any Releasor files a Non-Party Covered Conduct Claim against a Non-Released Entity in bankruptcy or a Releasor is prevented for any reason from obtaining a prohibition/release in a Non-Party

Settlement as provided in subsection IV.B.3, and such Non-Released Entity asserts a Claim-Over against a Released Entity, that Releasor and Janssen shall take the following actions to ensure that the Released Entities do not pay more with respect to Covered Conduct to Releasors or to Non-Released Entities than the amounts owed under this Agreement by Janssen:

a. Janssen shall notify that Releasor of the Claim-Over within thirty (30) days of the assertion of the Claim-Over or thirty (30) days of the Effective Date of this Agreement, whichever is later;

b. Janssen and that Releasor shall meet and confer concerning the means to hold Released Entities harmless and ensure that it is not required to pay more with respect to Covered Conduct than the amounts owed by Janssen under this Agreement;

c. That Releasor and Janssen shall take steps sufficient and permissible under the law of the State of the Releasor to hold Released Entities harmless from the Claim-Over and ensure Released Entities are not required to pay more with respect to Covered Conduct than the amounts owed by Janssen under this Settlement Agreement. Such steps may include, where permissible:

    (1) Filing of motions to dismiss or such other appropriate motion by Janssen or Released Entities, and supported by Releasors, in response to any claim filed in litigation or arbitration;

    (2) Reduction of that Releasor's Claim and any judgment it has obtained or may obtain against such Non-Released Entity by whatever amount or percentage is necessary to extinguish such Claim-Over under applicable law, up to the amount that Releasor has obtained, may obtain, or has authority to control from such Non-Released Entity;

    (3) Placement into escrow of funds paid by the Non-Released Entities such that those funds are available to satisfy the Claim-Over;

    (4) Return of monies paid by Janssen to that Releasor under this Settlement Agreement to permit satisfaction of a judgment against or settlement with the Non-Released Entity to satisfy the Claim-Over;

    (5) Payment of monies to Janssen by that Releasor to ensure it is held harmless from such Claim-Over, up to the amount that Releasor has obtained, may obtain, or has authority to control from such Non-Released Entity;

    (6) Credit to Janssen under this Settlement Agreement to reduce the overall amounts to be paid under the Settlement Agreement such that it is held harmless from the Claim-Over; and

(7) Such other actions as that Releasor and Janssen may devise to hold Janssen harmless from the Claim Over.

d. The actions of that Releasor and Janssen taken pursuant to paragraph (c) must, in combination, ensure Janssen is not required to pay more with respect to Covered Conduct than the amounts owed by Janssen under this Settlement Agreement.

e. In the event of any dispute over the sufficiency of the actions taken pursuant to paragraph (c), that Releasor and Janssen may seek review by the court that enters the Consent Judgment pursuant to Section X.

5. To the extent that the Claim-Over is based on a contractual indemnity, the obligations under subsection IV.B.4 shall extend solely to a Non-Party Covered Conduct Claim against a pharmacy, clinic, hospital or other purchaser or dispenser of Products, a manufacturer that sold Products, a consultant, and/or a pharmacy benefit manager or other third-party payor. Janssen shall notify the State, to the extent permitted by applicable law, in the event that any of these types of Non-Released Entities asserts a Claim-Over arising out of contractual indemnity against it.

C. *General Release*. In connection with the releases provided for in the Agreement, the State (for itself and its Releasors) and each Participating Subdivision (for itself and its Releasors) will expressly waive, release, and forever discharge any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States or other jurisdiction, or principle of common law, which is similar, comparable, or equivalent to § 1542 of the California Civil Code, which reads:

> **General Release; extent.** A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

A Releasor may thereafter discover facts other than or different from those which it knows, believes, or assumes to be true with respect to the Released Claims, but the State (for itself and its Releasors) and each Participating Subdivision (for itself and its Releasors) will expressly waive and fully, finally, and forever settle, release and discharge, upon the Effective Date, any and all Released Claims that may exist as of such date but which Releasors do not know or suspect to exist, whether through ignorance, oversight, error, negligence or through no fault whatsoever, and which, if known, would materially affect the State's decision to enter into the Agreement or the Participating Subdivisions' decision to participate in the Agreement.

D. *Res Judicata*. Nothing in the Agreement shall be deemed to reduce the scope of the res judicata or claim preclusive effect that the settlement memorialized in the Agreement, and/or any Consent Judgment or other judgment entered on the Agreement, gives rise to under applicable law.

E. *Representation and Warranty*. The signatories hereto on behalf of the State expressly represent and warrant that they will obtain on or before the Effective Date (or have obtained) the authority to settle and release, to the maximum extent of the State's power, all Released Claims of (1) the State; (2) all past and present executive departments, state agencies, divisions, boards, commissions and instrumentalities with the regulatory authority to enforce state and federal controlled substances acts; (3) any of the State's past and present executive departments, agencies, divisions, boards, commissions and instrumentalities that have the authority to bring Claims related to Covered Conduct seeking money (including abatement and/or remediation) or revocation of a pharmaceutical distribution license; and (4) any Participating Subdivisions. For the purposes of clause (3) above, executive departments, agencies, divisions, boards, commissions, and instrumentalities are those that are under the executive authority or direct control of the State's Governor. Also, for the purposes of clause (3), a release from the State's Governor is sufficient to demonstrate that the appropriate releases have been obtained.

F. *Effectiveness*. The releases set forth in the Agreement shall not be impacted in any way by any dispute that exists, has existed, or may later exist between or among the Releasors. Nor shall such releases be impacted in any way by any current or future law, regulation, ordinance, or court or agency order limiting, seizing, or controlling the distribution or use of the settlement funds or any portion thereof, or by the enactment of future laws, or by any seizure of the settlement funds or any portion thereof.

G. *Cooperation*. Releasors (i) will not encourage any person or entity to bring or maintain any Released Claim against any Released Entity and (ii) will reasonably cooperate with and not oppose any effort by a Released Entity to secure the prompt dismissal of any and all Released Claims.

H. *Non-Released Claims.* Notwithstanding the foregoing or anything in the definition of Released Claims, the Agreement does not waive, release or limit any criminal liability, Claims for any outstanding liability under any tax or securities law, Claims against parties who are not Released Entities, Claims by private individuals and any claims arising under the Agreement for enforcement of the Agreement.

V. <u>Monetary Relief and Payments</u>

A. *Participation*. As consideration for the releases from the State and Participating Subdivisions provided in Section IV above and the Settlement Participation Forms specified in Section VII and Exhibit B below, the State represents and warrants that, subject to the holdback provision in subsection V.D below, it will obtain and deliver (or cause to be obtained and delivered) to Janssen, within one hundred ten (110) days after the Effective Date or such later date as the parties may agree, executed Settlement Participation Forms for all Litigating Subdivisions and all Non-Litigating Subdivisions listed on Exhibit F.

B. *Conditions to Effectiveness of Agreement*. If the State is able to obtain and deliver executed Settlement Participation Forms for all Litigating Subdivisions listed on Exhibit F to Janssen within one hundred ten (110) days after the Effective Date or such later date as the parties may agree, this Agreement shall become effective. If the State is unable to obtain and deliver executed Settlement Participation Forms for all Litigating Subdivisions listed on Exhibit F to Janssen within one hundred ten (110) days after the Effective Date or such later date as the parties may agree, this Agreement will have no further effect and all releases and other commitments or obligations contained herein will be void.

C. *Remediation and Restitution Payments*. Within twenty-one (21) days after the effectiveness of this Agreement as provided for in subsection V.B above, Janssen shall pay into the Settlement Fund a Net Settlement Amount of $123,340,000, plus fees and costs payable to the Washington Attorney General set forth in subsection IX.A, subject to any holdback under subsection V.D below.

D. *Holdback for Non-Litigating Subdivisions*. If, by the date this Agreement becomes effective as provided for in subsection V.B, any Non-Litigating Subdivision listed on Exhibit F has not executed a Settlement Participation Form or has not provided Janssen an acknowledgement that the Subdivision has no intention to file a lawsuit asserting Released Claims against Released Entities, then Janssen will hold back $6,167,000 from the Net Settlement Amount payment described in subsection V.B above, which Janssen will not pay to the Settlement Fund; provided, however, Janssen will pay the $6,167,000 to the Settlement Fund (1) within thirty (30) days of the date all remaining Non-Litigating Subdivision(s) listed on Exhibit F have executed a Settlement Participation Form and those Forms have been delivered to Janssen; or (2) within (30) days after the two-year anniversary of the Effective Date, if all such Non-Litigating Subdivisions on Exhibit F have not executed Settlement Participation Forms, and no such Non-Litigating Subdivision listed on Exhibit F has filed litigation asserting Released Claims within two years after the Effective Date.

VI. Intra-State Allocation

A. Janssen's Net Settlement Amount payments to the Settlement Fund shall be allocated as follows:

1. Fifty percent (50%) to the State of Washington.
2. Fifty percent (50%) to the Participating Local Governments ("LG Share").

B. The LG Share remainder shall be distributed to Participating Local Governments pursuant to the One Washington Memorandum of Understanding Between Washington Municipalities ("One Washington MOU"), which is attached as Exhibit H.

C. BrownGreer PLC shall be the Settlement Fund Administrator and shall allocate and distribute payments in accordance with the terms of the One Washington MOU and this Agreement, including the detailed description of the Settlement Fund Administrator's duties attached as Exhibit I. As set forth in Exhibit I, the Settlement Fund Administrator's fees and costs shall be paid from the interest on the LG Share portion of the funds in the Settlement Fund between the date of Janssen's payment and the date of disbursement to the Subdivisions. If the aforementioned interest is insufficient to pay the full amount of the Settlement Fund Administrator's fees and costs, the remainder shall be paid by Janssen.

D. Use of Net Settlement Amount.

1. It is the intent of the Parties that the payments disbursed from the Settlement Fund to the State and Participating Subdivisions listed in Exhibit F be for Opioid Remediation, subject to limited exceptions that must be documented in accordance with subsection VI.D.2. In no event may less than 85% of Janssen's Net Settlement Amount payment be spent on Opioid Remediation.

2. While disfavored by the Parties, the State or a Participating Subdivision listed on Exhibit F may use monies from the Settlement Fund for purposes that do not qualify as Opioid Remediation. If, at any time, the State or a Participating Subdivision listed on Exhibit F uses any monies from the Settlement Fund for a purpose that does not qualify as Opioid Remediation, the State or Participating Subdivision shall identify such amounts and report to the Settlement Fund Administrator and Janssen how such funds were used, including if used to pay attorneys' fees other than those provided for in subsection IX.B which shall be identified by BrownGreer, investigation costs, litigation costs, or costs related to the operation and enforcement of this Agreement. It is the intent of the Parties that the reporting under this subsection VI.D.2 shall be available to the public. For the avoidance of doubt, (a) any amounts not identified under this subsection VI.D.2 as used to pay attorneys' fees other than those provided for in subsection IX.A, investigation costs, or litigation costs shall be included in the "Compensatory Restitution Amount" for purposes of subsection XI.B and (b) Participating Subdivisions not listed on Exhibit F that receive monies from the Settlement Fund indirectly may only use such monies from the Settlement Fund for purposes that qualify as Opioid Remediation.

VII. Participation by Subdivisions

A Subdivision may become a Participating Subdivision by returning an executed Settlement Participation Form to Janssen and the State and upon prompt dismissal of its legal action pursuant to the terms of this Agreement and the Settlement Participation Form.

VIII. Filing of Consent Judgment and Dismissals with Prejudice

No later than 15 days from delivery to Janssen of Settlement Participation Forms for all Subdivisions listed on Exhibit F, the State and Janssen will proceed to file the Consent Judgment. No later than 30 days after receipt of Janssen's payments under Section V, the State and the Participating Subdivisions shall dismiss all actions asserting Released claims with prejudice.

IX. Attorney Fee and Cost Payments

A. *State Outside and Inside Counsel Fees and Costs*. Janssen will pay the Washington Attorney General's Office $26,160,000.00 within twenty-one (21) days after the date this Agreement becomes effective as provided for in subsection V.B to reimburse the State for State Outside and Inside Counsel Fees and Costs, which shall be used for any lawful purpose in the discharge of the Attorney General's duties at the sole discretion of the Attorney General.

B. *Fees and Costs for Participating Litigating Subdivisions' Attorneys*. From the LG Share of the Settlement Fund, the Settlement Fund Administrator shall pay the Participating Litigating Subdivisions' attorneys their fees and costs pursuant to Paragraph D of the One Washington MOU and this Agreement.

C. An Attorney for a Participating Litigating Subdivision may not receive any payment for attorney fees unless the Attorney represents that s/he has no present intent to represent or participate in the representation of any Subdivision or any Releasor with respect to Released Claims against Released Entities brought after the Effective Date.

X. Enforcement and Dispute Resolution

A. The terms of the Agreement and Consent Judgment applicable to the State will be enforceable solely by the State and Janssen.

B. Janssen consents to the jurisdiction of the Court in which the Consent Judgment is filed, limited to resolution of disputes identified in subsection X.D for resolution in the Court in which the Consent Judgment is filed.

C. The parties to a dispute shall promptly meet and confer in good faith to resolve any dispute. If the parties cannot resolve the dispute informally, and unless otherwise agreed in writing, they shall follow the remaining provisions of this section to resolve the dispute.

D. Disputes not resolved informally shall be resolved in the Court that entered the Consent Judgment.

XI. Miscellaneous

A. *No Admission*. Janssen does not admit liability or wrongdoing. Neither this Agreement nor the Consent Judgment shall be considered, construed, or represented to be (1) an admission, concession, or evidence of liability or wrongdoing or (2) a waiver or any limitation of any defense otherwise available to Janssen.

B. *Nature of Payment.* Janssen, the State, and the Participating Subdivisions acknowledge and agree that notwithstanding anything to the contrary in this Agreement, including, but not limited to, the scope of the Released Claims:

1. Janssen has entered into this Agreement to avoid the delay, expense, inconvenience, and uncertainty of further litigation;

2. The State and the Participating Subdivisions sought compensatory restitution (within the meaning of 26 U.S.C. § 162(f)(2)(A)) for the Alleged Harms allegedly suffered by the State and Participating Subdivisions;

3. By executing this Agreement the State and the Participating Subdivisions certify that: (a) the Compensatory Restitution Amount is no greater than the amount, in the aggregate, of the Alleged Harms allegedly suffered by the State and Participating Subdivisions; and (b) the portion of the Compensatory Restitution Amount received by the State or Participating Subdivision is no greater than the amount of the Alleged Harms allegedly suffered by the State or Participating Subdivision;

4. The payment of the Compensatory Restitution Amount by Janssen constitutes, and is paid for, compensatory restitution (within the meaning of 26 U.S.C. § 162(f)(2)(A)) for Alleged Harms allegedly caused by Janssen;

5. The Compensatory Restitution Amount is being paid as compensatory restitution (within the meaning of 26 U.S.C. § 162(f)(2)(A)) in order to restore, in whole or in part, the State and Participating Subdivisions to the same position or condition that they would be in had the State and Participating Subdivisions not suffered the Alleged Harms;

6. For the avoidance of doubt: (a) no portion of the Compensatory Restitution Amount represents reimbursement to the State, any Participating Subdivision, or other person or entity for the costs of any investigation or litigation, (b) the entire Compensatory Restitution Amount is properly characterized as described in this subsection XI.B, and (c) no portion of the Compensatory Restitution Amount constitutes disgorgement or is properly characterized as the payment of statutory or other fines, penalties, punitive damages, other punitive assessments, or attorneys' fees; and

7. The State, on behalf of all itself and Participating Subdivisions (the "Form 1098-F Filer") shall complete and file Form 1098-F with the Internal Revenue Service on or before February 28 (March 31 if filed electronically) of the year following the calendar year in which the order entering this Agreement becomes binding. On the Form 1098-F, the Form 1098-F Filer shall identify the entire Compensatory Restitution Amount received by the Form 1098-F Filer as remediation/restitution. The Form 1098-F Filer shall also, on or before January 31 of the year following the calendar year in which the order entering this Agreement becomes binding, furnish Copy B of such Form 1098-F (or an acceptable substitute statement) to Janssen.

C. *Tax Reporting and Cooperation*.

1. Upon request by Janssen, the State and Participating Subdivisions agree to perform such further acts and to execute and deliver such further documents as may be reasonably necessary for Janssen to establish the statements set forth in subsection XI.B to the satisfaction of their tax advisors, their independent financial auditors, the Internal Revenue Service, or any other governmental authority, including as contemplated by Treasury Regulations Section 1.162-21(b)(3)(ii) and any subsequently proposed or finalized relevant regulations or administrative guidance.

2. Without limiting the generality of this subsection XI.C, the State and each Participating Subdivision shall cooperate in good faith with Janssen with respect to

any tax claim, dispute, investigation, audit, examination, contest, litigation, or other proceeding relating to this Agreement.

3. The State, on behalf of itself and Participating Subdivisions, shall designate one of its officers or employees to act as the "appropriate official" within the meaning of Treasury Regulations Section 1.6050X-1(f)(1)(ii)(B) (the "Appropriate Official").

4. For the avoidance of doubt, neither Janssen nor the State and Participating Subdivisions make any warranty or representation to any Settling jurisdiction or Releasor as to the tax consequences of the payment of the Compensatory Restitution Amount (or any portion thereof).

D. *No Third-Party Beneficiaries.* Except as expressly provided in this Agreement, no portion of this Agreement shall provide any rights to, or be enforceable by, any person or entity that is not the State or a Released Entity. The State may not assign or otherwise convey any right to enforce any provision of this Agreement.

E. *Calculation*. Any figure or percentage referred to in this Agreement shall be carried to seven decimal places.

F. *Construction*. None of the Parties and no Participating Subdivision shall be considered to be the drafter of this Agreement or of any of its provisions for the purpose of any statute, case law, or rule of interpretation or construction that would or might cause any provision to be construed against the drafter of this Agreement. The headings of the provisions of this Agreement are not binding and are for reference only and do not limit, expand, or otherwise affect the contents or meaning of this Agreement.

G. *Cooperation*. Each Party and each Participating Subdivision agrees to use its best efforts and to cooperate with the other Parties and Participating Subdivisions to cause this Agreement and the Consent Judgment to become effective, to obtain all necessary approvals, consents and authorizations, if any, and to execute all documents and to take such other action as may be appropriate in connection herewith. Consistent with the foregoing, each Party and each Participating Subdivision agrees that it will not directly or indirectly assist or encourage any challenge to this Agreement or the Consent Judgment by any other person, and will support the integrity and enforcement of the terms of this Agreement and the Consent Judgment.

H. *Entire Agreement*. This Agreement, its exhibits and any other attachments embodies the entire agreement and understanding between and among the Parties and Participating Subdivisions relating to the subject matter hereof and supersedes (1) all prior agreements and understandings relating to such subject matter, whether written or oral and (2) all purportedly contemporaneous oral agreements and understandings relating to such subject matter.

I. *Execution*. This Agreement may be executed in counterparts and by different signatories on separate counterparts, each of which shall be deemed an original, but all of which shall together be one and the same Agreement. One or more counterparts of this Agreement may be delivered by facsimile or electronic transmission with the intent that it or they shall constitute an original counterpart hereof. One or more counterparts of this Agreement may be signed by electronic signature.

J. *Good Faith and Voluntary Entry*. Each Party warrants and represents that it negotiated the terms of this Agreement in good faith. Each of the Parties and signatories to this Agreement warrants and represents that it freely and voluntarily entered into this Agreement without any degree of duress or compulsion. The Parties state that no promise of any kind or nature whatsoever (other than the written terms of this Agreement) was made to them to induce them to enter into this Agreement.

K. *No Prevailing Party.* The Parties each agree that they are not the prevailing party in this action, for purposes of any claim for fees, costs, or expenses as prevailing parties arising under common law or under the terms of any statute, because the Parties have reached a good faith settlement. The Parties each further waive any right to challenge or contest the validity of this Agreement on any ground, including, without limitation, that any term is unconstitutional or is preempted by, or in conflict with, any current or future law.

L. *Non-Admissibility.* The settlement negotiations resulting in this Agreement have been undertaken by the Parties and by certain representatives of the Participating Subdivisions in good faith and for settlement purposes only, and no evidence of negotiations or discussions underlying this Agreement shall be offered or received in evidence in any action or proceeding for any purpose. This Agreement shall not be offered or received in evidence in any action or proceeding for any purpose other than in an action or proceeding arising under or relating to this Agreement.

M. *Severability*. If any provision of this Agreement—excepting Section IV (Release), Section V (Monetary Relief and Payments), Section VII (Participation by Local Governments), Section IX (Attorney Fee and Cost Payments), Section XI.B (Nature of Payment), and Section XI.C (Tax Reporting and Cooperation)—were for any reason held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement.

N. *Notices.* All notices or other communications under this Agreement shall be in writing (including but not limited to electronic communications) and shall be given to the recipients indicated below:

For Janssen:

Charles C. Lifland
Daniel R. Suvor
O'Melveny & Myers LLP
400 South Hope Street, 18th Floor Los Angeles, CA 90071
Phone: (213) 430-6000
clifland@omm.com
dsuvor@omm.com

For the Attorney General:

Jeffrey G. Rupert
Martha Rodríguez López
Susan Llorens
Office of the Washington Attorney General
800 Fifth Avenue, Suite 2000
Seattle, WA 98104
Jeffrey.Rupert@atg.wa.gov
Martha.RodriguezLopez@atg.wa.gov
Susan.Llorens@atg.wa.gov

and

Brad Beckworth
Drew Pate
Nix Patterson LLP
8701 Bee Caves Road, Building 1, Suite 500
Austin, Texas 78746
bbeckworth@nixlaw.com
dpate@nixlaw.com

Any Party may change or add the contact information of the persons designated to receive notice on its behalf by notice given (effective upon the giving of such notice) as provided in this subsection.

O. *No Waiver*. The waiver of any rights conferred hereunder shall be effective only if made by written instrument executed by the waiving Party or Parties. The waiver by any Party of any breach of this Agreement shall not be deemed to be or construed as a waiver of any other breach, whether prior, subsequent, or contemporaneous, nor shall such waiver be deemed to be or construed as a waiver by any other Party.

P. *Preservation of Privilege.* Nothing contained in this Agreement or any Consent Judgment, and no act required to be performed pursuant to this Agreement or any Consent Judgment, is intended to constitute, cause, or effect any waiver (in whole or in part) of any attorney-client privilege, work product protection, or common interest/joint defense privilege, and each Party agrees that it shall not make or cause to be made in any forum any assertion to the contrary.

Q. *Successors*. This Agreement shall be binding upon, and inure to the benefit of, Janssen and its respective successors and assigns. Janssen shall not sell the majority of its voting stock or substantially all its assets without obtaining the acquiror's agreement that it will constitute a successor with respect to Janssen's obligations under this Agreement.

R. *Modification, Amendment, Alteration*. This Agreement may be modified, amended, or altered by a written agreement of the Parties or, in the case of the Consent Judgment, by court proceedings resulting in a modified judgment of the Court. For purposes of modifying this Agreement or the Consent Judgment, Janssen may contact the Washington Attorney General to coordinate this process.

S. *Termination.*

1. Unless otherwise agreed to by Janssen and the State, this Agreement and all of its terms (except subsection XI.L and any other non-admissibility provisions, which shall continue in full force and effect) shall be canceled and terminated with respect to the State, and the Agreement and all orders issued by the Court pursuant to the Agreement shall become null and void and of no effect if one or more of the following conditions applies:

    a. A Consent Judgment approving this Agreement without modification of any of the Agreement's terms has not been entered as to the State by a court of competent jurisdiction on or before one hundred eighty (180) days after Janssen's payment under Section V; or

    b. This Agreement or the Consent Judgment has been disapproved by a court of competent jurisdiction to which it was presented for approval and/or entry (or, in the event of an appeal from or review of a decision of such a court to approve this Agreement and the Consent Judgment, by the court hearing such appeal or conducting such review), and the time to appeal from such disapproval has expired, or, in the event of an appeal from such disapproval, the appeal has been dismissed or the disapproval has been affirmed by the court of last resort to which such appeal has been taken and such dismissal or disapproval has become no longer subject to further appeal (including, without limitation, review by the United States Supreme Court).

2. If this Agreement is terminated with respect to the State and its Participating Subdivisions for whatever reason pursuant to subsection XI.S.1, then:

    a. An applicable statute of limitation or any similar time requirement (excluding any statute of repose) shall be tolled from the date the State signed this Agreement until the later of the time permitted by applicable law or for one year from the date of such termination, with the effect that Janssen and the State in question shall be in the same position with respect to the statute of limitation as they were at the time the State filed its action; and

    b. Janssen and the State and its Participating Subdivisions shall jointly move the relevant court of competent jurisdiction for an order reinstating the actions and claims dismissed pursuant to the terms of this Agreement governing dismissal, with the effect that Janssen and the State and its Participating Subdivisions shall be in the same position with respect to those actions and claims as they were at the time the action or claim was stayed or dismissed.

T. *Governing Law.* Except as otherwise provided in the Agreement, this Agreement shall be governed by and interpreted in accordance with the laws of Washington, without regard to the conflict of law rules of Washington.

Approved:

Dated: 1-22-2024

JOHNSON & JOHNSON, JOHNSON & JOHNSON INNOVATIVE MEDICINE, JANSSEN PHARMACEUTICALS, INC., ORTHO-MCNEIL-JANSSEN PHARMACEUTICALS, INC. N/K/A JANSSEN PHARMACEUTICALS, INC., AND JANSSEN PHARMACEUTICA INC. N/K/A JANSSEN PHARMACEUTICALS, INC.

By: ______________________________
Marc Larkins
Corporate Secretary
Johnson & Johnson

Dated: __________

THE STATE OF WASHINGTON

By: ______________________________

T. *Governing Law.* Except as otherwise provided in the Agreement, this Agreement shall be governed by and interpreted in accordance with the laws of Washington, without regard to the conflict of law rules of Washington.

Approved:

Dated: __________

JOHNSON & JOHNSON, JOHNSON & JOHNSON INNOVATIVE MEDICINE, JANSSEN PHARMACEUTICALS, INC., ORTHO-MCNEIL-JANSSEN PHARMACEUTICALS, INC. N/K/A JANSSEN PHARMACEUTICALS, INC., AND JANSSEN PHARMACEUTICA INC. N/K/A JANSSEN PHARMACEUTICALS, INC.

By: ______________________________
Marc Larkins
Corporate Secretary
Johnson & Johnson

Dated: 1-22-2024

ROBERT W. FERGUSON
Attorney General, State of Washington

By: ______________________________
Jeffrey Rupert
Division Chief
Office of the Attorney General

EXHIBIT A

Janssen Predecessors and Former Affiliates

The following includes a non-exclusive list of Janssen's predecessors and former affiliates:

1. Janssen Pharmaceutica, Inc.
2. Janssen Pharmaceutica N.V.
3. Janssen-Cilag Manufacturing, LLC
4. Janssen Global Services, LLC
5. Janssen Ortho LLC
6. Janssen Products, LP
7. Janssen Research & Development, LLC
8. Janssen Supply Group, LLC
9. Janssen Scientific Affairs, LLC
10. JOM Pharmaceutical Services, Inc.
11. OMJ Pharmaceuticals, Inc.
12. Ortho-McNeil Finance Co.
13. Ortho-McNeil Pharmaceutical
14. Ortho-McNeil-Janssen Pharmaceuticals
15. Ortho-McNeil Pharmaceutical Services Division
16. Ortho-McNeil Neurologic
17. Patriot Pharmaceuticals, LLC
18. Pricara, Ortho-McNeil-Janssen Pharmaceuticals
19. Alza Corp.
20. Alza Development Corp.
21. Janssen Supply Chain, Alza Corp.
22. Noramco, Inc.
23. Tasmanian Alkaloids PTY LTD.

EXHIBIT B

Settlement Participation Form

Governmental Entity:	State:
Authorized Official:	
Address 1:	
Address 2:	
City, State, Zip:	
Phone:	
Email:	

The governmental entity identified above ("Governmental Entity"), in order to obtain and in consideration for the benefits provided to the Governmental Entity pursuant to the Janssen Washington State-Wide Opioid Settlement Agreement dated January 22, 2024 ("Janssen Settlement"), and acting through the undersigned authorized official, hereby elects to participate in the Janssen Settlement, release all Released Claims against all Released Entities, and agrees as follows.

1. The Governmental Entity is aware of and has reviewed the Janssen Settlement, understands that all terms in this Election and Release have the meanings defined therein, and agrees that by this Election, the Governmental Entity elects to participate in the Janssen Settlement and become a Participating Subdivision as provided therein.

2. The Governmental Entity shall, within 30 days of the filing of the Consent Judgment, secure the dismissal with prejudice of any Released Claims that it has filed.

3. The Governmental Entity agrees to the terms of the Janssen Settlement pertaining to Subdivisions as defined therein.

4. By agreeing to the terms of the Janssen Settlement and becoming a Releasor, the Governmental Entity is entitled to the benefits provided therein, including, if applicable, monetary payments beginning after the Effective Date.

5. The Governmental Entity agrees to use any monies it receives through the Janssen Settlement solely for the purposes provided therein.

6. The Governmental Entity submits to the jurisdiction of the court where the Consent Judgment is filed for purposes limited to that court's role as provided in, and for resolving disputes to the extent provided in, the Janssen Settlement.

7. The Governmental Entity, as a Participating Subdivision, hereby becomes a Releasor for all purposes in the Janssen Settlement, including but not limited to all provisions of Section IV (Release), and along with all departments, agencies, divisions, boards, commissions, districts, instrumentalities of any kind and attorneys, and any person in their official capacity

elected or appointed to serve any of the foregoing and any agency, person, or other entity claiming by or through any of the foregoing, and any other entity identified in the definition of Releasor, provides for a release to the fullest extent of its authority. As a Releasor, the Governmental Entity hereby absolutely, unconditionally, and irrevocably covenants not to bring, file, or claim, or to cause, assist or permit to be brought, filed, or claimed, or to otherwise seek to establish liability for any Released Claims against any Released Entity in any forum whatsoever. The releases provided for in the Janssen Settlement are intended by the Parties to be broad and shall be interpreted so as to give the Released Entities the broadest possible bar against any liability relating in any way to Released Claims and extend to the full extent of the power of the Governmental Entity to release claims. The Janssen Settlement shall be a complete bar to any Released Claim.

8. In connection with the releases provided for in the Janssen Settlement, each Governmental Entity expressly waives, releases, and forever discharges any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States or other jurisdiction, or principle of common law, which is similar, comparable, or equivalent to § 1542 of the California Civil Code, which reads:

> **General Release; extent.** A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

A Releasor may hereafter discover facts other than or different from those which it knows, believes, or assumes to be true with respect to the Released Claims, but each Governmental Entity hereby expressly waives and fully, finally, and forever settles, releases and discharges, upon the Effective Date, any and all Released Claims that may exist as of such date but which Releasors do not know or suspect to exist, whether through ignorance, oversight, error, negligence or through no fault whatsoever, and which, if known, would materially affect the Governmental Entities' decision to participate in the Janssen Settlement.

9. This Settlement Participation Form shall be deemed effective as of the Effective Date of the Janssen Settlement.

10. Nothing herein is intended to modify in any way the terms of the Janssen Settlement, to which Governmental Entity hereby agrees. To the extent this Election and Release is interpreted differently from the Janssen Settlement in any respect, the Janssen Settlement controls.

I have all necessary power and authorization to execute this Election and Release on behalf of the Governmental Entity.

Signature: ______________________________

Name: ______________________________

Title: ______________________________

Date: ______________________________

EXHIBIT C

Injunctive Relief

A. **Definitions Specific to this Exhibit**

1. "*Cancer-Related Pain Care*" means care that provides relief from pain resulting from a patient's active cancer or cancer treatment as distinguished from treatment provided during remission.

2. "*Janssen*" means Johnson & Johnson, Johnson & Johnson Innovative Medicine, Janssen Pharmaceuticals, Inc., Ortho-McNeil-Janssen Pharmaceuticals, Inc., and Janssen Pharmaceutica, Inc. (collectively, "Janssen"), including all of their subsidiaries, predecessors, successors, current officers, directors, employees, representatives, agents, affiliates, parents, and assigns acting on behalf of Janssen in the United States.

3. "*End-of-Life Care*" means care for persons with a terminal illness or at high risk for dying in the near future in hospice care, hospitals, long-term care settings, or at home.

4. "*Health Care Provider*" means any U.S.-based physician or other health care practitioner who is licensed to provide health care services or to prescribe pharmaceutical products and any medical facility, practice, hospital, clinic, or pharmacy.

5. "*In-Kind Support*" means payment or assistance in the form of goods, commodities, services, or anything else of value.

6. "*Lobby*" and "*Lobbying*" shall have the same meaning as "lobbying activities" and "lobbying contacts" under the federal lobbying disclosure act, 2 U.S.C. § 1602 *et seq*., and any analogous state or local provisions governing the person or entity being lobbied. As used in this document, "Lobby" and "Lobbying" include Lobbying directly or indirectly, through grantees or Third Parties.

7. "*Opioid(s)*" means all naturally occurring, synthetic, or semisynthetic substances that interact with opioid receptors and act like opium. For the avoidance of doubt, the term "Opioid(s)" does not include Imodium.

8. "*Opioid Product(s)*" means all current and future medications containing Opioids approved by the U.S. Food & Drug Administration (FDA) and listed by the DEA as Schedule II, III, or IV drugs pursuant to the federal Controlled Substances Act (including but not limited to buprenorphine, codeine, fentanyl, hydrocodone, hydromorphone, meperidine, methadone, morphine, oxycodone, oxymorphone, tapentadol, and tramadol). The term "Opioid Products(s)" shall not include (i) methadone and other substances when used exclusively to treat opioid abuse, addiction, or overdose; or (ii) raw materials, immediate precursors, and/or active

pharmaceutical ingredients (APIs) used in the manufacture or study of Opioids or Opioid Products, but only when such materials, immediate precursors, and/or APIs are sold or marketed exclusively to DEA-licensed manufacturers or DEA-licensed researchers.

9. "*OUD*" means opioid use disorder defined in the *Diagnostic and Statistical Manual of Mental Disorders, Fifth Edition (DSM–5)*, as updated or amended.

10. "*Product(s) for the Treatment of Opioid-Induced Side Effects*" means any over-the-counter or prescription remedy used to treat those side effects identified on the FDA label for any Opioid Product, except that, for purposes of the Agreement, Product(s) for the Treatment of Opioid-Induced Side Effects shall not include products that treat OUD or respiratory depression.

11. "*Promote*," "*Promoting*," "*Promotion*," and "*Promotional*" means dissemination of information or other practices intended or reasonably anticipated to increase sales, prescriptions, or that attempts to influence prescribing practices in the United States. These terms shall not include the provision of scientific information or data in response to unsolicited requests from Health Care Providers or payors as allowed in subsection C.2.e-h.

12. "*Third Party(ies)*" means any person or entity other than Janssen or a government entity.

13. "*Treatment of Pain*" means the provision of therapeutic modalities to alleviate or reduce pain.

14. "*Unbranded Information*" means any information that does not identify a specific branded or generic product.

B. Ban on Selling and Manufacturing Opioids

1. Janssen shall not manufacture or sell any Opioids or Opioid Products for distribution in the State of Washington. Janssen represents that prior to the Effective Date, it de-listed all of its Opioid Products and no longer ships any of them to or within the United States.

C. Ban on Promotion

1. Janssen shall not engage in Promotion of Opioids or Opioid Products including but not limited to, by:

   a. Employing or contracting with sales representatives or other persons to Promote Opioids or Opioid Products to Health Care Providers or patients, or to persons involved in determining the Opioid Products included in formularies;

b. Using speakers, key opinion leaders, thought leaders, lecturers, and/or speaking events for Promotion of Opioids or Opioid Products;

c. Sponsoring, or otherwise providing financial support or In-Kind Support to medical education programs for Promotion of Opioids or Opioid Products;

d. Creating, sponsoring, operating, controlling, or otherwise providing financial support or In-Kind Support to any website, network, and/or social or other media account for the Promotion of Opioids or Opioid Products;

e. Creating, sponsoring, distributing, or otherwise providing financial support or In-Kind Support for materials Promoting Opioids or Opioid Products, including but not limited to brochures, newsletters, pamphlets, journals, books, and guides;

f. Creating, sponsoring, or otherwise providing financial support or In-Kind Support for advertisements that Promote Opioids or Opioid Products, including but not limited to internet advertisements or similar content, and providing hyperlinks or otherwise directing internet traffic to advertisements; and

g. Engaging in internet search engine optimization or other techniques designed to Promote Opioids or Opioid Products by improving rankings or making content appear among the top results in an internet search or otherwise be more visible or more accessible to the public on the internet.

2. Notwithstanding subsection C.1 directly above, Janssen may:

a. Maintain a corporate website;

b. Maintain a website for any Opioid Product that contains principally the following content: the FDA-approved package insert, medication guide, and labeling, and a statement directing patients or caregivers to speak with a licensed Health Care Provider;

c. Provide information or support the provision of information as expressly required by law or any state or federal government agency with jurisdiction in Washington;

d. Provide the following by mail, electronic mail, on or through Janssen's corporate or product websites or through other electronic or digital methods: FDA-approved package insert, medication guide, approved labeling for Opioid Products, or other prescribing information for Opioid Products that are published by a state or federal government agency with jurisdiction in Washington;

e. Provide scientific and/or medical information in response to an unsolicited request by a Health Care Provider consistent with the standards set forth in the FDA's Draft Guidance for Industry, *Responding to Unsolicited Requests for Off-Label Information About Prescription Drugs and Medical Devices* (Dec. 2011) as updated or amended by the FDA, and Guidance for Industry, *Good Reprint Practices for the Distribution of Medical Journal Articles and Medical or Scientific Reference Publications on Unapproved New Uses of Approved Drugs and Approved or Cleared Medical Devices* (Jan. 2009) as updated or amended by the FDA;

f. Provide a response to any unsolicited question or request from a patient or caregiver, directing the patient or caregiver to the FDA-approved labeling or to speak with a licensed Health Care Provider without describing the safety or effectiveness of Opioids or any Opioid Product or naming any specific provider or healthcare institution; or directing the patient or caregiver to speak with their insurance carrier regarding coverage of an Opioid Product;

g. Provide Health Care Economic Information, as defined at 21 U.S.C. § 352(a), to a payor, formulary committee, or other similar entity with knowledge and expertise in the area of health care economic analysis consistent with standards set forth in the FDA's Draft Questions and Answers Guidance for Industry and Review Staff, *Drug and Device Manufacturer Communications With Payors, Formulary Committees, and Similar Entities* (Jan. 2018), as updated or amended by the FDA;

h. Provide information relating solely to the pricing of any Opioid Product;

i. Sponsor or provide financial support or In-Kind Support for an accredited or approved continuing medical education program required by either an FDA-approved Risk Evaluation and Mitigation Strategy (REMS) program or other federal or state law or regulation applicable in Washington through an independent Third Party, which shall be responsible for the program's content without the participation of Janssen; and

j. Provide information in connection with patient support information on co-pay assistance and managing pain in End-of-Life Care and/or Cancer-Related Pain Care relating to the use of Opioids for managing such pain, as long as the information identifies Janssen as the source of the information.

3. Janssen shall not engage in the Promotion of Products for the Treatment of Opioid-induced Side Effects, including but not limited to:

a. Employing or contracting with sales representatives or other persons to Promote Products for the Treatment of Opioid-induced Side Effects to Health Care Providers or patients;

b. Using speakers, key opinion leaders, thought leaders, lecturers, and/or speaking events to Promote Products for the Treatment of Opioid induced Side Effects;

c. Sponsoring, or otherwise providing financial support or In-Kind Support to medical education programs that Promote Products for the Treatment of Opioid-induced Side Effects;

d. Creating, sponsoring, or otherwise providing financial support or In-Kind Support for advertisements that Promote Products for the Treatment of Opioid-induced Side Effects, including but not limited to internet advertisements or similar content, and providing hyperlinks or otherwise directing internet traffic to advertisements.

4. Notwithstanding subsection C, Janssen may Promote Products for the Treatment of Opioid-induced Side Effects so long as such Promotion does not associate the product with Opioids or Opioid Products.

5. Treatment of Pain

a. Janssen shall not, either through Janssen or through Third Parties, engage in any conduct that Promotes the Treatment of Pain, except that Janssen may continue to Promote the Treatment of Pain with branded non-Opioids, including Tylenol and Motrin.

b. Janssen shall not, either through Janssen or through Third Parties, engage in any conduct that Promotes the concept that pain is undertreated, except in connection with Promoting the use of branded non-Opioids, including Tylenol and Motrin, for the Treatment of Pain.

c. Janssen shall not disseminate Unbranded Information, including Unbranded Information about a medical condition or disease state, that contains links to branded information about Opioid Products or that otherwise Promotes Opioids or Opioid Products.

6. Notwithstanding subsection C.5 above:

a. Janssen may Promote or provide educational information about the Treatment of Pain with non-Opioids or therapies such as acetaminophen or non-steroidal anti-inflammatory drugs (NSAIDS), including Promoting or providing educational information about such non-Opioids or therapies as alternatives to Opioid use, or as part of multimodal therapy which may include Opioid use, so long as such non-Opioid Promotional or educational information does not Promote Opioids or Opioid Products.

b. Janssen may provide educational information about the Treatment of Pain related to medical procedures involving devices manufactured or sold by Janssen, including educational information about Opioids or Opioid Products, so long as such information does not Promote Opioids or Opioid Products.

7. The Promotional conduct prohibited in subsection C is not prohibited insofar as it relates to the Promotion of Opioids or Opioid Products for Cancer-Related Pain Care or End-of-Life Care only, and so long as Janssen is identified as the sponsor or source of such Promotional conduct.

D. **No Financial Reward or Discipline Based on Volume of Opioid Sales**

1. Janssen shall not provide financial incentives to its sales and marketing employees or discipline its sales and marketing employees based upon sales volume or sales quotas for Opioid Products;

2. Janssen shall not offer or pay any remuneration (including any kickback, bribe, or rebate) directly or indirectly, to any person in return for the prescribing, sale, use, or distribution of an Opioid Product; and

3. Janssen's compensation policies and procedures shall ensure compliance with the Agreement.

E. **Ban on Funding/Grants to Third Parties**

1. Janssen shall not directly or indirectly provide financial support or In-Kind Support to any Third Party that primarily engages in conduct that Promotes Opioids, Opioid Products, or Products for the Treatment of Opioid-induced Side Effects (subject to subsections C.2, 4, and 6), including educational programs or websites that Promote Opioids, Opioid Products, or products for the treatment of Opioid-induced side effects, excluding financial support otherwise required by the Agreement, a court order, or by a federal or state agency.

2. Janssen shall not create, sponsor, provide financial support or In-Kind Support to, or otherwise operate or control any medical society or patient advocacy group that primarily engages in conduct that Promotes Opioids, Opioid Products, or products for the treatment of Opioid-induced side effects.

3. Janssen shall not provide links to any Third Party website or materials or otherwise distribute materials created by a Third Party for the purpose of Promoting Opioids, Opioid Products, or products intended for the treatment of Opioid-induced side effects (subject to subsections C.2, 4, and 6).

4. Janssen shall not use, assist, or employ any Third Party to engage in any activity that Janssen itself would be prohibited from engaging in pursuant to the Agreement. To the extent Janssen supports trade groups engaged in Lobbying, Janssen shall stipulate that such support not be used for any purpose prohibited by the Agreement.

5. Janssen shall not enter into any contract or agreement with any person or entity or otherwise attempt to influence any person or entity in such a manner that has the purpose or foreseeable effect of limiting the dissemination of information regarding the risks and side effects of using Opioids.

6. Janssen shall not compensate or support Health Care Providers or organizations to advocate for formulary access or treatment guideline changes for the purpose of increasing access to any Opioid Product through third-party payors, i.e., any entity, other than an individual, that pays or reimburses for the dispensing of prescription medicines, including but not limited to managed care organizations and pharmacy benefit managers.

7. No officer or management-level employee of Janssen may concurrently serve as a director, board member, employee, agent, or officer of any entity that primarily engages in conduct that Promotes Opioids, Opioid Products, or products for the treatment of Opioid-induced side effects. For the avoidance of doubt, nothing in this provision shall preclude an officer or management-level employee of Janssen from concurrently serving on the board of a hospital.

8. Janssen shall play no role in appointing persons to the board, or hiring persons to the staff, of any entity that primarily engages in conduct that Promotes Opioids, Opioid Products, or products for the treatment of Opioid-induced side effects. For avoidance of doubt, nothing in this paragraph shall prohibit Janssen from fully and accurately responding to unsolicited requests or inquiries about a person's fitness to serve as an employee or Board member at any such entity.

F. **Lobbying Restrictions**

1. Janssen shall not Lobby for the enactment of any federal, state, or local legislative or regulatory provision that:

    a. Encourages or requires Health Care Providers to prescribe Opioids or sanctions Health Care Providers for failing to prescribe Opioids or failing to treat pain with Opioids;

    b. Has the effect of limiting access to any non-Opioid alternative pain treatments; or

    c. Pertains to the classification of any Opioid or Opioid Product as a scheduled drug under the Controlled Substances Act.

2. Janssen shall not Lobby against the enactment of any federal, state or local legislative or regulatory provision that supports:

    a. The use of non-pharmacologic therapy and/or non-Opioid pharmacologic therapy to treat chronic pain over or instead of Opioid use, including but not limited to third party payment or reimbursement for such therapies;

    b. The use and/or prescription of immediate release Opioids instead of extended release Opioids when Opioid use is initiated, including but not limited to third party reimbursement or payment for such prescriptions;

c. The prescribing of the lowest effective dose of an Opioid, including but not limited to third party reimbursement or payment for such prescription;

d. The limitation of initial prescriptions of Opioids to treat acute pain;

e. The prescribing and other means of distribution of naloxone to minimize the risk of overdose, including but not limited to third party reimbursement or payment for naloxone;

f. The use of urine testing before starting Opioid use and annual urine testing when Opioids are prescribed, including but not limited to third party reimbursement or payment for such testing;

g. Evidence-based treatment (such as using medication-assisted treatment with buprenorphine or methadone in combination with behavioral therapies) for OUD, including but not limited to third party reimbursement or payment for such treatment; or

h. The implementation or use of Opioid drug disposal systems.

3. Janssen shall not Lobby against the enactment of any federal, state or local legislative or regulatory provision expanding the operation or use of PDMPs, including but not limited to provisions requiring Health Care Providers to review PDMPs when Opioid use is initiated and with every prescription thereafter.

4. Notwithstanding the foregoing restrictions in subsections F.1-3, the following conduct is not restricted:

a. Challenging the enforcement of or suing for declaratory or injunctive relief with respect to legislation, rules, or regulations referred to in subsection F.1;

b. Communications made by Janssen in response to a statute, rule, regulation, or order requiring such communication;

c. Communications by a Janssen representative appearing before a federal or state legislative or administrative body, committee, or subcommittee as result of a mandatory order or subpoena commanding that person to testify;

d. Responding, in a manner consistent with the Agreement, to an unsolicited request for the input on the passage of legislation or the promulgation of any rule or regulation when such request is submitted in writing specifically to Janssen from a government entity directly involved in the passage of that legislation or promulgation of that rule or regulation; or

e. Lobbying for or against provisions of legislation or regulation that address other subjects in addition to those identified in subsections F.1-3, so long as the company does not support specific portions of such legislation or regulation covered by subsection F.1 or oppose specific portions of such legislation or regulation covered by subsections F.2-3.

5. Janssen shall provide notice of the prohibitions in subsection F to all employees engaged in Lobbying; shall incorporate the prohibitions in subsection F into trainings provided to Janssen employees engaged in Lobbying; and certify to the State of Washington that it has provided such notice and trainings to Janssen employees engaged in Lobbying.

G. **Ban on Prescription Savings Programs**

1. Janssen shall not directly or indirectly offer any discounts, coupons, rebates, or other methods which have the effect of reducing or eliminating a patient's co-payments or the cost of prescriptions (e.g., free trial prescriptions) for any Opioid Product.

2. Janssen shall not directly or indirectly provide financial support to any Third Party for discounts, coupons, rebates, or other methods which have the effect of reducing or eliminating a patient's co-payments or the cost of prescriptions (e.g., free trial prescriptions) for any Opioid Product.

3. Janssen shall not directly or indirectly assist patients, Health Care Providers, or pharmacies with the claims and/or prior authorization process required for third-party payors to approve payment for any Opioid Product.

H. **General Terms**

1. Janssen shall not make any written or oral statement about Opioids or any Opioid Product that is unfair, false, misleading, or deceptive as defined under the law of Washington. For purposes of this paragraph, "Opioid Product" shall also include methadone and other substances when used exclusively to treat opioid abuse, addiction, or overdose.

2. Janssen shall not represent that Opioids or any Opioid Product(s) have approvals, characteristics, uses, benefits, or qualities that they do not have. For purposes of this paragraph, "Opioid Product" shall also include methadone and other substances when used exclusively to treat opioid abuse, addiction, or overdose.

3. For the avoidance of doubt, the Agreement shall not be construed or used as a waiver or limitation of any defense otherwise available to Janssen in any action, and nothing in the Agreement is intended to or shall be construed to prohibit Janssen in any way whatsoever from taking legal or factual positions with regard to any Opioid Product(s) in defense of litigation or other legal proceedings.

4. Upon the request of the State of Washington Attorney General, Janssen shall provide the Washington Attorney General with copies of the following, within thirty (30) days of the request:

a. Any litigation or civil or criminal law enforcement subpoenas or Civil Investigative Demands relating to Janssen's Opioid Product(s); and

b. Warning or untitled letters issued by the FDA regarding Janssen's Opioid Product(s) and all correspondence between Janssen and the FDA related to such letters.

5. The Agreement applies to conduct that results in the Promotion of Opioids or Opioid Products, or the Treatment of Pain inside the United States.

6. Janssen will enter into the Agreement solely for the purpose of settlement, and nothing contained therein may be taken as or construed to be an admission or concession of any violation of law, rule, or regulation, or of any other matter of fact or law, or of any liability or wrongdoing, all of which Janssen expressly denies. No part of the Agreement, including its statements and commitments, shall constitute evidence of any liability, fault, or wrongdoing by Janssen. The Agreement is not intended for use by any third party for any purpose, including submission to any court for any purpose.

7. Nothing in the Agreement shall be construed to limit or impair Janssen's ability to:

a. Communicate its positions and respond to media inquiries concerning litigation, investigations, reports or other documents or proceedings relating to Janssen or its Opioid Products.

b. Maintain a website explaining its litigation positions and responding to allegations concerning its Opioid Products, including the website, www.factsaboutourprescriptionopioids.com.

I. **Compliance with All State Laws and Regulations Relating to the Sale, Promotion, and Distribution of Any Opioid Product**

1. Janssen shall comply with all applicable state laws and regulations that relate to the sale, promotion, distribution, and disposal of Opioids or Opioid Products, including conduct permitted by subsection B.2, provided that nothing in this paragraph requires Janssen to violate federal law or regulations, including but not limited to:

a. Washington's Uniform Controlled Substances Act, including all guidance issued by the applicable state regulator(s);

b. Washington's Consumer Protection Act; and

c. Washington State laws, regulations, and guidelines related to opioid prescribing, distribution, and disposal.

J. **Clinical Data Transparency**

1. Janssen agrees to continue sharing clinical trial data under the Yale University Open Data Access (YODA) Project to allow researchers qualified under the program to access the company's propriety data under the terms of the project.

2. In the event Yale University discontinues or withdraws from the YODA Project agreement with Janssen, Janssen shall make its clinical research data regarding Opioids and Opioid Products, and any additional clinical research data that Janssen sponsors and controls regarding Opioids and Opioid Products, available to an independent entity that is the functional equivalent of the YODA Project under functionally equivalent terms.

K. **Enforcement**

1. For the purposes of resolving disputes with respect to compliance with this Exhibit, should the State of Washington have a reasonable basis to believe that Janssen has engaged in a practice that violates a provision of this Exhibit subsequent to the Effective Date, the State of Washington shall notify Janssen in writing of the specific objection, identify with particularity the provision of the Agreement that the practice appears to violate, and give Janssen thirty (30) days to respond in writing to the notification; provided, however, that the State of Washington may take any action if the State believes that, because of the specific practice, a threat to health or safety of the public requires immediate action.

2. Upon receipt of written notice, Janssen shall provide a good faith written response to the State's notification, containing either a statement explaining why Janssen believes it is in compliance with the provisions of this Exhibit of the Agreement, or a detailed explanation of how the alleged violation occurred and a statement explaining how Janssen intends to remedy the alleged breach. Nothing in this section shall be interpreted to limit the State of Washington's civil investigative demand ("CID") or investigative subpoena authority, to the extent such authority exists under applicable law, and Janssen reserves all of its rights in responding to a CID or investigative subpoena issued pursuant to such authority.

3. The State of Washington may agree, in writing, to provide Janssen with additional time beyond thirty (30) days to respond to a notice provided under subsection L.1, above, without Court approval.

4. Upon giving Janssen thirty (30) days to respond to the notification described above, the State shall also be permitted reasonable access to inspect and copy relevant, non-privileged, non-work product records and documents in possession, custody, or control of Janssen that relate to Janssen's compliance with each provision of the Agreement pursuant to the State of Washington's CID or investigative subpoena authority.

5. The State of Washington may assert any claim that Janssen has violated the Agreement in a separate civil action to enforce compliance with the Agreement, or may seek any other relief afforded by law for violations of the Agreement, but only

after providing Janssen an opportunity to respond to the notification described in subsection L.1, above; provided, however, the State of Washington may take any action if the State believes that, because of the specific practice, a threat to the health or safety of the public requires immediate action.

6. In the event of a conflict between the requirements of the Agreement and any other law, regulation, or requirement such that Janssen cannot comply with the law without violating the terms of the Agreement or being subject to adverse action, including fines and penalties, Janssen shall document such conflicts and notify the State of the extent to which it will comply with the Agreement in order to eliminate the conflict within thirty (30) days of Janssen's discovery of the conflict. Janssen shall comply with the terms of the Agreement to the fullest extent possible without violating the law.

7. Janssen or the State may request that Janssen and the State meet and confer regarding the resolution of an actual or potential conflict between the Agreement and any other law, or between interpretations of the Agreement by different courts. Nothing herein is intended to modify or extend the jurisdiction of any single judicial authority as provided by law.

L. **Compliance Duration**

1. Subsections B-J of this Exhibit shall be effective for 8 years from the Effective Date.

2. Nothing in this Agreement shall relieve Janssen of its independent obligation to fully comply with the laws of the State of Washington after expiration of the 8-year period specified in this subsection.

M. **Compliance Deadlines**

1. Janssen must be in full compliance with the provisions included this Agreement by the Effective Date. Nothing herein shall be construed as permitting Janssen to avoid existing legal obligations.

EXHIBIT D

Non-Released Entities

The following includes a non-exclusive list of non-Released Entities:

1. Actavis LLC
2. Actavis Pharma, Inc.
3. Allergan PLC
4. Allergan Finance, LLC
5. AmerisourceBergen Corporation
6. AmerisourceBergen Drug Corporation
7. Anda, Inc.
8. Cardinal Health, Inc.
9. Cephalon, Inc.
10. Collegium Pharmaceuticals
11. CVS Health Corp.
12. CVS Pharmacy, Inc.
13. Endo Pharmaceuticals Inc.
14. Endo Health Solutions Inc.
15. Mallinckrodt LLC
16. McKesson Corporation
17. McKinsey & Company Inc.
18. Par Pharmaceutical, Inc.
19. Par Pharmaceutical Companies, Inc.
20. Purdue Pharma L.P.
21. Purdue Pharma Inc.
22. SpecGx LLC
23. Teva Pharmaceuticals USA, Inc.
24. The Purdue Frederick Company
25. Walgreen Co.
26. Walgreens Boots Alliance, Inc.
27. Walmart Inc.
28. Watson Laboratories, Inc.

EXHIBIT E

Template Consent Judgment

[CASE]	[COURT] C.A. NO.:

FINAL CONSENT JUDGMENT AND DISMISSAL WITH PREJUDICE

The State of Washington ("*State*") and Johnson & Johnson, Johnson & Johnson Innovative Medicine, Janssen Pharmaceuticals, Inc., Ortho-McNeil-Janssen Pharmaceuticals, Inc., and Janssen Pharmaceutica, Inc. (collectively, "*Janssen*" or "*Defendants*") (together with the State, the "*Parties*," and each a "*Party*") have entered into a consensual resolution of the above-captioned litigation (the "*Action*") pursuant to a settlement agreement entitled Janssen Washington State-Wide Opioid Settlement Agreement, dated as of January 22, 2024 (the "*Agreement*"), a copy of which is attached hereto as Exhibit A. The entry of this Final Consent Judgment (the "*Judgment*") by the Court is made without trial or adjudication of any contested issue of fact or law, and without finding or admission of wrongdoing or liability of any kind.

RECITALS:

1. Each Party warrants and represents that it engaged in arm's-length negotiations in good faith. In hereby executing the Agreement, the Parties intend to effect a good-faith settlement.

2. The State has determined that the Agreement is in the public interest.

3. Janssen denies the allegations against it and that it has any liability whatsoever to the State, its Subdivisions, and/or (a) any of the State's or Subdivisions' departments, agencies, divisions,

boards, commissions, districts, instrumentalities of any kind and attorneys, including its Attorney General and any person in his or her official capacity whether elected or appointed to serve any of the foregoing and any agency, person, or other entity claiming by or through any of the foregoing, (b) any public entities, public instrumentalities, public educational institutions, unincorporated districts, fire districts, irrigation districts, and other Subdivisions, and (c) any person or entity acting in a *parens patriae*, sovereign, quasi-sovereign, private attorney general, *qui tam*, taxpayer, or other capacity seeking relief on behalf of or generally applicable to the general public.

4. The Parties recognize that the outcome of the Action is uncertain and a final resolution through the adversarial process likely will require protracted litigation.

5. The Parties agree to the entry of the injunctive relief terms pursuant to Exhibit C of the Agreement.

6. Therefore, without any admission of liability or wrongdoing by Janssen or any other Released Entities (as defined in the Agreement), the Parties now mutually consent to the entry of this Judgment and agree to dismissal of the claims with prejudice pursuant to the terms of the Agreement to avoid the delay, expense, inconvenience, and uncertainty of protracted litigation.

NOW THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

In consideration of the mutual promises, terms, and conditions set forth in the Agreement, the adequacy of which is hereby acknowledged by all Parties, it is agreed by and between Defendants and the State, and adjudicated by the Court, as follows:

1. The foregoing Recitals are incorporated herein and constitute an express term of this Judgment.

2. The Parties have entered into a full and final settlement of all Released Claims of Releasors against Janssen (including but not limited to the State) and the Released Entities pursuant to the terms and conditions set forth in the Agreement.

3. The "Definitions" set forth in Section II of the Agreement are incorporated by reference into this Judgment. Unless otherwise defined herein, capitalized terms in this Judgment shall have the same meaning given to them in the Agreement.

4. The Parties agree that the Court has jurisdiction over the subject matter of the Action and over the Parties with respect to the Action and this Judgment. This Judgment shall not be construed or used as a waiver of any jurisdictional defense Janssen or any other Released Entity may raise in any other proceeding.

5. The Court finds that the Agreement was entered into in good faith.

6. The Court finds that entry of this Judgment is in the public interest and reflects a negotiated settlement agreed to by the Parties. The Action is dismissed with prejudice, subject to a retention of jurisdiction by the Court as provided herein and in the Agreement.

7. By this Judgment, the Agreement is hereby approved by the Court, and the Court hereby adopts the Agreement's terms as its own determination of this matter and the Parties' respective rights and obligations.

8. The Court shall have authority to resolve disputes identified in Section X of the Agreement, governed by the rules and procedures of the Court.

9. [By this Judgment, *[the State-Subdivision Agreement] [name of state's agreement]*, a copy of which is attached hereto as Exhibit [X] and as incorporated into the Agreement, is hereby approved by the Court as the means by which relevant funds paid pursuant to the Agreement will be divided within the State, subject to the full acceptance by any Subdivision receiving such funds of the

terms of the Agreement, including the releases provided therein. [Add any state-specific language necessary for the effectiveness of the state-subdivision agreement.]]

10. The Parties have satisfied all conditions to effectiveness of the Agreement.

11. Release. The Parties acknowledge that the Release in Section IV of the Agreement, which is incorporated by reference herein, is an integral part of this Judgment. Pursuant to the Agreement and the Release and without limitation and to the maximum extent of the power of the State's Attorney General, Janssen and the other Released Entities are, as of the Effective Date, hereby released from any and all Released Claims of (a) the State and its Participating Subdivisions and any of their departments, agencies, divisions, boards, commissions, Subdivisions, districts, instrumentalities of any kind and attorneys, including the State's Attorney General, and any person in his or her official capacity whether elected or appointed to serve any of the foregoing, and any agency, person, or other entity claiming by or through any of the foregoing, (b) any public entities, public instrumentalities, public educational institutions, unincorporated districts, fire districts, irrigation districts, water districts, law enforcement districts, emergency services districts, school districts, hospital districts and other Subdivisions in the State, and (c) any person or entity acting in a *parens patriae*, sovereign, quasi-sovereign, private attorney general, *qui tam*, taxpayer, or other capacity seeking relief on behalf of or generally applicable to the general public with respect to the State or any Subdivision in the State, whether or not any of them participate in the Agreement. Pursuant to the Agreement and the Release and to the maximum extent of the State's power, Janssen and the other Released Entities are, as of the Effective Date, hereby released from any and all Released Claims of (1) the State, (2) all past and present executive departments, state agencies, divisions, boards, commissions and instrumentalities with the regulatory authority to enforce state and federal controlled substances acts, (3) any of the State's past and present executive departments, agencies,

divisions, boards, commissions and instrumentalities that have the authority to bring Claims related to Covered Conduct seeking money (including abatement and/or remediation) or revocation of a pharmaceutical distribution license, and (4) any Participating Subdivision. For the purposes of clause (3) above, executive departments, agencies, divisions, boards, commissions, and instrumentalities are those that are under the executive authority or direct control of the State's Governor. The Parties acknowledge, and the Court finds, that those provisions are an integral part of the Agreement and this Judgment, and shall govern the rights and obligations of all participants in the settlement. Any modification of those rights and obligations may be made based only on a writing signed by all affected parties and approved by the Court.

12. Release of Unknown Claims. The State expressly waives, releases, and forever discharges any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States or other jurisdiction, or principle of common law, which is similar, comparable, or equivalent to § 1542 of the California Civil Code, which reads:

> **General Release; extent.** A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

13. The State may hereafter discover facts other than or different from those which it knows, believes, or assumes to be true with respect to the Released Claims, but the State expressly waived and fully, finally, and forever settled, released and discharged, through the Agreement and Release, any and all Released Claims that may exist as of the Effective Date but which the State does not know or suspect to exist, whether through ignorance, oversight, error, negligence or through no fault whatsoever, and which, if known, would have materially affected the State's decision to enter into the Agreement.

14. Costs and Fees. The Parties will bear their own costs and attorneys' fees except as otherwise provided in the Agreement.

15. No Admission of Liability. Defendants are consenting to this Judgment solely for the purpose of effectuating the Agreement, and nothing contained herein may be taken as or construed to be an admission or concession of any violation of law, rule, or regulation, or of any other matter of fact or law, or of any liability or wrongdoing, all of which Defendants expressly deny. No Defendant or Released Entity admits that it caused or contributed to any public nuisance, and no Defendant or Released Entity admits any wrongdoing that was or could have been alleged by the State, its Participating Subdivisions, or any other person or entity. No part of this Judgment shall constitute evidence of any liability, fault, or wrongdoing by Defendants or any other Released Entity. The Parties acknowledge that payments made under the Agreement are not a fine, penalty, or payment in lieu thereof.

16. No Waiver. This Judgment is entered based on the Agreement without trial or adjudication of any contested issue of fact or law or finding of liability of any kind. This Judgment shall not be construed or used as a waiver of Janssen's right, or any other Released Entity's right, to defend itself from, or make any arguments in, any other regulatory, governmental, private individual, or class claims or suits relating to the subject matter or terms of this Judgment. Notwithstanding the foregoing, the State may enforce the terms of this Judgment as expressly provided in the Agreement.

17. No Private Right of Action. This Judgment is not intended for use by any third party for any purpose, including submission to any court for any purpose, except pursuant to Section X of the Agreement. Except as expressly provided in the Agreement, no portion of the Agreement or this Judgment shall provide any rights to, or be enforceable by, any person or entity that is not the State or Released Entity. The State shall allow Participating Subdivisions in the State to notify it of any

perceived violations of the Agreement or this Judgment. The State may not assign or otherwise convey any right to enforce any provision of the Agreement.

18. Admissibility. It is the intent of the Parties that this Judgment not be admissible in other cases against Defendants or binding on Defendants in any respect other than in connection with the enforcement of this Judgment or the Agreement. For the avoidance of doubt, nothing herein shall prohibit Defendants from entering this Judgment or the Agreement into evidence in any litigation or arbitration concerning (1) Defendants' right to coverage under an insurance contract or (2) the enforcement of the releases provided for by the Agreement and this Judgment.

19. Preservation of Privilege. Nothing contained in the Agreement or this Judgment, and no act required to be performed pursuant to the Agreement or this Judgment, is intended to constitute, cause, or effect any waiver (in whole or in part) of any attorney-client privilege, work product protection, or common interest/joint defense privilege, and each Party agrees that it shall not make or cause to be made in any forum any assertion to the contrary.

20. Mutual Interpretation. The Parties agree and stipulate that the Agreement was negotiated on an arm's-length basis between parties of equal bargaining power and was drafted jointly by counsel for each Party. Accordingly, the Agreement is incorporated herein by reference and shall be mutually interpreted and not construed in favor of or against any Party, except as expressly provided for in the Agreement.

21. Retention of Jurisdiction. The Court shall retain jurisdiction of the Parties for the limited purpose of the resolution of disputes identified in Section X of the Agreement. The Court shall have jurisdiction over Participating Subdivisions in the State for the limited purposes identified in the Agreement.

22. Successors and Assigns. This Judgment is binding on Defendants' successors and assigns.

23. Modification. This Judgment shall not be modified (by the Court, by any other court, or by any other means) without the consent of the State and Defendants, or as provided for in Section XI.R of the Agreement.

So ORDERED this _____ day of [[*]], 2024.

Enter: By Order:

_______________________________ _______________________________

APPROVED, AGREED TO AND PRESENTED BY:

[[SIGNATURE BLOCKS]]

EXHIBIT F

Litigating Subdivisions:

1. Anacortes City
2. Bainbridge Island City
3. Burlington City
4. Chelan County
5. Clallam County
6. Clark County
7. Everett City
8. Franklin County
9. Island County
10. Jefferson County
11. Kent City
12. King County
13. Kirkland City
14. Kitsap County
15. Kittitas County
16. La Conner School District
17. Lakewood City
18. Lewis County
19. Lincoln County
20. Mount Vernon City
21. Mount Vernon School District
22. Olympia City
23. Pierce County
24. San Juan County
25. Seattle City
26. Sedro-Woolley City
27. Sedro-Woolley School District
28. Skagit County
29. Snohomish County
30. Spokane City
31. Spokane County
32. Tacoma City
33. Thurston County
34. Vancouver City
35. Walla Walla County
36. Whatcom County
37. Whitman County

Non-litigating Subdivisions:

1. Aberdeen City
2. Adams County
3. Arlington City
4. Asotin County
5. Auburn City
6. Battle Ground City
7. Bellevue City
8. Bellingham City
9. Benton County
10. Bonney Lake City
11. Bothell City
12. Bremerton City
13. Burien City
14. Camas City
15. Centralia City
16. Cheney City
17. Covington City
18. Cowlitz County
19. Des Moines City
20. Douglas County
21. East Wenatchee City
22. Edgewood City
23. Edmonds City
24. Ellensburg City
25. Enumclaw City
26. Federal Way City
27. Ferndale City
28. Fife City
29. Gig Harbor City
30. Grandview City
31. Grant County
32. Grays Harbor County
33. Issaquah City
34. Kelso City
35. Kenmore City
36. Kennewick City
37. Klickitat County
38. Lacey City
39. Lake Forest Park City
40. Lake Stevens City
41. Liberty Lake City
42. Longview City
43. Lynden City
44. Lynnwood City

45. Maple Valley City
46. Marysville City
47. Mason County
48. Mercer Island City
49. Mill Creek City
50. Monroe City
51. Moses Lake City
52. Mountlake Terrace City
53. Mukilteo City
54. Newcastle City
55. Oak Harbor City
56. Okanogan County
57. Pacific County
58. Pasco City
59. Pend Oreille County
60. Port Angeles City
61. Port Orchard City
62. Poulsbo City
63. Pullman City
64. Puyallup City
65. Redmond City
66. Renton City
67. Richland City
68. Sammamish City
69. Seatac City
70. Shelton City
71. Shoreline City
72. Skamania County
73. Snohomish City
74. Snoqualmie City
75. Spokane Valley City
76. Stevens County
77. Sumner City
78. Sunnyside City
79. Tukwila City
80. Tumwater City
81. University Place City
82. Walla Walla City
83. Washougal City
84. Wenatchee City
85. West Richland City
86. Woodinville City
87. Yakima City
88. Yakima County

EXHIBIT G

List of Johnson & Johnson Subsidiaries

Johnson & Johnson, a New Jersey corporation, had the U.S. and international subsidiaries shown below as of January 1, 2023. Johnson & Johnson is not a subsidiary of any other entity.

Name of Subsidiary	Jurisdiction
U.S. Subsidiaries:	
ABD Holding Company, Inc.	Delaware
ABIOMED R&D, Inc.	Delaware
ABIOMED, Inc.	Delaware
Acclarent, Inc.	Delaware
Actelion Pharmaceuticals US, Inc.	Delaware
Albany Street LLC	New Jersey
ALZA Corporation	Delaware
Alza Land Management, Inc.	Delaware
AMO Development, LLC	Delaware
AMO Manufacturing USA, LLC	Delaware
AMO Nominee Holdings, LLC	Delaware
AMO Sales and Service, Inc.	Delaware
AMO Spain Holdings, LLC	Delaware
Anakuria Therapeutics, Inc.	Delaware
AorTx, Inc.	Delaware
Aragon Pharmaceuticals, Inc.	Delaware
Asia Pacific Holdings, LLC	New Jersey
Atrionix, Inc.	California
AUB Holdings LLC	Delaware
Auris Health, Inc.	Delaware
BeneVir BioPharm, Inc.	Delaware
BioMedical Enterprises, Inc.	Texas
Biosense Webster, Inc.	California
Breethe, Inc.	Delaware
Centocor Biologics, LLC	Pennsylvania
Centocor Research & Development, Inc.	Pennsylvania
Cerenovus, Inc.	New Jersey
Coherex Medical, Inc.	Delaware
CoTherix Inc.	Delaware
CRES Holdings, Inc.	Delaware
CrossRoads Extremity Systems, LLC	Tennessee

CSATS, Inc.	Washington
DePuy Mitek, LLC	Massachusetts
DePuy Orthopaedics, Inc.	Indiana
DePuy Products, Inc.	Indiana
DePuy Spine, LLC	Ohio
DePuy Synthes Institute, LLC	Delaware
DePuy Synthes Products, Inc.	Delaware
DePuy Synthes Sales, Inc.	Massachusetts
DePuy Synthes, Inc.	Delaware
Dutch Holding LLC	Delaware
ECL7, LLC	Delaware
Ethicon Endo-Surgery, Inc.	Ohio
Ethicon Endo-Surgery, LLC	Delaware
Ethicon LLC	Delaware
Ethicon US, LLC	Texas
Ethicon, Inc.	New Jersey
Hansen Medical International, Inc.	Delaware
Hansen Medical, Inc.	Delaware
I.D. Acquisition Corp.	New Jersey
Janssen BioPharma, LLC	Delaware
Janssen Biotech, Inc.	Pennsylvania
Janssen Global Services, LLC	New Jersey
Janssen Oncology, Inc.	Delaware
Janssen Ortho LLC	Delaware
Janssen Pharmaceuticals, Inc.	Pennsylvania
Janssen Products, LP	New Jersey
Janssen Research & Development, LLC	New Jersey
Janssen Scientific Affairs, LLC	New Jersey
Janssen Supply Group, LLC	Pennsylvania
Janssen-Cilag Manufacturing, LLC	Delaware
Jevco Holding, Inc.	New Jersey
JJHC, LLC	Delaware
JNJ International Investment LLC	Delaware
JNTL (APAC) HoldCo 2 LLC	Delaware
JNTL (APAC) HoldCo LLC	Delaware

JNTL (Japan) HoldCo Inc.	Delaware
JNTL (Middle East) HoldCo LLC	Delaware
JNTL (Thailand) HoldCo LLC	Delaware
JNTL Consumer Health (Services) LLC	Delaware
JNTL HoldCo 2 LLC	Delaware
JNTL HoldCo 3 LLC	Delaware
JNTL HoldCo 4 LLC	Delaware
JNTL HoldCo 5 LLC	Delaware
JNTL HoldCo 6 LLC	Delaware
JNTL HoldCo 7 LLC	Delaware
JNTL HoldCo 8 LLC	Delaware
JNTL HoldCo LLC	Delaware
JNTL Holdings 2, Inc.	Delaware
JNTL Holdings 3, Inc.	Delaware
JNTL Holdings, Inc.	Delaware
Johnson & Johnson	New Jersey
Johnson & Johnson (Middle East) Inc.	New Jersey
Johnson & Johnson (Singapore) Holdco LLC	Delaware
Johnson & Johnson Consumer Inc.	Nevada
Johnson & Johnson Consumer Inc.	New Jersey
Johnson & Johnson Enterprise Innovation Inc.	Delaware
Johnson & Johnson Finance Corporation	New Jersey
Johnson & Johnson Gateway, LLC	New Jersey
Johnson & Johnson Health and Wellness Solutions, Inc.	Michigan
Johnson & Johnson Health Care Systems Inc.	New Jersey
Johnson & Johnson Innovation - JJDC, Inc.	New Jersey
Johnson & Johnson Innovation LLC	Delaware
Johnson & Johnson International	New Jersey
Johnson & Johnson Medical Devices & Diagnostics Group - Latin America, L.L.C.	Florida
Johnson & Johnson S.E., Inc.	New Jersey
Johnson & Johnson Services, Inc.	New Jersey
Johnson & Johnson Surgical Vision, Inc.	Delaware
Johnson & Johnson Urban Renewal Associates	New Jersey

Johnson & Johnson Vision Care, Inc.	Florida
JOM Pharmaceutical Services, Inc.	Delaware
Kenvue Inc.	Delaware
LTL Management LLC	North Carolina
McNeil Consumer Pharmaceuticals Co.	New Jersey
McNeil Healthcare LLC	Delaware
McNeil LA LLC	Delaware
McNEIL MMP, LLC	New Jersey
McNeil Nutritionals, LLC	Delaware
Medical Device Business Services, Inc.	Indiana
Medical Devices & Diagnostics Global Services, LLC	Delaware
Medical Devices International LLC	Delaware
MegaDyne Medical Products, Inc.	Utah
Mentor Partnership Holding Company I, LLC	Delaware
Mentor Texas GP LLC	Delaware
Mentor Texas L.P.	Delaware
Mentor Worldwide LLC	Delaware
Middlesex Assurance Company Limited	Vermont
Momenta Pharmaceuticals, Inc.	Delaware
NeoStrata Company, Inc.	Delaware
Netherlands Holding Company	Delaware
NeuWave Medical, Inc.	Delaware
Novira Therapeutics, LLC	Delaware
NuVera Medical, Inc.	Delaware
OMJ Pharmaceuticals, Inc.	Delaware
Omrix Biopharmaceuticals, Inc.	Delaware
Ortho Biologics LLC	Delaware
Ortho Biotech Holding LLC	Delaware

Patriot Pharmaceuticals, LLC	Pennsylvania
Peninsula Pharmaceuticals, LLC	Delaware
Percivia LLC	Delaware
preCARDIA, Inc.	Delaware
Princeton Laboratories, Inc.	Delaware
Prosidyan, Inc.	Delaware
Pulsar Vascular, Inc.	Delaware
Regency Urban Renewal Associates	New Jersey
Royalty A&M LLC	North Carolina
Rutan Realty LLC	New Jersey
Scios LLC	Delaware
SterilMed, Inc.	Minnesota
Synthes USA Products, LLC	Delaware
Synthes USA, LLC	Delaware
Synthes, Inc.	Delaware
TARIS Biomedical LLC	Delaware
TearScience, Inc.	Delaware
The Anspach Effort, LLC	Florida
The Vision Care Institute, LLC	Florida
Tibotec, LLC	Delaware
Torax Medical, Inc.	Delaware
Verb Surgical Inc.	Delaware
Vogue International LLC	Delaware
WH4110 Development Company, L.L.C.	Georgia
Zarbee's, Inc.	Delaware

International Subsidiaries:	
3Dintegrated ApS	Denmark
Actelion Ltd	Switzerland
Actelion Pharmaceuticals Ltd	Switzerland
Actelion Pharmaceuticals Trading (Shanghai) Co., Ltd.	China
Actelion Treasury Unlimited Company	Ireland

AMO (Hangzhou) Co., Ltd.	China
AMO (Shanghai) Medical Devices Trading Co., Ltd.	China
AMO ASIA LIMITED	Hong Kong
AMO Australia Pty Limited	Australia
AMO Canada Company	Canada
AMO Denmark ApS	Denmark
AMO France	France
AMO Germany GmbH	Germany
AMO Groningen B.V.	Netherlands
AMO International Holdings Unlimited Company	Ireland
AMO Ireland	Cayman Islands
AMO Italy SRL	Italy
AMO Japan K.K.	Japan
AMO Netherlands BV	Netherlands
AMO Norway AS	Norway
AMO Puerto Rico Manufacturing, Inc.	Cayman Islands
AMO Singapore Pte. Ltd.	Singapore
AMO Switzerland GmbH	Switzerland
AMO United Kingdom, Ltd.	United Kingdom
AMO Uppsala AB	Sweden
Apsis	France
Backsvalan 6 Handelsbolag	Sweden
Beijing Dabao Cosmetics Co., Ltd.	China
Berna Rhein B.V.	Netherlands
Biosense Webster (Israel) Ltd.	Israel
C Consumer Products Denmark ApS	Denmark
Carlo Erba OTC S.r.l.	Italy
ChromaGenics B.V.	Netherlands

Ci:z. Labo Co., Ltd.	Japan
Cilag AG	Switzerland
Cilag GmbH International	Switzerland
Cilag Holding AG	Switzerland
Cilag Holding Treasury Unlimited Company	Ireland
Cilag-Biotech, S.L.	Spain
ColBar LifeScience Ltd.	Israel
Cordis de Mexico, S.A. de C.V.	Mexico
Corimmun GmbH	Germany
Debs-Vogue Corporation (Proprietary) Limited	South Africa
DePuy Hellas SA	Greece
DePuy International Limited	United Kingdom
DePuy Ireland Unlimited Company	Ireland
DePuy Mexico, S.A. de C.V.	Mexico
EES Holdings de Mexico, S. de R.L. de C.V.	Mexico
EES, S.A. de C.V.	Mexico
EIT Emerging Implant Technologies GmbH	Germany
Ethicon Endo-Surgery (Europe) GmbH	Germany
Ethicon Sarl	Switzerland
Ethicon Women's Health & Urology Sarl	Switzerland
Ethnor (Proprietary) Limited	South Africa
Ethnor del Istmo S.A.	Panama
Ethnor Farmaceutica, S.A.	Venezuela, Bolivarian Republic of
Finsbury (Development) Limited	United Kingdom
Finsbury (Instruments) Limited	United Kingdom
Finsbury Medical Limited	United Kingdom
Finsbury Orthopaedics International Limited	United Kingdom
Finsbury Orthopaedics Limited	United Kingdom

FMS Future Medical System SA	Switzerland
GATT Technologies B.V.	Netherlands
GH Biotech Holdings Limited	Ireland
Global Investment Participation B.V.	Netherlands
GMED Healthcare BV	Belgium
Guangzhou Bioseal Biotech Co., Ltd.	China
Hansen Medical Deutschland GmbH	Germany
Hansen Medical UK Limited	United Kingdom
Healthcare Services (Shanghai) Ltd.	China
Innomedic Gesellschaft für innovative Medizintechnik und Informatik mbH	Germany
J & J Company West Africa Limited	Nigeria
J&J Argentina S.A.	Argentina
J&J Pension Trustees Limited	United Kingdom
J&J Productos Medicos & Farmaceuticos del Peru S.A.	Peru
J.C. General Services BV	Belgium
Janssen Biologics (Ireland) Limited	Ireland
Janssen Biologics B.V.	Netherlands
Janssen Cilag Farmaceutica S.A.	Argentina
Janssen Cilag S.p.A.	Italy
Janssen Cilag SPA	Algeria
Janssen Cilag, C.A.	Venezuela, Bolivarian Republic of
Janssen Development Finance Unlimited Company	Ireland
Janssen Egypt LLC	Egypt
Janssen Farmaceutica Portugal Lda	Portugal
Janssen France Treasury Unlimited Company	France
Janssen Holding GmbH	Switzerland
Janssen Inc.	Canada
Janssen Irish Finance Unlimited Company	Ireland

Janssen Japan Treasury Unlimited Company	Japan
Janssen Korea Ltd.	Korea, Republic of
Janssen Mexico Treasury Unlimited Company	Ireland
Janssen Pharmaceutica (Proprietary) Limited	South Africa
Janssen Pharmaceutica NV	Belgium
Janssen Pharmaceutica S.A.	Peru
Janssen Pharmaceutical K.K.	Japan
Janssen Pharmaceutical Sciences Unlimited Company	Ireland
Janssen Pharmaceutical Unlimited Company	Ireland
Janssen R&D Ireland Unlimited Company	Ireland
Janssen Sciences Ireland Unlimited Company	Ireland
Janssen Vaccines & Prevention B.V.	Netherlands
Janssen Vaccines Corp.	Korea, Republic of
Janssen-Cilag	France
Janssen-Cilag (New Zealand) Limited	New Zealand
Janssen-Cilag A/S	Denmark
Janssen-Cilag AG	Switzerland
Janssen-Cilag Aktiebolag	Sweden
Janssen-Cilag AS	Norway
Janssen-Cilag B.V.	Netherlands
Janssen-Cilag d.o.o. Beograd	Serbia
Janssen-Cilag de Mexico S. de R.L. de C.V.	Mexico
Janssen-Cilag Farmaceutica Lda.	Portugal
Janssen-Cilag Farmaceutica Ltda.	Brazil
Janssen-Cilag GmbH	Germany
Janssen-Cilag International NV	Belgium
Janssen-Cilag Kft.	Hungary
Janssen-Cilag Limited	United Kingdom

Janssen-Cilag Limited	Thailand
Janssen-Cilag NV	Belgium
Janssen-Cilag OY	Finland
Janssen-Cilag Pharma GmbH	Austria
Janssen-Cilag Pharmaceutical S.A.C.I.	Greece
Janssen-Cilag Polska, Sp. z o.o.	Poland
Janssen-Cilag Pty Ltd	Australia
Janssen-Cilag S.A.	Colombia
Janssen-Cilag s.r.o.	Czech Republic
Janssen-Cilag, S.A.	Spain
Janssen-Cilag, S.A. de C.V.	Mexico
Janssen-Pharma, S.L.	Spain
J-C Health Care Ltd.	Israel
JJ Surgical Vision Spain, S.L.	Spain
JJC Acquisition Company B.V.	Netherlands
JJSV Belgium BV	Belgium
JJSV Manufacturing Malaysia SDN. BHD.	Malaysia
JJSV Norden AB	Sweden
JJSV Produtos Oticos Ltda.	Brazil
JNJ Global Business Services s.r.o.	Czech Republic
JNJ Holding EMEA B.V.	Netherlands
JNTL (APAC) HoldCo 3 Pte. Ltd.	Singapore
JNTL (APAC) HoldCo Pte. Ltd.	Singapore
JNTL (Malaysia) Sdn. Bhd.	Malaysia
JNTL (Puerto Rico) HoldCo GmbH	Switzerland
JNTL (Shanghai) Investment Co., Ltd.	China
JNTL (Switzerland) HoldCo GmbH	Switzerland
JNTL (UK) HoldCo Limited	United Kingdom

JNTL Consumer Health (Vietnam) Co. Ltd.	Vietnam
JNTL Consumer Health (Belgium) BV	Belgium
JNTL Consumer Health (Brazil) Ltda.	Brazil
JNTL Consumer Health (Czech Republic) s.r.o.	Czech Republic
JNTL Consumer Health (Dominican Republic), S.A.S.	Dominican Republic
JNTL Consumer Health (Finland) Oy	Finland
JNTL Consumer Health (France) SAS	France
JNTL Consumer Health (Hungary) Kft	Hungary
JNTL Consumer Health (India) Private Limited	India
JNTL Consumer Health (New Zealand) Limited	New Zealand
JNTL Consumer Health (Norway) AS	Norway
JNTL Consumer Health (Philippines) Inc.	Philippines
JNTL Consumer Health (Poland) sp. z o.o.	Poland
JNTL Consumer Health (Portugal) Limitada	Portugal
JNTL Consumer Health (Slovakia), s.r.o.	Slovakia
JNTL Consumer Health (Spain), S.L.	Spain
JNTL Consumer Health (Taiwan) Limited	Taiwan (Province of China)
JNTL Consumer Health General Services BV	Belgium
JNTL Consumer Health I (Ireland) Limited	Ireland
JNTL Consumer Health I (Switzerland) GmbH	Switzerland
JNTL Consumer Health II (Switzerland) GmbH	Switzerland
JNTL Consumer Health LLC	Egypt
JNTL Consumer Health Mexico, S. de R.L. de C.V.	Mexico
JNTL Consumer Health Middle East FZ-LLC	United Arab Emirates

JNTL Holdings B.V.	Netherlands
JNTL Ireland HoldCo 2 B.V.	Netherlands
JNTL Netherlands HoldCo B.V.	Netherlands
JNTL Turkey Tüketici Sağlığı Limited Şirketi	Turkey
Johnson & Johnson - Societa' Per Azioni	Italy
Johnson & Johnson (Angola), Limitada	Angola
Johnson & Johnson (Australia) Pty Ltd	Australia
Johnson & Johnson (Canada) Inc.	Canada
Johnson & Johnson (China) Investment Ltd.	China
Johnson & Johnson (Ecuador) S.A.	Ecuador
Johnson & Johnson (Egypt) S.A.E.	Egypt
Johnson & Johnson (Hong Kong) Limited	Hong Kong
Johnson & Johnson (Ireland) Limited	Ireland
Johnson & Johnson (Jamaica) Limited	Jamaica
Johnson & Johnson (Kenya) Limited	Kenya
Johnson & Johnson (Mozambique), Limitada	Mozambique
Johnson & Johnson (Namibia) (Proprietary) Limited	Namibia
Johnson & Johnson (New Zealand) Limited	New Zealand

Johnson & Johnson (Philippines), Inc.	Philippines
Johnson & Johnson (Private) Limited	Zimbabwe
Johnson & Johnson (Thailand) Ltd.	Thailand
Johnson & Johnson (Trinidad) Limited	Trinidad and Tobago
Johnson & Johnson (Vietnam) Co., Ltd	Vietnam
Johnson & Johnson AB	Sweden
Johnson & Johnson AG	Switzerland
Johnson & Johnson Bulgaria EOOD	Bulgaria
Johnson & Johnson China Ltd.	China
Johnson & Johnson Consumer (Hong Kong) Limited	Hong Kong
Johnson & Johnson Consumer (Thailand) Limited	Thailand
Johnson & Johnson Consumer B.V.	Netherlands
Johnson & Johnson Consumer Holdings France	France
Johnson & Johnson Consumer NV	Belgium
Johnson & Johnson Consumer Saudi Arabia Limited	Saudi Arabia
Johnson & Johnson Consumer Services EAME Ltd.	United Kingdom
Johnson & Johnson d.o.o.	Slovenia
Johnson & Johnson de Argentina S.A.C. e. I.	Argentina
Johnson & Johnson de Chile S.A.	Chile
Johnson & Johnson de Colombia S.A.	Colombia
Johnson & Johnson de Mexico, S.A. de C.V.	Mexico
Johnson & Johnson de Uruguay S.A.	Uruguay
Johnson & Johnson de Venezuela, S.A.	Venezuela, Bolivarian Republic of
Johnson & Johnson del Ecuador, S.A.	Ecuador
Johnson & Johnson Del Paraguay, S.A.	Paraguay
Johnson & Johnson del Peru S.A.	Peru
Johnson & Johnson do Brasil Industria E Comercio de Produtos Para Saude Ltda.	Brazil
Johnson & Johnson Dominicana, S.A.S.	Dominican Republic
Johnson & Johnson European Treasury Unlimited Company	Ireland

Johnson & Johnson Finance Limited	United Kingdom
Johnson & Johnson Financial Services GmbH	Germany
Johnson & Johnson for Export and Import LLC	Egypt
Johnson & Johnson Gesellschaft m.b.H.	Austria
Johnson & Johnson GmbH	Germany
Johnson & Johnson GT, Sociedad Anónima	Guatemala
Johnson & Johnson Guatemala, S.A.	Guatemala
Johnson & Johnson Hellas Commercial and Industrial S.A.	Greece
Johnson & Johnson Hellas Consumer Products Commercial Societe Anonyme	Greece
Johnson & Johnson Hemisferica S.A.	Puerto Rico
Johnson & Johnson Holding GmbH	Germany
Johnson & Johnson Holdings (Austria) GmbH	Austria
Johnson & Johnson Inc.	Canada
Johnson & Johnson Industrial Ltda.	Brazil
Johnson & Johnson Innovation Limited	United Kingdom

Johnson & Johnson International (Singapore) Pte. Ltd.	Singapore
Johnson & Johnson International Financial Services Unlimited Company	Ireland
Johnson & Johnson Irish Finance Company Limited	Ireland
Johnson & Johnson K.K.	Japan
Johnson & Johnson Kft.	Hungary
Johnson & Johnson Korea Selling & Distribution LLC	Korea, Republic of
Johnson & Johnson Korea, Ltd.	Korea, Republic of
Johnson & Johnson Limited	United Kingdom
Johnson & Johnson LLC	Russian Federation
Johnson & Johnson Luxembourg Finance Company Sarl	Luxembourg
Johnson & Johnson Management Limited	United Kingdom
Johnson & Johnson Medical (China) Ltd.	China
Johnson & Johnson Medical (Proprietary) Ltd	South Africa
Johnson & Johnson Medical (Shanghai) Ltd.	China
Johnson & Johnson Medical (Suzhou) Ltd.	China
Johnson & Johnson Medical B.V.	Netherlands
Johnson & Johnson Medical GmbH	Germany

Johnson & Johnson Medical Greece Single Member S.A.	Greece
Johnson & Johnson Medical Korea Ltd.	Korea, Republic of
Johnson & Johnson Medical Limited	United Kingdom
Johnson & Johnson Medical Mexico, S.A. de C.V.	Mexico
Johnson & Johnson Medical NV	Belgium
Johnson & Johnson Medical Products GmbH	Austria
Johnson & Johnson Medical Pty Ltd	Australia
Johnson & Johnson Medical S.A.	Argentina
Johnson & Johnson Medical S.p.A.	Italy
Johnson & Johnson Medical SAS	France
Johnson & Johnson Medical Saudi Arabia Limited	Saudi Arabia
Johnson & Johnson Medical Taiwan Ltd.	Taiwan (Province of China)
Johnson & Johnson Medical, S.C.S.	Venezuela, Bolivarian Republic of
Johnson & Johnson Medikal Sanayi ve Ticaret Limited Sirketi	Turkey
Johnson & Johnson MedTech (Thailand) Ltd.	Thailand
Johnson & Johnson Medtech Colombia S.A.S.	Colombia
Johnson & Johnson Middle East FZ-LLC	United Arab Emirates
Johnson & Johnson Morocco Societe Anonyme	Morocco
Johnson & Johnson Nordic AB	Sweden
Johnson & Johnson Pacific Pty Limited	Australia
Johnson & Johnson Pakistan (Private) Limited	Pakistan
Johnson & Johnson Panama, S.A.	Panama
Johnson & Johnson Personal Care (Chile) S.A.	Chile
Johnson & Johnson Pharmaceutical Ltd.	China
Johnson & Johnson Poland Sp. z o.o.	Poland
Johnson & Johnson Private Limited	India
Johnson & Johnson Pte. Ltd.	Singapore

Johnson & Johnson Pty. Limited	Australia
Johnson & Johnson Romania S.R.L.	Romania
Johnson & Johnson S.E. d.o.o.	Croatia
Johnson & Johnson Sante Beaute France	France
Johnson & Johnson SDN. BHD.	Malaysia
Johnson & Johnson Surgical Vision India Private Limited	India
Johnson & Johnson Taiwan Ltd.	Taiwan (Province of China)
Johnson & Johnson UK Treasury Company Limited	United Kingdom
Johnson & Johnson Ukraine LLC	Ukraine
Johnson & Johnson Vision Care (Australia) Pty Ltd	Australia
Johnson & Johnson Vision Care (Shanghai) Ltd.	China
Johnson & Johnson Vision Care Ireland Unlimited Company	Ireland
Johnson & Johnson Vision Korea, Ltd.	Korea, Republic of
Johnson & Johnson, Lda	Portugal
Johnson & Johnson, S.A.	Spain
Johnson & Johnson, S.A. de C.V.	Mexico
Johnson & Johnson, s.r.o.	Slovakia
Johnson & Johnson, s.r.o.	Czech Republic

Johnson and Johnson (Proprietary) Limited	South Africa
Johnson and Johnson Sihhi Malzeme Sanayi Ve Ticaret Limited Sirketi	Turkey
Johnson Y Johnson de Costa Rica, S.A.	Costa Rica
La Concha Land Investment Corporation	Philippines
McNeil AB	Sweden
McNeil Denmark ApS	Denmark
McNeil Healthcare (Ireland) Limited	Ireland
McNeil Healthcare (UK) Limited	United Kingdom
McNeil Iberica S.L.U.	Spain
McNeil Panama, LLC	Panama
McNeil Products Limited	United Kingdom
McNeil Sweden AB	Sweden
Medos International Sarl	Switzerland
Medos Sarl	Switzerland
Menlo Care De Mexico, S.A. de C.V.	Mexico
Mentor B.V.	Netherlands
Mentor Deutschland GmbH	Germany
Mentor Medical Systems B.V.	Netherlands
Momenta Ireland Limited	Ireland
NeoStrata UG (haftungsbeschränkt)	Germany
Neuravi Limited	Ireland
Obtech Medical Mexico, S.A. de C.V.	Mexico
OBTECH Medical Sarl	Switzerland
OGX Beauty Limited	United Kingdom
OMJ Holding GmbH	Switzerland
Omrix Biopharmaceuticals Ltd.	Israel
Omrix Biopharmaceuticals NV	Belgium
Orthospin Ltd.	Israel
Orthotaxy	France
Pharmadirect Ltd.	Canada
Pharmedica Laboratories (Proprietary) Limited	South Africa
Productos de Cuidado Personal y de La Salud de Bolivia S.R.L.	Bolivia
Proleader S.A.	Uruguay

PT Integrated Healthcare Indonesia	Indonesia
PT Johnson & Johnson Indonesia	Indonesia
PT Johnson and Johnson Indonesia Two	Indonesia
RespiVert Ltd.	United Kingdom
Review Manager Test Entity 2	France
Serhum S.A. de C.V.	Mexico
Shanghai Elsker Mother & Baby Co., Ltd	China
Shanghai Johnson & Johnson Ltd.	China
Shanghai Johnson & Johnson Pharmaceuticals Ltd.	China
Sodiac ESV	Belgium
Spectrum Vision Limited Liability Company	Russian Federation
Spectrum Vision Limited Liability Company	Ukraine
Spectrum Vision Limited Liability Partnership	Kazakhstan
Surgical Process Institute Deutschland GmbH	Germany
Synthes Costa Rica S.C.R., Limitada	Costa Rica
SYNTHES GmbH	Germany
Synthes GmbH	Switzerland
Synthes Holding AG	Switzerland
Synthes Holding Limited	United Arab Emirates
SYNTHES Medical Immobilien GmbH	Germany
Synthes Medical Surgical Equipment & Instruments Trading LLC	United Arab Emirates
Synthes Produktions GmbH	Switzerland
Synthes Proprietary Limited	South Africa
Synthes S.M.P., S. de R.L. de C.V.	Mexico
Synthes Tuttlingen GmbH	Germany
UAB "Johnson & Johnson"	Lithuania
Vania Expansion	France
Vision Care Finance Unlimited Company	Ireland
Xian Janssen Pharmaceutical Ltd.	China
XO1 Limited	United Kingdom

EXHIBIT H

One Washington Memorandum of Understanding between the Washington Municipalities

ONE WASHINGTON MEMORANDUM OF UNDERSTANDING BETWEEN WASHINGTON MUNICIPALITIES

Whereas, the people of the State of Washington and its communities have been harmed by entities within the Pharmaceutical Supply Chain who manufacture, distribute, and dispense prescription opioids;

Whereas, certain Local Governments, through their elected representatives and counsel, are engaged in litigation seeking to hold these entities within the Pharmaceutical Supply Chain of prescription opioids accountable for the damage they have caused to the Local Governments;

Whereas, Local Governments and elected officials share a common desire to abate and alleviate the impacts of harms caused by these entities within the Pharmaceutical Supply Chain throughout the State of Washington, and strive to ensure that principals of equity and equitable service delivery are factors considered in the allocation and use of Opioid Funds; and

Whereas, certain Local Governments engaged in litigation and the other cities and counties in Washington desire to agree on a form of allocation for Opioid Funds they receive from entities within the Pharmaceutical Supply Chain.

Now therefore, the Local Governments enter into this Memorandum of Understanding ("MOU") relating to the allocation and use of the proceeds of Settlements described.

A. Definitions

As used in this MOU:

1. "Allocation Regions" are the same geographic areas as the existing nine (9) Washington State Accountable Community of Health (ACH) Regions and have the purpose described in Section C below.

2. "Approved Purpose(s)" shall mean the strategies specified and set forth in the Opioid Abatement Strategies attached as Exhibit A.

3. "Effective Date" shall mean the date on which a court of competent jurisdiction enters the first Settlement by order or consent decree. The Parties anticipate that more than one Settlement will be administered according to the terms of this MOU, but that the first entered Settlement will trigger allocation of Opioid Funds in accordance with Section B herein, and the formation of the Opioid Abatement Councils in Section C.

4. "Litigating Local Government(s)" shall mean Local Governments that filed suit against any Pharmaceutical Supply Chain Participant pertaining to the Opioid epidemic prior to September 1, 2020.

5. “Local Government(s)” shall mean all counties, cities, and towns within the geographic boundaries of the State of Washington.

6. “National Settlement Agreements” means the national opioid settlement agreements dated July 21, 2021 involving Johnson & Johnson, and distributors AmerisourceBergen, Cardinal Health and McKesson as well as their subsidiaries, affiliates, officers, and directors named in the National Settlement Agreements, including all amendments thereto.

7. “Opioid Funds” shall mean monetary amounts obtained through a Settlement as defined in this MOU.

8. “Opioid Abatement Council” shall have the meaning described in Section C below.

9. “Participating Local Government(s)” shall mean all counties, cities, and towns within the geographic boundaries of the State that have chosen to sign on to this MOU. The Participating Local Governments may be referred to separately in this MOU as “Participating Counties” and “Participating Cities and Towns” (or “Participating Cities or Towns,” as appropriate) or “Parties.”

10. “Pharmaceutical Supply Chain” shall mean the process and channels through which controlled substances are manufactured, marketed, promoted, distributed, and/or dispensed, including prescription opioids.

11. “Pharmaceutical Supply Chain Participant” shall mean any entity that engages in or has engaged in the manufacture, marketing, promotion, distribution, and/or dispensing of a prescription opioid, including any entity that has assisted in any of the above.

12. “Qualified Settlement Fund Account,” or “QSF Account,” shall mean an account set up as a qualified settlement fund, 468b fund, as authorized by Treasury Regulations 1.468B-1(c) (26 CFR §1.468B-1).

13. “Regional Agreements” shall mean the understanding reached by the Participating Local Counties and Cities within an Allocation Region governing the allocation, management, distribution of Opioid Funds within that Allocation Region.

14. “Settlement” shall mean the future negotiated resolution of legal or equitable claims against a Pharmaceutical Supply Chain Participant when that resolution has been jointly entered into by the Participating Local Governments. “Settlement” expressly does not include a plan of reorganization confirmed under Title 11of the United States Code, irrespective of the extent to which Participating Local Governments vote in favor of or otherwise support such plan of reorganization.

15. "Trustee" shall mean an independent trustee who shall be responsible for the ministerial task of releasing Opioid Funds from a QSF account to Participating Local Governments as authorized herein and accounting for all payments into or out of the trust.

16. The "Washington State Accountable Communities of Health" or "ACH" shall mean the nine (9) regions described in Section C below.

B. Allocation of Settlement Proceeds for Approved Purposes

1. All Opioid Funds shall be held in a QSF and distributed by the Trustee, for the benefit of the Participating Local Governments, only in a manner consistent with this MOU. Distribution of Opioid Funds will be subject to the mechanisms for auditing and reporting set forth below to provide public accountability and transparency.

2. All Opioid Funds, regardless of allocation, shall be utilized pursuant to Approved Purposes as defined herein and set forth in Exhibit A. Compliance with this requirement shall be verified through reporting, as set out in this MOU.

3. The division of Opioid Funds shall first be allocated to Participating Counties based on the methodology utilized for the Negotiation Class in *In Re: National Prescription Opiate Litigation*, United States District Court for the Northern District of Ohio, Case No. 1:17-md-02804-DAP. The allocation model uses three equally weighted factors: (1) the amount of opioids shipped to the county; (2) the number of opioid deaths that occurred in that county; and (3) the number of people who suffer opioid use disorder in that county. The allocation percentages that result from application of this methodology are set forth in the "County Total" line item in Exhibit B. In the event any county does not participate in this MOU, that county's percentage share shall be reallocated proportionally amongst the Participating Counties by applying this same methodology to only the Participating Counties.

4. Allocation and distribution of Opioid Funds within each Participating County will be based on regional agreements as described in Section C.

C. Regional Agreements

1. For the purpose of this MOU, the regional structure for decision-making related to opioid fund allocation will be based upon the nine (9) pre-defined Washington State Accountable Community of Health Regions (Allocation Regions). Reference to these pre-defined regions is solely for the purpose of

drawing geographic boundaries to facilitate regional agreements for use of Opioid Funds. The Allocation Regions are as follows:

- King County (Single County Region)
- Pierce County (Single County Region)
- Olympic Community of Health Region (Clallam, Jefferson, and Kitsap Counties)
- Cascade Pacific Action Alliance Region (Cowlitz, Grays Harbor, Lewis, Mason, Pacific, Thurston, and Wahkiakum Counties)
- North Sound Region (Island, San Juan, Skagit, Snohomish, and Whatcom Counties)
- SouthWest Region (Clark, Klickitat, and Skamania Counties)
- Greater Columbia Region (Asotin, Benton, Columbia, Franklin, Garfield, Kittitas, Walla Walla, Whitman, and Yakima Counties)
- Spokane Region (Adams, Ferry, Lincoln, Pend Oreille, Spokane, and Stevens Counties)
- North Central Region (Chelan, Douglas, Grant, and Okanogan Counties)

2. Opioid Funds will be allocated, distributed and managed within each Allocation Region, as determined by its Regional Agreement as set forth below. If an Allocation Region does not have a Regional Agreement enumerated in this MOU, and does not subsequently adopt a Regional Agreement per Section C.5, the default mechanism for allocation, distribution and management of Opioid Funds described in Section C.4.a will apply. Each Allocation Region must have an OAC whose composition and responsibilities shall be defined by Regional Agreement or as set forth in Section C.4.

3. King County's Regional Agreement is reflected in Exhibit C to this MOU.

4. All other Allocation Regions that have not specified a Regional Agreement for allocating, distributing and managing Opioid Funds, will apply the following default methodology:

a. Opioid Funds shall be allocated within each Allocation Region by taking the allocation for a Participating County from Exhibit B and apportioning those funds between that Participating County and its Participating Cities and Towns. Exhibit B also sets forth the allocation to the Participating Counties and the Participating Cities or Towns within the Counties based on a default allocation formula. As set forth above in Section B.3, to determine the allocation to a county, this formula utilizes: (1) the amount of opioids shipped to the county; (2) the number of opioid deaths that occurred in that county; and (3) the number of people who suffer opioid use disorder in that county. To determine the allocation within a county, the formula utilizes historical federal data showing how the specific Counties and the Cities and Towns within the Counties have made opioids epidemic-related expenditures in the past. This is the same methodology used in the National Settlement Agreements for county and intra-county allocations. A Participating County, and the Cities and Towns within it may enter into a separate intra-county allocation agreement to modify how the Opioid Funds are allocated amongst themselves, provided the modification is in writing and agreed to by all Participating Local Governments in the County. Such an agreement shall not modify any of the other terms or requirements of this MOU.

b. 10% of the Opioid Funds received by the Region will be reserved, on an annual basis, for administrative costs related to the OAC. The OAC will provide an annual accounting for actual costs and any reserved funds that exceed actual costs will be reallocated to Participating Local Governments within the Region.

c. Cities and towns with a population of less than 10,000 shall be excluded from the allocation, with the exception of cities and towns that are Litigating Participating Local Governments. The portion of the Opioid Funds that would have been allocated to a city or town with a population of less than 10,000 that is not a Litigating Participating Local Government shall be redistributed to Participating Counties in the manner directed in C.4.a above.

d. Each Participating County, City, or Town may elect to have its share re-allocated to the OAC in which it is located. The OAC will then utilize this share for the benefit of Participating Local Governments within that Allocation Region, consistent with the Approved Purposes set forth in Exhibit A. A Participating Local Government's election to forego its allocation of Opioid Funds shall apply to all future allocations unless the Participating Local Government notifies its respective OAC otherwise. If a Participating Local Government elects to forego its allocation of the Opioid Funds, the Participating Local Government shall be excused from the reporting requirements set forth in this Agreement.

e. Participating Local Governments that receive a direct payment maintain full discretion over the use and distribution of their allocation of Opioid Funds, provided the Opioid Funds are used solely for Approved Purposes. Reasonable administrative costs for a Participating Local Government to administer its allocation of Opioid Funds shall not exceed actual costs or 10% of the Participating Local Government's allocation of Opioid Funds, whichever is less.

f. A Local Government that chooses not to become a Participating Local Government will not receive a direct allocation of Opioid Funds. The portion of the Opioid Funds that would have been allocated to a Local Government that is not a Participating Local Government shall be redistributed to Participating Counties in the manner directed in C.4.a above.

g. As a condition of receiving a direct payment, each Participating Local Government that receives a direct payment agrees to undertake the following actions:

i. Developing a methodology for obtaining proposals for use of Opioid Funds.

ii. Ensuring there is opportunity for community-based input on priorities for Opioid Fund programs and services.

iii. Receiving and reviewing proposals for use of Opioid Funds for Approved Purposes.

iv. Approving or denying proposals for use of Opioid Funds for Approved Purposes.

v. Receiving funds from the Trustee for approved proposals and distributing the Opioid Funds to the recipient.

vi. Reporting to the OAC and making publicly available all decisions on Opioid Fund allocation applications, distributions and expenditures.

h. Prior to any distribution of Opioid Funds within the Allocation Region, The Participating Local Governments must establish an Opioid Abatement Council (OAC) to oversee Opioid Fund allocation, distribution, expenditures and dispute resolution. The OAC may be a preexisting regional body or may be a new body created for purposes of executing the obligations of this MOU.

i. The OAC for each Allocation Region shall be composed of representation from both Participating Counties and Participating Towns or Cities within the Region. The method of selecting members, and the terms for which they will serve will be determined by the Allocation Region's Participating Local Governments. All persons who serve on the OAC must have work or educational experience pertaining to one or more Approved Uses.

j. The Regional OAC will be responsible for the following actions:

i. Overseeing distribution of Opioid Funds from Participating Local Governments to programs and services within the Allocation Region for Approved Purposes.

ii. Annual review of expenditure reports from Participating Local Jurisdictions within the Allocation Region for compliance with Approved Purposes and the terms of this MOU and any Settlement.

iii. In the case where Participating Local Governments chose to forego their allocation of Opioid Funds:

(i) Approving or denying proposals by Participating Local Governments or community groups to the OAC for use of Opioid Funds within the Allocation Region.
(ii) Directing the Trustee to distribute Opioid Funds for use by Participating Local Governments or community groups whose proposals are approved by the OAC.
(iii) Administrating and maintaining records of all OAC decisions and distributions of Opioid Funds.

iv. Reporting and making publicly available all decisions on Opioid Fund allocation applications, distributions and expenditures by the OAC or directly by Participating Local Governments.

v. Developing and maintaining a centralized public dashboard or other repository for the publication of expenditure data from any Participating Local Government that receives Opioid Funds, and for expenditures by the OAC in that Allocation Region, which it shall update at least annually.

vi. If necessary, requiring and collecting additional outcome-related data from Participating Local Governments to evaluate the use of Opioid Funds, and all Participating Local Governments shall comply with such requirements.

vii. Hearing complaints by Participating Local Governments within the Allocation Region regarding alleged failure to (1) use Opioid Funds for Approved Purposes or (2) comply with reporting requirements.

5. Participating Local Governments may agree and elect to share, pool, or collaborate with their respective allocation of Opioid Funds in any manner they choose by adopting a Regional Agreement, so long as such sharing, pooling, or collaboration is used for Approved Purposes and complies with the terms of this MOU and any Settlement.

6. Nothing in this MOU should alter or change any Participating Local Government's rights to pursue its own claim. Rather, the intent of this MOU is to join all parties who wish to be Participating Local Governments to agree upon an allocation formula for any Opioid Funds from any future binding Settlement with one or more Pharmaceutical Supply Chain Participants for all Local Governments in the State of Washington.

7. If any Participating Local Government disputes the amount it receives from its allocation of Opioid Funds, the Participating Local Government shall alert its respective OAC within sixty (60) days of discovering the information underlying the dispute. Failure to alert its OAC within this time frame shall not constitute a waiver of the Participating Local Government's right to seek recoupment of any deficiency in its allocation of Opioid Funds.

8. If any OAC concludes that a Participating Local Government's expenditure of its allocation of Opioid Funds did not comply with the Approved Purposes listed in Exhibit A, or the terms of this MOU, or that the Participating Local Government otherwise misused its allocation of Opioid Funds, the OAC may take remedial action against the alleged offending Participating Local Government. Such remedial action is left to the discretion of the OAC and may include withholding future Opioid Funds owed to the offending Participating Local Government or requiring the offending Participating Local Government to reimburse improperly expended Opioid Funds back to the OAC to be re-allocated to the remaining Participating Local Governments within that Region.

9. All Participating Local Governments and OAC shall maintain all records related to the receipt and expenditure of Opioid Funds for no less than five (5) years and shall make such records available for review by any other Participating Local Government or OAC, or the public. Records requested by the public shall be produced in accordance with Washington's Public Records Act RCW 42.56.001 *et seq*. Records requested by another Participating Local Government or an OAC shall be produced within twenty-one (21) days of the date the record request was received. This requirement does not supplant any Participating Local Government or OAC's obligations under Washington's Public Records Act RCW 42.56.001 *et seq*.

D. Payment of Counsel and Litigation Expenses

1. The Litigating Local Governments have incurred attorneys' fees and litigation expenses relating to their prosecution of claims against the Pharmaceutical Supply Chain Participants, and this prosecution has inured to the benefit of all Participating Local Governments. Accordingly, a Washington

Government Fee Fund ("GFF") shall be established that ensures that all Parties that receive Opioid Funds contribute to the payment of fees and expenses incurred to prosecute the claims against the Pharmaceutical Supply Chain Participants, regardless of whether they are litigating or non-litigating entities.

2. The amount of the GFF shall be based as follows: the funds to be deposited in the GFF shall be equal to 15% of the total cash value of the Opioid Funds.

3. The maximum percentage of any contingency fee agreement permitted for compensation shall be 15% of the portion of the Opioid Funds allocated to the Litigating Local Government that is a party to the contingency fee agreement, plus expenses attributable to that Litigating Local Government. Under no circumstances may counsel collect more for its work on behalf of a Litigating Local Government than it would under its contingency agreement with that Litigating Local Government.

4. Payments from the GFF shall be overseen by a committee (the "Opioid Fee and Expense Committee") consisting of one representative of the following law firms: (a) Keller Rohrback L.LP.; (b) Hagens Berman Sobol Shapiro LLP; (c) Goldfarb & Huck Roth Riojas, PLLC; and (d) Napoli Shkolnik PLLC. The role of the Opioid Fee and Expense Committee shall be limited to ensuring that the GFF is administered in accordance with this Section.

5. In the event that settling Pharmaceutical Supply Chain Participants do not pay the fees and expenses of the Participating Local Governments directly at the time settlement is achieved, payments to counsel for Participating Local Governments shall be made from the GFF over not more than three years, with 50% paid within 12 months of the date of Settlement and 25% paid in each subsequent year, or at the time the total Settlement amount is paid to the Trustee by the Defendants, whichever is sooner.

6. Any funds remaining in the GFF in excess of: (i) the amounts needed to cover Litigating Local Governments' private counsel's representation agreements, and (ii) the amounts needed to cover the common benefit tax discussed in Section C.8 below (if not paid directly by the Defendants in connection with future settlement(s), shall revert to the Participating Local Governments *pro rata* according to the percentages set forth in Exhibits B, to be used for Approved Purposes as set forth herein and in Exhibit A.

7. In the event that funds in the GFF are not sufficient to pay all fees and expenses owed under this Section, payments to counsel for all Litigating Local Governments shall be reduced on a *pro rata* basis. The Litigating Local Governments will not be responsible for any of these reduced amounts.

8. The Parties anticipate that any Opioid Funds they receive will be subject to a common benefit "tax" imposed by the court in *In Re: National Prescription Opiate Litigation*, United States District Court for the Northern District of Ohio, Case No. 1:17-md-02804-DAP ("Common Benefit Tax"). If this occurs, the Participating Local Governments shall first seek to have the settling defendants pay the Common Benefit Tax. If the settling defendants do not agree to pay the Common Benefit Tax, then the Common Benefit Tax shall be paid from the Opioid Funds and by both litigating and non-litigating Local Governments. This payment shall occur prior to allocation and distribution of funds to the Participating Local Governments. In the event that GFF is not fully exhausted to pay the Litigating Local Governments' private counsel's representation agreements, excess funds in the GFF shall be applied to pay the Common Benefit Tax (if any).

E. General Terms

1. If any Participating Local Government believes another Participating Local Government, not including the Regional Abatement Advisory Councils, violated the terms of this MOU, the alleging Participating Local Government may seek to enforce the terms of this MOU in the court in which any applicable Settlement(s) was entered, provided the alleging Participating Local Government first provides the alleged offending Participating Local Government notice of the alleged violation(s) and a reasonable opportunity to cure the alleged violation(s). In such an enforcement action, any alleging Participating Local Government or alleged offending Participating Local Government may be represented by their respective public entity in accordance with Washington law.

2. Nothing in this MOU shall be interpreted to waive the right of any Participating Local Government to seek judicial relief for conduct occurring outside the scope of this MOU that violates any Washington law. In such an action, the alleged offending Participating Local Government, including the Regional Abatement Advisory Councils, may be represented by their respective public entities in accordance with Washington law. In the event of a conflict, any Participating Local Government, including the Regional Abatement Advisory Councils and its Members, may seek outside representation to defend itself against such an action.

3. Venue for any legal action related to this MOU shall be in the court in which the Participating Local Government is located or in accordance with the court rules on venue in that jurisdiction. This provision is not intended to expand the court rules on venue.

4. This MOU may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. The Participating Local Governments approve the use of electronic signatures for execution of this MOU. All use of electronic signatures

shall be governed by the Uniform Electronic Transactions Act. The Parties agree not to deny the legal effect or enforceability of the MOU solely because it is in electronic form or because an electronic record was used in its formation. The Participating Local Government agree not to object to the admissibility of the MOU in the form of an electronic record, or a paper copy of an electronic document, or a paper copy of a document bearing an electronic signature, on the grounds that it is an electronic record or electronic signature or that it is not in its original form or is not an original.

5. Each Participating Local Government represents that all procedures necessary to authorize such Participating Local Government's execution of this MOU have been performed and that the person signing for such Party has been authorized to execute the MOU.

[Remainder of Page Intentionally Left Blank – Signature Pages Follow]

This One Washington Memorandum of Understanding Between Washington Municipalities is signed this _____ day of ___________________, 2022 by:

____

Name & Title ___________________________________

On behalf of ____________________________________

4894-0031-1574, v. 2

EXHIBIT A

O P I O I D   A B A T E M E N T   S T R A T E G I E S

PART ONE: TREATMENT

A. TREAT OPIOID USE DISORDER (OUD)

Support treatment of Opioid Use Disorder (OUD) and any co-occurring Substance Use Disorder or Mental Health (SUD/MH) conditions, co-usage, and/or co-addiction through evidence-based, evidence-informed, or promising programs or strategies that may include, but are not limited to, the following:

1. Expand availability of treatment for OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction, including all forms of Medication-Assisted Treatment (MAT) approved by the U.S. Food and Drug Administration.

2. Support and reimburse services that include the full American Society of Addiction Medicine (ASAM) continuum of care for OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction, including but not limited to:

    a. Medication-Assisted Treatment (MAT);

    b. Abstinence-based treatment;

    c. Treatment, recovery, or other services provided by states, subdivisions, community health centers; non-for-profit providers; or for-profit providers;

    d. Treatment by providers that focus on OUD treatment as well as treatment by providers that offer OUD treatment along with treatment for other SUD/MH conditions, co-usage, and/or co-addiction; or

    e. Evidence-informed residential services programs, as noted below.

3. Expand telehealth to increase access to treatment for OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction, including MAT, as well as counseling, psychiatric support, and other treatment and recovery support services.

4. Improve oversight of Opioid Treatment Programs (OTPs) to assure evidence-based, evidence-informed, or promising practices such as adequate methadone dosing.

5. Support mobile intervention, treatment, and recovery services, offered by qualified professionals and service providers, such as peer recovery coaches, for persons with OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction and for persons who have experienced an opioid overdose.

6. Support treatment of mental health trauma resulting from the traumatic experiences of the opioid user (e.g., violence, sexual assault, human trafficking, or adverse childhood experiences) and family members (e.g., surviving family members after an overdose

or overdose fatality), and training of health care personnel to identify and address such trauma.

7. Support detoxification (detox) and withdrawal management services for persons with OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction, including medical detox, referral to treatment, or connections to other services or supports.

8. Support training on MAT for health care providers, students, or other supporting professionals, such as peer recovery coaches or recovery outreach specialists, including telementoring to assist community-based providers in rural or underserved areas.

9. Support workforce development for addiction professionals who work with persons with OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction.

10. Provide fellowships for addiction medicine specialists for direct patient care, instructors, and clinical research for treatments.

11. Provide funding and training for clinicians to obtain a waiver under the federal Drug Addiction Treatment Act of 2000 (DATA 2000) to prescribe MAT for OUD, and provide technical assistance and professional support to clinicians who have obtained a DATA 2000 waiver.

12. Support the dissemination of web-based training curricula, such as the American Academy of Addiction Psychiatry's Provider Clinical Support Service-Opioids web-based training curriculum and motivational interviewing.

13. Support the development and dissemination of new curricula, such as the American Academy of Addiction Psychiatry's Provider Clinical Support Service for Medication-Assisted Treatment.

B. SUPPORT PEOPLE IN TREATMENT AND RECOVERY

Support people in treatment for and recovery from OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction through evidence-based, evidence-informed, or promising programs or strategies that may include, but are not limited to, the following:

1. Provide the full continuum of care of recovery services for OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction, including supportive housing, residential treatment, medical detox services, peer support services and counseling, community navigators, case management, and connections to community-based services.

2. Provide counseling, peer-support, recovery case management and residential treatment with access to medications for those who need it to persons with OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction.

3. Provide access to housing for people with OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction, including supportive housing, recovery housing, housing assistance programs, or training for housing providers.

4. Provide community support services, including social and legal services, to assist in deinstitutionalizing persons with OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction.

5. Support or expand peer-recovery centers, which may include support groups, social events, computer access, or other services for persons with OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction.

6. Provide employment training or educational services for persons in treatment for or recovery from OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction.

7. Identify successful recovery programs such as physician, pilot, and college recovery programs, and provide support and technical assistance to increase the number and capacity of high-quality programs to help those in recovery.

8. Engage non-profits, faith-based communities, and community coalitions to support people in treatment and recovery and to support family members in their efforts to manage the opioid user in the family.

9. Provide training and development of procedures for government staff to appropriately interact and provide social and other services to current and recovering opioid users, including reducing stigma.

10. Support stigma reduction efforts regarding treatment and support for persons with OUD, including reducing the stigma on effective treatment.

C. CONNECT PEOPLE WHO NEED HELP TO THE HELP THEY NEED (CONNECTIONS TO CARE)

Provide connections to care for people who have – or are at risk of developing – OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction through evidence-based, evidence-informed, or promising programs or strategies that may include, but are not limited to, the following:

1. Ensure that health care providers are screening for OUD and other risk factors and know how to appropriately counsel and treat (or refer if necessary) a patient for OUD treatment.

2. Support Screening, Brief Intervention and Referral to Treatment (SBIRT) programs to reduce the transition from use to disorders.

3. Provide training and long-term implementation of SBIRT in key systems (health, schools, colleges, criminal justice, and probation), with a focus on youth and young adults when transition from misuse to opioid disorder is common.

4. Purchase automated versions of SBIRT and support ongoing costs of the technology.

5. Support training for emergency room personnel treating opioid overdose patients on post-discharge planning, including community referrals for MAT, recovery case management or support services.

6. Support hospital programs that transition persons with OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction, or persons who have experienced an opioid overdose, into community treatment or recovery services through a bridge clinic or similar approach.

7. Support crisis stabilization centers that serve as an alternative to hospital emergency departments for persons with OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction or persons that have experienced an opioid overdose.

8. Support the work of Emergency Medical Systems, including peer support specialists, to connect individuals to treatment or other appropriate services following an opioid overdose or other opioid-related adverse event.

9. Provide funding for peer support specialists or recovery coaches in emergency departments, detox facilities, recovery centers, recovery housing, or similar settings; offer services, supports, or connections to care to persons with OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction or to persons who have experienced an opioid overdose.

10. Provide funding for peer navigators, recovery coaches, care coordinators, or care managers that offer assistance to persons with OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction or to persons who have experienced on opioid overdose.

11. Create or support school-based contacts that parents can engage with to seek immediate treatment services for their child; and support prevention, intervention, treatment, and recovery programs focused on young people.

12. Develop and support best practices on addressing OUD in the workplace.

13. Support assistance programs for health care providers with OUD.

14. Engage non-profits and the faith community as a system to support outreach for treatment.

15. Support centralized call centers that provide information and connections to appropriate services and supports for persons with OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction.

16. Create or support intake and call centers to facilitate education and access to treatment, prevention, and recovery services for persons with OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction.

17. Develop or support a National Treatment Availability Clearinghouse – a multistate/nationally accessible database whereby health care providers can list locations for currently available in-patient and out-patient OUD treatment services that are accessible on a real-time basis by persons who seek treatment.

D. <u>ADDRESS THE NEEDS OF CRIMINAL-JUSTICE-INVOLVED PERSONS</u>

Address the needs of persons with OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction who are involved – or are at risk of becoming involved – in the criminal justice system through evidence-based, evidence-informed, or promising programs or strategies that may include, but are not limited to, the following:

1. Support pre-arrest or post-arrest diversion and deflection strategies for persons with OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction, including established strategies such as:

    a. Self-referral strategies such as the Angel Programs or the Police Assisted Addiction Recovery Initiative (PAARI);

    b. Active outreach strategies such as the Drug Abuse Response Team (DART) model;

    c. “Naloxone Plus” strategies, which work to ensure that individuals who have received naloxone to reverse the effects of an overdose are then linked to treatment programs or other appropriate services;

    d. Officer prevention strategies, such as the Law Enforcement Assisted Diversion (LEAD) model;

    e. Officer intervention strategies such as the Leon County, Florida Adult Civil Citation Network or the Chicago Westside Narcotics Diversion to Treatment Initiative;

    f. Co-responder and/or alternative responder models to address OUD-related 911 calls with greater SUD expertise and to reduce perceived barriers associated with law enforcement 911 responses; or

    g. County prosecution diversion programs, including diversion officer salary, only for counties with a population of 50,000 or less. Any diversion services in matters involving opioids must include drug testing, monitoring, or treatment.

2. Support pre-trial services that connect individuals with OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction to evidence-informed treatment, including MAT, and related services.

3. Support treatment and recovery courts for persons with OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction, but only if these courts provide referrals to evidence-informed treatment, including MAT.

4. Provide evidence-informed treatment, including MAT, recovery support, or other appropriate services to individuals with OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction who are incarcerated in jail or prison.

5. Provide evidence-informed treatment, including MAT, recovery support, or other appropriate services to individuals with OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction who are leaving jail or prison have recently left jail or prison, are on probation or parole, are under community corrections supervision, or are in re-entry programs or facilities.

6. Support critical time interventions (CTI), particularly for individuals living with dual-diagnosis OUD/serious mental illness, and services for individuals who face immediate risks and service needs and risks upon release from correctional settings.

7. Provide training on best practices for addressing the needs of criminal-justice-involved persons with OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction to law enforcement, correctional, or judicial personnel or to providers of treatment, recovery, case management, or other services offered in connection with any of the strategies described in this section.

E. <u>ADDRESS THE NEEDS OF PREGNANT OR PARENTING WOMEN AND THEIR FAMILIES, INCLUDING BABIES WITH NEONATAL ABSTINENCE SYNDROME</u>

Address the needs of pregnant or parenting women with OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction, and the needs of their families, including babies with neonatal abstinence syndrome, through evidence-based, evidence-informed, or promising programs or strategies that may include, but are not limited to, the following:

1. Support evidence-based, evidence-informed, or promising treatment, including MAT, recovery services and supports, and prevention services for pregnant women – or women who could become pregnant – who have OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction, and other measures to educate and provide support to families affected by Neonatal Abstinence Syndrome.

2. Provide training for obstetricians or other healthcare personnel that work with pregnant women and their families regarding treatment of OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction.

3. Provide training to health care providers who work with pregnant or parenting women on best practices for compliance with federal requirements that children born with Neonatal Abstinence Syndrome get referred to appropriate services and receive a plan of safe care.

4. Provide enhanced support for children and family members suffering trauma as a result of addiction in the family; and offer trauma-informed behavioral health treatment for adverse childhood events.

5. Offer enhanced family supports and home-based wrap-around services to persons with OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction, including but not limited to parent skills training.

6. Support for Children's Services – Fund additional positions and services, including supportive housing and other residential services, relating to children being removed from the home and/or placed in foster care due to custodial opioid use.

PART TWO: PREVENTION

F. <u>PREVENT OVER-PRESCRIBING AND ENSURE APPROPRIATE PRESCRIBING AND DISPENSING OF OPIOIDS</u>

Support efforts to prevent over-prescribing and ensure appropriate prescribing and dispensing of opioids through evidence-based, evidence-informed, or promising programs or strategies that may include, but are not limited to, the following:

1. Training for health care providers regarding safe and responsible opioid prescribing, dosing, and tapering patients off opioids.

2. Academic counter-detailing to educate prescribers on appropriate opioid prescribing.

3. Continuing Medical Education (CME) on appropriate prescribing of opioids.

4. Support for non-opioid pain treatment alternatives, including training providers to offer or refer to multi-modal, evidence-informed treatment of pain.

5. Support enhancements or improvements to Prescription Drug Monitoring Programs (PDMPs), including but not limited to improvements that:

   a. Increase the number of prescribers using PDMPs;

   b. Improve point-of-care decision-making by increasing the quantity, quality, or format of data available to prescribers using PDMPs or by improving the interface that prescribers use to access PDMP data, or both; or

   c. Enable states to use PDMP data in support of surveillance or intervention strategies, including MAT referrals and follow-up for individuals identified within PDMP data as likely to experience OUD.

6. Development and implementation of a national PDMP – Fund development of a multistate/national PDMP that permits information sharing while providing appropriate safeguards on sharing of private health information, including but not limited to:

   a. Integration of PDMP data with electronic health records, overdose episodes, and decision support tools for health care providers relating to OUD.

b. Ensuring PDMPs incorporate available overdose/naloxone deployment data, including the United States Department of Transportation's Emergency Medical Technician overdose database.

7. Increase electronic prescribing to prevent diversion or forgery.

8. Educate Dispensers on appropriate opioid dispensing.

G. PREVENT MISUSE OF OPIOIDS

Support efforts to discourage or prevent misuse of opioids through evidence-based, evidence-informed, or promising programs or strategies that may include, but are not limited to, the following:

1. Corrective advertising or affirmative public education campaigns based on evidence.

2. Public education relating to drug disposal.

3. Drug take-back disposal or destruction programs.

4. Fund community anti-drug coalitions that engage in drug prevention efforts.

5. Support community coalitions in implementing evidence-informed prevention, such as reduced social access and physical access, stigma reduction – including staffing, educational campaigns, support for people in treatment or recovery, or training of coalitions in evidence-informed implementation, including the Strategic Prevention Framework developed by the U.S. Substance Abuse and Mental Health Services Administration (SAMHSA).

6. Engage non-profits and faith-based communities as systems to support prevention.

7. Support evidence-informed school and community education programs and campaigns for students, families, school employees, school athletic programs, parent-teacher and student associations, and others.

8. School-based or youth-focused programs or strategies that have demonstrated effectiveness in preventing drug misuse and seem likely to be effective in preventing the uptake and use of opioids.

9. Support community-based education or intervention services for families, youth, and adolescents at risk for OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction.

10. Support evidence-informed programs or curricula to address mental health needs of young people who may be at risk of misusing opioids or other drugs, including emotional modulation and resilience skills.

11. Support greater access to mental health services and supports for young people, including services and supports provided by school nurses or other school staff, to

address mental health needs in young people that (when not properly addressed) increase the risk of opioid or other drug misuse.

H. PREVENT OVERDOSE DEATHS AND OTHER HARMS

Support efforts to prevent or reduce overdose deaths or other opioid-related harms through evidence-based, evidence-informed, or promising programs or strategies that may include, but are not limited to, the following:

1. Increase availability and distribution of naloxone and other drugs that treat overdoses for first responders, overdose patients, opioid users, families and friends of opioid users, schools, community navigators and outreach workers, drug offenders upon release from jail/prison, or other members of the general public.

2. Provision by public health entities of free naloxone to anyone in the community, including but not limited to provision of intra-nasal naloxone in settings where other options are not available or allowed.

3. Training and education regarding naloxone and other drugs that treat overdoses for first responders, overdose patients, patients taking opioids, families, schools, and other members of the general public.

4. Enable school nurses and other school staff to respond to opioid overdoses, and provide them with naloxone, training, and support.

5. Expand, improve, or develop data tracking software and applications for overdoses/naloxone revivals.

6. Public education relating to emergency responses to overdoses.

7. Public education relating to immunity and Good Samaritan laws.

8. Educate first responders regarding the existence and operation of immunity and Good Samaritan laws.

9. Expand access to testing and treatment for infectious diseases such as HIV and Hepatitis C resulting from intravenous opioid use.

10. Support mobile units that offer or provide referrals to treatment, recovery supports, health care, or other appropriate services to persons that use opioids or persons with OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction.

11. Provide training in treatment and recovery strategies to health care providers, students, peer recovery coaches, recovery outreach specialists, or other professionals that provide care to persons who use opioids or persons with OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction.

12. Support screening for fentanyl in routine clinical toxicology testing.

PART THREE: OTHER STRATEGIES

I. **FIRST RESPONDERS**

In addition to items C8, D1 through D7, H1, H3, and H8, support the following:

1. Current and future law enforcement expenditures relating to the opioid epidemic.

2. Educate law enforcement or other first responders regarding appropriate practices and precautions when dealing with fentanyl or other drugs.

J. **LEADERSHIP, PLANNING AND COORDINATION**

Support efforts to provide leadership, planning, and coordination to abate the opioid epidemic through activities, programs, or strategies that may include, but are not limited to, the following:

1. Community regional planning to identify goals for reducing harms related to the opioid epidemic, to identify areas and populations with the greatest needs for treatment intervention services, or to support other strategies to abate the opioid epidemic described in this opioid abatement strategy list.

2. A government dashboard to track key opioid-related indicators and supports as identified through collaborative community processes.

3. Invest in infrastructure or staffing at government or not-for-profit agencies to support collaborative, cross-system coordination with the purpose of preventing overprescribing, opioid misuse, or opioid overdoses, treating those with OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction, supporting them in treatment or recovery, connecting them to care, or implementing other strategies to abate the opioid epidemic described in this opioid abatement strategy list.

4. Provide resources to staff government oversight and management of opioid abatement programs.

K. **TRAINING**

In addition to the training referred to in various items above, support training to abate the opioid epidemic through activities, programs, or strategies that may include, but are not limited to, the following:

1. Provide funding for staff training or networking programs and services to improve the capability of government, community, and not-for-profit entities to abate the opioid crisis.

2. Invest in infrastructure and staffing for collaborative cross-system coordination to prevent opioid misuse, prevent overdoses, and treat those with OUD and any co-occurring SUD/MH conditions, co-usage, and/or co-addiction, or implement other

strategies to abate the opioid epidemic described in this opioid abatement strategy list (e.g., health care, primary care, pharmacies, PDMPs, etc.).

L. <u>RESEARCH</u>

Support opioid abatement research that may include, but is not limited to, the following:

1. Monitoring, surveillance, and evaluation of programs and strategies described in this opioid abatement strategy list.
2. Research non-opioid treatment of chronic pain.
3. Research on improved service delivery for modalities such as SBIRT that demonstrate promising but mixed results in populations vulnerable to opioid use disorders.
4. Research on innovative supply-side enforcement efforts such as improved detection of mail-based delivery of synthetic opioids.
5. Expanded research on swift/certain/fair models to reduce and deter opioid misuse within criminal justice populations that build upon promising approaches used to address other substances (e.g. Hawaii HOPE and Dakota 24/7).
6. Research on expanded modalities such as prescription methadone that can expand access to MAT.

EXHIBIT B

County	Local Government	% Allocation
Adams County		
	Adams County	0.1638732475%
	Hatton	
	Lind	
	Othello	
	Ritzville	
	Washtucna	
	County Total:	0.1638732475%
Asotin County		
	Asotin County	0.4694498386%
	Asotin	
	Clarkston	
	County Total:	0.4694498386%
Benton County		
	Benton County	1.4848831892%
	Benton City	
	Kennewick	0.5415650564%
	Prosser	
	Richland	0.4756779517%
	West Richland	0.0459360490%
	County Total:	2.5480622463%
Chelan County		
	Chelan County	0.7434914485%
	Cashmere	
	Chelan	
	Entiat	
	Leavenworth	
	Wenatchee	0.2968333494%
	County Total:	1.0403247979%
Clallam County		
	Clallam County	1.3076983401%
	Forks	
	Port Angeles	0.4598370527%
	Sequim	
	County Total:	1.7675353928%

*** - Local Government appears in multiple counties

EXHIBIT B

County	Local Government	% Allocation
Clark County		
	Clark County	4.5149775326%
	Battle Ground	0.1384729857%
	Camas	0.2691592724%
	La Center	
	Ridgefield	
	Vancouver	1.7306605325%
	Washougal	0.1279328220%
	Woodland***	
	Yacolt	
	County Total:	6.7812031452%
Columbia County		
	Columbia County	0.0561699537%
	Dayton	
	Starbuck	
	County Total:	0.0561699537%
Cowlitz County		
	Cowlitz County	1.7226945990%
	Castle Rock	
	Kalama	
	Kelso	0.1331145270%
	Longview	0.6162736905%
	Woodland***	
	County Total:	2.4720828165%
Douglas County		
	Douglas County	0.3932175175%
	Bridgeport	
	Coulee Dam***	
	East Wenatchee	0.0799810865%
	Mansfield	
	Rock Island	
	Waterville	
	County Total:	0.4731986040%
Ferry County		
	Ferry County	0.1153487994%
	Republic	
	County Total:	0.1153487994%

*** - Local Government appears in multiple counties

EXHIBIT B

County	Local Government	% Allocation
Franklin County		
	Franklin County	0.3361237144%
	Connell	
	Kahlotus	
	Mesa	
	Pasco	0.4278056066%
	County Total:	0.7639293210%
Garfield County		
	Garfield County	0.0321982209%
	Pomeroy	
	County Total:	0.0321982209%
Grant County		
	Grant County	0.9932572167%
	Coulee City	
	Coulee Dam***	
	Electric City	
	Ephrata	
	George	
	Grand Coulee	
	Hartline	
	Krupp	
	Mattawa	
	Moses Lake	0.2078293909%
	Quincy	
	Royal City	
	Soap Lake	
	Warden	
	Wilson Creek	
	County Total:	1.2010866076%

*** - Local Government appears in multiple counties

EXHIBIT B

County	Local Government	% Allocation
Grays Harbor County		
	Grays Harbor County	0.9992429138%
	Aberdeen	0.2491525333%
	Cosmopolis	
	Elma	
	Hoquiam	
	McCleary	
	Montesano	
	Oakville	
	Ocean Shores	
	Westport	
	County Total:	1.2483954471%
Island County		
	Island County	0.6820422610%
	Coupeville	
	Langley	
	Oak Harbor	0.2511550431%
	County Total:	0.9331973041%
Jefferson County		
	Jefferson County	0.4417137380%
	Port Townsend	
	County Total:	0.4417137380%

*** - Local Government appears in multiple counties

EXHIBIT B

County	Local Government	% Allocation
King County		
	King County	13.9743722662%
	Algona	
	Auburn***	0.2622774917%
	Beaux Arts Village	
	Bellevue	1.1300592573%
	Black Diamond	
	Bothell***	0.1821602716%
	Burien	0.0270962921%
	Carnation	
	Clyde Hill	
	Covington	0.0118134406%
	Des Moines	0.1179764526%
	Duvall	
	Enumclaw***	0.0537768326%
	Federal Way	0.3061452240%
	Hunts Point	
	Issaquah	0.1876240107%
	Kenmore	0.0204441024%
	Kent	0.5377397676%
	Kirkland	0.5453525246%
	Lake Forest Park	0.0525439124%
	Maple Valley	0.0093761587%
	Medina	
	Mercer Island	0.1751797481%
	Milton***	
	Newcastle	0.0033117880%
	Normandy Park	
	North Bend	
	Pacific***	
	Redmond	0.4839486007%
	Renton	0.7652626920%
	Sammamish	0.0224369090%
	SeaTac	0.1481551278%
	Seattle	6.6032403816%
	Shoreline	0.0435834501%
	Skykomish	
	Snoqualmie	0.0649164481%
	Tukwila	0.3032205739%
	Woodinville	0.0185516364%
	Yarrow Point	
	County Total:	26.0505653608%

*** - Local Government appears in multiple counties

EXHIBIT B

County	Local Government	% Allocation
Kitsap County		
	Kitsap County	2.6294133668%
	Bainbridge Island	0.1364686014%
	Bremerton	0.6193374389%
	Port Orchard	0.1009497162%
	Poulsbo	0.0773748246%
	County Total:	3.5635439479%
Kittitas County		
	Kittitas County	0.3855704683%
	Cle Elum	
	Ellensburg	0.0955824915%
	Kittitas	
	Roslyn	
	South Cle Elum	
	County Total:	0.4811529598%
Klickitat County		
	Klickitat County	0.2211673457%
	Bingen	
	Goldendale	
	White Salmon	
	County Total:	0.2211673457%
Lewis County		
	Lewis County	1.0777377479%
	Centralia	0.1909990353%
	Chehalis	
	Morton	
	Mossyrock	
	Napavine	
	Pe Ell	
	Toledo	
	Vader	
	Winlock	
	County Total:	1.2687367832%

*** - Local Government appears in multiple counties

EXHIBIT B

County	Local Government	% Allocation
Lincoln County		
	Lincoln County	0.1712669645%
	Almira	
	Creston	
	Davenport	
	Harrington	
	Odessa	
	Reardan	
	Sprague	
	Wilbur	
	County Total:	0.1712669645%
Mason County		
	Mason County	0.8089918012%
	Shelton	0.1239179888%
	County Total:	0.9329097900%
Okanogan County		
	Okanogan County	0.6145043345%
	Brewster	
	Conconully	
	Coulee Dam***	
	Elmer City	
	Nespelem	
	Okanogan	
	Omak	
	Oroville	
	Pateros	
	Riverside	
	Tonasket	
	Twisp	
	Winthrop	
	County Total:	0.6145043345%
Pacific County		
	Pacific County	0.4895416466%
	Ilwaco	
	Long Beach	
	Raymond	
	South Bend	
	County Total:	0.4895416466%

*** - Local Government appears in multiple counties

EXHIBIT B

County	Local Government	% Allocation
Pend Oreille County		
	Pend Oreille County	0.2566374940%
	Cusick	
	Ione	
	Metaline	
	Metaline Falls	
	Newport	
	County Total:	0.2566374940%
Pierce County		
	Pierce County	7.2310164020%
	Auburn***	0.0628522112%
	Bonney Lake	0.1190773864%
	Buckley	
	Carbonado	
	DuPont	
	Eatonville	
	Edgewood	0.0048016791%
	Enumclaw***	0.0000000000%
	Fife	0.1955185481%
	Fircrest	
	Gig Harbor	0.0859963345%
	Lakewood	0.5253640894%
	Milton***	
	Orting	
	Pacific***	
	Puyallup	0.3845704814%
	Roy	
	Ruston	
	South Prairie	
	Steilacoom	
	Sumner	0.1083157569%
	Tacoma	3.2816374617%
	University Place	0.0353733363%
	Wilkeson	
	County Total:	12.0345236870%
San Juan County		
	San Juan County	0.2101495171%
	Friday Harbor	
	County Total:	0.2101495171%

*** - Local Government appears in multiple counties

EXHIBIT B

County	Local Government	% Allocation
Skagit County		
	Skagit County	1.0526023961%
	Anacortes	0.1774962906%
	Burlington	0.1146861661%
	Concrete	
	Hamilton	
	La Conner	
	Lyman	
	Mount Vernon	0.2801063665%
	Sedro-Woolley	0.0661146351%
	County Total:	1.6910058544%
Skamania County		
	Skamania County	0.1631931925%
	North Bonneville	
	Stevenson	
	County Total:	0.1631931925%
Snohomish County		
	Snohomish County	6.9054415622%
	Arlington	0.2620524080%
	Bothell***	0.2654558588%
	Brier	
	Darrington	
	Edmonds	0.3058936009%
	Everett	1.9258363241%
	Gold Bar	
	Granite Falls	
	Index	
	Lake Stevens	0.1385202891%
	Lynnwood	0.7704629214%
	Marysville	0.3945067827%
	Mill Creek	0.1227939546%
	Monroe	0.1771621898%
	Mountlake Terrace	0.2108935805%
	Mukilteo	0.2561790702%
	Snohomish	0.0861097964%
	Stanwood	
	Sultan	
	Woodway	
	County Total:	11.8213083387%

*** - Local Government appears in multiple counties

EXHIBIT B

County	Local Government	% Allocation
Spokane County		
	Spokane County	5.5623859292%
	Airway Heights	
	Cheney	0.1238454349%
	Deer Park	
	Fairfield	
	Latah	
	Liberty Lake	0.0389636519%
	Medical Lake	
	Millwood	
	Rockford	
	Spangle	
	Spokane	3.0872078287%
	Spokane Valley	0.0684217500%
	Waverly	
	County Total:	8.8808245947%
Stevens County		
	Stevens County	0.7479240179%
	Chewelah	
	Colville	
	Kettle Falls	
	Marcus	
	Northport	
	Springdale	
	County Total:	0.7479240179%
Thurston County		
	Thurston County	2.3258492094%
	Bucoda	
	Lacey	0.2348627221%
	Olympia	0.6039423385%
	Rainier	
	Tenino	
	Tumwater	0.2065982350%
	Yelm	
	County Total:	3.3712525050%
Wahkiakum County		
	Wahkiakum County	0.0596582197%
	Cathlamet	
	County Total:	0.0596582197%

*** - Local Government appears in multiple counties

EXHIBIT B

County	Local Government	% Allocation
Walla Walla County		
	Walla Walla County	0.5543870294%
	College Place	
	Prescott	
	Waitsburg	
	Walla Walla	0.3140768654%
	County Total:	0.8684638948%
Whatcom County		
	Whatcom County	1.3452637306%
	Bellingham	0.8978614577%
	Blaine	
	Everson	
	Ferndale	0.0646101891%
	Lynden	0.0827115612%
	Nooksack	
	Sumas	
	County Total:	2.3904469386%
Whitman County		
	Whitman County	0.2626805837%
	Albion	
	Colfax	
	Colton	
	Endicott	
	Farmington	
	Garfield	
	LaCrosse	
	Lamont	
	Malden	
	Oakesdale	
	Palouse	
	Pullman	0.2214837491%
	Rosalia	
	St. John	
	Tekoa	
	Uniontown	
	County Total:	0.4841643328%

*** - Local Government appears in multiple counties

EXHIBIT B

County	Local Government	% Allocation
Yakima County		
	Yakima County	1.9388392959%
	Grandview	0.0530606109%
	Granger	
	Harrah	
	Mabton	
	Moxee	
	Naches	
	Selah	
	Sunnyside	0.1213478384%
	Tieton	
	Toppenish	
	Union Gap	
	Wapato	
	Yakima	0.6060410539%
	Zillah	
	County Total:	2.7192887991%

Exhibit C

KING COUNTY REGIONAL AGREEMENT

King County intends to explore coordination with its cities and towns to facilitate a Regional Agreement for Opioid Fund allocation. Should some cities and towns choose not to participate in a Regional Agreement, this shall not preclude coordinated allocation for programs and services between the County and those cities and towns who elect to pursue a Regional Agreement. As contemplated in C.5 of the MOU, any Regional Agreement shall comply with the terms of the MOU and any Settlement. If no Regional Agreement is achieved, the default methodology for allocation in C.4 of the MOU shall apply.

EXHIBIT I

Settlement Fund Administrator Terms

I. Definitions

A. This Settlement Fund Administrator Terms incorporates all defined terms in the Janssen Washington State-Wide Opioid Settlement Agreement ("Janssen Settlement Agreement"), unless otherwise defined herein, and shall be interpreted in a manner consistent with the Janssen Settlement Agreement.

II. Establishment of the Settlement Fund Administrator

A. *Selection of the Settlement Fund Administrator.*

i. Subject to the removal provisions under Section II.C below, BrownGreer PLC is hereby selected as the Settlement Fund Administrator.

ii. Within thirty (30) calendar days of the Effective Date of the Janssen Settlement Agreement, unless such time is extended by written agreement of Janssen and the State, a contract shall be negotiated and finalized with BrownGreer PLC.

iii. The terms of the Settlement Fund Administrator shall be for the duration of the Janssen Settlement Agreement or as otherwise specified in the contract executed with such entity, unless the Settlement Fund Administrator is removed pursuant to Section II.C below.

B. *Governance of the Settlement Fund Administrator.*

i. The Settlement Fund Administrator will act as an independent and neutral third party to determine the allocation of payments under Section VI.C of the Janssen Settlement Agreement; administer and disburse funds from the Settlement Fund; and perform other duties as described below and in the Janssen Settlement Agreement.

ii. All parties to the Janssen Settlement Agreement are entitled to rely upon information received from the Settlement Fund Administrator, whether in oral, written, or other form. No Party to the Janssen Settlement Agreement shall have any liability (whether direct or indirect, in contract or tort or otherwise) to any party for or in connection with any action taken or not taken by the Settlement Fund Administrator. In addition, no Party to the Janssen Settlement Agreement shall have any liability (whether direct or indirect, in contract or tort or otherwise) to any party for or in connection with any action taken or not taken by Janssen based on incorrect, inaccurate, incomplete or otherwise erroneous information or data provided by the Settlement Fund Administrator. For the avoidance of doubt, nothing in this paragraph alters Sections I to XI of the Janssen Settlement Agreement or any of the exhibits thereto.

C. *Removal of the Settlement Fund Administrator*.

i. The Settlement Fund Administrator may be removed for cause. The contract with each entity shall describe the standards for removing that entity for cause.

ii. Disputes regarding the performance and/or removal of the Settlement Fund Administrator will be resolved in accordance with Section X of the Janssen Settlement Agreement.

D. *Funding of the Settlement Fund Administrator*.

i. The costs and fees associated with or arising out of the duties of the Settlement Fund Administrator shall be paid from the interest accrued on the LG Share portion of the funds in the Settlement Fund between the date of Janssen's payment and the date of disbursement to the Subdivisions. Should such interest prove insufficient, the remaining costs and fees of the Settlement Fund Administrator shall be paid by Janssen. Payments will be made to the Settlement Fund Administrator within thirty (30) days after the initial disbursements to the State and the Subdivisions are completed, and if applicable, thirty (30) days after any holdback disbursement under Section V.D of the Janssen Settlement Agreement.

ii. There will be a cap on the costs and fees of the Settlement Fund Administrator, which shall be dependent on the scope of services, the number and timing of distributions from the Settlement Fund, and the Settlement Fund Administrator's reporting requirements. The cap on fees and costs shall be specified in the contract executed with the Settlement Fund Administrator.

III. Calculation and Allocation of Payments

A. *General Principles.*

i. This Section III is intended to implement the relevant provisions of Sections VI and IX.B of the Janssen Settlement Agreement, the exhibits thereto, and the One Washington Memorandum of Understanding Between Washington Municipalities (the "*One Washington MOU*"). To the extent this Section III conflicts with the Janssen Settlement Agreement and/or the exhibits thereto, the Janssen Settlement Agreement shall control.

ii. The Settlement Fund Administrator is entitled to rely upon information received from the Parties to the Janssen Settlement Agreement, whether in oral, written, or other form, for the purpose for which it was submitted, provided that such information is not disputed by another Party.

B. *Establishment of Settlement Fund.*

i. The Settlement Fund Administrator shall establish a Settlement Fund, as defined in Section II.25 of the Janssen Settlement Agreement and subject to Section IV.B below.

C. *Calculation of Allocations and Disbursement of Amounts from Settlement Fund.*

i. The Settlement Fund Administrator shall be responsible for calculating the allocation of Net Settlement Amount payments under Section VI of the Janssen Settlement Agreement and the One Washington MOU, as well as Participating Litigating Subdivisions' attorneys' fees and costs under Section IX.B of the Janssen Settlement Agreement and the One Washington MOU.

ii. If the Janssen Settlement Agreement becomes effective and Janssen pays the Net Settlement Amount into the Settlement Fund pursuant to Sections V.B and V.C of the Janssen Settlement Agreement (subject to any holdback under Section V.D of the Janssen Settlement Agreement), the Settlement Fund Administrator shall:

1. disburse or cause to be disbursed 50% of the Net Settlement Amount to the State, pursuant to Section VI.A.1 of the Janssen Settlement Agreement;

2. deposit 15% of the 50% LG Share of the Net Settlement Amount into a government fee subfund, pursuant to Section D of the One Washington MOU; and

3. allocate and disburse or cause to be disbursed the remainder of the LG Share of the Net Settlement Amount to Participating Subdivisions in accordance with Sections B.3 and B.4 of the One Washington MOU.

iii. The Settlement Fund Administrator, in cooperation with the Opioid Fee and Expense Committee as defined in the One Washington MOU, shall disburse or cause to be disbursed the monies in the government fee subfund according to the procedures set forth in Section D of the One Washington MOU.

iv. If Janssen pays the $6,167,000 holdback amount into the Settlement Fund pursuant to Section V.D of the Janssen Settlement Agreement, the Settlement Fund Administrator shall allocate, deposite, and disburse or cause to be disbursed such holdback payment according to the principles stated in Sections III.C.ii and III.C.iii above.

IV. Reporting Obligations

A. *Reporting of Non-Opioid Remediation Uses.*

i. The Settlement Fund Administrator shall set up a system to receive and preserve reports from the State States and Participating Subdivisions that have used monies from the Settlement Fund for purposes that do not qualify as Opioid Remediation, pursuant to Section VI.D of the Janssen Settlement Agreement. The Settlement Fund Administrator will not require the State and Participating Subdivisions without any such uses of money to submit a report, and the Settlement Fund Administrator may treat the failure to submit a report as confirmation that the State or Participating Subdivision had no such uses of money.

ii. The State and Participating Subdivisions shall report to the Settlement Fund Administrator and Janssen the amount of funds received from the Settlement Fund used for purposes that do not qualify as Opioid Remediation (pursuant to Section VI.D of the Janssen Settlement Agreement). Such reports to the Settlement Fund Administrator and Janssen shall identify how such funds were used, including if used to pay attorneys' fees, investigation costs, litigation costs, or costs related to the operation and enforcement of the Janssen Settlement Agreement, respectively. Such State or Participating Subdivision shall make such reports to the Settlement Fund Administrator and Janssen with respect to each six-month period ending on June 30 or December 31 of any year in which funds are received from the Settlement Fund. Such State or Participating Subdivision shall make each such report within ninety (90) days of the end of the applicable six-month period.

iii. The Settlement Fund Administrator shall make the reporting under this Section IV.A available to the public.

iv. The Settlement Fund Administrator shall track and assist in the report of the amount of remediation disbursed or applied during each fiscal year, broken down by primary funded strategy category listed in Exhibit J of the Janssen Settlement Agreement (with any permissible common costs prorated among strategies).

v. Upon request by Janssen, the Settlement Fund Administrator shall agree to perform such further acts and to execute and deliver such further documents as may be reasonably necessary for Janssen to establish the statements set forth in Section XI.B of the Janssen Settlement Agreement to the satisfaction of their tax advisors, their independent financial auditors, the Internal Revenue Service, or any other governmental authority, including as contemplated by Treasury Regulations Section 1.162-21(b)(3)(ii) and any subsequently proposed or finalized relevant regulations or administrative guidance. Nothing herein shall be read to conflict with or limit the Parties' obligations under Sections XI.B and XI.C of the Janssen Settlement Agreement.

B. *Qualified Settlement Fund Treatment.*

i. Janssen and the Settlement Fund Administrator shall agree that the Settlement Fund is intended to be classified as a "qualified settlement fund" within the meaning of Treasury regulations Section 1.468B-1, *et seq.* (and corresponding or similar provisions of state, local, or foreign law, as applicable). The Settlement Fund Administrator or any independent certified public accounting firm selected by Janssen to serve as administrator of the Settlement Fund for tax purposes (the "Tax Administrator") shall not take any action or tax position inconsistent with such treatment. The Settlement Fund shall be treated as a qualified settlement fund from the earliest date possible, and Janssen and the Settlement Fund Administrator shall agree to any relation-back election required to treat the Settlement Fund as a qualified settlement fund from the earliest date possible.

ii. The Settlement Fund Administrator or the Tax Administrator shall serve as administrator of the Settlement Fund for tax purposes. The Settlement Fund Administrator or Tax Administrator shall (i) obtain federal and state taxpayer identification numbers for the Settlement Fund and provide the same to Janssen and the Settlement Fund Administrator, (ii) be responsible for all tax reporting, withholding and filing requirements for the Settlement Fund, (iii) provide instructions to Janssen and the Settlement Fund Administrator for the release of sufficient funds from the Settlement Fund to pay all taxes owed by the Settlement Fund in accordance with Treasury regulations Section 1.468B-2 and any applicable state, local or other tax laws, and (iv) send copies of all such tax filings and returns to Janssen and the Settlement Fund Administrator. Janssen and the Settlement Fund Administrator shall provide such cooperation and information as the Tax Administrator may reasonably request in performing the responsibilities set forth in this Section IV.

EXHIBIT J

List of Opioid Remediation Uses

Schedule A
Core Strategies

States and Qualifying Block Grantees shall choose from among the abatement strategies listed in Schedule B. However, priority shall be given to the following core abatement strategies ("*Core Strategies*").[1]

A. <u>NALOXONE OR OTHER FDA-APPROVED DRUG TO REVERSE OPIOID OVERDOSES</u>

Expand training for first responders, schools, community support groups and families; and

Increase distribution to individuals who are uninsured or whose insurance does not cover the needed service.

B. <u>MEDICATION-ASSISTED TREATMENT ("*MAT*") DISTRIBUTION AND OTHER OPIOID-RELATED TREATMENT</u>

1. Increase distribution of MAT to individuals who are uninsured or whose insurance does not cover the needed service;

2. Provide education to school-based and youth-focused programs that discourage or prevent misuse;

3. Provide MAT education and awareness training to healthcare providers, EMTs, law enforcement, and other first responders; and

4. Provide treatment and recovery support services such as residential and inpatient treatment, intensive outpatient treatment, outpatient therapy or counseling, and recovery housing that allow or integrate medication and with other support services.

---

[1] As used in this Schedule A, words like "expand," "fund," "provide" or the like shall not indicate a preference for new or existing programs.

C. <u>PREGNANT & POSTPARTUM WOMEN</u>

1. Expand Screening, Brief Intervention, and Referral to Treatment ("*SBIRT*") services to non-Medicaid eligible or uninsured pregnant women;

2. Expand comprehensive evidence-based treatment and recovery services, including MAT, for women with co-occurring Opioid Use Disorder ("*OUD*") and other Substance Use Disorder ("*SUD*")/Mental Health disorders for uninsured individuals for up to 12 months postpartum; and

3. Provide comprehensive wrap-around services to individuals with OUD, including housing, transportation, job placement/training, and childcare.

D. <u>EXPANDING TREATMENT FOR NEONATAL ABSTINENCE SYNDROME ("*NAS*")</u>

1. Expand comprehensive evidence-based and recovery support for NAS babies;

2. Expand services for better continuum of care with infant-need dyad; and

3. Expand long-term treatment and services for medical monitoring of NAS babies and their families.

E. <u>EXPANSION OF WARM HAND-OFF PROGRAMS AND RECOVERY SERVICES</u>

1. Expand services such as navigators and on-call teams to begin MAT in hospital emergency departments;

2. Expand warm hand-off services to transition to recovery services;

3. Broaden scope of recovery services to include co-occurring SUD or mental health conditions;

4. Provide comprehensive wrap-around services to individuals in recovery, including housing, transportation, job placement/training, and childcare; and

5. Hire additional social workers or other behavioral health workers to facilitate expansions above.

F. TREATMENT FOR INCARCERATED POPULATION

1. Provide evidence-based treatment and recovery support, including MAT for persons with OUD and co-occurring SUD/MH disorders within and transitioning out of the criminal justice system; and

2. Increase funding for jails to provide treatment to inmates with OUD.

G. PREVENTION PROGRAMS

1. Funding for media campaigns to prevent opioid use (similar to the FDA's "Real Cost" campaign to prevent youth from misusing tobacco);

2. Funding for evidence-based prevention programs in schools;

3. Funding for medical provider education and outreach regarding best prescribing practices for opioids consistent with the 2016 CDC guidelines, including providers at hospitals (academic detailing);

4. Funding for community drug disposal programs; and

5. Funding and training for first responders to participate in pre-arrest diversion programs, post-overdose response teams, or similar strategies that connect at-risk individuals to behavioral health services and supports.

H. EXPANDING SYRINGE SERVICE PROGRAMS

1. Provide comprehensive syringe services programs with more wrap-around services, including linkage to OUD treatment, access to sterile syringes and linkage to care and treatment of infectious diseases.

I. EVIDENCE-BASED DATA COLLECTION AND RESEARCH ANALYZING THE EFFECTIVENESS OF THE ABATEMENT STRATEGIES WITHIN THE STATE

Schedule B
Approved Uses

Support treatment of Opioid Use Disorder (OUD) and any co-occurring Substance Use Disorder or Mental Health (SUD/MH) conditions through evidence-based or evidence-informed programs or strategies that may include, but are not limited to, the following:

PART ONE: TREATMENT

A. TREAT OPIOID USE DISORDER (OUD)

Support treatment of Opioid Use Disorder ("*OUD*") and any co-occurring Substance Use Disorder or Mental Health ("*SUD/MH*") conditions through evidence-based or evidence-informed programs or strategies that may include, but are not limited to, those that:[2]

1. Expand availability of treatment for OUD and any co-occurring SUD/MH conditions, including all forms of Medication-Assisted Treatment ("*MAT*") approved by the U.S. Food and Drug Administration.

2. Support and reimburse evidence-based services that adhere to the American Society of Addiction Medicine ("*ASAM*") continuum of care for OUD and any co-occurring SUD/MH conditions.

3. Expand telehealth to increase access to treatment for OUD and any co-occurring SUD/MH conditions, including MAT, as well as counseling, psychiatric support, and other treatment and recovery support services.

4. Improve oversight of Opioid Treatment Programs ("*OTPs*") to assure evidence-based or evidence-informed practices such as adequate methadone dosing and low threshold approaches to treatment.

5. Support mobile intervention, treatment, and recovery services, offered by qualified professionals and service providers, such as peer recovery coaches, for persons with OUD and any co-occurring SUD/MH conditions and for persons who have experienced an opioid overdose.

6. Provide treatment of trauma for individuals with OUD (*e.g.*, violence, sexual assault, human trafficking, or adverse childhood experiences) and family members (*e.g.*, surviving family members after an overdose or overdose fatality), and training of health care personnel to identify and address such trauma.

7. Support evidence-based withdrawal management services for people with OUD and any co-occurring mental health conditions.

[2] As used in this Schedule B, words like "expand," "fund," "provide" or the like shall not indicate a preference for new or existing programs.

8. Provide training on MAT for health care providers, first responders, students, or other supporting professionals, such as peer recovery coaches or recovery outreach specialists, including telementoring to assist community-based providers in rural or underserved areas.

9. Support workforce development for addiction professionals who work with persons with OUD and any co-occurring SUD/MH conditions.

10. Offer fellowships for addiction medicine specialists for direct patient care, instructors, and clinical research for treatments.

11. Offer scholarships and supports for behavioral health practitioners or workers involved in addressing OUD and any co-occurring SUD/MH or mental health conditions, including, but not limited to, training, scholarships, fellowships, loan repayment programs, or other incentives for providers to work in rural or underserved areas.

12. Provide funding and training for clinicians to obtain a waiver under the federal Drug Addiction Treatment Act of 2000 ("*DATA 2000*") to prescribe MAT for OUD, and provide technical assistance and professional support to clinicians who have obtained a DATA 2000 waiver.

13. Disseminate web-based training curricula, such as the American Academy of Addiction Psychiatry's Provider Clinical Support Service–Opioids web-based training curriculum and motivational interviewing.

14. Develop and disseminate new curricula, such as the American Academy of Addiction Psychiatry's Provider Clinical Support Service for Medication–Assisted Treatment.

B. <u>SUPPORT PEOPLE IN TREATMENT AND RECOVERY</u>

Support people in recovery from OUD and any co-occurring SUD/MH conditions through evidence-based or evidence-informed programs or strategies that may include, but are not limited to, the programs or strategies that:

1. Provide comprehensive wrap-around services to individuals with OUD and any co-occurring SUD/MH conditions, including housing, transportation, education, job placement, job training, or childcare.

2. Provide the full continuum of care of treatment and recovery services for OUD and any co-occurring SUD/MH conditions, including supportive housing, peer support services and counseling, community navigators, case management, and connections to community-based services.

3. Provide counseling, peer-support, recovery case management and residential treatment with access to medications for those who need it to persons with OUD and any co-occurring SUD/MH conditions.

4. Provide access to housing for people with OUD and any co-occurring SUD/MH conditions, including supportive housing, recovery housing, housing assistance programs, training for housing providers, or recovery housing programs that allow or integrate FDA-approved mediation with other support services.

5. Provide community support services, including social and legal services, to assist in deinstitutionalizing persons with OUD and any co-occurring SUD/MH conditions.

6. Support or expand peer-recovery centers, which may include support groups, social events, computer access, or other services for persons with OUD and any co-occurring SUD/MH conditions.

7. Provide or support transportation to treatment or recovery programs or services for persons with OUD and any co-occurring SUD/MH conditions.

8. Provide employment training or educational services for persons in treatment for or recovery from OUD and any co-occurring SUD/MH conditions.

9. Identify successful recovery programs such as physician, pilot, and college recovery programs, and provide support and technical assistance to increase the number and capacity of high-quality programs to help those in recovery.

10. Engage non-profits, faith-based communities, and community coalitions to support people in treatment and recovery and to support family members in their efforts to support the person with OUD in the family.

11. Provide training and development of procedures for government staff to appropriately interact and provide social and other services to individuals with or in recovery from OUD, including reducing stigma.

12. Support stigma reduction efforts regarding treatment and support for persons with OUD, including reducing the stigma on effective treatment.

13. Create or support culturally appropriate services and programs for persons with OUD and any co-occurring SUD/MH conditions, including new Americans.

14. Create and/or support recovery high schools.

15. Hire or train behavioral health workers to provide or expand any of the services or supports listed above.

C. <u>CONNECT PEOPLE WHO NEED HELP TO THE HELP THEY NEED (CONNECTIONS TO CARE)</u>

Provide connections to care for people who have—or are at risk of developing—OUD and any co-occurring SUD/MH conditions through evidence-based or evidence-informed programs or strategies that may include, but are not limited to, those that:

1. Ensure that health care providers are screening for OUD and other risk factors and know how to appropriately counsel and treat (or refer if necessary) a patient for OUD treatment.

2. Fund SBIRT programs to reduce the transition from use to disorders, including SBIRT services to pregnant women who are uninsured or not eligible for Medicaid.

3. Provide training and long-term implementation of SBIRT in key systems (health, schools, colleges, criminal justice, and probation), with a focus on youth and young adults when transition from misuse to opioid disorder is common.

4. Purchase automated versions of SBIRT and support ongoing costs of the technology.

5. Expand services such as navigators and on-call teams to begin MAT in hospital emergency departments.

6. Provide training for emergency room personnel treating opioid overdose patients on post-discharge planning, including community referrals for MAT, recovery case management or support services.

7. Support hospital programs that transition persons with OUD and any co-occurring SUD/MH conditions, or persons who have experienced an opioid overdose, into clinically appropriate follow-up care through a bridge clinic or similar approach.

8. Support crisis stabilization centers that serve as an alternative to hospital emergency departments for persons with OUD and any co-occurring SUD/MH conditions or persons that have experienced an opioid overdose.

9. Support the work of Emergency Medical Systems, including peer support specialists, to connect individuals to treatment or other appropriate services following an opioid overdose or other opioid-related adverse event.

10. Provide funding for peer support specialists or recovery coaches in emergency departments, detox facilities, recovery centers, recovery housing, or similar settings; offer services, supports, or connections to care to persons with OUD and any co-occurring SUD/MH conditions or to persons who have experienced an opioid overdose.

11. Expand warm hand-off services to transition to recovery services.

12. Create or support school-based contacts that parents can engage with to seek immediate treatment services for their child; and support prevention, intervention, treatment, and recovery programs focused on young people.

13. Develop and support best practices on addressing OUD in the workplace.

14. Support assistance programs for health care providers with OUD.

15. Engage non-profits and the faith community as a system to support outreach for treatment.

16. Support centralized call centers that provide information and connections to appropriate services and supports for persons with OUD and any co-occurring SUD/MH conditions.

D. ADDRESS THE NEEDS OF CRIMINAL JUSTICE-INVOLVED PERSONS

Address the needs of persons with OUD and any co-occurring SUD/MH conditions who are involved in, are at risk of becoming involved in, or are transitioning out of the criminal justice system through evidence-based or evidence-informed programs or strategies that may include, but are not limited to, those that:

1. Support pre-arrest or pre-arraignment diversion and deflection strategies for persons with OUD and any co-occurring SUD/MH conditions, including established strategies such as:

    1. Self-referral strategies such as the Angel Programs or the Police Assisted Addiction Recovery Initiative ("*PAARI*");

    2. Active outreach strategies such as the Drug Abuse Response Team ("*DART*") model;

    3. "Naloxone Plus" strategies, which work to ensure that individuals who have received naloxone to reverse the effects of an overdose are then linked to treatment programs or other appropriate services;

    4. Officer prevention strategies, such as the Law Enforcement Assisted Diversion ("*LEAD*") model;

    5. Officer intervention strategies such as the Leon County, Florida Adult Civil Citation Network or the Chicago Westside Narcotics Diversion to Treatment Initiative; or

    6. Co-responder and/or alternative responder models to address OUD-related 911 calls with greater SUD expertise.

2. Support pre-trial services that connect individuals with OUD and any co-occurring SUD/MH conditions to evidence-informed treatment, including MAT, and related services.

3. Support treatment and recovery courts that provide evidence-based options for persons with OUD and any co-occurring SUD/MH conditions.

4. Provide evidence-informed treatment, including MAT, recovery support, harm reduction, or other appropriate services to individuals with OUD and any co-occurring SUD/MH conditions who are incarcerated in jail or prison.

5. Provide evidence-informed treatment, including MAT, recovery support, harm reduction, or other appropriate services to individuals with OUD and any co-occurring SUD/MH conditions who are leaving jail or prison or have recently left jail or prison, are on probation or parole, are under community corrections supervision, or are in re-entry programs or facilities.

6. Support critical time interventions ("*CTI*"), particularly for individuals living with dual-diagnosis OUD/serious mental illness, and services for individuals who face immediate risks and service needs and risks upon release from correctional settings.

7. Provide training on best practices for addressing the needs of criminal justice-involved persons with OUD and any co-occurring SUD/MH conditions to law enforcement, correctional, or judicial personnel or to providers of treatment, recovery, harm reduction, case management, or other services offered in connection with any of the strategies described in this section.

E. ADDRESS THE NEEDS OF PREGNANT OR PARENTING WOMEN AND THEIR FAMILIES, INCLUDING BABIES WITH NEONATAL ABSTINENCE SYNDROME

Address the needs of pregnant or parenting women with OUD and any co-occurring SUD/MH conditions, and the needs of their families, including babies with neonatal abstinence syndrome ("*NAS*"), through evidence-based or evidence-informed programs or strategies that may include, but are not limited to, those that:

1. Support evidence-based or evidence-informed treatment, including MAT, recovery services and supports, and prevention services for pregnant women—or women who could become pregnant—who have OUD and any co-occurring SUD/MH conditions, and other measures to educate and provide support to families affected by Neonatal Abstinence Syndrome.

2. Expand comprehensive evidence-based treatment and recovery services, including MAT, for uninsured women with OUD and any co-occurring SUD/MH conditions for up to 12 months postpartum.

3. Provide training for obstetricians or other healthcare personnel who work with pregnant women and their families regarding treatment of OUD and any co-occurring SUD/MH conditions.

4. Expand comprehensive evidence-based treatment and recovery support for NAS babies; expand services for better continuum of care with infant-need dyad; and expand long-term treatment and services for medical monitoring of NAS babies and their families.

5. Provide training to health care providers who work with pregnant or parenting women on best practices for compliance with federal requirements that children born with NAS get referred to appropriate services and receive a plan of safe care.

6. Provide child and family supports for parenting women with OUD and any co-occurring SUD/MH conditions.

7. Provide enhanced family support and child care services for parents with OUD and any co-occurring SUD/MH conditions.

8. Provide enhanced support for children and family members suffering trauma as a result of addiction in the family; and offer trauma-informed behavioral health treatment for adverse childhood events.

9. Offer home-based wrap-around services to persons with OUD and any co-occurring SUD/MH conditions, including, but not limited to, parent skills training.

10. Provide support for Children's Services—Fund additional positions and services, including supportive housing and other residential services, relating to children being removed from the home and/or placed in foster care due to custodial opioid use.

PART TWO: PREVENTION

F. <u>PREVENT OVER-PRESCRIBING AND ENSURE APPROPRIATE PRESCRIBING AND DISPENSING OF OPIOIDS</u>

Support efforts to prevent over-prescribing and ensure appropriate prescribing and dispensing of opioids through evidence-based or evidence-informed programs or strategies that may include, but are not limited to, the following:

1. Funding medical provider education and outreach regarding best prescribing practices for opioids consistent with the Guidelines for Prescribing Opioids for Chronic Pain from the U.S. Centers for Disease Control and Prevention, including providers at hospitals (academic detailing).

2. Training for health care providers regarding safe and responsible opioid prescribing, dosing, and tapering patients off opioids.

3. Continuing Medical Education (CME) on appropriate prescribing of opioids.

4. Providing Support for non-opioid pain treatment alternatives, including training providers to offer or refer to multi-modal, evidence-informed treatment of pain.

5. Supporting enhancements or improvements to Prescription Drug Monitoring Programs ("*PDMPs*"), including, but not limited to, improvements that:

    1. Increase the number of prescribers using PDMPs;

    2. Improve point-of-care decision-making by increasing the quantity, quality, or format of data available to prescribers using PDMPs, by improving the interface that prescribers use to access PDMP data, or both; or

3. Enable states to use PDMP data in support of surveillance or intervention strategies, including MAT referrals and follow-up for individuals identified within PDMP data as likely to experience OUD in a manner that complies with all relevant privacy and security laws and rules.

6. Ensuring PDMPs incorporate available overdose/naloxone deployment data, including the United States Department of Transportation's Emergency Medical Technician overdose database in a manner that complies with all relevant privacy and security laws and rules.

7. Increasing electronic prescribing to prevent diversion or forgery.

8. Educating dispensers on appropriate opioid dispensing.

G. PREVENT MISUSE OF OPIOIDS

Support efforts to discourage or prevent misuse of opioids through evidence-based or evidence-informed programs or strategies that may include, but are not limited to, the following:

1. Funding media campaigns to prevent opioid misuse.

2. Corrective advertising or affirmative public education campaigns based on evidence.

3. Public education relating to drug disposal.

4. Drug take-back disposal or destruction programs.

5. Funding community anti-drug coalitions that engage in drug prevention efforts.

6. Supporting community coalitions in implementing evidence-informed prevention, such as reduced social access and physical access, stigma reduction—including staffing, educational campaigns, support for people in treatment or recovery, or training of coalitions in evidence-informed implementation, including the Strategic Prevention Framework developed by the U.S. Substance Abuse and Mental Health Services Administration ("*SAMHSA*").

7. Engaging non-profits and faith-based communities as systems to support prevention.

8. Funding evidence-based prevention programs in schools or evidence-informed school and community education programs and campaigns for students, families, school employees, school athletic programs, parent-teacher and student associations, and others.

9. School-based or youth-focused programs or strategies that have demonstrated effectiveness in preventing drug misuse and seem likely to be effective in preventing the uptake and use of opioids.

10. Create or support community-based education or intervention services for families, youth, and adolescents at risk for OUD and any co-occurring SUD/MH conditions.

11. Support evidence-informed programs or curricula to address mental health needs of young people who may be at risk of misusing opioids or other drugs, including emotional modulation and resilience skills.

12. Support greater access to mental health services and supports for young people, including services and supports provided by school nurses, behavioral health workers or other school staff, to address mental health needs in young people that (when not properly addressed) increase the risk of opioid or another drug misuse.

H. PREVENT OVERDOSE DEATHS AND OTHER HARMS (HARM REDUCTION)

Support efforts to prevent or reduce overdose deaths or other opioid-related harms through evidence-based or evidence-informed programs or strategies that may include, but are not limited to, the following:

1. Increased availability and distribution of naloxone and other drugs that treat overdoses for first responders, overdose patients, individuals with OUD and their friends and family members, schools, community navigators and outreach workers, persons being released from jail or prison, or other members of the general public.

2. Public health entities providing free naloxone to anyone in the community.

3. Training and education regarding naloxone and other drugs that treat overdoses for first responders, overdose patients, patients taking opioids, families, schools, community support groups, and other members of the general public.

4. Enabling school nurses and other school staff to respond to opioid overdoses, and provide them with naloxone, training, and support.

5. Expanding, improving, or developing data tracking software and applications for overdoses/naloxone revivals.

6. Public education relating to emergency responses to overdoses.

7. Public education relating to immunity and Good Samaritan laws.

8. Educating first responders regarding the existence and operation of immunity and Good Samaritan laws.

9. Syringe service programs and other evidence-informed programs to reduce harms associated with intravenous drug use, including supplies, staffing, space, peer support services, referrals to treatment, fentanyl checking, connections to care, and the full range of harm reduction and treatment services provided by these programs.

10. Expanding access to testing and treatment for infectious diseases such as HIV and Hepatitis C resulting from intravenous opioid use.

11. Supporting mobile units that offer or provide referrals to harm reduction services, treatment, recovery supports, health care, or other appropriate services to persons that use opioids or persons with OUD and any co-occurring SUD/MH conditions.

12. Providing training in harm reduction strategies to health care providers, students, peer recovery coaches, recovery outreach specialists, or other professionals that provide care to persons who use opioids or persons with OUD and any co-occurring SUD/MH conditions.

13. Supporting screening for fentanyl in routine clinical toxicology testing.

PART THREE: OTHER STRATEGIES

I. FIRST RESPONDERS

In addition to items in section C, D and H relating to first responders, support the following:

1. Education of law enforcement or other first responders regarding appropriate practices and precautions when dealing with fentanyl or other drugs.

2. Provision of wellness and support services for first responders and others who experience secondary trauma associated with opioid-related emergency events.

J. LEADERSHIP, PLANNING AND COORDINATION

Support efforts to provide leadership, planning, coordination, facilitations, training and technical assistance to abate the opioid epidemic through activities, programs, or strategies that may include, but are not limited to, the following:

1. Statewide, regional, local or community regional planning to identify root causes of addiction and overdose, goals for reducing harms related to the opioid epidemic, and areas and populations with the greatest needs for treatment intervention services, and to support training and technical assistance and other strategies to abate the opioid epidemic described in this opioid abatement strategy list.

2. A dashboard to (a) share reports, recommendations, or plans to spend opioid settlement funds; (b) to show how opioid settlement funds have been spent; (c) to report program or strategy outcomes; or (d) to track, share or visualize key opioid- or health-related indicators and supports as identified through collaborative statewide, regional, local or community processes.

3. Invest in infrastructure or staffing at government or not-for-profit agencies to support collaborative, cross-system coordination with the purpose of preventing

overprescribing, opioid misuse, or opioid overdoses, treating those with OUD and any co-occurring SUD/MH conditions, supporting them in treatment or recovery, connecting them to care, or implementing other strategies to abate the opioid epidemic described in this opioid abatement strategy list.

4. Provide resources to staff government oversight and management of opioid abatement programs.

K. TRAINING

In addition to the training referred to throughout this document, support training to abate the opioid epidemic through activities, programs, or strategies that may include, but are not limited to, those that:

1. Provide funding for staff training or networking programs and services to improve the capability of government, community, and not-for-profit entities to abate the opioid crisis.

2. Support infrastructure and staffing for collaborative cross-system coordination to prevent opioid misuse, prevent overdoses, and treat those with OUD and any co-occurring SUD/MH conditions, or implement other strategies to abate the opioid epidemic described in this opioid abatement strategy list (*e.g.*, health care, primary care, pharmacies, PDMPs, etc.).

L. RESEARCH

Support opioid abatement research that may include, but is not limited to, the following:

1. Monitoring, surveillance, data collection and evaluation of programs and strategies described in this opioid abatement strategy list.

2. Research non-opioid treatment of chronic pain.

3. Research on improved service delivery for modalities such as SBIRT that demonstrate promising but mixed results in populations vulnerable to opioid use disorders.

4. Research on novel harm reduction and prevention efforts such as the provision of fentanyl test strips.

5. Research on innovative supply-side enforcement efforts such as improved detection of mail-based delivery of synthetic opioids.

6. Expanded research on swift/certain/fair models to reduce and deter opioid misuse within criminal justice populations that build upon promising approaches used to address other substances (*e.g.*, Hawaii HOPE and Dakota 24/7).

7. Epidemiological surveillance of OUD-related behaviors in critical populations, including individuals entering the criminal justice system, including, but not limited to approaches modeled on the Arrestee Drug Abuse Monitoring ("*ADAM*") system.

8. Qualitative and quantitative research regarding public health risks and harm reduction opportunities within illicit drug markets, including surveys of market participants who sell or distribute illicit opioids.

9. Geospatial analysis of access barriers to MAT and their association with treatment engagement and treatment outcomes.

CITY COUNCIL STAFF REPORT

Agenda Date: 3/26/2024

Subject: Sparman Rezone - LUA2023-0073

Contact Person/Department: Melissa Place, Community Development

Budget Impact: None

Legal Review: Yes

RECOMMENDATION(S)/ACTION REQUESTED:

1. Closed Record Public Hearing and First and Final Reading for Ordinance No. 1181 (**Exhibit 1**) related to the Sparman Rezone (LUA2023-0073).

2. **Motion to approve Ordinance No. 1181**: An ordinance of the City of Lake Stevens amending the zoning for an approximate, 9.71-acre site on two parcels (APNs: 00586900000401 and 00586900000402), located at 10720 S Lake Stevens Road, Lake Stevens, WA from R6 to R8-12 as part of the Sparman Rezone (City File No. LUA2023-0073).

SUMMARY/BACKGROUND:

The applicant, Kristi Kyle with Westcott Homes, has applied for a site-specific rezone on behalf of the property owner for an approximate 9.71-acre site located at 10720 S Lake Stevens Road, Lake Stevens, WA 98258 / Parcel Numbers: 00586900000401 and 00586900000402, pursuant to Lake Stevens Municipal Code (LSMC) 14.16C.090(b)(1). The applicant requests that the subject parcel's zoning designation change from R6 to R8-12. Rezones are Type IV quasi-judicial applications that require a hearing examiner recommendation and City Council approval per Chapter 14.16A LSMC (Table14.16A-I) and Chapter 14.16B LSMC – Part IV. No change is proposed to the underlying Medium Density Residential (MDR) land use designation.

Concurrent with its rezone application, the applicant submitted a Type III quasi-judicial application for a preliminary unit lot subdivision and a Type I application for administrative design review, based on the proposed R8-12 zoning. The request is for a

96-unit townhome unit lot subdivision with associated improvements. The hearing examiner is the decision-making body for these applications, and on March 18, 2024, approved both applications contingent on Council approval of the rezone.

The subject property has a comprehensive plan land use designation of Medium Density Residential (MDR). The surrounding properties are all also designated as MDR by the city's comprehensive plan. The R8-12 zoning district is allowed in properties designated MDR. The properties directly to the west and east of the site are zoned R6. However, the properties directly to the south are zoned R8-12.

The city received the application on April 14, 2023, and issued a Determination of Completeness on May 3, 2023. The public meeting for both the rezone and preliminary plat was combined and held on July 12, 2023. The open record public hearing by the Lake Stevens Hearing Examiner was held on February 22, 2024. City staff provided public notice for the application, public meeting, public hearing by the Hearing Examiner, and public hearing before the Council by publication in the Everett Herald, direct mailings, emailing parties of record, and posting notices onsite, city website and city bulletin boards.

The city requested a traffic impact analysis (TIA) to assess potential traffic impact related to the rezone. The applicant submitted a TIA and one additional memorandum, which have been reviewed by the city engineer. The city has determined that there will be no adverse impacts to existing service levels pursuant to the application of traffic impact mitigation fees per Chapter 14.112 LSMC. Traffic impacts, should the proposal be approved, would result in an increase of ten (10) PM Peak Hour trips over the current zoning, which has a negligible effect on levels of service measured at key intersections. The TIA determined that affected intersections will operate at acceptable levels of service with the proposed R8-12 zoning.

The city has adopted reasonable measures in its Comprehensive Plan to increase residential capacity to meet its adopted population target, including unit lot subdivisions and increased residential densities. On February 23, 2022, the Snohomish County Council adopted Ordinance No. 22-003 establishing the 2044 Initial Population and Employment Growth Targets in Appendix B in the Countywide Planning Policies, which increased the population target for the City of Lake Stevens UGA to 50,952. This target is higher than the capacity of 50,241 identified for the UGA in the 2021 Buildable Lands Report. The result is a projected population shortfall/deficit of 711 for the UGA under current zoning. The city is allocated for 3.2% of the total growth in the county.

House Bill 1220 (2021) amended the Growth Management Act (RCW Section 36.70A.070(2)) to require cities to analyze and plan for future housing across a variety of income ranges and housing unit types. As part of the development of the Snohomish County 2023 Housing Characteristics and Needs Report ("HO-5 Report"), individual jurisdictions were assigned growth targets at individual income bands based on a percentage of area median income (AMI). The city's 2023 Housing Action Plan identified a deficit of zoned capacity below 100% of AMI ($146,000 for a family of four). Townhomes and other middle housing types will help the city to meets its growth targets for moderate income households, and the proposed rezone would help increase the potential supply of the middle housing units.

The rezone would allow for an additional 43 units on the site, which based on census data for average household size in Lake Stevens (2.9 persons per household) would increase the city's population capacity by approximately 125 people, or 18% of its project's population deficit.

The townhomes proposed in this project are considered middle housing and fulfill goals and policies already enacted by the city to increase density and meet GMA population growth targets and reflect a change in condition to accommodate revised growth targets by income bracket.

Even without a rezone, the property, would support increased density through the construction of duplexes on lots having at least 125 percent of the underlying zoning lot size, construction of accessory dwelling units (ADU), or through a Planned Residential Development.

The proposed rezone is consistent with a need to plan for increased residential density based on adopted growth targets. The Lake Stevens Hearing Examiner has determined that this rezone request is consistent with the goals and policies of the Comprehensive Plan, complies with the Growth Management Act and conforms with the Lake Stevens Municipal Code (LSMC).

Any future land use action resulting from the rezone will be subject to the rules and standards in effect at the time of application, including but not limited to public noticing, subdivision, construction, environmental review, critical areas, streets and stormwater.

FINDINGS AND CONCLUSIONS:
The Hearing Examiner has found the Sparman Rezone proposal (LUA2023-073) to be consistent with LSMC 14.16C.090 and has submitted a recommendation (Exhibit 2) to the City Council to approve the proposal with conditions based on the findings and conclusions contained in the recommendation.

APPLICABLE CITY POLICIES:
Chapters 14.16C.090, 14.16B–Part IV, and 16.04 of the Lake Stevens Municipal Code

---

ATTACHMENTS:
1. Exhibit 1 – Ordinance No. 1181, with exhibits

2. Exhibit 2 - Hearing Examiner Recommendation dated March 18, 2024, with Appendix B

CITY OF LAKE STEVENS
LAKE STEVENS, WASHINGTON

ORDINANCE NO. 1181

AN ORDINANCE OF THE CITY OF LAKE STEVENS AMENDING THE OFFICIAL ZONING MAP ENACTED BY ORDINANCE 1169; APPROVING THE SPARMAN REZONE (CITY FILE NO. LUA2023-0073) LOCATED AT 10720 SOUTH LAKE STEVENS ROAD, COMPRISED OF THE FOLLOWING PARCELS 00586900000401 and 00586900000402 BY REZONING THE SUBJECT PARCELS FROM R6 TO R8-12; ADOPTING FINDINGS AND CONCLUSIONS RECOMMENDED BY THE HEARING EXAMINER; AND PROVIDING FOR SEVERABILITY, AN EFFECTIVE DATE AND FOR SUMMARY PUBLICATION BY ORDINANCE TITLE ONLY.

WHEREAS, on September 26, 2023, the Lake Stevens City Council approved Ordinance No. 1169, adopting an updated Official Zoning Map; and

WHEREAS, on March 26, 2019, the City Council approved Ordinance No. 1053, which authorized the annexation of those properties within the Southeast Island Annexation Area and established Comprehensive Plan land use designations and zoning designations effective as May 20, 2019; and

WHEREAS, on April 14, 2023, the city received an application for a site-specific rezone (City File No. LUA2023-0073) referred to as the Sparman Rezone; and

WHEREAS, the Sparman Rezone includes approximately 9.71 acres south of South Lake Stevens Road, depicted in Exhibit A heretoand would change the zoning designation on Parcel Nos. 00586900000401 and 00586900000402 from R6 to R8-12 per Lake Stevens Municipal Code (LSMC) 14.16C.090; and

WHEREAS, Section 14.16C.090 of the Lake Stevens Municipal Code (LSMC) sets forth the process for rezone applications; and

WHEREAS, pursuant to LSMC 14.16C.090(b) the rezone is a minor amendment, as there are less than five tracts and less than 50 acres involved.

WHEREAS, the Comprehensive Plan land use designation for the subject parcel is Medium Density Residential (MDR) which supports the R8-12 zoning designation per LSMC Table 14.36-I – no change is proposed to the underlying comprehensive plan land use designation; and

WHEREAS, the city and its partner agencies reviewed the application materials pursuant to the requirements of LSMC 14.16C.090; and

WHEREAS, the city determined the proposal to be exempt from a State Environmental Policy Act (SEPA) checklist pursuant to Chapter 16.04 LSMC and the WAC 197-11-800(6)(c); and

WHEREAS, the city is in receipt of public comments submitted in writing and presented orally at the duly held public meeting on July 12, 2023 and the duly held public hearing on February

22, 2024; and

WHEREAS, site-specific rezone is a Type IV quasi-judicial decision, per Chapter 14.16A LSMC (Table 14.16A-I), which requires a recommendation from the Hearing Examiner to City Council based on written findings and conclusions and supported by evidence from an open-record hearing; and

WHEREAS, the Hearing Examiner conducted a duly noticed open-record public hearing on February 22, 2024, and all public testimony has been given full consideration; and

WHEREAS, on March 18, 2023, the Hearing Examiner issued a recommendation to the City Council to approve the rezone request, subject to conditions, as the proposed rezone meets the legal criteria for approving a rezone as set forth in LSMC 14.16C.090 and applicable state requirements; and

WHEREAS, between March 13 to March 15, 2024, the city duly posted, published, and mailed the notice of closed-record hearing before the City Council on March 26, 2024; and

WHEREAS, the City Council considered the Hearing Examiners recommendation at a closed record public hearing on March 26, 2024; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAKE STEVENS DOES HEREBY ORDAIN AS FOLLOWS:

<u>Section 1</u>. The City Council (a) adopts the above recitals as findings in support of this ordinance; (2) adopts and incorporates the findings and conclusions for approving a rezone, as set forth in the Hearing Examiner's recommendation, pursuant to LSMC 14.16C.090; and (c) hereby adopts the Hearing Examiner's recommendation, including the conditions of approval set forth in **Exhibit B to this ordinance**.

<u>Section 2</u>. The City Council makes the following conclusions based on the entire record of this proceeding, including all testimony and exhibits:

A. The open record public hearing of the Hearing Examiner and the closed record public hearing of the City Council satisfy the public participation requirements of Chapter 14.16A LSMC.

B. The SEPA process conducted for this ordinance satisfies the requirements of the State Environmental Policy Act codified in Chapter 43.21C RCW as implemented by Chapter 197-11 WAC and Title 16 LSMC.

C. The site-specific zoning map amendment, adopted by this ordinance, complies with the Growth Management Act (Chapter 36.70A RCW).

D. The site-specific zoning map amendment adopted by this ordinance is consistent with the adopted Lake Stevens Comprehensive Plan per Ordinance No. 1169.

<u>Section 3</u>. The Official Zoning Map is hereby amended, as depicted in **Exhibit A,** by changing the zoning on parcels 00586900000401 and 00586900000402 from R6 to R8-12.

Section 4. The city will review future development applications for the property under the applicable use and development regulations of the Lake Stevens Municipal Code in effect at the time of application.

Section 5. Severability. If any section, clause, phrase, or term of this ordinance is held for any reason to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this ordinance, and the remaining portions shall be in full force and effect.

Section 6. Effective Date and Publication. A summary of this ordinance consisting of its title shall be published in the official newspaper of the City. This ordinance shall take effect and be in full force five days after the date of publication.

PASSED by the City Council of the City of Lake Stevens this 26th day of March 2024.

____
Brett Gailey, Mayor

ATTEST/AUTHENTICATION:

____
Kelly Chelin, City Clerk

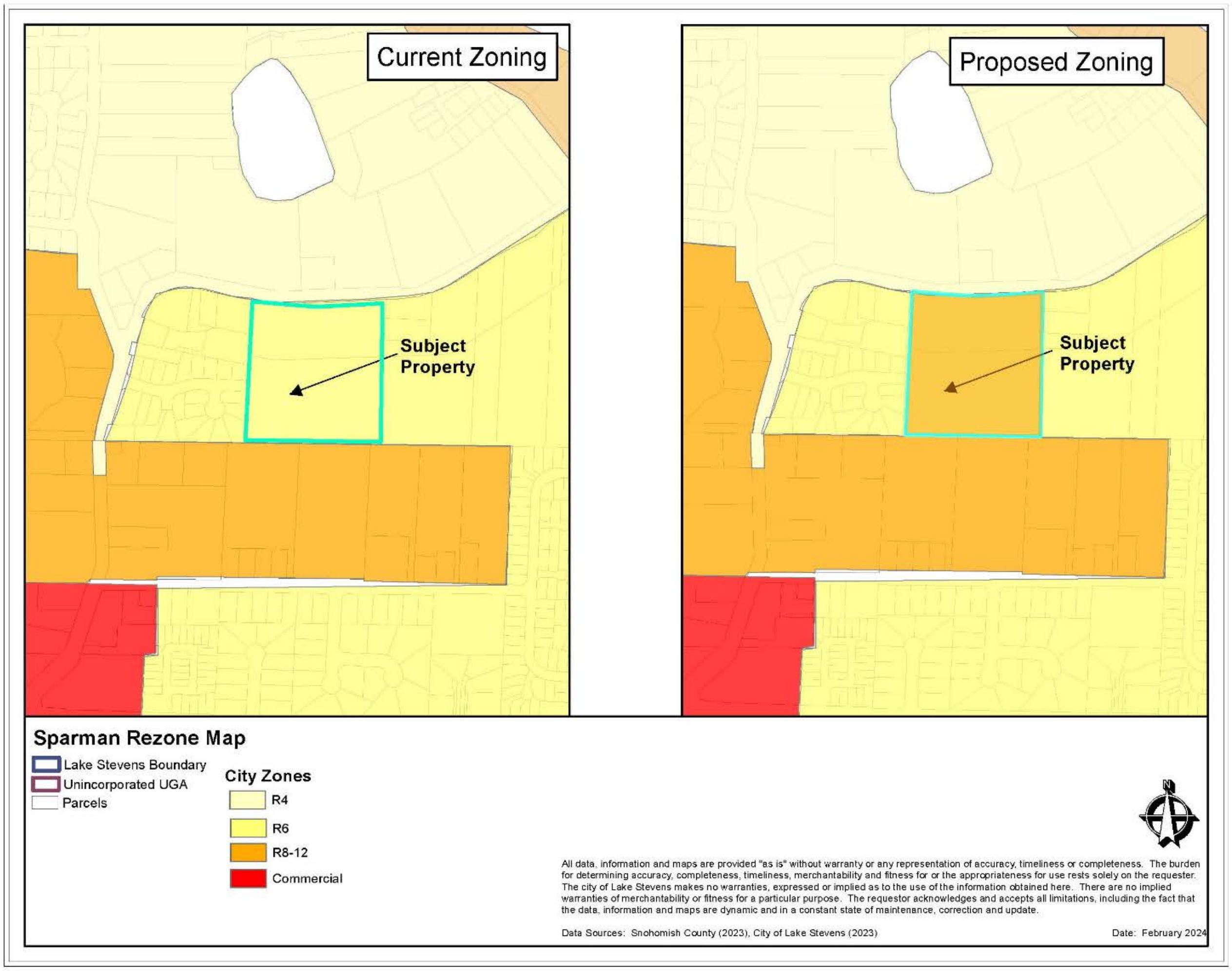
APPROVED AS TO FORM:

____
Greg Rubstello, City Attorney

First and Final Reading: March 26, 2024
Published:
Effective Date:

Exhibit A

Sparman Rezone Map



Existing Zoning:	R6
Proposed Zoning:	R8-12
Property Size:	9.71 acres

EXHIBIT B

BEFORE THE HEARING EXAMINER FOR THE CITY OF LAKE STEVENS

Phil Olbrechts, Hearing Examiner

RE: Sparman/Westcott Homes Inc. Rezone LUA2023-0073	**FINDINGS OF FACT, CONCLUSIONS OF LAW AND RECOMMENTATION**

INTRODUCTION

Westcott Homes, Inc. requests a rezone from R6 to R8-12 for a 9.71 acre site located at 10720 S Lake Stevens Road. It is recommended that the City Council approve the rezone.

Westcot also plans to develop a 96-townhome unit lot subdivision on the rezone site. A preliminary plat for the subdivision has been approved contingent upon approval of the rezone.

The city received 11 written public comments addressing the rezone prior to the hearing (Exhibits 5.a - 5.k) along with a petition signed by 220 people opposed to the rezone. Eight members of the public provided testimony at the public hearing (Appendix A). Public concerns included traffic congestion, sight distance visibility at the intersection of 15th St SE & S Lake Stevens Rd, storm water runoff, water quality and adequacy of school facilities.

As shown in the zoning map attached as Appendix A, the rezone has the unfortunate effect of surrounding an established single-family development adjoining to the west on three sides with zoning for higher density development. The resulting difference in density is a major cause of public opposition. The overriding justification for approval of the rezone is external to the City, based upon Growth Management Act mandates to accommodate urban growth. As identified in the staff report, in 2022 Snohomish County assigned a population increase to the City that exceeds the zoned development capacity of the City. As shown in the attached zoning map, lots in the vicinity of the rezone are relatively large, indicating an area that has the development potential for meeting excess growth targets. If the Council is inclined to deny the rezone, it should consider whether the City has any other areas that are better suited for increases in density.

In terms of density compatibility, the critical area tract of the project site as depicted in Ex. 2b is ideally situated to buffer the proposed density from the relatively low-density single-family neighborhood to the west. The northern half of the project site will not be developed due to wetlands and steep slopes. That undeveloped area will completely border the low-density neighborhood to the west. Two other low density lots adjoin the developable portion of the rezone site. Those lots appear to provide significant separation between their existing homes and the project site. Lake Stevens Road separates the project site from low density development to the north of the rezone site.

As to traffic and stormwater impacts, the City Council is likely aware that those issues are heavily regulated by the City's development standards. This rezone benefits from a traffic study prepared for the associated preliminary plat application. Stormwater and traffic impacts are more appropriately addressed at project level review, since those impacts cannot be precisely evaluated until a specific project is presented for review. However, traffic can be a relevant factor for a rezone application since it is fair to consider whether the existing traffic network can handle an increase in density associated with a proposed upzone. The Applicant's traffic report, Ex. 2e, identifies that the proposal will meet the Council's adopted level of service standards, which are essentially adopted levels of acceptable congestion.

A difficult issue to address is impacts to schools. Several public comment letters identified that the local schools are struggling to keep up with increases in student population, including a letter from a school teacher. The Council has adopted school impact fees designed to mitigate against this impact. Staff also testified at the hearing that the school district has plans in the works to expand. This is another situation where state mandates to accommodate urban growth results in less than ideal levels of service. Adequacy of schools could be a relevant factor in assessing whether other parts of the City are more suitable for upzones to meet the City's growth targets.

ORAL TESTIMONY

A computer-generated transcript of the hearing has been prepared to provide an overview of the hearing testimony. The transcript is provided for informational purposes only as Appendix B.

EXHIBITS

Exhibits 1-8 listed on pages 10-11 of staff report dated February 21, 2024, were admitted into the record during the February 15, 2024, public hearing; together with Exhibit 9 (Exhibit 8.m of staff report for LUA2023-0116 & LUA2023-0117) and Exhibit 10 (Exhibit 9 of staff report for LUA2023-0116 & LUA2023-0117).

FINDINGS OF FACT

Procedural:

1. Applicant. Westcott Homes, Inc. (applicant) on behalf of the owner, Adabel Lee Sparman Family Trust and Ralph Elof Sparman Marital Trust.

2. Hearing. The Hearing Examiner conducted a virtual hearing on the application at 5:30 p.m. on February 22, 2024.

Substantive:

3. Site/Proposal Description. Westcott Homes, Inc., has applied for a site-specific rezone from the R6 zoning district to the R8-12 zoning district for two parcels totaling 9.71 acres located at 10720 S Lake Stevens Road.

The majority of the site is forested, except for the gravel driveway, single-family residence, and various outbuildings. The existing topography has approximately 138 feet of elevation relief from the southeast corner of the site towards the northwest corner of the site. Critical areas comprised of two sloped Category IV wetlands and various steep slopes exist on the northern portion of the site. Currently, the site runoff flows towards the northern portion of the site and enters a system of underground pipes and catch basins which eventually drain to Stitch Lake.

The Applicant has also applied for preliminary plat approval (LUA2023-0116) to develop a 96-townhome unit lot subdivision for the rezone site. The plat application was approved by hearing examiner decision dated March 18, 2024, contingent upon approval of this rezone application.

4. Characteristics of the Area. The surrounding zoning and land use designation is outlined on Page 2, Section B of the Staff Report. The subject property and surrounding properties share the comprehensive plan land use designation of Medium Density Residential (MDR). Properties directly west and east are zoned R6 and properties located directly south are zoned R8-12. The subject property is bounded on the north by S. Lake Stevens Road. The surrounding zoning and existing development are shown in the zoning map and 2022 aerial photograph below.

Figure 1: 2022 aerial of project site, Ex. 2d, p. 20.

5. Adverse Impacts. The proposal will not result in any adverse impacts that cannot be fully mitigated pursuant to City development standards for the reasons identified in the Introduction section of this decision, adopted by this reference. Project specific impacts will be addressed during project review, as demonstrated in the hearing examiner approval of the associated preliminary plat approval. Compatibility, traffic

and school impacts are major and appropriate issues of public concern for rezone review. Those issues are appropriately addressed as outlined in the Introduction.

6. Change in Circumstances. Two significant changes in circumstances have occurred since the rezone area was zoned R6.

One change in circumstance is an increase in the City's Growth Management Act growth target. On February 23, 2022, the Snohomish County Council adopted Ordinance No. 22-003 establishing the 2044 Initial Population and Employment Growth Targets in Appendix B in the Countywide Planning Policies, which increased the population target for the City of Lake Stevens UGA to 50,952. This target is higher than the capacity of 50,241 identified for the UGA in the 2021 Buildable Lands Report. The result is a projected population shortfall/deficit of 711 for the UGA under current zoning. The city is allocated for 3.2% of the total growth in the county.

The other change in circumstance is House Bill 1220 (2021) amended the Growth Management Act (RCW Section 36.70A.070(2)) to require cities to analyze and plan for future housing across a variety 8 of income ranges and housing unit types. As part of the development of the Snohomish County 2023 Housing Characteristics and Needs Report ("HO-5 Report"), individual jurisdictions were assigned growth targets at individual income bands based on a percentage of area median income (AMI). The city's 2023 Housing Action Plan identified a deficit of zoned capacity below 100% of AMI ($146,000 for a family of four). Townhomes and other middle housing types will help the city to meet its growth targets for moderate income households, and the proposed rezone would help increase the potential supply of the middle housing units.

The city has adopted reasonable measures in its Comprehensive Plan to increase residential capacity to allow residential growth to meet the adopted population target, including both cluster subdivisions and increased residential densities. The proposed rezone is consistent with a need to plan for additional residential property based on growth targets. The rezone would allow for an additional 43 units on the site, which based on census data for average household size in Lake Stevens (2.9 persons per household) would increase the city's population capacity by approximately 125 people, or 18% of its project's population deficit.

CONCLUSIONS OF LAW

Procedural:

1. Authority of Hearing Examiner. Table 14.16A-I LSMC grants the Hearing Examiner with the authority to review and make a recommendation on rezone requests to the City Council.

Substantive:

2. Zoning Designation. The property is currently zoned R6 Residential.

3. Review Criteria. LSMC 14.16C.090(g) sets the criteria for site-specific rezones. Pertinent criteria are quoted below and applied via corresponding conclusions of law.

LSMC 14.16C.090(g)(1): *The amendment complies with the Comprehensive Plan Land Use Map, policies, and provisions and adopted subarea plans;*

4. Criterion met. The criterion is met. Most significant, the R8-12 designation is consistent with the underlying comprehensive plan map designation of medium density residential. Also, Comprehensive Plan Policy 2.1.3 requires the City to meet Growth Management Act growth targets. As identified in Finding of Fact No. 6, the proposal is well suited to help the city meet this obligation. As further encouraged by the policies identified on pages 6 & 7 of the staff report, the proposed rezone area is appropriately situated with infrastructure and services to accommodate an increase in growth as determined in Finding of Fact No. 6.

LSMC 14.16C.090(g)(2): *The amendment is in compliance with the Growth Management Act;*

5. Criterion met. The criterion is met. As noted in Finding of Fact 6 and Conclusion of Law No. 4, the proposal helps the City meet GMA growth targets. The proposal also meets GMA objectives by encouraging growth in urban growth areas and doing so via a review process that involves public participation.

LSMC 14.16C.090(g)(3): *The amendment serves to advance the public health, safety and welfare;*

6. Criterion met. The criterion is met. Public health, safety and welfare are furthered by the proposal by its advancement of GMA objectives of directing growth in an urban growth area with adequate infrastructure and public services to accommodate additional growth;

LSMC 14.16C.090(g)(4): *The amendment is warranted because of changed circumstances, a mistake, or because of a need for additional property in the proposed zoning district;*

7. Criterion met. The criterion is met. The amendment is warranted due to the change of circumstances identified in Finding of Fact No. 6.

LSMC 14.16C.090(g)(5): *The subject property is suitable for development in general conformance with zoning standards under the proposed zoning district;*

8. Criterion met. The criterion is met. The rezone area is appropriate for an upzone with adequate infrastructure and compatible surrounding development as determined in Findings of Fact No. 4-6 above. The property's conformance with zoning standards has also been reviewed as part of the associated preliminary plat application and it has been determined that the property outside of the critical area is suitable for development.

LSMC 14.16C.090(g)(6): *The amendment will not be materially detrimental to uses or property in the immediate vicinity of the subject property;*

9. Criterion met. The criterion is met. The proposal will not be materially detrimental to surrounding properties for the reasons identified in Finding of Fact No. 5. The City's development standards, including subdivision and critical area standards, will assure adequate infrastructure and protection of natural resources to the levels adopted by the City Council.

LSMC 14.16C.090(g)(7): *Adequate public facilities and services are likely to be available to serve the development allowed by the proposed zone;*

10. Criterion met. The criterion is met for the reasons identified in Finding of Fact No. 5.

LSMC 14.16C.090(g)(8): *The probable adverse environmental impacts of the types of development allowed by the proposed zone can be mitigated, taking into account all applicable regulations, or the unmitigated impacts are acceptable;*

11. Criterion met. The criterion is met. The project is not anticipated to create probable significant adverse impacts due to the reasons outlined in Finding of Fact No. 5 and the application of the City's development standards to future development.

LSMC 14.16C.090(g)(9): *The amendment complies with all other applicable criteria and standards in this title; and*

12. Criterion met. The criterion is met. Staff have determined that the proposal complies with municipal standards for a rezone application. All other applicable criteria and standards will be met by the preliminary plat application.

RECOMMENDATION

The requested site-specific minor zoning map amendment (LUA2023-0073) is consistent with the rezone criteria, permit processing procedures, the existing Comprehensive Land Use designation, and all other applicable municipal code requirements, subject to the conditions noted below:

1. Exhibit 7 depicts the area to be rezoned to the R8-12 zoning district. This rezone is contingent upon the Hearing Examiner's recommendation of approval and final approval by City Council. Upon approval, the proposed change will be incorporated into an official revised Lake Stevens zoning map.

2. The rezone approval by the City Council must first be obtained prior to the preliminary subdivision being approved.

3. All future development must comply with federal, state and local regulations in effect at the time of application.

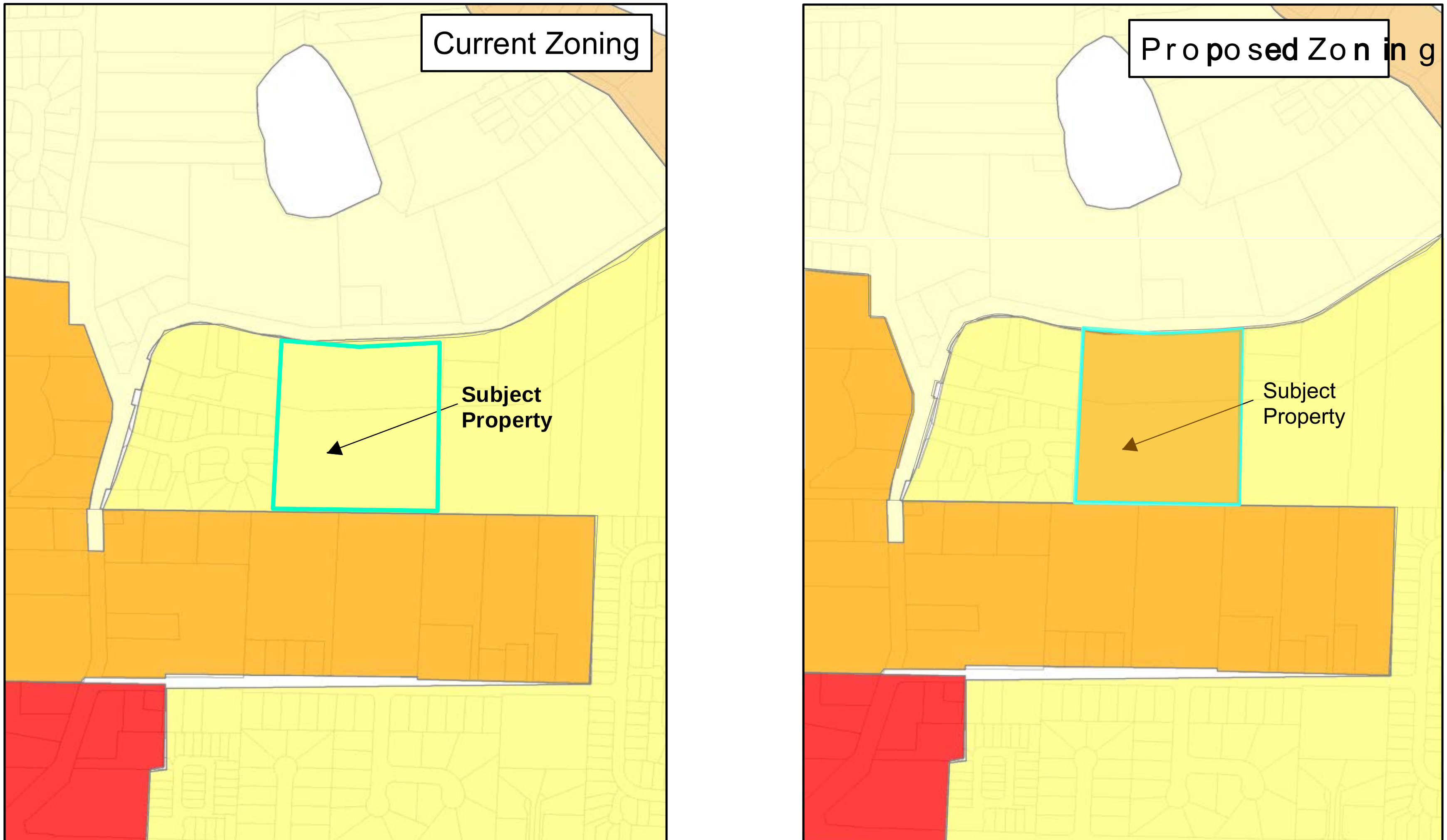
Dated this 18th day of March 2023.

Phil Olbrechts

Phil Olbrechts,
City of Lake Stevens Hearing Examiner

Exhibit 7

Appendix A



Sparman Rezone Map

Lake Stevens Boundary
Unincorporated UGA
Parcels

City Zones

R4
R6
R8-12
Commercial

Data Sources: Snohomish County (2023), City of Lake Stevens (2023)

Date: February 2024

BEFORE THE HEARING EXAMINER FOR THE CITY OF LAKE STEVENS

Phil Olbrechts, Hearing Examiner

RE: Sparman/Westcott Homes Inc. Rezone LUA2023-0073	**FINDINGS OF FACT, CONCLUSIONS OF LAW AND RECOMMENTATION**

INTRODUCTION

Westcott Homes, Inc. requests a rezone from R6 to R8-12 for a 9.71 acre site located at 10720 S Lake Stevens Road. It is recommended that the City Council approve the rezone.

Westcot also plans to develop a 96-townhome unit lot subdivision on the rezone site. A preliminary plat for the subdivision has been approved contingent upon approval of the rezone.

The city received 11 written public comments addressing the rezone prior to the hearing (Exhibits 5.a - 5.k) along with a petition signed by 220 people opposed to the rezone. Eight members of the public provided testimony at the public hearing (Appendix A). Public concerns included traffic congestion, sight distance visibility at the intersection of 15th St SE & S Lake Stevens Rd, storm water runoff, water quality and adequacy of school facilities.

As shown in the zoning map attached as Appendix A, the rezone has the unfortunate effect of surrounding an established single-family development adjoining to the west on three sides with zoning for higher density development. The resulting difference in density is a major cause of public opposition. The overriding justification for approval of the rezone is external to the City, based upon Growth Management Act mandates to accommodate urban growth. As identified in the staff report, in 2022 Snohomish County assigned a population increase to the City that exceeds the zoned development capacity of the City. As shown in the attached zoning map, lots in the vicinity of the rezone are relatively large, indicating an area that has the development potential for meeting excess growth targets. If the Council is inclined to deny the rezone, it should consider whether the City has any other areas that are better suited for increases in density.

In terms of density compatibility, the critical area tract of the project site as depicted in Ex. 2b is ideally situated to buffer the proposed density from the relatively low-density single-family neighborhood to the west. The northern half of the project site will not be developed due to wetlands and steep slopes. That undeveloped area will completely border the low-density neighborhood to the west. Two other low density lots adjoin the developable portion of the rezone site. Those lots appear to provide significant separation between their existing homes and the project site. Lake Stevens Road separates the project site from low density development to the north of the rezone site.

As to traffic and stormwater impacts, the City Council is likely aware that those issues are heavily regulated by the City's development standards. This rezone benefits from a traffic study prepared for the associated preliminary plat application. Stormwater and traffic impacts are more appropriately addressed at project level review, since those impacts cannot be precisely evaluated until a specific project is presented for review. However, traffic can be a relevant factor for a rezone application since it is fair to consider whether the existing traffic network can handle an increase in density associated with a proposed upzone. The Applicant's traffic report, Ex. 2e, identifies that the proposal will meet the Council's adopted level of service standards, which are essentially adopted levels of acceptable congestion.

A difficult issue to address is impacts to schools. Several public comment letters identified that the local schools are struggling to keep up with increases in student population, including a letter from a school teacher. The Council has adopted school impact fees designed to mitigate against this impact. Staff also testified at the hearing that the school district has plans in the works to expand. This is another situation where state mandates to accommodate urban growth results in less than ideal levels of service. Adequacy of schools could be a relevant factor in assessing whether other parts of the City are more suitable for upzones to meet the City's growth targets.

ORAL TESTIMONY

A computer-generated transcript of the hearing has been prepared to provide an overview of the hearing testimony. The transcript is provided for informational purposes only as Appendix B.

EXHIBITS

Exhibits 1-8 listed on pages 10-11 of staff report dated February 21, 2024, were admitted into the record during the February 15, 2024, public hearing; together with Exhibit 9 (Exhibit 8.m of staff report for LUA2023-0116 & LUA2023-0117) and Exhibit 10 (Exhibit 9 of staff report for LUA2023-0116 & LUA2023-0117).

FINDINGS OF FACT

Procedural:

1. <u>Applicant</u>. Westcott Homes, Inc. (applicant) on behalf of the owner, Adabel Lee Sparman Family Trust and Ralph Elof Sparman Marital Trust.

2. <u>Hearing</u>. The Hearing Examiner conducted a virtual hearing on the application at 5:30 p.m. on February 22, 2024.

Substantive:

3. Site/Proposal Description. Westcott Homes, Inc., has applied for a site-specific rezone from the R6 zoning district to the R8-12 zoning district for two parcels totaling 9.71 acres located at 10720 S Lake Stevens Road.

The majority of the site is forested, except for the gravel driveway, single-family residence, and various outbuildings. The existing topography has approximately 138 feet of elevation relief from the southeast corner of the site towards the northwest corner of the site. Critical areas comprised of two sloped Category IV wetlands and various steep slopes exist on the northern portion of the site. Currently, the site runoff flows towards the northern portion of the site and enters a system of underground pipes and catch basins which eventually drain to Stitch Lake.

The Applicant has also applied for preliminary plat approval (LUA2023-0116) to develop a 96-townhome unit lot subdivision for the rezone site. The plat application was approved by hearing examiner decision dated March 18, 2024, contingent upon approval of this rezone application.

4. Characteristics of the Area. The surrounding zoning and land use designation is outlined on Page 2, Section B of the Staff Report. The subject property and surrounding properties share the comprehensive plan land use designation of Medium Density Residential (MDR). Properties directly west and east are zoned R6 and properties located directly south are zoned R8-12. The subject property is bounded on the north by S. Lake Stevens Road. The surrounding zoning and existing development are shown in the zoning map and 2022 aerial photograph below.

Figure 1: 2022 aerial of project site, Ex. 2d, p. 20.

5. Adverse Impacts. The proposal will not result in any adverse impacts that cannot be fully mitigated pursuant to City development standards for the reasons identified in the Introduction section of this decision, adopted by this reference. Project specific impacts will be addressed during project review, as demonstrated in the hearing examiner approval of the associated preliminary plat approval. Compatibility, traffic

and school impacts are major and appropriate issues of public concern for rezone review. Those issues are appropriately addressed as outlined in the Introduction.

6. Change in Circumstances. Two significant changes in circumstances have occurred since the rezone area was zoned R6.

One change in circumstance is an increase in the City's Growth Management Act growth target. On February 23, 2022, the Snohomish County Council adopted Ordinance No. 22-003 establishing the 2044 Initial Population and Employment Growth Targets in Appendix B in the Countywide Planning Policies, which increased the population target for the City of Lake Stevens UGA to 50,952. This target is higher than the capacity of 50,241 identified for the UGA in the 2021 Buildable Lands Report. The result is a projected population shortfall/deficit of 711 for the UGA under current zoning. The city is allocated for 3.2% of the total growth in the county.

The other change in circumstance is House Bill 1220 (2021) amended the Growth Management Act (RCW Section 36.70A.070(2)) to require cities to analyze and plan for future housing across a variety 8 of income ranges and housing unit types. As part of the development of the Snohomish County 2023 Housing Characteristics and Needs Report ("HO-5 Report"), individual jurisdictions were assigned growth targets at individual income bands based on a percentage of area median income (AMI). The city's 2023 Housing Action Plan identified a deficit of zoned capacity below 100% of AMI ($146,000 for a family of four). Townhomes and other middle housing types will help the city to meet its growth targets for moderate income households, and the proposed rezone would help increase the potential supply of the middle housing units.

The city has adopted reasonable measures in its Comprehensive Plan to increase residential capacity to allow residential growth to meet the adopted population target, including both cluster subdivisions and increased residential densities. The proposed rezone is consistent with a need to plan for additional residential property based on growth targets. The rezone would allow for an additional 43 units on the site, which based on census data for average household size in Lake Stevens (2.9 persons per household) would increase the city's population capacity by approximately 125 people, or 18% of its project's population deficit.

CONCLUSIONS OF LAW

Procedural:

1. Authority of Hearing Examiner. Table 14.16A-I LSMC grants the Hearing Examiner with the authority to review and make a recommendation on rezone requests to the City Council.

Substantive:

2. Zoning Designation. The property is currently zoned R6 Residential.

3. Review Criteria. LSMC 14.16C.090(g) sets the criteria for site-specific rezones. Pertinent criteria are quoted below and applied via corresponding conclusions of law.

LSMC 14.16C.090(g)(1): *The amendment complies with the Comprehensive Plan Land Use Map, policies, and provisions and adopted subarea plans;*

4. Criterion met. The criterion is met. Most significant, the R8-12 designation is consistent with the underlying comprehensive plan map designation of medium density residential. Also, Comprehensive Plan Policy 2.1.3 requires the City to meet Growth Management Act growth targets. As identified in Finding of Fact No. 6, the proposal is well suited to help the city meet this obligation. As further encouraged by the policies identified on pages 6 & 7 of the staff report, the proposed rezone area is appropriately situated with infrastructure and services to accommodate an increase in growth as determined in Finding of Fact No. 6.

LSMC 14.16C.090(g)(2): *The amendment is in compliance with the Growth Management Act;*

5. Criterion met. The criterion is met. As noted in Finding of Fact 6 and Conclusion of Law No. 4, the proposal helps the City meet GMA growth targets. The proposal also meets GMA objectives by encouraging growth in urban growth areas and doing so via a review process that involves public participation.

LSMC 14.16C.090(g)(3): *The amendment serves to advance the public health, safety and welfare;*

6. Criterion met. The criterion is met. Public health, safety and welfare are furthered by the proposal by its advancement of GMA objectives of directing growth in an urban growth area with adequate infrastructure and public services to accommodate additional growth;

LSMC 14.16C.090(g)(4): *The amendment is warranted because of changed circumstances, a mistake, or because of a need for additional property in the proposed zoning district;*

7. Criterion met. The criterion is met. The amendment is warranted due to the change of circumstances identified in Finding of Fact No. 6.

LSMC 14.16C.090(g)(5): *The subject property is suitable for development in general conformance with zoning standards under the proposed zoning district;*

8. Criterion met. The criterion is met. The rezone area is appropriate for an upzone with adequate infrastructure and compatible surrounding development as determined in Findings of Fact No. 4-6 above. The property's conformance with zoning standards has also been reviewed as part of the associated preliminary plat application and it has been determined that the property outside of the critical area is suitable for development.

LSMC 14.16C.090(g)(6): *The amendment will not be materially detrimental to uses or property in the immediate vicinity of the subject property;*

9. Criterion met. The criterion is met. The proposal will not be materially detrimental to surrounding properties for the reasons identified in Finding of Fact No. 5. The City's development standards, including subdivision and critical area standards, will assure adequate infrastructure and protection of natural resources to the levels adopted by the City Council.

LSMC 14.16C.090(g)(7): *Adequate public facilities and services are likely to be available to serve the development allowed by the proposed zone;*

10. Criterion met. The criterion is met for the reasons identified in Finding of Fact No. 5.

LSMC 14.16C.090(g)(8): *The probable adverse environmental impacts of the types of development allowed by the proposed zone can be mitigated, taking into account all applicable regulations, or the unmitigated impacts are acceptable;*

11. Criterion met. The criterion is met. The project is not anticipated to create probable significant adverse impacts due to the reasons outlined in Finding of Fact No. 5 and the application of the City's development standards to future development.

LSMC 14.16C.090(g)(9): *The amendment complies with all other applicable criteria and standards in this title; and*

12. Criterion met. The criterion is met. Staff have determined that the proposal complies with municipal standards for a rezone application. All other applicable criteria and standards will be met by the preliminary plat application.

RECOMMENDATION

The requested site-specific minor zoning map amendment (LUA2023-0073) is consistent with the rezone criteria, permit processing procedures, the existing Comprehensive Land Use designation, and all other applicable municipal code requirements, subject to the conditions noted below:

1. Exhibit 7 depicts the area to be rezoned to the R8-12 zoning district. This rezone is contingent upon the Hearing Examiner's recommendation of approval and final approval by City Council. Upon approval, the proposed change will be incorporated into an official revised Lake Stevens zoning map.

2. The rezone approval by the City Council must first be obtained prior to the preliminary subdivision being approved.

3. All future development must comply with federal, state and local regulations in effect at the time of application.

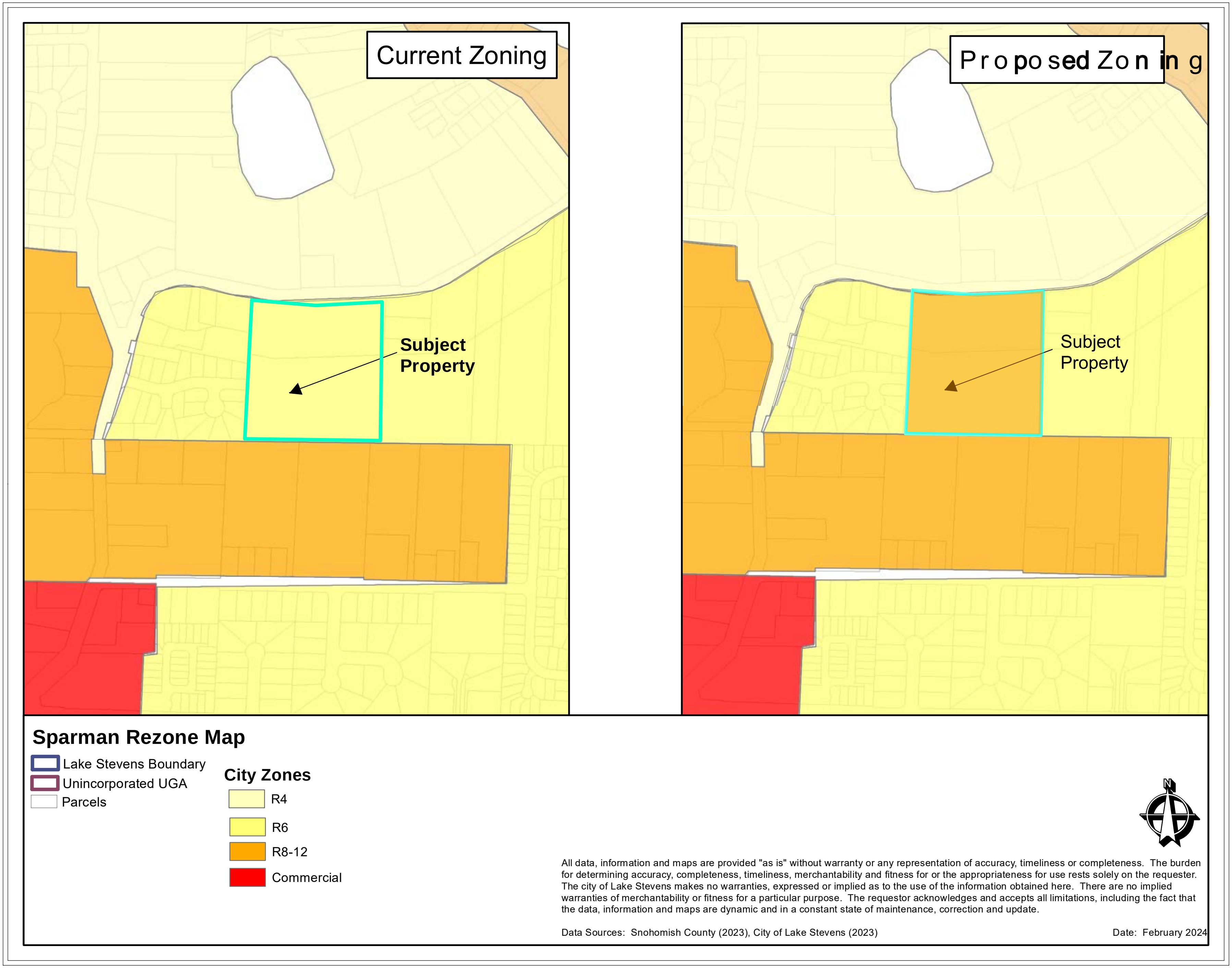
Dated this 18th day of March 2023.

Phil Olbrechts

Phil Olbrechts,
City of Lake Stevens Hearing Examiner

Appendix A

Exhibit 7



Appendix B

February 22, 2024, Hearing Transcript

Sparman Rezone

Note: This is a computer-generated transcript provided for informational purposes only. The reader should not take this document as 100% accurate or take offense at errors created by the limitations of the programming in transcribing speech. A recording of the hearing is available from the City should anyone need an accurate rendition of the hearing testimony.

Examiner Olbrechts: (00:00:00):

Got it going on my end as a backup just for everyone's knowledge. Everything is being recorded tonight. Of course, if this is appealed, the city will have to produce a transcript for appeal or actually whoever appeals it judicially has to put that transcript together. Also, I put a transcript together for my own purposes so that I can get a good accounting of what people had to say and write up a good report to the city council. So let's go over the hearing format today and who I am, that kind of thing. I'm Phil Albrecht, I'm Lake Stevens Hearing examiner. I'm a hearing examiner for about 35 communities, so Lake Stevens isn't the only one I do this for. I do a lot of work on this kind of thing. Today's having two hearings actually essentially for the same proposed project. The first hearing is going to be a rezone application and that's going to be I hold the hearing and then make a recommendation to the city council.

(00:00:52):

And then like I said, I have a transcript made of the hearing and everything to make sure that I pass on all of your most significant concerns to the council, along with recommendations on how to address those after we're done with the rezone hearing, then we'll then move on to the preliminary plat and administrative design review hearing. You can testify at both hearings if you want. I think to kind of really simplify what each hearing is about, like I said, the first hearing is for a rezone. In there you would basically address whether or not you think it's a good idea to allow a greater density at this project site. That's usually what a rezone for this kind of project accomplishes. I'll let staff address how much of a difference that makes on density, but obviously that can affect streets and demand on schools, all that kind of stuff.

(00:01:40):

So your comments on all those types of issues would be pertinent via the second hearing will be on the preliminary plat and there we're going to be talking specifically about project design, about the number of people that are going to be proposed or number of homes, I should say, town homes that are going to be proposed for that project and kind of a similar analysis actually, but there you have a much more specific idea of exactly how many homes are going to be built and what kind of impact that's going to have on your community, the infrastructure and the environment. So if you're not sure, I mean it's okay to repeat comments, just be brief and I always say if other people have already sent your comments, you can just say, I agree with the comments and so said and leave it at that. I mean, believe me, I've read your comments and of you going over your comments and the transcripts, there's no need to be repetitive and we do have 18 people here.

(00:02:32):

So the briefer you are and non duplicate of the less time that other people have to wait. I appreciate the fact you all care enough about your community to be involved in here, but I'm sure that if you can get out here in one hour as opposed to two, you probably all appreciate that. So that's my job to try to make it they're both efficient so that everyone has a chance to speak and also make sure that everybody is properly heard as well. So the format for both hearings is we'll start off with a presentation from staff. The planning staff will give you a summary of what the proposal is about and their staff report that they wrote for this particular project. Then the applicants will have an opportunity to speak in favor of their project and they may or may not have experts like stormwater engineers, that kind of thing to address some of the questions that were raised in the written comments.

(00:03:22):

After that, we'll move on to the public portion of the hearing, which is why we're here today. And I'll start off with people who are in the meeting room first and then we'll move on to people who are participating virtually and we'll explain how to, you can get yourself involved at that point. Once we're done with public comments and questions, we'll go back to staff to answer those questions and provide any additional information they think is necessary to complete the record. And after staff's done, the applicant gets final word. I get 10 business days, a couple of weeks usually to make a final decision on the plat and the administrative design review, which I believe Ms. Spit is that's appealable. Is that appealable to the superior court straight? Is that correct? Yeah, yeah, she's shaking her head yes. Every jurisdiction is a little different on the appeal procedure and like I said on the rezones, I just make a recommendation to the city council.

(00:04:12):

The city council is by state law is not allowed to take new testimony. So if you have information you want to counsel to consider, make sure it gets in today because once I say the magic word that the hearing's adjourned, I can't reopen it in most circumstances to get additional information we're done and if you had information you wanted to get to counsel after that point, it would be too late to do so. So be real careful to make sure that you get your comments in during the hearing. Also, if you have additional documents you need to get into the hearing, make sure that when it's your turn to speak that at that point you say, I have something I want to get in the record and we'll figure out a way to get it into that record. So with that, Ms. Schmidt, are you lead staff on the rezone application or who's going to be presenting that today?

Ms. Place: (00:04:57):

That's actually Melissa place. I'm filling in for the administrator of the public hearing today.

Examiner Olbrechts: (00:05:03):

Okay. Ms. Place, are you there? I see you, there you are. Okay. Well at this point I'm going to share screen and hopefully I'm unable to do that. I'll get that up there. Okay. What you should be seeing right now is page 10 and 11 and 12 of misplaces staff reports and those identify the documents that misplaced wanted me to consider and to put into the record for the rezone recommendation. And we have a lot of documents in there. We've got the application, the application package, which just gives you a narrative of why the applicant believes that they qualify for a rezone. We have a bunch of notices, we have your public comment letters. You can see we've got five A through K, there's a lot of letters there. Then we have the SPR review, the rezone map, and the city's PowerPoint presentation. So at this point I just want to ask if anyone has any objections to entry of these documents.

(00:06:01):

This isn't the time to say you disagree with what's in the documents. The grounds for objection for excluding a document are pretty narrow at this point. It would just be if you don't feel that a particular document is relevant to the rezone application or document may not be authentic, that there's a deed or something and you know that it's a fake deed or there's a photograph that says it's a photograph of the project site and actually it's a photograph of something else, those kind of things. So at this point I just want to ask any objections out there. If you do, just push on the virtual hand at the bottom of your screen or unmute yourself and say, I object. And as is usual hearing, seeing no objections, I'll go ahead and admit exhibits one through, lemme get to the bottom there, 13 again and sorry, one through eight, sorry, that's just one through eight exhibits not too bad for a rezone packet. So Ms Place, let me swear in, just raise your right hand. Do you swear or affirm to tell the truth, nothing but the truth in this proceeding?

Ms. Place: (00:06:56):

I do.

Examiner Olbrechts: (00:06:57):

Okay, great. Go ahead.

Ms. Place: (00:07:00):

I'm going to share my screen as well if I

Examiner Olbrechts: (00:07:02):

Oh, you don't stop my I can, I've got to PowerPoint

Ms. Place: (00:07:05):

That I'll go through briefly.

Examiner Olbrechts: (00:07:07):

Sure.

Ms. Place: (00:07:18):

Let me know if you're able to see that. Yeah. Is it filling up the entire screen?

Examiner Olbrechts: (00:07:24):

No, it's still in the not yet. Okay,

Ms. Place: (00:07:26):

Lemme do that. Share a different screen. Sorry about that. You have too many screens going. There we go. Yeah, hopefully that is better. Okay, so thank you. My name's Melissa Place. I am a principal planner at the city of Lake Stevens and I will be presenting on both the rezone hearing tonight and also the preliminary plat that is after the rezone. So this is what was titled the spar in Reone because that was the name of the property owner and then the preliminary plat has a different name a little bit. It's not changed on the next screen, so let's see why that's, sorry, give me a second. That's strange. I'm switching to the next screen and it's not changing on the other one, so I'm just going to have to go I think with the smaller screen if everyone can see that. Is that okay? Okay.

Examiner Olbrechts: (00:08:28):

I think so.

Ms. Place: (00:08:29):

Stop sharing. Sorry about that. It's bizarre. Okay, thanks for hanging in there. Alright. Okay,

(00:08:40):

So a little bit of information on this rezone. The applicant is Westcott Homes Inc. The property owner is Isabel Lee Spar Family Trust and Ralph Elof s Barman Family Trust. The property address is 1 0 7 2 0 South Lake Stevens Road. The property size is approximately 9.71 acres on two parcels and the plans are to develop the property under the preliminary PLA for 96 townhomes. This is an aerial that shows the location of the proposed property. You can see that South Lake Stevens Road is on the north and to the west you've got 15th Street, Southeast and directly to the south. There's a fairly new neighborhood called RIN, which is hundred eighth Drive Southeast that runs down to 18th Street Southeast. But the property that's under application is highlighted in yellow and labeled with the subject properties.

(00:09:32):

A little bit of information about this property. So the city's comprehensive plan has designated as medium density residential. There is no change proposed to this as part of the rezone. The current zoning is R six. The proposed zoning is R eight to 12 and per the Lake Stevens municipal code we have table 1436. The proposed zoning district of R eight to 12 is compatible with the medium density residential land use designation that's currently under our comp plan. This is a map showing the current zoning on the left hand side and then what our zoning map would look like if the rezone were to be approved on the right hand side. So the proposed zoning would change from the lighter yellow, which is R six to that orange color. You see R eight to 12 and you can see that there's properties on the west and the east side that are zoned R six right now.

(00:10:20):

And then properties directly south that are R eight to 12 including the color and that has the fairly new homes on it just directly south of here. A little bit of background on this rezone application, we received this back in April 14th, 2023. The application and this public hearing tonight have been publicly noticed. We held a public meeting back in July of last summer and the rezone is a type four permit, which means that it requires a hearing examiner recommendation to city council and city council ultimately makes the final decision. The rezone was determined exempt from CIPA or WAC 1 97 11 806 C two land use decisions and that has to do with if it's comprehensive, I'm sorry if it's in compliance with the city's comprehensive plan, which it is. So R eight to 12 is a permitted site specific rezone if it meets society's criteria for site specific re zones, which are under our municipal code of 1416 C oh nine oh G.

(00:11:21):

And we go through those criteria here to second and so long as it meet those criteria because it's already compatible with the land use designation of MDR, it's up to city council to determine approval of the rezone. The proposed density under R eight to 12 is approved would be 96 dwell units as proposed under the preliminary plat. Right now on the property there are two wetlands, they're both category four slope wetlands and there are also steep slopes on the property. Those have been reviewed under the plat application and we'll get into some of that information with that presentation. Ultimately, the applicant's traffic consultant took a look at the different rezone and provided information about the increase of trips and what that would happen over the existing zoning of R six and to change it to R eight to 12. It essentially results in an increase of 10 vehicular trips over the existing zoning, which has a negligible effect on levels of service at the key intersections that were studied.

(00:12:17):

The proposed rezone does advance state and city goals and policies under the Growth Management Act to provide middle housing options such as town homes. On the rezone itself, we received comments from 11 individuals and some public comments that were received are also specific to the plat application that are addressed in that plat staff report and the upcoming plat presentation, we received comments regarding the rezone that included concerns about traffic impacts, school capacity, increased density, public park space, the zoning designation of the land, potential strain on infrastructure, stormwater runoff, habitat, cepa exemption, the tree retention, parking concerns and noise pollution. Some of these comments were discussed at the public meeting that we held back in July of last year. And then in relation to the staff report that was provided, the applicant did provide a response to the public comments that are exhibit two F in the staff report and the city responded in the staff report to common concerns as well.

(00:13:18):

So ultimately under the city's code under 14 16 0 9 oh, we have these criteria about a site specific re zone and the criteria there are nine of them between this slide and the next I'm just going to go through, ultimately it looks up is the site specific re zone conformed to the city's comprehensive plan and our conclusion is that yes, it does conform to the comprehensive plan and also to the city's housing action plan that it is in compliance with the Growth Management Act that this specific rezone as proposed does advance the public health safety and welfare, that the amendments consistent with a need to plan for additional residential property based on draft growth targets that there is adequate area to develop per the standards in the proposed zoning district as we reviewed that along with the preliminary PLA application and associated materials with that, that it will not be materially detrimental, that there's adequate infrastructure to surface site, that the environmental impacts can be mitigated and that ultimately the amendment implies with the resilience regulations.

(00:14:18):

So those are the nine criteria that are listed in our code that we look at and those are our essential summarized answers in this presentation as to how it meets those criteria. Obviously in the staff report we go into more depth and have more discussion on that. In short, our findings and conclusions on the rezone this evening are that it is consistent with the comprehensive of plan that it meets the intent of the proposed doning district of our H 12 as condition. It will meet the resilient decision criteria as condition will meet city standards at the time of development and it has met our procedural requirements of city's code. Ultimately, staff recommends to the hearing examiner affording an approval of the rezone subject to the conditions in the staff report to the city council. One caveat is that the reone approval must first be obtained prior to the pulmonary plan being approved and that is a condition of approval that is in staff report. And so that I wanted to go through this presentation fairly quickly so that we have enough time for everyone to have questions and provide testimony and so I'm happy to answer any questions you might have at this time, sir examiner.

Examiner Olbrechts: (00:15:18):

Okay. Yeah. So what is the difference in density between the R six and re two through 12? Is that up to doubling the density basically like the numbers suggest or

Ms. Place: (00:15:29):

Yes, essentially it is. So R six would allow 6,000 square foot lots and in this case I think there was that talked about a difference of 53 units and so 96 units, I think it's a different, it's an additional, I'm sorry, three units.

Examiner Olbrechts: (00:15:50):

Okay, go back.

Ms. Place: (00:15:51):

Yeah, it essentially does double it. The rezone would allow, it's on page eight of the staff report would allow for additional 43 units on the site, not 53 43.

Examiner Olbrechts: (00:16:01):

Okay. Yeah, and the way I look at the rezone is of course it if the rezone gets approved, the applicant isn't required to get preliminary plat or go through with the preliminary plat project. So we do have to look at this in the sense that it could be used for anything that's authorized R six to 12 or eight to 12, sorry, eight. Yeah. So what are the uses are allowed in the upsell compared to what it's zoned right now? Is there anything other than residential that's allowed or

Ms. Place: (00:16:32):

No, it's really just residential. So it is single family, it allows for single family detached and also attached and then planned residential development or duplexes.

Examiner Olbrechts: (00:16:45):

Okay. So the only real change is increase in densities we're talking about as a result of this pretty much it sounds like, and I know you're talking about the middle housing initiative or legislation that you're working on, if all that passes, well, I mean does that mean essentially that even if it stated the current zoning, they could still get the densities they're seeking through this rezone or pretty close or I wasn't quite following what that was in the staff report.

Ms. Place: (00:17:10):

Pretty close. Okay. So my understanding is right now, if it didn't change to R eight to 12 under the R six zoning, we would allow duplexes of two per lot at 125% upsize of the lot. So 6,000 square feet would essentially be 7,500 square feet and you would have two units per 7,500 square feet if you do the math of, and I did this at one point, it was in the eighties and I don't quote me on exactly the number of units, but it was in like 83, 84, 85, somewhere in there is essentially what it would be allowed. So it's just a little bit less than what is actually proposed under the 96 right now.

Examiner Olbrechts: (00:17:49):

Oh, okay. And then I've written one of the comments, I wasn't able to download the traffic report today, but one of the public comments mentioned that one of the roads that serves the site is exempt from level of service or something or do you recall what I'm talking about? It sounded like maybe there's one that Nelli hadn't been assigned to because it was just beyond repair or something or I might've misunderstood the comment.

Ms. Place: (00:18:12):

I'm not aware of that one. I'm happy to, if you can point to which specific comment it

Examiner Olbrechts: (00:18:18):

Was, have

Ms. Place: (00:18:19):

It our city engineer,

Examiner Olbrechts: (00:18:21):

Help me respond

Ms. Place: (00:18:22):

On that one, but I'm not familiar with that. I'm sorry

Examiner Olbrechts: (00:18:24):

About that. Oh, okay. No, that's fine. So the traffic report for the project did say that I guess all intersections would operate at the proper level of service, right? It did so matter. It sounds like no matter what this is built there as long as they're complying with the density requirements that the roads essentially will can handle the rezone in general. Is that correct? That is correct. Okay. Sounds good. Alright, well let's thank you Ms Place. Let's jump over to the applicant's. Is there anyone who wants to speak on behalf of the applicants at this point? Don't have to, but now's your chance.

Ms. Place: (00:18:57):

Mr. Examiner?

Examiner Olbrechts: (00:18:58):

Yeah,

Ms. Place: (00:18:59):

My name is Matt. How I'm with CPH consultants.

Examiner Olbrechts: (00:19:02):

Okay. Mr. Howell and Mr. Swear you in just raise your right hand. Do you swear affirm to tell the truth, nothing but the truth in this proceeding? I do. Okay, great. And your last name is spelled H-O-U-G-H for the record, is that correct? Yes. Okay, great. Go ahead

Ms. Place: (00:19:15):

Mr. Examiner. So I'll also be in the preliminary subdivision representing the applicant. We do have representatives here for counsel for the applicant. The applicant is here as well as our traffic engineer and I'm a civil engineer on the project but also have been taking care of a lot of the planning elements of it. So a couple of the things that I wanted to highlight or add to Melissa's presentation is part of the motivation of the rezone for us is not just a density increase, the site is constrained by critical areas on the north, which the additional density, the reason to the RA to 12 allows us to do a townhome product, which is what this developer does, which isn't allowed in the R six that allows us to attain the density on the southern half portion of the site with the town hall product. So that's a big part of it.

(00:20:20):

Additionally, the R eight to 12 allows us to go to 113 lawn units, but we're only proposing the subsequent subdivision would be proposing about 85% of that density. So we are doubling the density but we're not maximizing, we're not proposing to maximize the density to the eight 12 levels. So as Mr

Place pointed out, we had our public meeting received comments from the public and have over the last several months responded to those with adjustments in the site plan and some additional measures for traffic mitigation as she spoke to. So I'm here tonight to answer any questions. Our team here tonight to answer any questions that you may have.

Examiner Olbrechts: (00:21:13):

Great. No, I appreciate your comment so far. So let's move on here from the public finally. So like I say, I'll start off first with the people who are actually present in the conference room and once we're done with them we'll go through those who are attending virtually through the Zoom link. So I dunno, Ms. Schmid, are you going to set us up for that so that people in the conference room can speak?

Ms. Place: (00:21:37):

Can you hear us? Those folks in the conference room are able to speak.

Examiner Olbrechts: (00:21:40):

Okay. Alright. So who do we have there that wants to say something?

Ms. Place: (00:21:45):

I'll start us off. My name is Eric Turner.

Examiner Olbrechts: (00:21:46):

Okay, Mr. Turner, let me swear in, just raise your right hand. Do you swear affirm tell the truth, nothing but the truth in this proceeding? Yes. Okay, great. Go ahead.

Ms. Turner: (00:21:56):

I live in adjacent neighborhood In looking through the staff comments, I think there's a few omissions from our previous public meetings. In fact, I sent a five or 10 page document that I don't see recorded in some of the attachments if possible. I have recently that from Melissa for inclusion into the document like that be included because that contains a lot of comments that need to be included in the conversation. A couple specific topics around this is they were quoting the 83 to 85 that does assume building on the entire property and as was just noted, their plan is only to build on half of it. So the real comparison here is between 41 and 96 units within that plot area. A couple concerns that we raised around the traffic study is a community is that it was performed prior to Evelyn returning to the office.

(00:22:59):

There have been multiple accidents at the intersection of 15th and South Lake primarily due to a stop sign that is adjacent to that intersection. What that causes is a field of view issue in addition to traffic backing up significantly. So there are some pretty challenging traffic situations today that are not documented appropriately to what current conditions are. I would suggest there was an initial study before this was submitted that showed five wetland areas on the property. The first plat submittal changed that to two and that was an independent performed on the property by the family prior to this and there has not been sufficient feedback on how we omitted three wetland that would be underneath where the primary building location is. It's a concern that we have that was raised in our previous public comment because one of those we wind areas during severe rain last year flooded one of our neighbor's backyards, took a tree out, took their fence out and their entire backyard. We know it's there but it seems to be omitted in the proposal that has been submitted and because of that EPA exemption criteria does not seem to have been met. This has been proposed for the,

(00:24:50):

And then I think that's the majority of what my concerns are, but I'd ask for, allow us to send the written comments from last July back in to be part of the public record.

Examiner Olbrechts: (00:25:02):

Okay. Mr. Turner, could you state the intersection that you were concerned about Again, what was the name of it?

Ms. Place: (00:25:09):

15th Street, Southeast South Lake Road,

Examiner Olbrechts: (00:25:14):

Southlake Road. Okay. Yeah, and if the applicant's traffic engineer could address the road safety comments, there were several written up in the written comments as well and I'm just kind of curious how if the increase in density and traffic that'll result by the rezone would exacerbate that the safety problems that are concern to people. Also, if you don't see your comment letters that you submitted before today's hearing at the city's website, I guess let Mitch Schmidt, should you be the one that did contact to say that their letters didn't get into the record or should that be misplaced?

Ms. Place: (00:26:00):

It can go ahead and send them to the project planner.

Examiner Olbrechts: (00:26:04):

That would be Ms Place.

Ms. Place: (00:26:06):

They can copy myself, Kristi Schmitz since I'm the clerk for this evening.

Examiner Olbrechts: (00:26:12):

Okay. Alright. But they should go to Ms Place is what you're saying.

Ms. Place: (00:26:16):

Send them to me and copy Melissa

Examiner Olbrechts: (00:26:19):

And we'll make

Ms. Place: (00:26:19):

Sure that they get into the exhibit and they'll be forwarded to you the hearing examiner.

Examiner Olbrechts: (00:26:23):

Okay. Alright. So like I said, just check the city's website to make sure your comments are there. If you don't know what that website is, I think give a call to the planning department and I guess they'll write Ms. Smith, they'll let 'em know where they can find that on the city's website. Just make sure you get that to the city staff by five o'clock on Monday. So if you had submitted or thought you had submitted some comments before the hearing started today and you don't see them at the city's website, I'll allow them to be brought in until next Monday at 5:00 PM That's only for comments that didn't make it through when you tried to get 'em through before today's hearing. This isn't an opportunity for additional comment unless I leave the record open for that purpose at the end of the hearing today. But for right now it's just for if you find out like Mr. Turner that your documents aren't there, let staff know. And again, it should be posted at the city's website. If you can't find it, call the planning department and they'll help you find it there. So with that, let's go on to the next person out in the conference room. Anybody else want to testify there?

Ms. Place: (00:27:31):

I do.

Examiner Olbrechts: (00:27:32):

Okay ma'am, what's your name for the record?

Ms. Place: (00:27:35):

Anna Thompson.

Examiner Olbrechts: (00:27:36):

Okay. Do you swear or affirm tell the truth, nothing but the truth in this proceeding? I do. Okay, great. Go ahead.

Ms. Thompson: (00:27:44):

I drove into the street that he's talking about, which is the 15th. Yeah, the 15th Creek southeast over the weekend and then tried to pull out of there. It's a nightmare. It is blind from the right hand side, you cannot see any cars that are going to be coming from the right hand side. You have no option. I have no option but to turn right to safely get out of there. There's only three car lakes between that road and where the stop sign is and that's the main arterial around the lake. I don't know how familiar you are about getting around Lake Stevens, but that's one of our main arterials there. There's a lot of traffic that's heading Davies Road as well as South Lake Stevens Road.

(00:28:34):

I'm concerned about the slope that's on the property. Fish lake is right down there. I don't know if you're familiar with that, but it attaches these two Lake Stevens and between the county and the city over the years, many years I've been here a while, we have spent a lot of money trying to clean up that lake and to think that there is going to be all this impervious soil. It's like where is all this water going to go to? This is all pasture land. There's just a home and a barn and an old house that the kids were raised in on there. It's been absorbing all that water. There is going to be a lot of water and we have a lot of springs that run through that area on my property as well as I'm sure they don't stop at my property line. So I am concerned about the watershed and the pollution that's going to go into the lake.

(00:29:38):

The grade of going down to South Lake Stevens Road, I drove around today and looked at RA height. I don't know if you're familiar with the area or not. We've got Rida Heights, we've got Mission Ridge slash the vineyards that you come off of, Macha Cutoff Road. Those graves are no different than if they were to bring that road up off of that would be South Lake Stevens Road. I don't see that there's any gray difference there. And it's actually a straight road there where you can see to the right and you can see to the left and cars can safely get out onto the road that impacting that three way stop that we've got home as it is now at Davies Road, south Lake Stevens Road. So I don't know why the developer doesn't, and the one that goes up into Dora or goes up into the vineyard or slash Mission Ridge, that road does kind of wh it does not go straight up because the grade is so steep on it. So I don't know why they don't just come in off that. That makes much more sense and would be much safer and less traffic right there too.

(00:31:07):

I think that's pretty much covers it.

Examiner Olbrechts: (00:31:09):

Okay, thanks Ms. Thompson. And yeah, I should say actually I live for, I can't remember now, like seven, eight years just south of Granite Falls. So I've been out in Lake Stevens quite a bit and I'm familiar with the area so don't worry about that. Okay, good. Yeah. Anyone else in the conference room want to add anything? Okay, let's move on to virtual comments then. And let's see. Ms. Schmidt, I think I'm just going to go down the list I have on my screen. Just ask people to jump in at this point if you want to say something and you're participating virtually, click on the virtual hand at the bottom of your screen and I'll call on all those people and then once I'm done we'll find out if anyone else is still trying to say something. But looks like Mary Capel has raised her hand, so let's get her on board. And let's see. Ms. Schmidt, is she audible at this point? It looks like she is. Hi. Yep. Okay, Ms. Capel, can you hear me? Yeah, let me swear you in real quick first, do you swear Affirm tell the truth, nothing but the truth in this proceeding? Yep.

Ms. Place: (00:32:06):

And it's Marie just for the record. Pardon? It's Marie.

Examiner Olbrechts: (00:32:10):

Oh, Marie, okay for the record? Yep. Okay. And do you spell your last name? K-A-P-P-E-L. Is that correct?

Ms. Place: (00:32:15):

Yep,

Examiner Olbrechts: (00:32:16):

That's correct. Okay. Alright. And just so you know, your video's not on it, it doesn't have to be, but in case you thought it was it's not but go ahead.

Ms. Kappel: (00:32:24):

Yeah, I want to mirror many of the comments that Eric and the other participants have expressed. I do think the traffic, it is going to have major impacts on the surrounding area. As mentioned the lake being just one lane each way the traffic is already getting pretty unmanageable where other subdivisions like watermark, mission Ridge have difficulties getting out of their subdivisions as well as watermark. I don't think adding another exit down to South Lake is going to solve that problem. I think it will exacerbate it. There are days where the traffic is backed up from the stop sign all the way down past that spar and driveway at this point, which is pretty extreme. You have Stitch Road on this road as well that I walk by most days and it is terrifying to watch people try to pull out of there. There have been plenty of accidents and big misses as well and that's only going to get worse.

(00:33:26):

That I think really needs to be looked at an impact people's speed on this road continually. And we don't have very good infrastructure supporting that. Rarely do we see cop cars pulling over for speeding. We don't have a speed light sign like the other ends of the lake have. Again, I think infrastructure is key here that it's not built to support this much growth on this road at this time. I would like recommend addressing some of those infrastructure issues before we expand. I'd also question how it's being outlined as only eight to 12 homes per acre when you're only building on half. I think that again exacerbates some of the issues that Eric outlined on causing the flooding and the slides by putting so many homes on that part of the property. I do think it should be evaluated closer to how many acres are you building on and how many homes are actually going on that. Trying to be brief here, just calling out that again, this wasn't part of original expansion which has already been outlined in the area with the 20th Street project that was approved prior to the annexation from Snohomish County. Really I also think that the concerns on the schools are very valid, that we are already overcrowded in these schools and building these townhomes is not going to provide the funding and support for that growth that is getting proposed at this point. Those are my comments.

Examiner Olbrechts: (00:35:02):

Okay, thank you. Much appreciated. Let's move on to Laura iPhone number two there. Laura, can you hear us okay? Hi, let me swear you in real quick just to raise your right hand. Do you swear Affirm tell the truth, nothing but the truth in this proceeding? Yes. And what's your last name and how do you spell it for the record?

Ms. Place: (00:35:20):

Turner, T-U-R-N-E-R. Okay,

Examiner Olbrechts: (00:35:22):

Great. Go ahead.

Ms. Turner: (00:35:24):

I second all the things that have already been said. I think what I have questions about is in our last meeting the development was set and I'm obviously against adding that many new townhomes on that pot. It's already, they want to add so much more when like everyone has said there holding, building on half of it and it just would change the dynamic of the area so much. But they didn't have an entrance to our neighborhood. What is adjacent, which is a smaller neighborhood and is the one that we've been talking about? Well a lot of all the interest is going into the rope. It's very hard to get out and I would like to just say that for me, and I have a teenage daughter, how many times we have both barely missed being hit and every time I have, not every time, but different times of day that are really, really busy and sometimes it's in the middle of the day, it can be very busy and I have to wait for somebody to my left to let me go either to the right or to the left.

(00:36:49):

And then even when I can go to the left, I have to inch across because people cannot see me and some people behind that car cannot see me that are going to try and pull into the left lane to turn left. And almost every day it's like that and it's very scary and I can't understand why they changed the plans. We talked about how horrible it is already and then they made an entrance on the street when we've made all these comments and I do not understand that. So that is something I am very against and very concerned about and the city said that they would redo the study and that has not been done. And I'm also concerned about the schools. I'm a substitute teacher in the schools and Glenwood, which is the school that the students will be going to is over capacity.

(00:37:47):

And I can't imagine there is already so much building in our area and to add 92 town homes, how much that would add to the schools that is not prepared for it. There is nowhere to build on Glenwoods property. They already are at capacity with portables. And so I'm very concerned about that as well. And I would third our neighbors that their whole backyard was destroyed because of the runoff from the other neighborhood that's new above. It was just devastating to them. And I can't mean our house is right there and adding all those town homes just seems like with all the wetlands that are there that it will cause major problems to our neighborhood and surrounding other surrounding neighborhoods. So I would like to say, and I would really like my question answered, why they added this entrance from our neighborhood. It just is a horrible idea and I think the traffic problem is horrible and very dangerous.

Examiner Olbrechts: (00:38:53):

Okay, thanks Laura. And I will say your question about the added entrance, that's a question for the plat. We're just dealing with the rezone right now, so we'll save to have your question answered during the plat hearing, which is next. Okay. Alright. Okay, let's move on to Dan.

Ms. Place: (00:39:11):

Yes.

Examiner Olbrechts: (00:39:12):

And how do you pronounce your last name sir?

Ms. Place: (00:39:15):

It's pronounced

Examiner Olbrechts: (00:39:17):

Jeek. Okay. And so for the record that's D-Z-I-A-D-E-K, let me swear you in, just raise your right hand. Do you swear affirm to tell the truth, nothing but the truth in this proceeding?

Ms. Place: (00:39:26):

I do.

Examiner Olbrechts: (00:39:27):

So. Okay, great. Go ahead.

Mr. Dziadek: (00:39:29):

So just a couple comments sir. Regarding the rezoning. I'm the one that actually made the comment regarding the exempt roads that were from the municipal code regarding their level of service. That was more of a comment directed to the big city city council trying to advocate for better legislation regarding the level of service that's adequate to these main art activities that feed into all the Lake Steven communities and specifically into this proposed resolving and new development. Couple comments here. So this is the second at multiple land use actions regarding this property specifically. This was originally in 2019 was unincorporated Monish County, which there was a southeast island annexation, which was passed in once with the RCW where they city annex of property. And no mention of the petition for that annexation was there no mention of any type of rezoning. The petition went to referendum actually and was voted on based on those criteria again, had no mention regarding rezoning.

([00:40:42](https://www.rev.com)):

Now in the city's defense they did not anticipate perhaps an applicant applying for a rezoning, but nevertheless the voters people were voting on that referendum was really duped into that annotation based on that particular zoning at that time. I literally adjacent to Watermark neighborhood, which is obviously a different zoning density. I'm the same intersection that everyone was talking about myself. I live in the community, I know how dangerous that intersection is yet myself, I was in an accident there just three weeks ago. It is a terrible intersection and by adding this development in this current zoning format would compound that problem. Thank you for your time, sir.

Examiner Olbrechts: ([00:41:25](https://www.rev.com)):

Okay, thank you sir. Alright, next is Janice. Janice, you need to unmute yourself. Okay, you're still up. There you go. Alright, I have

Ms. Place: ([00:41:35](https://www.rev.com)):

Done that. My name is Janice Hesford. I am happy to be here this evening. Thank

Examiner Olbrechts: ([00:41:40](https://www.rev.com)):

You. I lemme swear you, Janice, do you swear affirm tell the truth, nothing but the truth in this proceeding? I do. Okay. And what's your last name again?

Ms. Huxford: ([00:41:47](https://www.rev.com)):

Janice Hesford. H-U-X-F-O-R-D. Oh great. Okay. Full disclosure, I'm a planning commissioner for the city of Lake Stevens. I understand rezoning. I've been watching this property very closely as I live below it. And I also have runoff from ra, which the original Janice on this call. Thank you. The original Janice brought up. So we've got water coming down from two different hillsides that are hitting the lake in front of where I live. We had a fault on that several years ago. It failed to create a sinkhole that we were responsible for because it was on private property and so any water that was being redirected underneath our property was evidently ours to fix when it became a problem. So I'll be realistic, thousands of dollars later we got that corrected, but it was on us to do that. And my concern is Marie and several of the other commenters have brought up traffic. Absolutely an issue needs to be looked at throughout. We have public works that is evidently working on things that have not yet satisfied what we need with the new annexation on this end of the lake. We hope and pray that they will do that, but in the meantime, water is a real thing and we had a very mild winter this winter, but when it's not mild it is sinking individual properties. So those are my comments. I will leave those to you to weed out as this process continues to its fruition.

Examiner Olbrechts: (00:43:32):

Okay, thank you for your comments. Alright, next is Sally Joe Sibr. Ms. Sebring, let to unmute yourself. Okay, let me swear in. Just raise your right hand. Do you swear Affirm tell the truth, nothing but the truth in this proceeding?

Ms. Place: (00:43:46):

I do.

Examiner Olbrechts: (00:43:46):

Okay, great. Go ahead.

Ms. Huxford: (00:43:49):

I just want to bring to attention and question planner place. When she talked about the criteria, she talked about meeting the draft growth targets. Lake Stevens hasn't had any trouble meeting residential growth targets. And so I looked back at the staff report because I really hadn't read the staff report for the rezone and it mentions that compared to the 2021 buildable lands report, the target is a little bit higher than it was previously. So it says there's a projected population shortfall of 711 for the UG under current zoning. I'm curious because there's been a number of zone in the last two years, and so I'm wondering is the city keeping track of those cumulative zones or every time they are just stating, oh, we need this many so there's a good reason for us to do it even though they've already rezoned enough properties probably to cover that deficit or possibly. So that is a concern I have about information that's given in the report and in the PowerPoint. Thank you.

Examiner Olbrechts: (00:45:07):

Okay, thanks Ms. Sibr. Alright, so I think that looks like everybody that I believe wanted to speak on the rezone application. Like I said, we're also going to go to the plat application after this hearing is done. So now if you're here virtually and you can't figure out how to get your hand up or for whatever reason you're not getting in, like I said, let the planning staff know by five o'clock on Monday and we'll let you submit some written comments. Again, that's only if you were unable to say something today in this hearing for technical reasons, couldn't figure out how to raise your hand or whatever. Just make sure that if you don't know Ms. Schmidt's phone number and she, excuse me, Ms. Schmidt's email address, it's in the chat or it was anyway, hold on a second. Lemme see if it's still there. Yep, it's still there. seeSchmidt@lakestevenswa.gov. So go ahead and email her and tell her, explain that you were unable to be heard today and then you can submit some written comments and just get those in by five. So I see we have Ms. Jers. Ms. Jers, why don't you unmute yourself? Let me swear you in. Oh, lost you. Okay, there you go. Alright, lemme swear you in. Now, do you swear affirm to tell the truth, nothing but the truth in this proceeding?

Ms. Place: (00:46:20):

Yes

Examiner Olbrechts: (00:46:21):

Sir. Okay. And is your last name J-I-N-G-E-R-S, is that correct?

Ms. Johnson: (00:46:26):

Well, my first name's Ginger, J-I-N-G-E-R. My last name's Johnson.

Examiner Olbrechts: (00:46:30):

Oh Johnson, okay. Yep. Alright. Okay, go ahead.

Ms. Johnson: (00:46:34):

Okay. The other thing I just wanted to bring up is that town homes when they rezone and they're doing town homes, that actually brings less funding to our schools than homes do. For some reason the school's algorithm said that homes bring in more students and so the school charges these builders more for homes than it does for townhomes. But we know today that people can only afford the townhomes and they have just as many or more children, but it's bringing in less dollars. So for them bringing in 96 town homes, it's still going to bring in less funds for schools than if they did homes.

Examiner Olbrechts: (00:47:19):

Okay, thanks Ms. Johnson. Alright, thank you. So I think that's everybody at this point. So I'll go back to Ms place and Ms Place. I dunno if there's anything more you can say. But yeah, there were a few comments about the schools and even the schools commented and say that we're pretty strained and we want our school impact fees. Is there anything you can add on the adequacy of schools here and whether it's a good idea to be increasing density in the city when the schools don't have enough space for portables?

Ms. Place: (00:47:49):

Well, that's a great question. So we do coordinate with the school district. We reach out to the school district on development applications and in this case we received the public comment letter that we received in the school district about assessing the impact fees. The school district does set the impact fees and then we have adopted them and then we implement those and assess folks when they come in to pay for their building permits at that time. And so we are, if you will, implementing the impact fees that the school district has determined for their district improvements. And then at the same time, the city is also coordinating with improvements that the school district has slated in the next few years to address these deficiencies or growth concerns in their district in terms of facilities. And so I know we've had numerous conversations with the school district about their potential changes in the district and the potential changes that they're looking at in the next few years to try to accommodate all of the growth.

Examiner Olbrechts: (00:48:47):

So does their capital facilities plan, which is funded in part by school impact fees, do they have plans to expand the school or get new sites or is there anything like that in the works? Can you say, do you

Ms. Place: (00:48:57):

Know? Yes, there is that in the works there is that and without the school district being on here to speak more in depth about that as part of the capital facilities plan. But yeah, we are coordinating with them on the permitting for those and helping them work through their topics about particular sites and what it would take to make that happen.

Examiner Olbrechts: (00:49:14):

Oh, okay. Yeah. Let's see. Well yeah, I guess that's, is there anything else you wanted to add at this point?

Ms. Place: (00:49:20):

I just wanted to add a couple of things. Mr. Turner's comment about the comments that are not included, you did send me an email prior to the hearing in the email he references exhibit eight M and that exhibit is actually part of the preliminary black staff report. And so that exhibit is actually a response to public comments from the applicant rather than the city. So I believe, and hopefully we didn't miss anybody's public comments, but I believe we have every public comment that we were received on this project between the plat and the rezone. But again, as you stated, I'm happy to take on any public comments we may have missed. Please email them to me. I'm hopeful we didn't miss any and I just wanted to make sure that maybe there's a difference between that exhibit and then the exhibits of the actual public comments that the city has provided in this particular, well in the PLA exhibit seven and this particular, for the reason it's exhibit five or

Examiner Olbrechts: (00:50:20):

Are you saying the exhibit that Mr. Turner was talking about is in the preliminary plat exhibit list? Is that what's going?

Ms. Place: (00:50:26):

I believe so, and that's based on the email that I received prior to the hearing is that he is maybe referencing that Exhibit eight M does not contain all of the public comments we received, but I thought that the city had received and included every public comment we had to

Examiner Olbrechts: (00:50:40):

So you're saying it's exhibit eight M of the preliminary plat? Is that his what potentially his comments were

Ms. Place: (00:50:47):

Correct. That's what I understood and so I just want to clarify that and we can ask him if

Examiner Olbrechts: (00:50:52):

That's what I understand. Yeah. So does anyone object then to making exhibit eight M of the preliminary plat application an exhibit to this proceeding? So we just get that into the rezone record then any objections if you do raise your virtual hand? I see Jers and Laura, those are just from before not seeing or hearing any objections. So Oh, sorry.

Ms. Place: (00:51:12):

Help us understand proposal means. Sorry, I'm not sure I understand what you're proposing.

Examiner Olbrechts: (00:51:17):

Oh, this place is saying, it looks like the exhibit you're talking about that didn't get into the rezone exhibit list was actually part of the preliminary plat exhibit list. So I'm taking that from the preliminary plat and putting it into this rezone proceeding. And then you can check after the hearing if that was actually the exhibit. If it wasn't, you still have to five o'clock next Monday to get into one that you did want to get in, but I'm just trying to shortchange that and get your exhibit in now if that's the one.

Ms. Place: (00:51:48):

Yeah, I'll do both. Thank

Examiner Olbrechts: (00:51:49):

You. Okay. Yeah, yeah. So any objections over Mr. Turner's exhibit eight M, which sounds like is probably what he is trying to get into the rezone hearing? Any objections? Okay, hearing then we'll make that an exhibit in this proceeding and I believe that, what is it? Is this like seven BBB misplaced? If I recall correctly, I think we were up to seven AA last when I went through all the comments. Or I might get those numbers switched with the preliminary plat ones.

Ms. Place: (00:52:16):

Yeah, I think that might be the preliminary plat. This would be, I would add this as exhibit nine to

Examiner Olbrechts: (00:52:21):

That. Okay. We'll just say it's Exhibit nine to the reason. Yeah, because we

Ms. Place: (00:52:24):

Have eight exhibits total, including

Examiner Olbrechts: (00:52:26):

The power. Okay, good. Alright, now that we've thoroughly confused everybody, let's move on to applicant. And like I say, the one there were a bunch of comments about the intersection of 15th and South Lake Road and I mean it's a valid consideration for a re zone if you're going to be doubling the density, increasing traffic that much should you be doing that if you've got an unsafe road system around there. So I see that the concerns about safety or valid for a rezone proceeding, I mean does the applicant's traffic engineer have any knowledge about this intersection? When I say anything about it,

Ms. Place: (00:53:05):

I'm Joy Miller, I'm here on behalf of Kingley Horn. I participated in completing the traffic analysis.

Examiner Olbrechts: (00:53:11):

Okay. Mr. Miller let you swear in. Do you swear Affirm tell the truth, nothing but the truth in this proceeding? Yes. Okay, great. Go ahead.

Ms. Place: (00:53:18):

So we did complete our initial analysis for all scenarios. The 2023 existing condition showed that it was operating acceptably and also with the development based on future baseline of future projects and exceptional growth rate showed that it was also working or operating an acceptable level of service. We did take into account the public's concerns about other timeframes of the queuing analysis. We went out and did additional counts during the midday and showed that and came back to show that there were actually fewer volume during the noon timeframes from noon to one than there were from our original study from four to six. Four to six is a very standard PM peak hour timeframe that's universally identified. So that's when we did the vast majority of our analysis. We showed that it was acceptable under all conditions.

Examiner Olbrechts: (00:54:16):

But although I don't, the issues that were raised during the hearing today and in the comments part of it was congestion. The other part though was safety. This is what I'm really interested in. People are talking about blind spots and there's also a comment about the fact that there's a change in speed there and people are speeding up and I don't know if it's this intersection on another one, but there definitely discussions about blind spots and sight distance. So that's what I'm curious about. Is this intersection 15th unsafe? Basically, and will

Ms. Place: (00:54:49):

We do have some recommendations that can be provided. Essentially there's enough room potentially for a two way left turn lane that'll allow some storage lanes for people that are making the left turn. Also people that are making those right turn. So we have opportunities that can show for some retrip that will be able to help alleviate some of that congestion and also allow for some site distance alleviate some of the site distance issues.

Examiner Olbrechts: (00:55:20):

Yeah, because like I said, a lot of times I get a traffic, I wasn't able to download your traffic reports today. The internet was a bit slow, but a lot of times the traffic report will have a section on safety and go through accident history and stuff. So I mean was that kind of analysis done for the intersection people are talking about here?

Ms. Place: (00:55:36):

We did not complete collision analysis for this report, but the city contracted a third party reviewer who found that there wasn't any significant crash history at the study intersections that we

Examiner Olbrechts: (00:55:47):

Completed. Okay. Okay. Well that's pretty good. Okay. Thank you sir. Appreciate your comments. Alright, anything else from the applicant at this point?

Ms. Place: (00:55:55):

Mr. Examiner? Yeah,

(00:55:57):

This is Matt Halligan with CPH. I guess I'll go through, I made a few notes. Some of these probably are more applicable to the subdivision, but since they were put out there, I'll go ahead and respond to 'em. Mr. Turner had some concerns about previous study from David Evans and associates that had shown five wetlands. That study wasn't part of any application, it was a feasibility that the property area had done prior to our work. However, learned of it during the meeting responded to that by some additional field work. And there is a subsequent report follow-up revision to our report that show sampling at those specific locations that those

Examiner Olbrechts: (00:56:46):

Yeah, I think Laura iPhone, you're not muted and we're getting a little noise from your line, so maybe there. Thank you. Okay, go ahead Mr.

Ms. Place: (00:56:55):

I do believe the materials that we're submitted as part of the review for the preliminary plat to address the issues with the wetlands to the satisfaction of the city's biologist as well as our consultant team. And like I said, those materials are not part of the reason on application. They're part of the preliminary plat application. There was several comments regarding the runoff from the site valid and the design of the plat does address, I believe and does include stormwater systems including detention facilities that are to current standards. So those will be controls that are part of the site development design.

(00:57:49):

The connection at 15th, one of the residents commented that the previous first submittal didn't include that connection to 15th, which is true after the neighborhood meeting and some of the feedback we received regarding the fact that 15th has already been stubbed. The road connections that we have for this project, which again is not the rezone, but the preliminary plat were already established for us. So we're basically completing the road connection with the public road connections that stuff to the property. So that connection, the 15th was added with the resubmittal of the preliminary plat after discussion at the direction of the city to try to break up that traffic, I presume. So that connection at 15th was being made to complete that roadway, which has been part of the city's roadway.

(00:58:56):

There was some comments on the density for the site and how it's being calculated, but it's being calculated as consistent with the city's code in terms of gross acreage versus net acreage. The fact that we are putting that density on the upper portion of the site that's already been disturbed is intentional. I believe that's part of the benefit of having the town home development versus a single family development, A single family development, even at the R six zone would have much greater impact of those slopes and the mature trees that have left on the site. So the town homes and the site plan that we've got for the subdivision actually provides the density, provides housing at a different market level and price point that's more affordable in today's market without disturbance to those steep slopes and the mature vegetation that's in there.

Examiner Olbrechts: (00:59:58):

With

Ms. Place: (00:59:58):

That, I think that was mostly everything I had. I don't know if anybody else on my team has anything to add from their notes.

Examiner Olbrechts: (01:00:07):

Okay. Any takers there from the applicant team? Yes.

Ms. Place: (01:00:10):

Yeah, may I jump in? Yeah. Mr. Tarbucks, I'm Nancy Rogers. I'm a land attorney at Care Costs compliment here on behalf of the applicant. Wesco, just a couple of notes on exhibits. The Reone file exhibit TE is the Kimley-Horn traffic report and at page 14, when you eventually get to download that, you will find a queuing analysis at the intersection of 15th and South Lake Stevens Road and then it's the

Plat exhibits, plat Exhibit nine. That includes a letter from trans who's the city's expert. That includes the a review of recent crash data, not indicating any major safety issues in the vicinity, the project site. Given that we do have these two different hearings and two different matters, I would ask that you move, you copy over exhibit nine from the plat record into the

Examiner Olbrechts: (01:01:02):

Re. Okay. Any objections over the transport report? Exhibit nine of the preliminary plat record being admitted into the record for this rezone hearing. Alright, hearing, seeing no objections that submitted. Great. Thank you Mr. Rogers. That'll help. Okay, so I'll go ahead and adjourn the hearing on the rezone.