



CITY OF MATTAWA

COUNCIL MEETING AGENDA

October 15, 2026

5:30 P.M.

Call to Order:

Roll Call: Mayor Maria Celaya, Sun Hwang, Brian Berghout, Silvia Barajas, Tony Acosta,
Alex Heredia, Fabiola Hernandez, Wendy Lopez

I. **Additions/Approval of Agenda:**

II. **Public Comments:**

III. **Consent Agenda/Informational:**

- Minutes- Council Meeting Minutes 10.01.26
- 2026 Claims EFT & Checks Approval #21850-21871 -- \$72,418.18
- 2026 Payroll EFT & Check Approval #32153 -- \$9,952.90

IV. **Reports:**

Mayor Report

Council Report

Police Department Report

Public Works Department Report

V. Council, Items for Motion (Old Business):

None.

VI. Council, Items for Motion (New Business):

1. Resolution 26.10.09 Revising Procurement Policies
2. Resolution 26.10.10 Penny Shortage Policy

*** A Council Budget workshop for a draft 2027 budget will follow after adjournment of the meeting. ***

VII. Adjournment:

-Treasurer Report

**** Approval of Claims, Prepaid Claims, and Payroll Vouchers audited and certified by the City Clerk as required by RCW 42.24.080, and those expense reimbursement claims, certified as required by RCW**

42.24.090, have been recorded on a listing which has been made available to the Council for approval and is retained for public inspection at City Hall.

**** As of October 1st, 2026, the Council approved payment of 2026 Claims EFT & Checks Approval #21830-21849 in the amount of \$140,159.42, 2026 Payroll EFT & Checks Approval #32146-32152 in the amount of \$147,573.26.**

***** M/s: Hwang / Lopez motion that bills, checks, payroll, 09.17.26 meeting minutes, and treasurer report be approved. Motion carried.***

V. Reports:

Mayor's Report

****Mayor Celaya & Councilwoman Hernandez attended the Emergency Preparedness fair in Othello. Many agencies presented: local law enforcement, fire department, animal shelter and Rio were there. There was information and resources for preparedness during emergencies.**

**** The first meeting for the Winter Festival was held; the event will be on Wednesday, December 17, 2026, from 4:30 pm to 7 pm. at the high school.**

Council Report

****Councilwoman Lopez mentioned that now would be a good time to recruit a council student liaison since it's the start of the school year. Wendy said that Samantha was her cousin, and that is why she is familiar with this community.**

****Councilman Acosta was approached by community members with similar concerns about utilizing city crosswalks. A suggestion for a crowded intersection on Boundary Ave. would be stop signs. Councilwoman Barajas noticed the fire department was helping with school traffic but is no longer doing so.**

Police Department Report

****Saul Arrieta is approaching 11 weeks at the academy. He has approximately 8 more weeks to go. Kyle Jamison will commence soon. Hopefully we will have more guys by summertime.**

****A service for calls report was provided to council.**

Public Works Department Report

****The big toy at the park is now open.**

****Library- we are preparing the building for painting & gravel, filling in cracks.**

****Fall Clean-up: there were 40 participants and about 1k revenue.**

****118 fire hydrant flushing completed.**

VI. Council, Items for Motion (Old Business):

None.

VII. Council, Items for Motion (New Business):

1. **Grant County Health District Agreement & Legal Letter**
M/s; Berghout / Acosta motion to contribute \$1,250.00 for the upcoming year. Motion carried.
M/s; Acosta / Hwang motion to authorize the legal agreement. Motion carried.
2. **License Agreement – Mattawa Food Bank**
This would allow a dry pantry at city hall.
M/s; Berghout / Acosta motion to approve mayor to sign agreement. Motion carried.

***** A Council Budget workshop for a draft 2027 budget will follow after adjournment of the meeting.**

VIII. Adjournment:

The council meeting was adjourned at 6:27 P.M. M/s; Acosta / Barajas. Motion carried.

Respectfully submitted,

Anabel Martinez, City Clerk

Maria Celaya, Mayor

**** The budget workshop commenced at 6:29 pm.**
****Mayor Celaya, Chief Alex Zesati, Public Works Director Juan Ledzma, City Clerk Anabel Martinez, Councilmembers Sun Hwang, Silvia Barajas, Brian Berghout, Tony Acosta, Fabiola Hernandez, and Wendy Lopez were present.**
**** Chief Zesati provided an overview of the law enforcement budget for 2027 in both the general fund & public safety tax fund.**
****Juan gave a PowerPoint presentation on the water, sewer, solid waste, & street funds. All revenues offset the expenditures.**
**** M/s; Acosta / Hwang motion to adjourn the budget workshop at 7:14 pm. Motion carried.**

ACCOUNTS PAYABLE

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Accts Pay #	Received	Date Due	Vendor	Amount	Memo
19648	10/15/2026	10/15/2026	4099	ANATEK LAB INC WENATCHEE	2,257.00 WWTF RC Samples
534 10 41 02	Chemical Samples	401 000 534	Water Operatin	1,460.00	DW RC Samples
535 10 41 02	Testing Samples	405 000 535	Sewer Operatin	797.00	WWTF RC Samples
19625	10/15/2026	10/15/2026	1251	CITY OF MATTAWA-UTILITIES	3,027.22 City Of Mattawa Utilies Sept. 2026
518 30 47 14	City Hall Utilities	001 000 518	Current Expens	116.97	City Hall
535 10 47 00	Utilities	405 000 535	Sewer Operatin	199.80	Shop
572 20 47 00	Library - Utility Services	001 000 572	Current Expens	149.72	Library
576 80 47 00	Park Utilities	001 000 576	Current Expens	49.87	Skatepark
576 80 47 00	Park Utilities	001 000 576	Current Expens	49.87	Basketball Court
576 80 47 00	Park Utilities	001 000 576	Current Expens	2,411.12	Park
576 80 47 00	Park Utilities	001 000 576	Current Expens	49.87	Drinking Water
19644	10/15/2026	10/15/2026	108	CONSOLIDATED DISPOSAL	23,296.94 Waste Services
537 10 33 00	Consolidated Disposal	420 000 537	Solid Waste Fu	23,296.94	Waste Services
19654	10/15/2026	10/15/2026	3995	CURENT ELECTRIC, N.W. LLC	1,734.00 WWTF Troubleshoot & Replace Relay In VFD
535 10 48 04	System Repairs / Maintenar	405 000 535	Sewer Operatin	1,734.00	WWTF Troubleshoot & Replace Relay In VFD
19651	10/15/2026	10/15/2026	4104	CWWPG RIVERSTONE LAND	974.76 PW- Gravel
534 10 31 01	Operating Supplies	401 000 534	Water Operatin	974.76	Gravel
19652	10/15/2026	10/15/2026	4104	CWWPG RIVERSTONE LAND	927.85 WWTF Gravel
535 10 48 02	Sewer Plant Maintenance	405 000 535	Sewer Operatin	927.85	WWTF Gravel
19653	10/15/2026	10/15/2026	2847	DESERT VACTOR SERVICE INC	330.62 PW- Vac Truck Rental
534 10 41 05	Professional Services	401 000 534	Water Operatin	330.62	PW- Vac Truck Rental
19646	10/15/2026	10/15/2026	1698	GRANT COUNTY PUD	2,251.90 Power Billing Sept 2026
542 63 47 00	Street Lighting	101 000 542	Street Fund	199.81	St Light Park
542 63 47 00	Street Lighting	101 000 542	Street Fund	1,977.84	St Light
542 63 47 00	Street Lighting	101 000 542	Street Fund	74.25	Goverment St Lights
19628	10/15/2026	10/15/2026	1734	GRAY & OSBORNE INC	2,666.56 Sewer System Improvements Design & CA Professional Services August 9-Sept 5, 2026
594 35 63 01	Lift Station Upgrade	412 000 594	Sewer Capital I	2,666.56	Sewer System Improvements Design & CA Professional Services August 9-Sept 5, 2026

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19629	10/15/2026	10/15/2026	1734	GRAY & OSBORNE INC	7,530.29 Well 5 Siting Analysis And Drilling Design Professional Services August 9-Sept 5, 2026
594 34 41 02	Well 5 Siting Analysis & Dr	411 000 594	Water Capital I	7,530.29	Well 5 Siting Analysis And Drilling Design Professional Services August 9-Sept 5, 2026
19630	10/15/2026	10/15/2026	1734	GRAY & OSBORNE INC	1,760.18 WWTF Improvements CA Professional Services August 9-Sept 5, 2026
594 35 41 00	WWTF Improvements Proj	412 000 594	Sewer Capital I	1,760.18	WWTF Improvements CA Professional Services August 9-Sept 5, 2026
19631	10/15/2026	10/15/2026	1734	GRAY & OSBORNE INC	203.99 CAD Home Final Plat Review Professional Services August 9-Sept 5, 2026
518 30 49 01	Engineering Services	001 000 518	Current Expens	203.99	CAD Home Final Plat Review Professional Services August 9-Sept 5, 2026
19632	10/15/2026	10/15/2026	1734	GRAY & OSBORNE INC	190.82 General Engineering S4 -Retail Gas Station Traffic Control Plan Professional Services August 9-Sept 5, 2026
518 30 49 01	Engineering Services	001 000 518	Current Expens	190.82	General Engineering S4 -Retail Gas Station Traffic Control Plan Professional Services August 9-Sept 5, 2026
19633	10/15/2026	10/15/2026	1734	GRAY & OSBORNE INC	102.82 Balaggan Travel Plaza -Driveway Layout Discussion Professional Services August 9-Sept 5, 2026
518 30 49 01	Engineering Services	001 000 518	Current Expens	102.82	Balaggan Travel Plaza -Driveway Layout Discussion Professional Services August 9-Sept 5, 2026
19634	10/15/2026	10/15/2026	1734	GRAY & OSBORNE INC	1,425.43 S5 Retail Dev. Binding Site Plan Professional Services August 9-Sept 5, 2026
518 30 49 01	Engineering Services	001 000 518	Current Expens	1,425.43	S5 Retail Dev. Binding Site Plan Professional Services August 9-Sept 5, 2026
19635	10/15/2026	10/15/2026	1734	GRAY & OSBORNE INC	411.26 Water Rights Assitance Professional Services August 9-Sept 5, 2026
534 10 41 03	Engineering Services	401 000 534	Water Operatin	411.26	Water Rights Assitance Professional Services August 9-Sept 5, 2026

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19636	10/15/2026	10/15/2026	1734 GRAY & OSBORNE INC	740.26	Water System Telemetry Professional Services August 9-Sept 5, 2026
	594 34 41 01	Water System Telemetry Im	411 000 594 Water Capital I	740.26	Water System Telemetry Professional Services August 9-Sept 5, 2026
19637	10/15/2026	10/15/2026	1734 GRAY & OSBORNE INC	1,073.37	WWTF Solid Handling Improvements Professional Services August 9-Sept 5, 2026
	594 35 41 06	WWTF Solids Handling Up	412 000 594 Sewer Capital I	1,073.37	WWTF Solid Handling Improvements Professional Services August 9-Sept 5, 2026
19638	10/15/2026	10/15/2026	1734 GRAY & OSBORNE INC	379.18	City Hall Feasibility Analysis Professional Services August 9-Sept 5, 2026
	594 18 63 08	City Hall Planning	350 000 594 Capital Improv	126.40	City Hall Feasibility Analysis Professional Services August 9-Sept 5, 2026
	594 34 63 04	City Hall Planning	411 000 594 Water Capital I	126.39	City Hall Feasibility Analysis Professional Services August 9-Sept 5, 2026
	594 35 63 07	City Hall Planning	412 000 594 Sewer Capital I	126.39	City Hall Feasibility Analysis Professional Services August 9-Sept 5, 2026
19639	10/15/2026	10/15/2026	1734 GRAY & OSBORNE INC	1,477.04	Reservoir Inspection Professional Services August 9-Sept 5, 2026
	594 34 48 03	Reservoir Improvements	411 000 594 Water Capital I	1,477.04	Reservoir Inspection Professional Services August 9-Sept 5, 2026
19658	10/15/2026	10/15/2026	2823 HERNANDEZ, JAZMIN E	232.56	Mileage Reimbursement- EWFOA Spokane
	514 23 43 00	Travel & Education	001 000 514 Current Expens	232.56	Mileage Reimbursement- EWFOA Spokane
19642	10/15/2026	10/15/2026	3223 HID GLOBAL CORPORATION	2,337.10	MPD- Live SCAN
	521 20 48 01	HID Global Corporation - I	001 000 521 Current Expens	2,337.10	MPD- Live SCAN
19649	10/15/2026	10/15/2026	286 KENISON P.S, KATHERINE L.	3,500.00	Legal Fees Sept 2026
	515 41 41 00	Legal Fees	001 000 515 Current Expens	3,500.00	Legal Fees Sept 2026
19659	10/15/2026	10/15/2026	2311 MARTINEZ, ANABEL	167.20	Mileage Reimb. To EWFOA Meeting In Spokane, WA
	514 23 43 00	Travel & Education	001 000 514 Current Expens	167.20	Mileage Reimb. To EWFOA Meeting In Spokane, WA

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19657	10/15/2026	10/15/2026	1193	306.64	Parts/Supplies
			MARTY'S HARDWARE		
518 30 48 00	Repair And Maintenance		001 000 518	8.67	Blue Tape For Painting-Cityhall
518 30 48 00	Repair And Maintenance		001 000 518	63.99	Can Holder/ Paint/spray Paint-City Hall
535 10 48 02	Sewer Plant Maintenance		405 000 535	156.04	Lime
537 10 31 00	Office Supplies		420 000 537	9.74	Keys
572 20 31 00	Library Maintenance And C		001 000 572	15.17	Caulker
572 20 31 00	Library Maintenance And C		001 000 572	15.17	Caulker
576 80 31 00	Park Supplies		001 000 576	32.49	Fiel Spray
576 80 48 00	Park Maintenance		001 000 576	5.37	Male Adapter
19645	10/15/2026	10/15/2026	324	2,572.03	Dispatch Services October 2026
			MULTI AGENCY COMMUNICATION CENTER		
522 20 42 02	MACC - Communications		107 000 522	2,572.03	Dispatch Services October 2026
19647	10/15/2026	10/15/2026	625	28.89	Cylinder Rental
			NORCO		
534 10 31 02	Chlorine		401 000 534	28.89	Cylinder Rental
19626	10/15/2026	10/15/2026	2798	247.64	Monthly Equipment Rental Sept 2026
			PACIFIC OFFICE AUTOMATION		
591 14 70 01	Copier Machine Lease - Cl		001 000 591	49.52	Monthly Equipment Rental Sept 2026
591 21 70 03	Copier Machine Lease - PD		001 000 591	49.52	Monthly Equipment Rental Sept 2026
591 34 70 01	Copier Machine Lease - PW		401 000 591	49.52	Monthly Equipment Rental Sept 2026
591 35 70 02	Copier Machie Lease - PW		405 000 591	49.52	Monthly Equipment Rental Sept 2026
591 37 70 01	Copier Machine Lease - PW		420 000 591	49.56	Monthly Equipment Rental Sept 2026
19641	10/15/2026	10/15/2026	2820	2,881.96	MPD Fuel Services
			PETRO-USA MATTAWA MART		
521 20 32 03	Police Vehicle Fuel		107 000 521	2,881.96	MPD Fuel Services
19650	10/15/2026	10/15/2026	2820	4,201.01	PW Fuels Services
			PETRO-USA MATTAWA MART		
534 10 32 02	Fuel		401 000 535	1,573.00	Legal Fees Sept 2026
535 10 32 00	Fuel		405 000 535	2,478.00	Legal Fees Sept 2026
537 10 32 00	Fuel		420 000 537	50.01	Legal Fees Sept 2026
542 30 32 03	Fuel		101 000 542	50.00	Legal Fees Sept 2026
576 80 32 04	Fuel		001 000 576	50.00	Legal Fees Sept 2026
19656	10/15/2026	10/15/2026	1247	875.75	Parts/ Supplies
			RIO'S AUTO AG SUPPLY		
514 23 41 01	Banking And Visa/Mercha		001 000 514	1.50	Late Fee
521 20 48 00	Vehicle Repair And Mainte		001 000 521	60.46	Engine Oil/ Police Interceptor Utility Base
521 20 48 00	Vehicle Repair And Mainte		001 000 521	60.17	Engine Oil/ Police Interceptor Utility Base
535 10 48 03	Vehicle Repair / Maintenanc		405 000 535	5.30	Mini Lamp/ Any Trim

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535 10 48 03	Vehicle Repair / Maintenance	405 000 535	Sewer Operatin	622.74	Hydrolic Oil
537 10 48 01	Vehicle Repair & Maintenance	420 000 537	Solid Waste Fu	35.88	Oil/ Antifire
542 30 48 02	Repair And Maintenance	101 000 542	Street Fund	9.76	Chainsaw Bumper
576 80 31 03	Playground Equipment Sup	001 000 576	Current Expens	58.60	Star Bit Socket/ Master Tamp Resist
576 80 48 00	Park Maintenance	001 000 576	Current Expens	5.38	Marine Oil
576 80 48 00	Park Maintenance	001 000 576	Current Expens	15.96	Oil
19643	10/15/2026	10/15/2026	3923	SOFT WATER SPECIALISTS LLC, ESSENTIAL WA	59.84 Water Cooler Rental Oct. 2026
518 70 31 00	Other Supplies And Furnitu	001 000 518	Current Expens	19.94	Water Cooler Rental Oct. 2026
521 20 31 00	Office Supplies	001 000 521	Current Expens	19.94	Water Cooler Rental Oct. 2026
534 10 31 01	Operating Supplies	401 000 534	Water Operatin	19.96	Water Cooler Rental Oct. 2026
19655	10/15/2026	10/15/2026	3299	SOILTEST FARM CONSULTANTS INC	1,122.00 WWTF RC Sample
535 10 41 02	Testing Samples	405 000 535	Sewer Operatin	1,122.00	WWTF RC Sample
19627	10/15/2026	10/15/2026	3405	STERICYCLE INC	178.19 Shredding Services 8/27/2026
518 30 49 14	Professional Services	001 000 518	Current Expens	89.09	Shredding Services 8/27/2026
521 10 49 00	Professional Services	001 000 521	Current Expens	89.10	Shredding Services 8/27/2026
19640	10/15/2026	10/15/2026	613	UTILITIES UNDERGROUND	5.52 Excavation Notification (4)
534 10 41 05	Professional Services	401 000 534	Water Operatin	5.52	Excavation Notification (4)
19624	10/15/2026	10/15/2026	2957	WASTE MANAGEMENT	144.01 Waste Services WWTF
535 10 47 00	Utilities	405 000 535	Sewer Operatin	144.01	Waste Services WWTF

Report Total:

71,621.83

Fund

001 Current Expense Fund	11,697.38
101 Street Fund	2,311.66
107 Public Safety Tax Fund	5,453.99
350 Capital Improvement Fund	126.40
401 Water Operating Fund	4,853.53
405 Sewer Operating Fund	8,236.26
411 Water Capital Improvement	9,873.98
412 Sewer Capital Improvement	5,626.50
420 Solid Waste Fund	23,442.13

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This report has been reviewed by:

Anabel Martinez

10/13/26

REMARKS:

Anabel Martinez - City Clerk

Date

RESOLUTION NO. ~~26.10.093-~~

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MATTAWA, WASHINGTON REVISING THE PROCUREMENT POLICY OF THE CITY, REPEALING ANY PRIOR INCONSISTENT RESOLUTION, INCLUDING A SEVERABILITY PROVISION, AND SETTING AN EFFECTIVE DATE.

WHEREAS, the Washington State Auditor recommends that the City revise its Procurement Policy; and

WHEREAS, the City Clerk-Treasurer recommends revising the City Procurement Policy in the form attached as Exhibit "A" to this Resolution; and

WHEREAS, the Mayor and City Council have reviewed the recommended Procurement Policy and have determined that adoption of the same is in the best interest of the citizens of the City; NOW, THEREFORE,

THE CITY COUNCIL OF THE CITY OF MATTAWA, WASHINGTON, HEREBY RESOLVE AS FOLLOWS:

Section 1. The City hereby adopts the Procurement Policy which is attached hereto as Exhibit "A" and made a part of this Resolution by this reference.

Section 2. Any prior Resolution of the City that is inconsistent or in conflict with this Resolution is hereby repealed.

Section 3. ~~This Resolution is consistent with Chapter 3.02, Mattawa Municipal Code, the "Small Works Roster," which adopts the City small works and consulting rosters policy. The city may use either this Resolution or MMC Chapter 3.02 when the purchase or public work being undertaken by the city may lawfully proceed under either process. Where MMC Chapter 3.02 and this Resolution conflict, MMC Chapter 3.02 shall be controlling. References herein to MMC Chapter 3.02 shall be considered references to said Ordinance and any amendments, updates, revisions, and/or replacements of said Ordinance.~~

Section 4- If any section, sentence, clause, or phrase of this Resolution shall be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause, or phrase of this Resolution.

Section 45. This Resolution shall be effective immediately upon passage by the City Council.

APPROVED by the City Council of the City of MATTAWA, Washington at an Open Public Meeting the 15th day of October, June, 2026~~3~~.

APPROVED:

Maggie Celaya, MAYOR

ATTEST/AUTHENTICATED:

Anabel Martinez, CITY CLERK/TREASURER

APPROVED AS TO FORM:

Katherine Kenison, CITY ATTORNEY

EXHIBIT "A"

CITY OF MATTAWA PROCUREMENT POLICY

Approved by City Council Resolution No. 23-

The 15th day of June, 2023

This City of Mattawa (the "City") Procurement Policy ("Policy") establishes the best practices and standards for the City concerning the purchasing of materials, supplies, or equipment; public works projects; federal awards standards; and code of conduct.

I. PURCHASE OF MATERIALS, SUPPLIES, OR EQUIPMENT

A. Controlling Laws

The expenditure of public funds for the purchase of, and contracting for, goods, services, supplies, and materials shall comply with all applicable state law requirements as set forth in the Revised Code of Washington (RCW) and the Washington Administrative Code (WAC). Where this Policy conflicts with state law requirements, the more restrictive procurement method or threshold shall prevail. Where this Policy is silent with regards to purchasing and bidding requirements, state law shall govern City procedure.

Purchases and contracts that include federal funding shall also comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, published under Title 2 of the Code of Federal Regulations (2 CFR 200) and any other requirements associated with the receipt and use of the federal funds.

B. Monitoring and Compliance

The City shall implement, monitor, and enforce this Policy. Willful or intentional violations of this Policy may result in penalties, financial liabilities, and/or discipline.

The city will monitor purchases to avoid duplication. The City may use "piggybacking" when lawful including entering into inter-entity agreements or utilizing the State Department of Enterprise Services competitively bid price list to realize cost savings for purchases of goods and services when possible. For purchases exceeding \$7,500 (including federally funded purchases), the City will endeavor to verify and document that people and businesses selling goods and services to the City are not suspended or debarred from doing business with the federal or state government.

In implementing this Policy, the City shall take reasonable measures to safeguard protected personally identifiable or sensitive information that would qualify as protected non-disclosable information under state or federal laws regarding privacy and confidentiality.

C. Proper Authorization

Only authorized employees acting within the scope of their authority may obligate the City in the acquisition of goods or services. Any employee purchasing goods or services on behalf of the city without proper authorization may be personally liable to the vendor and/or to the city and subject to disciplinary action.

For federally funded purchases and contracts, to document those expenditures are proper and in accordance with the terms and conditions of the federal award and approved project budgets, the annual and final fiscal reports or vouchers requesting payment under the contract must include a certification, signed by an official who is authorized to legally bind the City, which reads as follows:

By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements, and cash receipts are for the purposes and objectives set forth in the terms and conditions of the federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil, or administrative penalties for fraud, false statements, false claims, or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812)

Notwithstanding any other provision of this Policy, the Mayor or their designee may make, or authorize others to make, emergency procurements of materials, supplies, equipment or services without complying with the requirements of this Policy when there exists a threat to public health, safety or welfare, or a threat to property; provided that such emergency purchases shall be made with such competition as is practicable under the circumstances. Other competitive bidding exemptions for purchases include those identified in RCW 39.04.280.

For purchases of materials, supplies and equipment, the City shall follow the state or federal law minimum threshold requirements for purchases up to the amount that require competitive bidding. Even when competitive bidding is not required by law, the City shall endeavor to obtain reasonable pricing when purchasing materials, supplies, and equipment.

D. Credit Cards/ Procurement Cards

In accordance with RCW 43.09.2855, the City is authorized to use credit cards or procurement cards for official government purchases and acquisitions. Cash advances on credit cards or procurement cards are prohibited. Credit cards and procurement cards may not be used to purchase alcoholic beverages. It will be the responsibility of the City Clerk-Treasurer to assign credit cards or procurement cards to employees that need them for City operations.

II. PUBLIC WORKS PROJECTS

The City shall follow the most restrictive applicable procedures when contracting for public works projects. The threshold for bidding shall be as established by state law or the requirements of any state or federal funding agency, as applicable. In addition, the City may enter into contracts for public works projects by utilizing a properly approved small works roster process. Exemptions to competitive bidding shall be those set forth in RCW 39.04.280. The provisions in Section IV, Federal Standards, may be used as a guide when making threshold procurement purchase determinations.

For public works projects exceeding \$15,000 (including federally funded projects), the City will endeavor to verify and document that the selected contractor on any such project is not suspended or debarred from doing business with the federal or state government prior to the formal award of the public works contract.

III. ARCHITECTURAL AND ENGINEERING SERVICES

The City shall comply with the process set forth in Chapter 39.80 RCW in the procurement of architectural or engineering services and with any other specific requirements of state or federal funding agencies if and when applicable. Such services are procured using the qualifications-based selection requirements in Chapter 39.80 RCW.

As an alternative to creating and maintaining the City's own annual roster for the procurement of architectural, surveying, and engineering services, the Mayor is authorized to enter into agreements with the Municipal Research and Services Center (MRSC) and/or any other agencies for use of their annual rosters as long as such rosters are in compliance with the latest state of Washington rules, regulations, requirements, and laws regarding the procurement of architectural, surveying, and engineering services. The City encourages architectural, engineering, and surveying firms to submit to MRSC a statement of qualifications and performance data annually. When services are needed, the City will evaluate current statements of qualifications and performance data on file. The City continues to have the option to formally advertise for consultant qualifications aside from using the MRSC roster.

Contract Negotiations Discussions will be conducted with one or more firms regarding anticipated concepts and the relative utility of alternative methods of approach for furnishing the required services. Using criteria established by the City for the project, category, or type of services needed, a professional services contractor will be selected that is deemed to be the most highly qualified to provide the services required for the proposed project. Requests for qualifications for architectural, engineering, and surveying services may not request a price. The City must select the most qualified firm and then negotiate a price for the project. As part of determining qualifications, the City will use a grading matrix with which to score the firms in categories relevant to the services required.

The City will negotiate a contract with the most qualified firm at a price that the City determines is fair and reasonable. In making its determination, the City will consider the estimated value of the services to be rendered as well as the scope, complexity, and professional nature of the service to be provided. If the City is unable to negotiate a satisfactory contract with the firm selected at a price that is determined fair and reasonable, negotiations with that firm will be formally terminated. Another firm will then be selected, and the process continued until an agreement is reached or the process terminated.

IV. FEDERAL STANDARDS

1. 1. Purpose

The purpose of this policy is to establish procurement procedures for the City of Mattawa when acquiring property, supplies, equipment, construction, and services with Federal award funds. The policy is designed to comply with 2 CFR Part 200, Subpart D, §§ 200.317–200.327, applicable Federal award terms, Washington law, and the City's ordinances, resolutions, and administrative procedures. This policy is intended to be read together with the City's existing procurement provisions, including Mattawa Municipal Code Chapter 3.02. Where a Federal award, State law, local law, City policy, or funding-agency instruction establishes a more restrictive requirement, the City shall apply the more restrictive requirement unless a controlling law expressly provides otherwise.

2. 2. Authority

- 2 CFR Part 200, Subpart D, including §§ 200.317–200.327 and Appendix II to Part 200.

- Applicable Federal statutes, regulations, executive orders, agency regulations, and the terms and conditions of the specific Federal award.
- Washington procurement and public-works laws, including RCW Chapters 35.23, 35A.40, 39.04, 39.08, 39.12, 39.80, and other applicable authorities.
- City of Mattawa Municipal Code Chapter 3.02 and applicable ordinances, resolutions, delegations of authority, and budget appropriations.

Federal requirements must also be reviewed for program-specific requirements, including domestic preference, Davis-Bacon/prevaling wage, Buy America/Build America Buy America, environmental, lobbying, and other award-specific provisions.

3. 3. Most Restrictive Requirement Rule

All procurements funded in whole or in part with Federal awards shall comply with applicable Federal, State, and local requirements. When requirements differ, the City shall use the requirement that results in the lower applicable threshold, greater competition, greater documentation, greater approval authority, or greater oversight, unless a controlling law or Federal award condition requires a different result.

- Procurement thresholds shall be determined using the aggregate amount of the procurement transaction and reasonably anticipated renewals/options, not by splitting a requirement into smaller purchases.
- No employee may split, phase, rotate, or otherwise structure a procurement to avoid a Federal, State, or local threshold.
- The grant agreement, Notice of Award, pass-through agreement, Federal agency regulations, and funding-specific guidance shall be reviewed before solicitation.
- When the applicable requirement is unclear, the procurement shall be paused and the City Clerk/Treasurer or designated procurement official shall document the determination.

4. 4. Responsibilities

<u>Role</u>	<u>Primary responsibilities</u>
<u>City Council</u>	<u>Adopts policy; approves procurements/contracts when required by law, ordinance, resolution, or delegation; approves applicable competitive-bidding waivers when required.</u>
<u>Mayor / Authorized Official</u>	<u>Approves purchases within delegated authority; signs contracts; makes or confirms emergency actions as authorized.</u>
<u>City Clerk/Treasurer</u>	<u>Provides financial and procurement oversight; confirms budget authority; maintains procurement records; supports grant compliance and audit documentation.</u>
<u>Department Head / Requesting Official</u>	<u>Defines need and scope; confirms funding; prepares estimates/specifications; documents procurement; monitors contractor performance.</u>
<u>Grant Administrator / Project Manager</u>	<u>Reviews Federal award requirements; identifies special Federal clauses; coordinates grantor/pass-through approvals; maintains grant procurement checklist.</u>

<u>Role</u>	<u>Primary responsibilities</u>
<u>Employees involved in procurement</u>	<u>Follow this policy; disclose conflicts; maintain confidentiality during competitive processes; document contacts and decisions.</u>

5. Conflict of Interest and Standards of Conduct

The City shall maintain written standards of conduct covering conflicts of interest for employees, officers, agents, and governing-body members involved in selection, award, or administration of contracts. A person with an actual or apparent conflict may not participate in the procurement decision.

- Personnel shall not solicit or accept gratuities, favors, or anything of monetary value from contractors or potential contractors, except as permitted by the City's adopted standards of conduct.
- Organizational conflicts of interest shall be evaluated when a related organization may impair impartiality.
- Violations may result in disciplinary action consistent with City policy and applicable law.
- Each procurement file shall contain a conflict-of-interest certification when required by the grant, solicitation, or City procedure.

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6. Competition

Federal procurements shall be conducted to provide full and open competition. The City shall not impose unreasonable qualification requirements, unnecessary experience requirements, excessive bonding, noncompetitive pricing practices, organizational conflicts of interest, or specifications that unnecessarily restrict competition.

- Brand-name specifications shall generally state 'or equal' and identify the salient characteristics.
- A contractor that helped draft specifications, a statement of work, or an invitation for bids shall not compete for that procurement when doing so would create an unfair competitive advantage.
- Solicitations shall contain a clear and accurate description of the required goods/services and identify applicable evaluation factors and their relative importance.
- Prequalified lists shall be current and sufficiently broad to provide open competition.

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7. Procurement Threshold Matrix

The following matrix is an administrative guide. The responsible official shall confirm the applicable law and award conditions before each procurement.

<u>Procurement type / value</u>	<u>Minimum City procedure for Federal awards</u>	<u>Required file documentation</u>
<u>Up to City-authorized micro-purchase level</u>	<u>Micro-purchase method; document price reasonableness; distribute purchases equitably among qualified suppliers when practicable.</u>	<u>Purchase request/PO; price-reasonableness note; conflict/debarment checks when applicable; invoice/receipt.</u>
<u>Above micro-purchase level through applicable small-purchase limit</u>	<u>Obtain price/rate quotations from an adequate number of qualified sources. City standard: seek at least 3 quotations when practicable, unless a more</u>	<u>Written scope; quotes or vendor contacts; selection/price-reasonableness record; approvals;</u>

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<u>Procurement type / value</u>	<u>Minimum City procedure for Federal awards</u>	<u>Required file documentation</u>
	<u>specific law/procedure requires more.</u>	<u>responsibility/debarment documentation.</u>
<u>Above applicable simplified-acquisition threshold</u>	<u>Formal competitive procurement: sealed bids or competitive proposals, with public notice and documented evaluation.</u>	<u>Independent cost estimate; solicitation; public notice; bids/proposals; evaluation; responsibility determination; award; contract; required clauses.</u>
<u>Noncompetitive procurement</u>	<u>Only when a permitted Federal and State/local exception applies. Written justification and required approval before award unless emergency procedures apply.</u>	<u>Exception/sole-source/emergency justification; price analysis; approvals; grantor approval if required; award and contract.</u>
<u>Public works</u>	<u>Use the applicable Washington public-works method and City procedure, while satisfying Federal competition requirements. Small works roster may be used when legally authorized and consistent with Federal award requirements.</u>	<u>Cost estimate; project classification; roster/bid documentation; prevailing wage/BABA/Davis-Bacon determinations; bonds/retainage; award; contract clauses.</u>

Federal baseline: the Federal micro-purchase threshold is generally tied to the FAR threshold, which is \$15,000 effective October 1, 2025; the Federal simplified acquisition threshold is \$350,000. However, the City may establish lower thresholds, and the City's local procedures may be more restrictive. The City shall not assume that the Federal thresholds automatically control.

8. Micro-Purchases

A micro-purchase may be made without soliciting competitive price quotations when the City determines that the price is reasonable based on research, experience, purchase history, market information, or other information and documents that determination. The City shall use its lower local threshold or other more restrictive requirement where applicable.

- The aggregate amount of the procurement transaction must be considered.
- The City should distribute micro-purchases equitably among qualified suppliers to the extent practicable.
- Micro-purchases shall not be split to remain below a threshold.
- Grant-specific purchasing-card or prior-approval rules must be followed.

9. Small Purchases / Simplified Acquisition

For purchases above the applicable micro-purchase threshold and at or below the applicable simplified-acquisition threshold, the City shall obtain price or rate quotations from an adequate number of qualified sources. As an internal City standard, staff should seek at least three quotations whenever practicable. If fewer are available, the file shall explain the efforts made and document price reasonableness. Mattawa Municipal Code Chapter 3.02 also contains local vendor-roster and Council-approval provisions. Those local requirements remain applicable unless superseded by later City action or controlling law.

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10. Formal Procurement – Sealed Bids

1. Prepare a complete and realistic specification or purchase description.
2. Prepare and retain an independent cost estimate before receiving bids.
3. Confirm that sealed bidding is appropriate and that at least two responsible sources are expected to compete.
4. Publicly advertise the invitation for bids for local-government Federal procurements.
5. Provide adequate response time and identical solicitation information to all bidders.
6. Publicly open bids at the time and place stated in the solicitation.
7. Evaluate responsiveness and bidder responsibility.
8. Award a firm-fixed-price contract to the lowest responsive and responsible bidder, considering stated evaluation factors.
9. Document the rejection of any bid and the basis for award.

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11. Formal Procurement – Competitive Proposals

10. Prepare a written request for proposals with a clear scope and deliverables.
11. Publicly notice the RFP.
12. State all evaluation factors and their relative importance.
13. Solicit proposals from multiple qualified offerors.
14. Use written procedures for technical evaluation and scoring.
15. Maintain evaluator confidentiality during the procurement.
16. Document the evaluation and selection recommendation.
17. Award to the responsible offeror whose proposal is most advantageous, considering price and other stated factors.

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Qualifications-based selection without price as a selection factor may be used only for architectural/engineering professional services when authorized by applicable Federal and Washington law. It shall not be used to procure unrelated services from an A/E firm.

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12. Noncompetitive Procurement

A Federal-award procurement may use a noncompetitive method only when an authorized exception applies, including:

- The aggregate transaction does not exceed the applicable micro-purchase threshold;
 - The item/service is available only from a single source;
 - A public exigency or emergency will not permit delay caused by competitive solicitation;
 - The City obtains written approval from the Federal awarding agency or pass-through entity when required; or
 - After soliciting several sources, competition is determined inadequate.
- Except for an emergency requiring immediate action, a written justification should be completed before award. The file must identify the specific exception, facts supporting it, vendor selected, price reasonableness, and required approvals.

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13. Washington Emergency and Competitive-Bidding Exceptions

Washington law permits certain competitive-bidding exemptions, including legitimate single-source situations, special facilities or market conditions, emergencies, and other statutory exceptions. An emergency must involve unforeseen circumstances beyond the City's control that create a real and immediate threat to essential functions or likely material loss, injury, or loss of life if immediate action is not taken.

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For a Washington emergency procurement, the designated official may act as authorized by law and City policy. A written finding of the emergency shall be entered into the record within the period required by RCW 39.04.280. Federal grant requirements must also be satisfied.

14. Public Works and Small Works Roster

Public works procurements must comply with Washington public-works law, applicable City requirements, and Federal procurement requirements. The statewide small works roster threshold is \$350,000 or less through December 31, 2026, excluding sales tax, with statutory increases beginning January 1, 2027.

<u>Period</u>	<u>Washington small works roster ceiling (excl. sales tax)</u>
<u>Through Dec. 31, 2026</u>	<u>\$350,000</u>
<u>Jan. 1–Jun. 30, 2027</u>	<u>\$530,000</u>
<u>Jul. 1, 2027–Jun. 30, 2028</u>	<u>\$560,000</u>
<u>Jul. 1, 2028–Jun. 30, 2029</u>	<u>\$590,000</u>
<u>Jul. 1, 2029–Jun. 30, 2030</u>	<u>\$620,000</u>
<u>Beginning Jul. 1, 2030</u>	<u>\$650,000</u>

For small works projects under \$150,000, Washington law permits a direct-contracting process subject to statutory requirements. If the City uses direct contracting on a Federal award, the grantor's Federal competition requirements must also be satisfied. If there is a conflict, the City shall use the more restrictive lawful method.

Mattawa Municipal Code Chapter 3.02 contains existing small-works-roster procedures and should be read together with current RCW 39.04.151–.152. Because the City code contains older dollar references, staff should use the current statutory limits where the code expressly incorporates the current statutory limit, and seek City Attorney review before relying on a conflicting fixed amount.

15. Architectural and Engineering Services

A/E professional services shall be procured under RCW Chapter 39.80 and applicable Federal requirements. The City shall document qualifications, selection, negotiation of fair and reasonable compensation, and the basis for selection. If Federal funds impose a stricter procurement requirement, the City shall follow the stricter lawful requirement.

16. Small, Minority, Women-Owned, Veteran-Owned and Labor-Surplus-Area Businesses

- Include qualified small and disadvantaged businesses on solicitation lists when possible.
- Solicit such firms whenever they are potential sources.
- Divide procurements into smaller tasks when economically feasible and when doing so does not create artificial contract splitting.
- Establish delivery schedules that encourage participation when appropriate.
- Use available Federal, State, and local databases and business-assistance resources.
- For Washington small-works roster procurements, follow current State requirements concerning small, minority-, women-, and veteran-owned business utilization.

17. Domestic Preferences and Buy America

The City shall apply the domestic preference requirements of 2 CFR §200.322 and any program-specific domestic preference requirements. For infrastructure projects, staff shall determine whether the Build America, Buy America Act (BABA) and 2 CFR Part 184 apply. Where BABA applies, the applicable Federal agency waiver and Buy America requirements shall be incorporated into the solicitation and contract.

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18. Recovered Materials

The City shall comply with applicable recovered-materials requirements under 2 CFR §200.323 and Section 6002 of the Solid Waste Disposal Act. Where applicable, solicitations and contracts shall require the contractor to comply with the same requirements.

19. Cost and Price Analysis

For each procurement above the applicable simplified-acquisition threshold, the City shall perform and document a cost or price analysis. An independent cost estimate shall be prepared before receiving bids or proposals. The City shall not use cost-plus-a-percentage-of-cost or percentage-of-construction-cost contracting.

- Price analysis may include comparison of competitive bids, catalog or market prices, historical prices, independent estimates, or other reliable market information.
- Cost analysis may be necessary when adequate price competition is absent or when the solicitation requires cost information.
- Profit shall be negotiated separately when required by Federal requirements.

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20. Contractor Responsibility and Debarment

Before award, the City shall determine that the prospective contractor is responsible. The file should address integrity, compliance with public policy, past performance, financial and technical capacity, licenses/registrations, insurance, bonding, and applicable bidder-responsibility criteria. For Federal awards, the City shall check the System for Award Management (SAM) exclusions before awarding a covered contract and shall retain evidence of the check.

21. Contractor Oversight

- Assign a responsible City official to monitor each significant contract.
- Verify deliverables, quantities, quality, schedule, and compliance before payment.
- Document deficiencies and corrective actions.
- Monitor change orders and amendments for scope, price, funding eligibility, and required approvals.
- For time-and-materials contracts, establish a ceiling price and provide heightened oversight.

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22. Federal Contract Provisions

Contracts funded by Federal awards shall contain applicable provisions required by 2 CFR §200.327 and Appendix II to Part 200, plus any program-specific clauses.

<u>Provision</u>	<u>When generally applicable</u>
<u>Remedies / sanctions for breach</u>	<u>Contracts over the Federal simplified acquisition threshold.</u>
<u>Termination for cause and convenience</u>	<u>Contracts over \$10,000.</u>
<u>Equal Employment Opportunity</u>	<u>Applicable federally assisted construction contracts.</u>
<u>Davis-Bacon Act and Copeland Anti-Kickback</u>	<u>When required by Federal program legislation; construction contracts over \$2,000 when applicable.</u>
<u>Contract Work Hours and Safety Standards Act</u>	<u>Applicable contracts over \$100,000 involving mechanics/laborers.</u>
<u>Rights to inventions</u>	<u>Applicable Federal research/development funding agreements.</u>

Provision	When generally applicable
Clean Air Act / Federal Water Pollution Control Act	Contracts/subgrants over \$150,000, as applicable.
Debarment and suspension	Covered Federal awards/contracts.
Byrd Anti-Lobbying certification	Bids/applications for awards exceeding \$100,000.
Recovered materials	Applicable purchases under 2 CFR §200.323.
Prohibition on certain telecommunications/video surveillance equipment	Applicable Federal awards under 2 CFR §200.216.
Domestic preferences / BABA	As applicable under 2 CFR §200.322 and program-specific infrastructure requirements.

The contract form should be maintained as a controlled template and updated when Federal regulations, agency requirements, or the City's grant conditions change.

23. Bonding

For construction or facility-improvement contracts exceeding the Federal simplified acquisition threshold, the City shall comply with the applicable Federal bonding requirements unless the Federal awarding agency or pass-through entity approves an alternative. Washington bonding and retainage requirements must also be satisfied. Where requirements differ, the more protective lawful requirement shall be used.

- Federal baseline may require a bid guarantee of 5% of the bid price.
- Federal baseline may require a performance bond of 100% of the contract price.
- Federal baseline may require a payment bond of 100% of the contract price.
- Washington public-works bond and retainage laws must be reviewed separately for every public-works contract.

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24. Procurement File Checklist

File item	Required / N/A	Completed
Federal award/CFDA or Assistance Listing number and grant agreement reviewed	☐	☐
Funding source and budget availability confirmed	☐	☐
Procurement classification determined	☐	☐
Most restrictive threshold/method determination completed	☐	☐
Independent cost estimate prepared, if applicable	☐	☐
Conflict-of-interest review completed	☐	☐
Solicitation/quotes retained	☐	☐
SAM/debarment check retained	☐	☐
Evaluation/selection documentation retained	☐	☐
Responsibility determination retained	☐	☐
Council/Mayor/other approval obtained	☐	☐

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File item	Required / N/A	Completed
Price/cost analysis completed when required	☐	☐
Federal contract clauses included	☐	☐
Bonds/insurance/prevaling wage/BABA reviewed as applicable	☐	☐
Contract executed before work begins	☐	☐
Performance monitoring documented	☐	☐
Invoices/deliverables/acceptance retained	☐	☐
Change orders/amendments approved and documented	☐	☐

25. Sole Source / Noncompetitive Procurement Justification Form

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Department / Project:

Federal Award / Grant No.:

Vendor:

Estimated / Contract Amount:

Procurement Description:

Federal / State / Local Exception Relied Upon:

Facts Supporting Exception:

Competition Sought / Sources Contacted:

Price Reasonableness Analysis:

Grantor / Pass-through Approval (if required):

Required City Approval:

Certification: I certify that the facts stated above support the procurement method selected and that the procurement is not being structured to avoid competitive requirements.

Prepared by: _____ Date: _____

Reviewed by: _____ Date: _____

Approved by: _____ Date: _____

26. Emergency Procurement Justification Form

Department / Project:

Federal Award / Grant No.:

Date/Time Emergency Identified:

Nature of Emergency:

Immediate Threat / Potential Loss or Damage:

Goods/Services Required:

Vendor Selected:

Estimated / Actual Cost:

Why Competitive Solicitation Could Not Be Used:

Actions Taken to Obtain Reasonable Price:

Federal Awarding Agency / Pass-through Notice or Approval:

Governing Body Finding / Required Record Entry:

Certification: The undersigned determines that the circumstances meet the applicable emergency standard and that the procurement is limited to what is necessary to respond to the emergency.

Authorized Official: _____ Date: _____

27. Three-Quotation / Small-Purchase Form

Vendor	Contact/date	Quoted price	Terms / notes
1.		\$	
2.		\$	
3.		\$	

If fewer than three qualified sources were available, explain:

Price reasonableness basis:

Recommended vendor: _____ Reason: _____

Prepared by: _____ Date: _____ Approved by: _____

28. SAM / Debarment Certification

Vendor/Contractor: _____

UEI (if applicable): _____

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SAM exclusion search date: _____
Search performed by: _____
Result: ☐ No exclusion identified ☐ Exclusion identified – STOP and refer for review
Evidence retained in procurement file: ☐ Yes

29. Procurement Approval Checklist

- ☐ Funding source is identified and allowable under the Federal award.
- ☐ Procurement is not artificially split.
- ☐ Most restrictive Federal/State/local requirement has been identified.
- ☐ Competition method is appropriate.
- ☐ Conflict-of-interest review is complete.
- ☐ Required quotations/bids/proposals are retained.
- ☐ Contractor responsibility is documented.
- ☐ SAM exclusion check is complete when applicable.
- ☐ Federal contract provisions are included.
- ☐ Price/cost analysis is complete when required.
- ☐ Required public-works, prevailing-wage, bonding, retainage, apprenticeship, BABA, and environmental requirements have been reviewed.
- ☐ Required City approval has been obtained.
- ☐ Contract has been executed before performance begins unless emergency rules apply.

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30. Records Retention and Audit Access

The City shall maintain procurement and grant records in accordance with 2 CFR §200.334, applicable Washington records-retention requirements, the grant agreement, and any longer period required by law or award conditions. Procurement records shall be readily accessible for City, State, Federal, pass-through, auditor, and oversight review.

The procurement file shall be sufficient for an independent reviewer to reconstruct what was purchased, why it was needed, how competition was obtained or lawfully waived, how the vendor was selected, how price was determined reasonable, who approved the purchase, and how performance was monitored.

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31. Annual Review

The City Clerk/Treasurer or designated procurement official shall review this policy at least annually and whenever Federal or Washington procurement requirements change. The review shall specifically consider Federal threshold changes, Washington public-works thresholds, City ordinances/resolutions, grant-specific requirements, and audit findings.

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V. CODE OF CONDUCT- ETHICS

The purpose of this code of conduct is to ensure the efficient, fair and professional administration of federal grant funds in compliance with 2 CFR §200, and other applicable federal and state standards, regulations, and laws. This code of conduct applies to all elected officials, employees or agents of the City engaged in the award or administration of contracts supported by federal funds.

A. Requirements

No elected official, employee or agent of the City shall participate in the selection, award or administration of a contract supported by state or federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when any of the following has a financial or other interest in the firm selected for award:

- A City employee, elected official, or agent; or
- Their dependent; or
- Their partner; or
- An organization which employs, or is about to employ any of the above.

The City's elected officials, employees or agents shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, potential contractors or subcontractors.

B. Penalties/ Reporting

To the extent permitted by local, state, or federal laws or regulations, violation of these standards may cause penalties, sanctions or other disciplinary actions to be taken against the City's elected officials, employees or agents, or the contractors, potential contractors, subcontractors or their agents. Penalties may include forfeiture of office for elected officials or termination of employment for appointed officials. Any potential conflict of interest will be disclosed in writing to the federal awarding agency or pass-through entity in accordance with applicable federal awarding agency policy.

VI. NEW REGULATIONS AND PERIODIC REVIEW

A. New Regulations

All applicable regulations enacted following the effective date of this Policy are by this reference made a part herein. All parts of this Policy that are in conflict with any new regulation enacted following the effective date of this Policy are by this reference modified to comply with any new regulation.

B. Biennial Review

City Staff shall endeavor to review this Policy on a biennial basis and update the Policy following review, if updates are deemed appropriate.

RESOLUTION NO. 26.10.10

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MATTAWA,
WASHINGTON, APPROVING AND ADOPTING A POLICY REGARDING
THE SHORTAGE OF PENNIES DUE TO THE SUSPENSION OF PENNY
PRODUCTION AND THE HANDLING OF CASH TRANSACTIONS WHEN
EXACT CHANGE IS NOT PROVIDED; AND ESTABLISHING AN EFFECTIVE
DATE.**

WHEREAS, the City of Mattawa ("City") engages in financial transactions where cash payments are accepted; and

WHEREAS, on February 9th, 2025, President Trump announced that he was ordering the Secretary of the US Treasury to stop producing new pennies; and

WHEREAS, the federal government has ceased minting new pennies for circulation; and

WHEREAS, the City's banking partner has informed the City that penny orders can no longer be fulfilled and thus the City is experiencing a penny shortage which has created challenges when providing exact change to customers; and

WHEREAS, the U.S. Department of the Treasury has published "Penny Production Cessation FAQs" on its website where, to address the issue of pennies falling out of circulation, it recommends rounding transactions either up or down to the nearest five cents and for merchants to be aware of state requirements regarding the calculation of sales tax; and

WHEREAS, the recommendations in the "Penny Production Cessation FAQs" are non-binding guidance; and

WHEREAS, due to a lack of formal federal and/or state guidance to address this issue, the City Council desires to adopt a policy to create clarity for city officials and the public as to how cash transactions will be handled in the interim until more guidance is provided from the federal and/or state governments.

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF MABTON, WASHINGTON
HEREBY RESOLVES AS FOLLOWS:**

Section 1. The City hereby adopts the Penny Shortage Policy, attached hereto as Exhibit A.

Section 2. This Resolution shall be effective immediately upon passage by the City Council and shall remain in effect until rescinded or superseded.

PASSED by the City Council of the City of Mattawa, Washington, at a regular meeting thereof held this 15th day of October 2026.

Maria M Celaya, City Mayor

ATTEST:

Anabel Martinez, City Clerk

Katherine Kenison, City Attorney

EXHIBIT A
City of Mattawa
Penny Shortage Policy

1. Definitions.

- a. **“Cash transaction”** means, for the purposes of this policy, a transaction where payment is made to the City of Mabton using United States coins and currency, including Federal reserve notes.
- b. **“Exact change”** means, for the purposes of this policy, a payment using United States coins and currency, including Federal reserve notes, that exactly matches the monetary value that the City is charging for a particular good or service along with any applicable taxes or fees.

2. Purpose.

- a. The purpose of this policy is to provide clarity for city officials and members of the community as to how the City will handle cash transactions given the recent suspension of penny production and the resulting penny shortage.

3. Policy.

- a. **Exact Change Required.** As a general rule, exact change is required for all cash transactions paid to the City. The City shall ensure that this policy is clearly posted for customers.
- b. **Rounding Provision.** In circumstances where prices are not fixed by statute or external agreement, city officials are permitted to round total charges up or down to the nearest \$0.05. Such circumstances include when fees are established in the city code rather than by statute or external agreement, provided there are no revenue-sharing partners.
- c. **Tax Treatment for Rounding Down.** City officials shall note that applicable taxes, such as sales tax, must still be remitted to the State of Washington on the pre-rounded amount.
- d. **Documentation of Rounded-Down Transactions.** City officials shall keep records of all transactions where total charges were rounded down to the nearest \$0.05. Such records shall include the following information for each rounded-down transaction:
 - i. Transaction number;
 - ii. Name of payee;

- iii. Date of transaction;
- iv. The pre-rounded amount charged;
- v. The pre-rounded sales tax; and
- vi. The amount paid.

4. Implementation.

- a. This policy shall be available at the City and will display signage conveying its requirements in City Hall.