

**** Per Governor's emergency [Proclamation 20-28.8](#) issued July 31, 2020 and extended by the legislature on August 31, 2020, agencies are required to meet completely remotely without providing for a physical location.**

**** Per Section 3 of Anacortes [Resolution 2082](#) Ratifying Proclamation of Emergency and Providing Temporary Procedures to Respond to the COVID-19 Epidemic, adopted by the Anacortes City Council on March 16, 2020, and [Resolution 2096](#), adopted July 27, 2020, extending the duration of Resolution 2082 through September 30, 2020, all in-person Committee meetings of the City Council are cancelled. Council and committee meetings may be held telephonically regardless of whether the City has the capability of video recording meetings.**

- Meetings may be viewed live or viewed after the fact on the [City of Anacortes website](#) or on [Channel 10](#).
- The public may watch, listen to, or participate in the meeting live by visiting <https://us02web.zoom.us/j/89255646791> or by telephoning 1-253-215-8782 and entering Meeting ID 892 5564 6791.
- The public is encouraged to comment via email to cityclerk@cityofanacortes.org, via written comment addressed to City Clerk, P.O. Box 547, Anacortes, WA 98221, or via [eComment](#). Public comments received prior to 3:00 p.m. the day of the meeting will become part of the record for the meeting, just as if presented in person.
- Complete guidelines for public participation in virtual Anacortes City Council meetings are available [here](#).



Anacortes City Council
Municipal Building Council Chambers
904 6th Street

**** This meeting will be held electronically only ****

TUESDAY, September 8, 2020
6:00 p.m.

PRELIMINARY AGENDA

[Packet Materials](#) / [Watch Meeting](#)

- 1. Call to Order**
- 2. Announcements and Committee Reports**
 - a. COVID-19 Update
 - b. LTAC Committee
 - c. Museum Committee
 - d. Fiber Committee
- 3. Public Comment**
- 4. Consent Agenda (Action)**
 - a. Minutes of August 24, 2020
 - b. Approval of Claims in the amount of: \$725,856.15
 - c. Interlocal: Dark Fiber Lease with City of Mount Vernon #20-172-FBR-001
- 5. Other Business**
 - a. * Ordinance 3075: Revenue Bond (Discussion)
 - b. * Ordinance 3074: Amending Section 1.30.080 of the Anacortes Municipal Code Regarding Executing Contracts for Dark Fiber Leases and Telecommunication Contracts (Discussion/Possible Action)
 - c. * Thompson Train Purchase Proposals (Discussion/Possible Action)
 - i. Iwan Offer
 - ii. Anacortes Railway Group Proposal
- 6. Adjournment**

Per Resolution 2044, citizens wishing to comment on items not on the agenda may do so under the Public Comment portion of the agenda. Citizens wishing to comment on agenda items indicated with an asterisk (*) may do so as those items are considered by Council during the course of the meeting.

The City of Anacortes is committed to making public meetings available and accessible to all members of the community.
For assistance with special needs, please contact the City Clerk at 360-299-1960 in advance of the meeting.



Anacortes City Council

Proposed Agenda Items for the Next Eight Weeks Beginning September 14, 2020

Subjects listed below have been tentatively suggested for consideration by the Anacortes City Council on the dates indicated. Items may be added to, removed from or rearranged on this list. Routine business such as approval of minutes and vouchers are not included. The complete Preliminary Agenda for each meeting is published at 3:00 on the Wednesday prior to the meeting. Published Agendas are subject to change and may be updated following the posting period. For additional information on agenda topics, please contact the City Clerk's office at 360-299-1960 to be directed to the sponsoring staff member.

September 14, 2020

- Ordinance 3073: Establishing an Annual Budget Process, Providing for Severability, and Establishing an Effective Date (Discussion/Possible Action)
- Ordinance 3075: Revenue Bond (Action)

September 21, 2020

- Resolutions 2082/2085/2096 Ratifying Proclamation of Emergency and Providing Temporary Procedures to Respond to the COVID-19 Epidemic (Discussion)

September 28, 2020

October 5, 2020

- Closed Record Decision Hearing: CUP-2020-0001 - 1015 18th St. Parking Lot CUP (Action)

October 12, 2020

October 19, 2020

October 26, 2020

November 2, 2020

Upcoming City Council Committee Meetings

The public is welcome to attend City Council Committee Meetings.

- Public Works, Tuesday, Sep 8, 2020, 5:00 PM, CANCELLED
- Finance, Wednesday, Sep 9, 2020, 5:00 PM, Teleconference
- Fiber, Thursday, Sep 10, 2020, 2:30 PM, Teleconference
- Housing Affordability & Community Services, Monday, Sep 14, 2020, 4:00 PM, Teleconference
- Planning, Monday, Sep 14, 2020, 5:00 PM, Teleconference
- Public Works, Monday, Sep 21, 2020, 5:00 PM, Teleconference
- Finance, Wednesday, Sep 23, 2020, 5:00 PM, Teleconference
- Library, Thursday, Sep 24, 2020, 12:30 PM, Teleconference
- Fiber, Thursday, Sep 24, 2020, 2:30 PM, Teleconference
- Planning, Monday, Sep 28, 2020, 5:00 PM, Teleconference

Hunt, Marcia

From: Kate Clark <kateclarkprojects@gmail.com>
Sent: Tuesday, September 8, 2020 2:53 PM
To: CityClerk
Subject: City Council Agenda public comment

To Whom It May Concern:

Some of my first memories are the silk flowers and tassels of the Tommy Thompson train. The train was one of my first encounters with an environment that was highly crafted and well cared for. This is a rare experience for any kid or adult, but particularly in Anacortes, where our town is young, and many of our historic structures have been redeveloped.

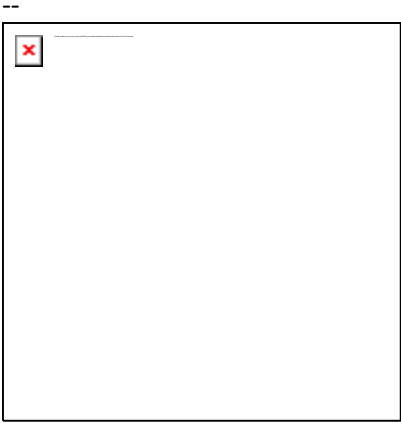
I'm concerned that due to the short term headaches of managing a complicated city asset that our community will lose out, in the long term. Having worked in multiple museums that have handled family donations, it would be unheard of to consider selling an asset as soon as an interested party reached out. Deaccessioning or disposing of an asset is a serious consideration. This process needs to be well advertised by the City and to have room for community discussion and input in advance. We know the emotional and historic value of the Tommy Thompson train is high. What about it's monetary value? At the very least, the City needs an outside consultant to give a fair appraisal of the train, for 2020.

Who has management of the train? When someone donates an asset to an organization, whether it be a city institution or a nonprofit, the asset no longer belongs to the donors. This protects the institution from the whims of the donors. In the case of the Tommy Thompson Train agreement between the City and the family, there is a caveat that the agreement may be dissolved if the asset is not being cared for. If the family has expressed displeasure with the care of the train- then we must ask- why has this happened?

There have so far been two community efforts for the train to be certified, cared for, and curated since Tommy Thompson's passing. Yet challenges have arisen and the train remains in the train shed, closed to the public. Miscommunications happen when volunteer groups, city organizations, and nonprofits become entangled. And yet is this enough reason for us to narrow down on the frustrations of the process and lose sight of the fact we are discussing the preservation of a rare historic feature of a town that generations have loved, and that could love in the future?

Discussions of the fate of the Tommy Thompson train needs community input, fair appraisal and due process.

Sincerely,
Kate Clark
Anacortes Resident



City Council Regular Meeting

Meeting Time: 09-08-20 18:00

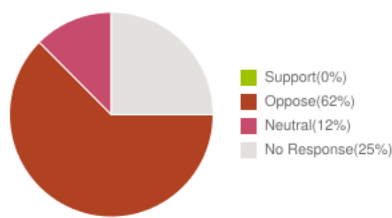
eComments Report

Meetings	Meeting Time	Agenda Items	Comments	Support	Oppose	Neutral
City Council Regular Meeting	09-08-20 18:00	18	8	0	5	1

Sentiments for All Meetings

The following graphs display sentiments for comments that have location data. Only locations of users who have commented will be shown.

Overall Sentiment



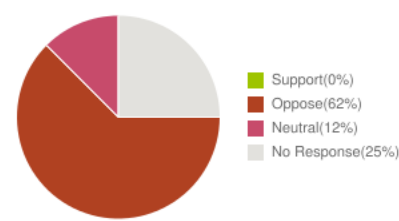
City Council Regular Meeting
09-08-20 18:00

Agenda Name	Comments	Support	Oppose	Neutral
c. * Thompson Train Purchase Proposals (Discussion/Possible Action)	8	0	5	1

Sentiments for All Agenda Items

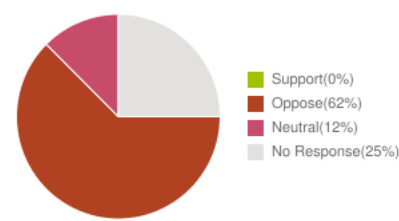
The following graphs display sentiments for comments that have location data. Only locations of users who have commented will be shown.

Overall Sentiment



Agenda Item: eComments for c. * Thompson Train Purchase Proposals (Discussion/Possible Action)

Overall Sentiment



Greg Douglas

Location:
Submitted At: 1:48pm 09-08-20

Save the train- let someone else take the last train out of town from another town... It is an important part of Anacortes history and should not be sent south.

Colin Middleton

Location:
Submitted At: 1:40pm 09-08-20

The Thompson Train should not be sold to Bret Iwan, removing it from Anacortes where the Train is part of a rich history and once helped bring some of that history to life.

The Anacortes Railway Group should be allowed to purchase (or be given) the Thompson Train and operate it as the iconic and educational tourist attraction in Anacortes that it once was. One of my earliest memories is riding the Train along the waterfront and up to the turn table at the Calico Cupboard where the engine was turned around so it could push the Train back along its path.

It will take time, money, and effort, but the Thompson Train should be reinstated as a major part of the living history of Anacortes.

Wouldn't you like your kid to be able to ride a steam train along the waterfront? I sure would.

Christopher Conroy

Location:

Submitted At: 1:20pm 09-08-20

Please do not sell part of our towns history. A thoughtful vision for future of anacortes should include its exceptional past.

Brooks Middleton

Location:

Submitted At: 12:53pm 09-08-20

please do not give away (fire sale) the Tommy Thompson Train to an out of area collector
exhausting all avenues of running the train in Anacortes should be the City's first priority
lets all work together to make this happen
thank you

Barbara Larson

Location:

Submitted At: 11:27am 09-08-20

I urge the Council to consider the alternatives to selling the Tommy Thompson train. This treasure has a long history here, and if your decision is to let it go without careful and thorough review of the interests of our community, it will be GONE , never to return.

My experience as a member of the board of the museum foundation when the train returned to Anacortes showed me that there is a genuine love and interest for it here, and people, many people, who are ready and able to work with the city to make it a vital attraction again. It is a serious contender for most valuable asset in bringing visitors to our city, and if the Railroad committee is allowed to proceed with plans to get it running again, a perfect way to show off our waterfront. In my opinion, the train belongs here! Not in California, or anywhere else for that matter.

If the WT Preston gets to stay here, having no history in our city at all, then what is the rationale for selling our Tommy Thompson train?

William Rutledge

Location:

Submitted At: 11:28am 09-07-20

A shame to see train leave, city should approve a right of way along waterfront. I ran the train for Tommy 20 years ago, and it is a viable tourist attraction. It should return to service! Bill Rutledge, retired mechanic

Steven Wilhoit

Location:

Submitted At: 1:49pm 09-06-20

Amos Bowman founded Anacortes in 1879, the first train arrived in August 1890. The railroad has been a foundational part of this city since its inception. The city has invested repeatedly in maintaining its history and must do so again- do not sell the Tommy Train to out of state interests or the last train will indeed have left the station. This time it will not return and the City will be poorer for it. We arrived in Anacortes after Tommy's Train stopped running and so did not see it until it returned in 2012- what a magnificent piece of engineering and city history. Since then we have seen the city operate a quality museum, preserve Bill Mitchells murals, spend significant public funds to preserve the Wilson and Olsen buildings and many other historic preservation activities. Our group has assembled members well known to the City and has obtained support commitments from railroad experts and local businesses and service groups to operated Tommy's Train. Work with us, please.

Cynthia Richardson

Location:

Submitted At: 3:33pm 09-05-20

Please vote NOT to sell the train for one simple reason: IF IT GOES TO CALIFORNIA, TOMMY'S TRAIN WON'T COME BACK AGAIN. This icon of Anacortes history will be lost to us forever.

Tommy built the train with his own hands and tools right here on Fidalgo Island. It symbolizes the can-do spirit of our town, and it delighted thousands of locals and tourists for years. A local group could make that happen again. After a long effort to put together a solid proposal to restore and operate the train, to sell the train when they're so close to their goal would be a slap in the face to a hard-working local group.

Like Bill's murals, or the antique fire truck, this train is a unique part of our history. It's not a part of Calif. history. Money from a sale will soon be gone, but the train is irreplaceable.

Tommy's train is something special, and running again it will be a delight. Headen said, "Our family's only wish is to see this train run again." Please let the locals give it a go.

Hunt, Marcia

From: Donna K <donnadee3@comcast.net>
Sent: Sunday, September 6, 2020 2:05 PM
To: CityClerk
Subject: Tommy Thompson Train

I have lived in Anacortes for twenty-two years. I moved here from La Conner having lived there for twenty years. I am very much in favor of keeping the Tommy Thompson Train here in Anacortes, where it belongs. I would like to volunteer my time and contribute financially to make this happen.

I am asking the City Council to vote in favor of keeping Tommy's Train in Anacortes. Money from the sale of the train should not be an object. The history of the train must be the deciding factor. To see the train on display or running once again in our city should be our goal.

Donna Koster
3909 View Ridge
Anacortes, WA 98221
360- 293-3568



Virus-free. www.avast.com

Hunt, Marcia

From: Gus Moore <gusmoore@hotmail.com>
Sent: Tuesday, September 8, 2020 2:57 PM
To: CityClerk
Subject: Tommy Thompson Train

To the Members of the City Council,

My name is Gustav Moore. I live at 3824 S. Ave in Anacortes. I'd like to comment on the sale of the Tommy Thompson train.

I believe it's important for the Council to take its time considering the sale of the train. It's obvious that once the train is sold and moved to California it will never return to Anacortes where it was created. I'd like to share a quick cautionary tale about narrow gauge railroads in Maine; where I'm from. Maine had a robust network of narrow gauge trains that serviced small rural communities. During the depression most of these folded except for one community who managed to make a tourist route. During World War 2 this folded as well. This community never was able to rebuild or replace the tourist route. Had it managed to make it through the tough times the tourist train would had become a major attraction to the community. Elsewhere in Maine a tourist reconstruction of a narrow gauge train has been rebuilt with great effort and expense and it attracts many train enthusiast as well as families and those interested in history.

I would encourage the Council to consider a thoughtful and exhaustive analysis of the potential of the Tommy Thompson train in this community before selling. During these difficult times it may not be the best time to sell.

Thank you for your time and consideration.

Gustav Moore



Virus-free. www.avast.com

Hunt, Marcia

From: Sarah Pedersen <sarahapedersen@gmail.com>
Sent: Tuesday, September 8, 2020 9:24 AM
To: CityClerk
Subject: Fwd: Disposal of City Property

----- Forwarded message -----

From: **Sarah Pedersen** <sarahapedersen@gmail.com>
Date: Tue, Sep 8, 2020 at 9:15 AM
Subject: Disposal of City Property
To: <citycouncil@anacortes.org>
Cc: Young, Anthony <anthony@cityofanacortes.org>, <ryanw@cityofanacortes.org>

This comment is directed to the agenda item for tonight's meeting wherein sale of the Thomson is being considered. While I agree that it is wise for the City to consider the best use or disposal of this City property, I don't agree with the prospect of a bid-free process for disposal of what is, judging from public commentary, a valuable asset. Some of that value is historical and sentimental rather than economic, but there is clearly some economic value as well. In either case, if public commentary is our only assurance that the City will not make sweetheart deals, I hope you will pay close attention to what you hear from your fellow citizens. Considering the amount of interest this sale has generated from the public, my best advice is to start over with a public request for bids. It is best for public servants to bend over backwards in order to avoid the appearance of unfair practices.

Hunt, Marcia

From: Laura Spehar <lauraspeharvell@gmail.com>
Sent: Tuesday, September 8, 2020 2:10 PM
To: CityClerk
Subject: Comment for tonight's Council Meeting re: Thompson train purchase proposal

Dear City of Anacortes, Madam Mayor, and City Council Members,

Thank you for taking the time to read my email. I wish to comment on the upcoming Thompson train purchase proposal that is listed on this evening's Council agenda. I am under the impression that the City has not publicly advertised the sale of the train which is City owned property. I am aware that a resident of California has received a letter possibly written from the Thompson family asking that the train be sold to him.

Being that the Thompson train was deeded to the City nearly 20 years ago it seems that there should be a due process to the selling of this historic, Anacortes treasure. I believe this process is needed in case someone LOCALLY wishes to purchase this piece of Anacortes history.

Honestly, the thought that maybe the train could be purchased and renovated locally then used to draw more tourism seems like a win/win for the entire town. The local train enthusiasts group that has maintained and personally funded the train up to this point could also be recognized through information boards if the train gets to stay here.

Lastly, why would we ever want to support any possible under handed selling of deeded City property? Why would we want to dishearten the time and energy spent by the local train enthusiasts group by not taking their comments about this matter into consideration? This is where I see due process needed.

In a country that seems be divided on an almost daily basis it would be wonderful to see our City and it's residents come together in a plan for the Thompson train, one of our Anacortes treasures.

Thank you for you again for your time.

Best,

Laura Spehar
520 4th St

Hunt, Marcia

From: TomT <tnt30@comcast.net>
Sent: Tuesday, September 8, 2020 2:02 PM
To: CityClerk
Subject: why we need to keep the Train

TOMMY TRAIN

It is the single most important artifact the city owns.

The legacy for Tommy's story needs the fruit of his labor.

I have been on the Museum Foundation for over twenty years.

Serving as President for over ten. The Foundation led the charge to bring back the train.

The train sat in storage for thirteen years unviewed in the old steam plant by Boeing field

and had to be moved. It was donated to the city of Anacortes. It was a difficult job removing

the train engine and it's cars from the basement of the old steam plant. I had to arrange temporary storage here in town at the Port until Tommy's train house could be cleared of

items for its return. This was all done with the approval of the Mayor and Steve Oakley then presiding Museum director.

The Foundation Board awarded \$50,000 towards a structure to house the Train. Talks with the city for an appropriate spot for a new building were ongoing.

We opened the train house for viewing by the public many times at farmers markets and

Other city sponsored or sanctioned events. It was always received by the public with joy and admiration. The city has not had to bear any cost for its support of the train.

The Museum Foundation purchased the calliope from Anne Thompson for \$4,500 as part of the arrangement for receiving the train. This was again facilitated by a few of our Board members and Steve Oakley to rent a trailer and drive to a Seattle storage unit to bring it home. Our dream has been to keep the train in town for the historical value and as an art piece for the town. Please support our efforts to sustain this treasure. Thank you, in advance, for your support.

Tom and Maggie Thompson (no relation to Tommy)

1802 8th street

Anacortes

Hunt, Marcia

From: TomT <tnt30@comcast.net>
Sent: Tuesday, September 8, 2020 1:01 PM
To: CityClerk
Subject: Keeping the Tommy Train
Attachments: Museumdoc.jpg

Monies allocated by Museum Foundation for Train House
From Tom Thompson Foundation Board member

Sent from [Mail](#) for Windows 10

**ANACORTES MUSEUM FOUNDATION
FINANCIAL REPORT: 12/31/17**

		December	Year
1	Income		
2	Ads, Tourism Fund Reimbursement	0	4,450.00
3	Checking Account Interest (0.10% APR)	1.91	19.74
4	Consignment, Wholesale	240.50	941.50
5	Designated Donations/Grants	11,143.76	13,652.64
	Historical Preservation Fund: \$500.00		
	Archival Supplies (2): \$643.76		
	Maritime Heritage Center: \$10,000.00		
6	Gift Shop Sales	529.50	4,074.82
7	Grants	0	8,252.00
8	Membership	485.00	1,070.00
9	Other Donations	1,100.00	1,226.50
	Arlene French: \$100.00		
10	Ken/Jenni Morrison: \$1,000.00 (Murals)		
11	Total Income	\$13,500.67	\$33,687.20

12	Expenses		
13	Administrative	93.27	\$760.61
14	Advertising (Skagit Publishing - Holiday Guide)	285.00	5,559.56
15	Designated Projects	138.77	1,631.22
16	Archival Supplies: \$99.69		
	Historical Preservation Fund: \$39.08		
17	Gift Shop Merchandise	155.99	1,141.81
18	Gift Shop Supplies	16.04	16.04
19	Other Projects	0	1,163.65
20	2016 Sales Tax	0	338.37
21	Total	\$689.07	\$10,611.26

BALANCE SHEET

25	Assets				
26	Cash (Checking) APY 0.10% 12/31/17	\$1.91	YTD: \$19.74		36,357.43
27	Cash (Money Market) APY 0.15% 12/31/17	\$12.04	TD: \$145.57		97,667.52
28					\$134,024.95

29	Fund Balances				
30	Allocated Funds (Designated Projects):	Allocated	December	Balance	
31	Ethnobotanical Garden	300.00	0	300.00	
32	Thompson Train Care	850.18	0	850.18	
33	Historical Preservation Fund	1,135.20	460.92	1,696.12	
34	Antique Firehouse Fund	100.00	0	100.00	
35	WCTU Fountain	490.00	0	490.00	
36	Future Publication Fund	5,000.00	0	5,000.00	
37	Oral History Upgrade	2,910.00	0	2,736.41	
38	Train Building	50,000.00	0	50,000.00	
39	Museum Hall Renovation	148.30	0	148.30	
40	Archival Supplies	300.00	544.07	573.13	
41	Maritime Heritage Center	15,000.00	10,000.00	25,000.00	
42	Thompson Train Infrastructure Fund	2,360.96	0	2,360.96	
43	Newspaper Digital Conservation	0.00	0	6,500.00	
44	Totals	\$78,594.64	\$11,004.99	\$95,755.10	
	Available Funds			\$37,923.49	

45	Liabilities				
46	2017 Sales Tax (0.085)	12/31/17: \$45.00			\$346.36
47	Total Fund Balances & Liabilities				\$134,024.95

Instructions for Virtual Attendance at Anacortes City Council Meetings

How the Meeting Will Work

City Council meetings will be held via Zoom Webinar. The City Council Liaison is the **host** of the meeting, the Anacortes Mayor and City Councilmembers are **panelists**, Anacortes residents and other members of the public – as well as City staff – are **attendees**.

Webinar **attendees** do not interact with one another; they join in listen-only mode, and the host will unmute one or more attendees as needed.

How to View the Meeting

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- Visit [Watch Meetings](https://www.anacorteswa.gov/700/Watch-Meetings) on the City of Anacortes website (<https://www.anacorteswa.gov/700/Watch-Meetings>)

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- Watch the meeting Tuesdays and Sundays on [Channel 10](#)

How to Participate in the Meeting

- Click [this link](https://us02web.zoom.us/j/89255646791) or copy/paste this URL into your browser: <https://us02web.zoom.us/j/89255646791> or
- Dial in to the meeting by phone: Dial in the US: +1 253-215-8782, enter the Meeting ID 892 5564 6791

How to Provide Public Comment

Comments received before 3:00 p.m. on the day of a City Council meeting will be distributed to the mayor and all councilmembers in advance of the meeting. You may use any of the methods below.

- **Email:** Email the City Clerk at cityclerk@cityofanacortes.org before 5:00 p.m. on the day of a City Council meeting. Include the subject line *Public Comment for the City Council Meeting on [date]*.
- **Mail:** Mail comments to City Clerk, PO Box 547, Anacortes, WA 98221
- **eComment:** Visit [Watch Meetings](https://www.anacorteswa.gov/700/Watch-Meetings) on the City of Anacortes website and click the eComment link beside the agenda for the meeting you wish to comment on.
- **Live Public Comment:** If you are unable to provide a written comment in advance of the meeting, you may join the webinar as an attendee to comment during the public comment portion of the agenda or during consideration of specific agenda items marked for public comment. See **How to Participate in the Meeting** above.

Members of the public who require special assistance to participate in or access the meetings may contact the [City Clerk](#) 24 hours before the meeting to make special arrangements. Dial 360-299-1960.

Public Participation Guidelines

Below are recommendations for use by members of the public in meetings conducted via Zoom Webinar.

- **Identification:** Upon entering the webinar, please enter your name, number or other chosen identifier, so that the host can call upon you during the public comment period.



- **Raise Hand (pictured above):** You have the ability to virtually raise your hand for the duration of the meeting but you will not be acknowledged until you are called on during the public comment period.

NOTE: If you have used your telephone to access the Zoom meeting, **you may press *9** to “raise your hand”. The host will unmute you when it’s your turn to speak.

- **Public Comment Period:** Use “Raise Hand” to be called upon by the host. The host will announce your name when it’s your turn.
- **Mute/Unmute:** Attendees will be muted and not audible to the Council except during times they are designated to speak. When you are announced, you will be able to unmute yourself.
- **Time limit:** Those testifying or providing audience comment will be limited to three (3) minutes per speaker unless an exception is granted by the Council.
- **Use headphones/mic** for better sound quality and less background noise, if possible.

Revised August 12, 2020

INSTRUCTIONS FOR VIRTUAL ATTENDANCE AT ANACORTES PLANNING COMMISSION MEETINGS

How the Meeting Will Work

Planning Commission meetings will be held via Zoom Webinar. The Planning Commission Liaison is the **host** of the meeting, the Anacortes Planning Commissioners are **panelists**, Anacortes residents and other members of the public – as well as City staff – are **attendees**.

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- Watch the meeting Mondays and Wednesdays on [Channel 10](#)

How to Participate in the Meeting

- Click [this link](https://us02web.zoom.us/j/85918981678) or copy/paste this URL into your browser: <https://us02web.zoom.us/j/85918981678> or
- Dial in to the meeting by phone: Dial in the US: + 1 253 215 8782, enter the Meeting ID 859 1898 1678

How to Provide Public Comment

Comments received before 3:00 p.m. on the day of a Planning Commission meeting will be distributed to all Commissioners in advance of the meeting. You may use any of the methods below.

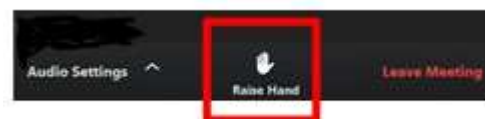
- **Email:** Email the Planning Department at pced@cityofanacortes.org before 3:00 p.m. on the day of a Planning Commission meeting. Include the subject line *Public Comment for the Planning Commission Meeting on [date]*.
- **Mail:** Mail comments to Planning Department, PO Box 547, Anacortes, WA 98221
- **eComment:** Visit [Watch Meetings](https://www.anacorteswa.gov/700/Watch-Meetings) on the City of Anacortes website and click the eComment link beside the agenda for the meeting you wish to comment on.
- **Live Public Comment:** If you are unable to provide a written comment in advance of the meeting, you may join the webinar as an attendee to comment during the public comment portion of specific agenda items marked for public comment. See **How to Participate in the Meeting** above.

Members of the public who require special assistance to participate in or access the meetings may contact the Planning Department 24 hours before the meeting to make special arrangements. Dial 360-299-1986.

Public Participation Guidelines

Below are recommendations for use by members of the public in meetings conducted via Zoom Webinar.

- **Identification:** Upon entering the webinar, please enter your name, number or other chosen identifier, so that the host can call upon you during the public comment period.



- **Raise Hand (pictured above):** You have the ability to virtually raise your hand for the duration of the meeting but you will not be acknowledged until you are called on during the public comment period.

NOTE: If you have used your telephone to access the Zoom meeting, **you may press *9** to “raise your hand”. The host will unmute you when it’s your turn to speak.

- **Public Comment Period:** Use “Raise Hand” to be called upon by the host. The host will announce your name when it’s your turn.
- **Mute/Unmute:** Attendees will be muted and not audible to the Commission except during times they are designated to speak. When you are announced, you will be able to unmute yourself.
- **Time limit:** Those testifying or providing audience comment will be limited to three (3) minutes per speaker unless an exception is granted by the Commission Chair.
- **Use headphones/mic** for better sound quality and less background noise, if possible.

Anacortes City Council Minutes – August 24, 2020

Mayor Laurie Gere called to order the Anacortes City Council meeting of August 24, 2020 at 6:00 p.m. Councilmembers Jeremy Carter, Anthony Young, Ryan Walters, Christine Cleland-McGrath, Bruce McDougall and Matt Miller all participated in the meeting in absentia via video conference. Councilmember Carolyn Moulton joined the meeting at approximately 6:02 p.m.

Announcements and Committee Reports

COVID-19 Update: Mayor Gere reported current case statistics for Anacortes, Skagit County, Washington State, the United States and the world. She compared the Skagit County statistics to the metrics required to move to Phase 3 of the Safe Start Washington plan. The mayor encouraged all residents to be sure to be counted by the 2020 Census. She also announced that Skagit County Health Officer Dr. Howard Liebrand would join the mayor for her weekly COVID-19 Community Briefing on September 2.

Parks & Recreation Committee: Ms. Moulton reported from the committee meeting the prior Thursday. She summarized topics discussed including the dam at Whistle Lake, behavioral health challenges in parks at all levels, collaboration between the Parks, Library, Museum and the school district to serve students, the sailing program contract, the Grand View Cemetery expansion project, the Depot Plaza restroom project, opening playgrounds, Washington Park campground use, and Parks impact fees. Mr. Young elaborated on the collaboration between the Parks Department and the school district.

Planning Committee: Ms. Cleland-McGrath reported from the committee meeting earlier in the evening. She summarized topics discussed including additional small business stabilization grant funding recently made available by the Skagit Community Foundation, rental assistance funds to be administered by the Anacortes Family Center, Habitat for Humanity's request to lease land for affordable housing, the Tommy Thompson train proposal, and the Port's northwest basin master plan and proposed event center.

Mr. Walters reported that he attended a meeting the prior week regarding the Snohomish, Whatcom, Island, San Juan, and Skagit (SWISS) Proposal for Greater Regional Cooperation. He suggested that cities be included in those discussions as well as counties, sooner rather than later. Mr. Walters urged his colleagues to contact the county commissioners in this regard.

Public Comment

Claudia Cimini, 2308 30th Street, Public Policy Director for the Anacortes branch of the American Association of University Women (AAUW), commented on Resolution 2099 which would be presented for action later on the agenda. Ms. Cimini briefly summarized the history of voting rights and the women's suffrage movement in the United States. She acknowledged the ongoing challenges to protect voting rights in the country. Ms. Cimini requested that City Council adopt Resolution 2099 recognizing August 26 as Women's Equality Day in recognition of the work that has been done and that must continue for voting rights for all Americans.

No other members of the public wished to address the Council.

Consent Agenda

Mr. Miller moved, seconded by Mr. Young, to approve the following Consent Agenda items. The motion carried unanimously by voice vote.

- a. Minutes of August 17, 2020
- b. Approval of Claims in the amount of: \$131,062.99

The following vouchers/checks were approved for payment:
EFT numbers: 97958 through 97997, total \$116,691.61
Check numbers: 97998 through 98013, total \$5,778.92
Wire transfer numbers: 272565 through 272830, total \$8,592.46

OTHER BUSINESS

Access Anacortes Fiber Internet Update

Administrative Services Director Emily Schuh provided the regular monthly update on Access Anacortes Fiber Internet. Ms. Schuh's slides were added to the packet materials for the meeting. She reported on current installed customer counts, revenue, and pre-orders for new service by area. Ms. Schuh also shared the breakdown of subscribers by service plan. She then summarized the construction plans for the remainder of the year and reported on special project progress and funding options for 2021.

Ordinance 3074: Amending Section 1.30.080 of the Anacortes Municipal Code Regarding Executing Contracts for Dark Fiber Leases and Telecommunication Contracts

City Attorney Darcy Swetnam presented Ordinance 3074 to amend the municipal code to streamline the contracting process for dark fiber leases and telecommunication agreements by authorizing the Mayor to approve such agreements. She explained the provisions of the ordinance.

Councilmembers discussed the draft ordinance and requested changes including clarifying the language of 1.30.080(b), setting limits on the number of strands per lessee and the lease term for which the mayor would have authority to sign leases, and possibly setting an upper limit on the percentage of the fiber system or of particular fiber runs that could be leased. Mr. Miller requested that the ordinance ensure adequate capacity to provide all 7600 potential fiber customers with 1 gigabyte service. Ms. Swetnam said she would revise Ordinance 3074 per Council's requests and bring the ordinance back to Council for consideration and action at the next regular City Council meeting on September 8.

Mr. Walters asked that separate from the proposed ordinance, Council develop and adopt a policy addressing what total portion of the system should be available for lease. Mayor Gere suggested that the Fiber Committee take up that question at its next meeting.

Monthly Finance Update and COVID-19 Impacts

Finance Director Steve Hoglund presented the regular monthly update on the city's financial position, referring to the charts and graphs that had been included in the packet materials for the meeting. Mr. Hoglund called Council's attention to a steady decrease in water consumption compared to prior year. He noted that such a decrease affects water revenue, sewer revenue and utility tax revenue. Mr. Hoglund then reviewed each of the primary revenue streams and highlighted the variances from budget and from prior year. He concluded with a summary of revenues and expenditures in each fund compared to target figures.

Critical Area Regulations - Workshop: Draft 2 Critical Aquifers, Frequently Flooded, and Geologically Hazardous Areas

Associate Planner Tess Cooper facilitated Council review of the final sections of Draft 2 of the Critical Area Regulations, addressing Critical Aquifers, Frequently Flooded, and Geologically Hazardous Areas. Ms. Cooper responded to councilmember questions. Staff noted revisions and additional research requested by councilmembers. Ms. Cooper advised that staff would next begin compiling Draft 3 of the regulations, incorporating changes discussed during City Council review. Mr. Walters requested that Draft 3 come back to Council for review before it was released for public comment, to ensure that Draft 3 reflected Council's intent. Ms. Cooper agreed. She asked Council to send her any additional requests or suggestions for Draft 3 no later than September 7, 2020.

Resolution 2099: Designating August 26th as Women's Equality Day

Ms. Moulton introduced Resolution 2099 designating August 26th as Women's Equality Day, honoring the day in 1920 that American women won their right to vote and recognizing the opportunity to continue to work for equal rights for all citizens. Ms. Moulton thanked Claudia Cimini and the local chapter of the American Association of University Women for bringing the topic forward. Ms. Cleland-McGrath commented on key personalities and events in the women's suffrage movement. Mr. Young thanked Ms. Cleland-McGrath and Ms. Moulton for bringing Resolution 2099 forward, and thanked all those who worked for suffrage in the past and continue to work in support of equality for all.

Mr. Young moved, seconded by Ms. Cleland-McGrath, to adopt Resolution 2099. Vote: Ayes – Young, Walters, Cleland-McGrath, Moulton, McDougall, Miller and Carter. Motion carried. Mayor Gere read the resolution aloud.

There being no further business, at approximately 8:00 p.m. the Anacortes City Council meeting of August 24, 2020 was adjourned.

The following claims against the City of Anacortes have been preaudited and certified by the Clerk-Treasurer as ready for City Council approval at the September 8, 2020 City Council meeting:
[Download this file in OpenDocument spreadsheet format.](#)

Invoice Doc #	Transaction Date	Invoice #	Vendor Full Name	Description	Total Amount	Approval Queue
273123	5/27/2020	F043615	FERGUSON ENTERPRISES, INC	FREIGHT FOR DELIVERY OF SLUICE GATES	\$ 156.60	dwwtp
272114	6/8/2020	1991780633	ARAMARK	WWTP LAUNDRY SERVICE	\$ 75.24	dwwtp
272621	7/6/2020	13679548	WILBUR-ELLIS COMPANY, LLC	WILBUR ELLIS PARK SUPPLIES	\$ 82.46	parkscc1
272774	7/14/2020	E20028P-20	ELEMENTAL AIR, LLC	WWTP EMISSIONS PERFORMANCE TEST AND RATA	\$ 4,192.80	dwwtp
272882	7/14/2020	200614	T-SHIRTS BY DESIGN	SURVIVOR CAMP 2020	\$ 156.67	pkreccc
271401	7/16/2020	1991832497	ARAMARK	STA 1 MAT/MOP SERVICE: 7/16	\$ 21.74	medic
271744	7/16/2020	92658	BLYTHE PLUMBING & HEATING, INC	FIDALGO CENTER HVAC SERVICE	\$ 1,332.53	pwfac
272307	7/16/2020	0551639698	HONEY BUCKET	HONEY BUCKET MT ERIE PORTA POTTY 07/16-08/12	\$ 145.50	parkscc1
271519	7/20/2020	1991836062	ARAMARK	LAUNDRY SERVICE WWTP	\$ 75.59	dwwtp
271711	7/21/2020	41600362719	LES SCHWAB TIRE CENTERS	TIRES VEH #706A	\$ 526.97	dshop
273406	7/22/2020	P1819-2-2	QCC QUALITY CONTROLS CORP.	WTP CONTROLS MODIFICATIONS PROJECT - PHASES 2 & 3 BAS TRAINS CONTROLS UPGRADE	\$ 5,717.95	dwwtp
271743	7/22/2020	8180129554	SHRED-IT USA, LLC	CONTAINER SHREDDING - CITY HALL 7/6/20	\$ 51.84	hr
271740	7/22/2020	305269	SMILEY'S INC	D RINGS/FLAT BAR REPAIRS TO #552	\$ 108.61	dshop
271797	7/23/2020	1991841748	ARAMARK	OPS & PARKS LAUNDRY SVC FOR	\$ 72.35	finance
271808	7/23/2020	1991841749	ARAMARK	OPS: MAT CLEANING	\$ 41.63	dshop
271867	7/23/2020	1991841740	ARAMARK	APD NYLON MATS CLEANED	\$ 16.31	apd
271859	7/23/2020	855682	BAYSHORE OFFICE PRODUCTS INC	OFFICE SUPPLIES	\$ 181.24	museumcc
272107	7/23/2020	20-22895	EDGE ANALYTICAL, INC	LAB TESTING - SLUDGE MERCURY	\$ 32.30	dwwtp
272109	7/23/2020	20-23606	EDGE ANALYTICAL, INC	LAB TESTING - INDUSTRIAL MERCURY	\$ 64.60	dwwtp
272110	7/23/2020	20-23611	EDGE ANALYTICAL, INC	LAB TESTING - INFLUENT METALS MERCURY	\$ 32.30	dwwtp
273375	7/23/2020	0899607	FERGUSON ENTERPRISES, INC	MAINTENANCE SUPPLIES	\$ 1,960.82	dwwtp
271854	7/23/2020	8561 04 12734	HOME DEPOT	HARDWARE	\$ 206.73	fibercc
271844	7/23/2020	3215416	NURNBERG SCIENTIFIC	LAB SUPPLIES	\$ 95.88	wwtpcc
271851	7/23/2020	291000003-001-0001	WASHINGTON DEPARTMENT OF	RENEW CITY BUSINESS LICENSE	\$ 50.00	financecc
271852	7/23/2020	291000003-001-0001	WASHINGTON DEPARTMENT OF	RENEW CITY BUSINESS LICENSE - FEE	\$ 1.25	financecc
271850	7/24/2020	07907	5 ALARM LEATHER	2 HELMET CHIN STRAPS	\$ 59.50	afdcc
271842	7/24/2020	74880107996362	ASSOCIATION OF WASHINGTON	AWC - 5 POSTINGS FOR THE PRICE OF 4	\$ 200.00	hrcc1
271843	7/24/2020	161-00012360	CISCO WEBEX	CISCO WEBEX PLUS MONTHLY 7/23-8/22/20	\$ 260.47	infosyscc

Invoice Doc #	Transaction Date	Invoice #	Vendor Full Name	Description	Total Amount	Approval Queue
272086	7/24/2020	20-23566	EDGE ANALYTICAL, INC	LAB TESTING - MONTHLY	\$ 104.55	dwwtp
271971	7/24/2020	INV246797	SASE COMPANY INC	BELT & BELT GUARD- #13914	\$ 209.41	shopcc
271849	7/24/2020	G61116	SEBO'S DO-IT CENTER	TOOLS	\$ 49.63	fibercc
271855	7/24/2020	185646	SKAGIT REGIONAL HEALTH	SKAGIT REGIONAL CDL PHYSICAL	\$ 92.00	parksccl
271846	7/24/2020	305327	SMILEY'S INC	OPERATING SUPPLIES	\$ 147.13	wwtpcc
271847	7/24/2020	114-10684348	UNITED SITE SERVICES, INC	INTAKE PORTA POTI RENTAL 6/22-7/21/20	\$ 57.98	wtpcc
271860	7/24/2020	778	UNITED STATES POSTAL SERVICE	POSTAGE	\$ 4.60	museumcc
271845	7/25/2020	G61708	SEBO'S DO-IT CENTER	FACILITY USE ITEM	\$ 14.92	pwfacc
271853	7/26/2020	112-1351070-6693040	AMAZON.COM SERVICES, INC	POWER CORD END- #211A	\$ 10.87	shopcc
271856	7/26/2020	113-8330989-6757860	AMAZON.COM SERVICES, INC	ALLEGRO FIT-TEST SOLUTION	\$ 70.52	afdcc
271848	7/26/2020	7001834859	AMERICAN WATER WORKS	M3, M5 MANUALS	\$ 177.00	wtpcc
271858	7/26/2020	G62447	SEBO'S DO-IT CENTER	MIXED FUEL FOR SMALL EQUIPMENT	\$ 34.77	afdcc
272183	7/27/2020	1991845300	ARAMARK	LAUNDRY SERVICE FOR WWTP	\$ 75.59	dwwtp
271929	7/27/2020	E0500BP4MD	MICROSOFT CORPORATION	AZURE PAY AS YOU GO 6/16-7/15/20	\$ 23.57	infosyscc
271930	7/27/2020	E0500BP4N8	MICROSOFT CORPORATION	AZURE DEVELOPER SUPPORT 6/16-7/15/20	\$ 29.00	infosyscc
271933	7/27/2020	89679	REDBACK BOOTS	REDBACK SAFETY BOOTS STEVE PHILLIPS	\$ 194.00	parksccl
271969	7/27/2020	593 52 21 8852	SAFEWAY INC	PAPER BAGS FOR COVID PPE	\$ 9.11	afdcc
271932	7/27/2020	26881	SKAGIT FARMERS SUPPLY	ETHANOL FREE UNLEADED	\$ 79.24	wtpcc
271931	7/27/2020	368121	STRINGKING	COVID-19 PPE	\$ 1,169.97	pwfacc
272390	7/27/2020	1355152	SURETY PEST CONTROL	PEST CONTROL FOR WA PARK	\$ 70.72	pwfac
271970	7/28/2020	F28066/1	ACE HARDWARE	ACE PARK SUPPLIES	\$ 5.43	parksccl
271960	7/28/2020	112-2924453-3441823	AMAZON.COM SERVICES, INC	HARDWARE	\$ 145.81	fibercc
272006	7/28/2020	47K45919	ANIXTER INTERNATIONAL, INC.	FIBER OPTIC TERMINATION PLATES	\$ 212.04	fibercc
272001	7/28/2020	856404	BAYSHORE OFFICE PRODUCTS INC	OFFICE SUPPLIES	\$ 32.64	fibercc
271966	7/28/2020	220663-5A	BIRCH EQUIPMENT CO., INC	EQUIPMENT RENTAL	\$ 348.27	fibercc
271967	7/28/2020	220663-5B	BIRCH EQUIPMENT CO., INC	EQUIPMENT RENTAL	\$ 107.71	fibercc
271961	7/28/2020	4015	CLAMDIGGER	SLURRY SEAL PROJECT AD	\$ 100.00	wtpcc
271935	7/28/2020	20-25162	EDGE ANALYTICAL, INC	WATER SAMPLES- 1101 29TH ST	\$ 15.00	wdist
272094	7/28/2020	20-23617	EDGE ANALYTICAL, INC	LAB TESTING - ODD MONTHS	\$ 181.05	dwwtp
272095	7/28/2020	20-23615	EDGE ANALYTICAL, INC	LAB TESTING - QUARTERLY	\$ 168.30	dwwtp
271957	7/28/2020	I67069	FRONTIER BUILDING SUPPLY	FACILITY USE ITEMS - PARKS ADMIN AREA	\$ 86.34	pwfacc
272004	7/28/2020	85630006178719	HOME DEPOT	FACILITY USE ITEM	\$ 20.17	pwfacc
272522	7/28/2020	16114693	MOTOROLA SOLUTIONS INC	REPLACEMENT RADIO BATTERIES, MICS	\$ 2,196.87	medic
272002	7/28/2020	3215568	NURNBERG SCIENTIFIC	LAB SUPPLIES	\$ 247.34	wwtpcc
271959	7/28/2020	G63468	SEBO'S DO-IT CENTER	FACILITY USE ITEM	\$ 4.68	pwfacc
271962	7/28/2020	G63610	SEBO'S DO-IT CENTER	TOOLS AND SUPPLIES	\$ 198.28	fibercc
271965	7/28/2020	G63718	SEBO'S DO-IT CENTER	PAINT BRUSHES, BROOM HANDLE	\$ 26.41	wdistcc

Invoice Doc #	Transaction Date	Invoice #	Vendor Full Name	Description	Total Amount	Approval Queue
271968	7/28/2020	G63511	SEBO'S DO-IT CENTER	SEBOS PARK SUPPLIES	\$ 14.46	parksccl
271973	7/28/2020	G63486	SEBO'S DO-IT CENTER	SEBOS PARK SUPPLIES	\$ 27.68	parksccl
271974	7/28/2020	G53667	SEBO'S DO-IT CENTER	SEBOS PARK SUPPLIES	\$ 15.96	parksccl
271963	7/28/2020	106372	U.S. ELITE	UNIFORM BOOTS; SGT KING	\$ 197.94	apdcc
271972	7/28/2020	2159890	WASHINGTON TRACTOR, INC	WTP STIHL WEDEATER HEAD	\$ 27.16	wtpcc
272149	7/29/2020	11451468	ALTEC INDUSTRIES, INC	BOOM HOSE COVER #602	\$ 264.27	shopcc
271958	7/29/2020	113-8274235-9199426	AMAZON.COM SERVICES, INC	USB ADAPTOR	\$ 43.50	infosyscc
272009	7/29/2020	111-7661165-6450663	AMAZON.COM SERVICES, INC	MAINTENANCE SUPPLIES	\$ 42.10	wwtpcc
272099	7/29/2020	1991849199	ARAMARK	STA 3 MAT/MOP SERVICE	\$ 21.74	medic
272058	7/29/2020	856255	BAYSHORE OFFICE PRODUCTS INC	FACILITY USE ITEM	\$ 55.49	pwfacc
272074	7/29/2020	856510	BAYSHORE OFFICE PRODUCTS INC	REIMBURSE ART FESTIVAL ART DASH	\$ 15.41	pkrecc
272066	7/29/2020	0188-511470	CONSOLIDATED ELECTRICAL	WIRE	\$ 164.74	wdistcc
272011	7/29/2020	598108	DIAMOND RENTALS, INC.	MIXED FUEL FOR SMALL EQUIPMENT	\$ 36.95	afdcc
272000	7/29/2020	I67486	FRONTIER BUILDING SUPPLY	FACILITY USE ITEMS	\$ 56.40	pwfacc
272075	7/29/2020	WM13287897	HOME DEPOT	HOME DEPOT PARK SUPPLIES	\$ 64.93	parksccl
271981	7/29/2020	41600363649	LES SCHWAB TIRE CENTERS	FLAT TIRE REPAIR- #182	\$ 21.76	dshop
271999	7/29/2020	SAF-371318	MY SAFETY SIGN	MY SAFETY SIGN PARK SUPPLIES	\$ 297.85	parksccl
272060	7/29/2020	593 52 111 5562	SAFEWAY INC	PURCHASE IN AND OUT - MEAL AT PS18	\$ 12.59	wwtpcc
272003	7/29/2020	G64109	SEBO'S DO-IT CENTER	WTP DOUBLE HOSE SHUTOFF	\$ 6.39	wtpcc
272007	7/29/2020	G64320	SEBO'S DO-IT CENTER	BARK/ WEEDBLOCK SPRAY	\$ 34.41	wdistcc
272008	7/29/2020	G64388	SEBO'S DO-IT CENTER	BARK	\$ 8.68	wdistcc
272059	7/29/2020	79 4 48 36781	THE MARKET LLC	LIGHT BULBS	\$ 9.23	fibercc
272061	7/29/2020	26969	US BANK	PURCHASE IN AND OUT - PS 18 MEAL	\$ 80.96	wwtpcc
272012	7/29/2020	2957 7093 7582 5934	WALMART	K9 T-BONE TO HELP REMEDY PAW ALLERGIES	\$ 9.51	apdcc
272062	7/30/2020	F29135/1	ACE HARDWARE	MAINTENANCE SUPPLIES	\$ 22.13	wwtpcc
272067	7/30/2020	F29236/1	ACE HARDWARE	ADAPTER	\$ 4.34	wdistcc
272005	7/30/2020	111-0976471-5356220	AMAZON.COM SERVICES, INC	PHONE CASE FOR TIM H - ENGINEERING	\$ 23.48	wtpcc
272057	7/30/2020	112-4639443-3389863	AMAZON.COM SERVICES, INC	PATROL SUPPLIES; FOLDING TACTICAL KNIVES	\$ 106.70	apdcc
272055	7/30/2020	024778	ANACORTES PRINTING	PRINTING	\$ 126.96	fibercc
272018	7/30/2020	1991851046	ARAMARK	OPS: MAT CLEANING	\$ 34.96	dshop
272020	7/30/2020	1991851045	ARAMARK	OPS & PARKS LAUNDRY SVC FOR	\$ 72.35	finance
272026	7/30/2020	1991851038	ARAMARK	APD NYLON MATS CLEANED	\$ 16.31	apd
272100	7/30/2020	1991851034	ARAMARK	STA 2 MAT/MOP SERVICE 7/30	\$ 21.74	medic
272101	7/30/2020	1991851035	ARAMARK	STA 1 MAT/MOP SERVICE: 7/30	\$ 21.74	medic
272063	7/30/2020	021200501696	CANOPY WEST	BUILD, MODIFY, WIRE & INSTALL CANOPY- #044A	\$ 7,541.06	shopcc

Invoice Doc #	Transaction Date	Invoice #	Vendor Full Name	Description	Total Amount	Approval Queue
272064	7/30/2020	WA3DOL000054178	DEPARTMENT OF LICENSING	GOVERNMENT SERVICES - PROFESSIONAL LICENSE	\$ 30.00	financecc
272798	7/30/2020	279156CIT	KOFFLER SALES LLC	ADMIN UPGRADE	\$ 306.12	wwtpcc
272147	7/30/2020	86105082	OHD, LLLP	TAX ON DOC #270349 8.8%	\$ 65.14	afdcc
272165	7/30/2020	704423281	ORIENTAL TRADING CO INC	ORIENTAL TRADING SURVIVOR REC CAMP AUG 2020	\$ 50.99	pkreccc
272054	7/30/2020	921861	PANTHEON SYSTEMS, INC	MONTHLY SUBSCRIPTION WEB HOSTING	\$ 38.08	infosyscc
272065	7/30/2020	G64708	SEBO'S DO-IT CENTER	DRAIN CLEANER, HOSE SHUTOFF 29-2	\$ 8.68	afdcc
272068	7/30/2020	G64825	SEBO'S DO-IT CENTER	OPERATING SUPPLIES- WATER	\$ 89.07	wdistcc
272071	7/30/2020	G54873	SEBO'S DO-IT CENTER	SEBOS PARK SUPPLIES	\$ 32.51	parkscc1
272389	7/30/2020	1352662	SURETY PEST CONTROL	PEST CONTROL FOR LIBRARY	\$ 66.37	pwfac
272156	7/31/2020	F29688/1	ACE HARDWARE	MAINTENANCE SUPPLIES	\$ 53.79	wwtpcc
272157	7/31/2020	F29534/1	ACE HARDWARE	MAINTENANCE SUPPLIES	\$ 60.66	wwtpcc
272148	7/31/2020	112-9793913-7361047	AMAZON.COM SERVICES, INC	LAB SUPPLIES	\$ 69.53	wwtpcc
272153	7/31/2020	4047	ANACORTES PRINTING	PRINTING; TRESPASS NOTICES	\$ 244.80	apdcc
272164	7/31/2020	856744	BAYSHORE OFFICE PRODUCTS INC	COVID SUPPLIES	\$ 17.94	wwtpcc
272146	7/31/2020	867637	FRONTIER BUILDING SUPPLY	STONE	\$ 25.00	wdistcc
272895	7/31/2020	175592	INFOSEND, INC.	JULY 2020 PROCESSING	\$ 3,306.17	finance
272163	7/31/2020	593 2 1 8501	SAFeway INC	COVID SUPPLIES	\$ 24.44	wwtpcc
272159	7/31/2020	9701-2	SHERWIN WILLIAMS	SAFETY YELLOW PAINT	\$ 75.93	wdistcc
273394	7/31/2020	2469	TURNER HR SERVICES	HUMAN RESOURCES CONSULTING SERVICES - HR DIRECTOR RECRUITMENT/ SELECTION PROCESS	\$ 1,365.00	hr
272455	7/31/2020	114-10744709	UNITED SITE SERVICES, INC	6300 SUNSET AVE 07/01-07/31	\$ 237.25	parks1
272677	7/31/2020	USS-70053	UNITED SITE SERVICES, INC	UNITED OPERATIONS JULY 2020 SERVICE	\$ 700.12	parkscc1
272144	7/31/2020	840-5980-1176-003-00	UNITED STATES POSTAL SERVICE	REGISTERED MAIL RECEIPT, HANSEN RECORDS REQUEST	\$ 15.10	hrcc1
273408	7/31/2020	030	WIDENER & ASSOCIATES	FEMA FUNDING FOR STORMWATER REPAIRS - LONGVIEW STORMWATER REPAIR JULY 2020	\$ 4,312.00	pw1
273409	7/31/2020	031	WIDENER & ASSOCIATES	FEMA FUNDING FOR STORMWATER REPAIRS - WWTP OUTFALL CONSTRUCTION JULY 2020	\$ 4,144.00	pw1
273410	7/31/2020	027	WIDENER & ASSOCIATES	GUEMES CHANNEL TRAIL FLOOD WALL PERMITTING - JULY 2020	\$ 3,774.40	pw1
273411	7/31/2020	035	WIDENER & ASSOCIATES	WWTP OUTFALL PERMITTING SERVICES - JULY 2020	\$ 9,451.40	pw1
273412	7/31/2020	028	WIDENER & ASSOCIATES	SK RIVER 42" WATER LINE - DESIGN ASSISTANCE & PERMITTING - JULY 2020	\$ 1,320.00	pw1
272151	8/1/2020	113-1798178-5923428	AMAZON.COM SERVICES, INC	PATROL SUPPLIES; CANNED COMPRESSED AIR	\$ 44.06	apdcc

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272158	8/1/2020	114-6357063-8206617	AMAZON.COM SERVICES, INC	LED LANDSCAPE LIGHTS	\$ 65.26	pwfacc
272145	8/1/2020	34202995	INDEED, INC.	FIBER TECHNICIAN JOB POSTING ANNOUNCEMENT	\$ 206.46	hrcc1
272875	8/1/2020	530	PORT OF ANACORTES	SAILING STORAGE AUG 2020	\$ 392.97	pkrecc
272160	8/1/2020	G66228	SEBO'S DO-IT CENTER	SEBOS PARK SUPPLIES	\$ 13.85	parksc1
272150	8/1/2020	291114	THRIFTY CLEANERS	JULY LAUNDRY	\$ 166.73	afdcc
272313	8/1/2020	34684	THRIFTY CLEANERS	UNIFORM CLEANING 7/1-8/1/20	\$ 179.06	apd
272161	8/1/2020	154053916	THRIVE COMMUNITY FITNESS	2 MEMBERSHIPS - AUGUST	\$ 43.42	afdcc
272162	8/1/2020	154065343	THRIVE COMMUNITY FITNESS	VOLUNTEER MEMBERSHIP - AUGUST	\$ 21.71	afdcc
272896	8/1/2020	1392290-0043-8	WASTE MANAGEMENT	JUNE 2020 CONTRACTED SERVICES	\$ 115,763.90	finance
272154	8/2/2020	112-0593942-6141044	AMAZON.COM SERVICES, INC	IPHONE CASE	\$ 19.55	infosyscc
272152	8/2/2020	662 11 61 3	COSTCO WHOLESALE CORPORATION	APD COFFEE PODS	\$ 73.98	apdcc
272155	8/2/2020	INV34275779	ZOOM VIDEO COMMUNICATIONS INC.	ZOOM SUBSCRIPTION 8/2-9/1/20	\$ 16.30	admsrvcc
272236	8/3/2020	F31545/1	ACE HARDWARE	COPPER TUBE, COMPRESSION SLEEVE & NUT	\$ 11.62	wdistcc
272245	8/3/2020	300-10075601	ALL BATTERY SALES & SERVICE	WINDSHIELD WIPER FLUID- SHOP STOCK	\$ 58.75	dshop
272251	8/3/2020	300-10075603	ALL BATTERY SALES & SERVICE	LED WORKLAMP	\$ 195.82	dshop
272237	8/3/2020	112-3953017-4140212	AMAZON.COM SERVICES, INC	REPLACEMENT IPAD CASE	\$ 108.52	infosyscc
272241	8/3/2020	111-2607850-5673011	AMAZON.COM SERVICES, INC	CAPITAL PROJECT - RESTROOM UPGRADE - ADA	\$ 33.17	wwtpcc
272242	8/3/2020	111-7935604-9773038	AMAZON.COM SERVICES, INC	MAINTENANCE SUPPLIES	\$ 68.53	wwtpcc
272243	8/3/2020	111-1354282-8447466	AMAZON.COM SERVICES, INC	BREAKROOM SUPPLIES	\$ 51.72	wwtpcc
272748	8/3/2020	1991854661	ARAMARK	WWTP LAUNDRY SERVICE	\$ 75.59	dwwtp
272288	8/3/2020	856887	BAYSHORE OFFICE PRODUCTS INC	MAILING LABELS	\$ 15.86	fibercc
272296	8/3/2020	856915	BAYSHORE OFFICE PRODUCTS INC	OFFICE EQUIPMENT - PARKS DEPT	\$ 231.45	pwfacc
273191	8/3/2020	4900/0100144998/2021	DEPARTMENT OF NATURAL	DNR LEASE 2000076615	\$ 4,096.89	plan
272240	8/3/2020	598303	DIAMOND RENTALS, INC.	MIXED FUEL FOR SMALL EQUIPMENT	\$ 110.85	afdcc
272238	8/3/2020	I68611	FRONTIER BUILDING SUPPLY	JET SET	\$ 97.38	shopcc
272300	8/3/2020	8561 01 01642	HOME DEPOT	HARDWARE AND TOOLS	\$ 165.47	fibercc
272289	8/3/2020	3215781	NURNBERG SCIENTIFIC	LAB SUPPLIES	\$ 93.68	wwtpcc
272290	8/3/2020	3215787	NURNBERG SCIENTIFIC	LAB SUPPLIES	\$ 60.46	wwtpcc
272234	8/3/2020	G67812	SEBO'S DO-IT CENTER	CAR WASH SOAP	\$ 5.43	apdcc
272239	8/3/2020	G67551	SEBO'S DO-IT CENTER	HARDWARE AND TOOLS	\$ 34.28	fibercc
272297	8/3/2020	1358002	SURETY PEST CONTROL	WTP - PEST MAINTENANCE AT FIDALGO BAY PUMP STATION	\$ 81.60	wtpcc
272306	8/3/2020	1355872	SURETY PEST CONTROL	STA 1 SERVICE - JULY	\$ 65.28	afdcc

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272235	8/3/2020	9005410621	ZEP SALES & SERVICE	MAINTENANCE SUPPLIES	\$ 286.52	wwtpcc
272233	8/3/2020	INV34450964	ZOOM VIDEO COMMUNICATIONS INC.	ZOOM WEBINAR 8/3-9/2/20	\$ 59.82	execc
272291	8/4/2020	112-8138878-2961010	AMAZON.COM SERVICES, INC	LAB SUPPLIES	\$ 42.22	wwtpcc
272292	8/4/2020	112-4891068-9185022	AMAZON.COM SERVICES, INC	LAB SUPPLIES	\$ 56.94	wwtpcc
272293	8/4/2020	112-5534247-5498618	AMAZON.COM SERVICES, INC	LAB SUPPLIES	\$ 574.81	wwtpcc
272533	8/4/2020	INV05420	BLUE CARD	ADD ADDITIONAL SUBSCRIBER (HV)	\$ 346.50	medic
272301	8/4/2020	00020	CLEAN AND CLIP	K9 T-BONE GROOMING	\$ 50.00	apdcc
272304	8/4/2020	B65950	COASTAL FARM &	SAFETY BOOTS - SETH VW	\$ 121.73	wtpcc
272287	8/4/2020	P0uLhae2	GOOGLE ANALYTICS	SAFE AND CLEAN WATER.COM	\$ 6.37	infosyscc
272532	8/4/2020	20-2647	IMS ALLIANCE	PASSPORT NAMETAGS	\$ 93.02	medic
272314	8/4/2020	72260318	INTERSTATE BATTERIES	BATTERIES #028, #038, #207	\$ 553.63	dshop
272437	8/4/2020	35892	ISLAND OPTOMETRY CLINIC, INC.	PRESCRIPTION SCBA LENSES - KANE	\$ 100.00	medic
272365	8/4/2020	593 3 30 4284	SAFeway INC	COVID SUPPLIES	\$ 24.99	wwtpcc
272283	8/4/2020	G68345	SEBO'S DO-IT CENTER	TOOL SET	\$ 17.38	wwtpcc
272285	8/4/2020	G67985	SEBO'S DO-IT CENTER	FACILITY USE ITEMS	\$ 27.71	pwfacc
272286	8/4/2020	G68373	SEBO'S DO-IT CENTER	MUSEUM REPAIR ITEMS	\$ 1.41	financecc
272299	8/4/2020	G68022	SEBO'S DO-IT CENTER	HARDWARE	\$ 24.68	fibercc
272303	8/4/2020	G68342	SEBO'S DO-IT CENTER	SAFETY EQUIPMENT	\$ 14.92	wwtpcc
272305	8/4/2020	G67990	SEBO'S DO-IT CENTER	SEBOS PARK SUPPLIES	\$ 8.49	parkscc1
272359	8/4/2020	5635	SHELL OIL COMPANY	COFFEE SUPPLIES - LT. ASSESSMENT	\$ 3.29	afdcc
272361	8/4/2020	6544-8	SHERWIN WILLIAMS	PAINT SUPPLIES	\$ 57.40	wtpcc
272355	8/4/2020	1357999	SURETY PEST CONTROL	WTP FIDALGO BAY PUMP STATION PEST MAINTENANCE	\$ 81.60	wtpcc
272284	8/4/2020	000003	THE STORE	FIRE ASSESSMENT CENTER LUNCHES	\$ 148.82	hrcc1
272350	8/4/2020	000001	THE STORE	FIRE ASSESSMENT CENTER MORNING SNACKS	\$ 43.55	hrcc1
272294	8/4/2020	942	UNITED STATES POSTAL SERVICE	POSTAGE / SOLID WASTE CORRESPONDENCE	\$ 6.95	pwfacc
272298	8/4/2020	2167814-0043-9	WASTE MANAGEMENT	WTP GARBAGE, RECYCLING COLLECTION	\$ 123.87	wtpcc
272295	8/5/2020	112-7745196-0373027	AMAZON.COM SERVICES, INC	BATTERIES	\$ 6.48	apdcc
272415	8/5/2020	857230	BAYSHORE OFFICE PRODUCTS INC	MAILING LABELS	\$ 15.86	fibercc
272419	8/5/2020	857251	BAYSHORE OFFICE PRODUCTS INC	OFFICE SUPPLIES - PLANNING	\$ 10.58	pwfacc
272420	8/5/2020	857257	BAYSHORE OFFICE PRODUCTS INC	COVID-19 PPE	\$ 1,264.87	pwfacc
272421	8/5/2020	853192	BAYSHORE OFFICE PRODUCTS INC	FACILITY USE ITEMS - PARKS DEPT	\$ 2,098.51	pwfacc
273237	8/5/2020	379226	BRABER EQUIPMENT	MOWER REPAIR	\$ 204.64	dshop
272360	8/5/2020	701695324584587	FRED MEYER	OFFICE WHITE BOARD	\$ 32.54	afdcc
272357	8/5/2020	I69459	FRONTIER BUILDING SUPPLY	STONE	\$ 24.45	pwfacc

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272413	8/5/2020	42670727	LOWE'S BUSINESS ACCOUNT/GEMB	CABLE, BATTERIES	\$ 33.65	wtpcc
272356	8/5/2020	109493	PORT OF ANACORTES	FUEL	\$ 20.95	wwtpcc
273405	8/5/2020	P1819-2-3	QCC QUALITY CONTROLS CORP.	WTP CONTROLS MODIFICATIONS PROJECT - PHASES 2 & 3 BAS TRAINS CONTROLS UPGRADE	\$ 4,131.68	dwtpp
272416	8/5/2020	593 8 82 5587	SAFEWAY INC	LAB SUPPLIES	\$ 14.95	wwtpcc
272354	8/5/2020	G68729	SEBO'S DO-IT CENTER	FACILITY USE ITEMS	\$ 21.30	pwfacc
272358	8/5/2020	G69031	SEBO'S DO-IT CENTER	BRISTLE CHIP BRUSH	\$ 45.54	pwfacc
272423	8/5/2020	1358001	SURETY PEST CONTROL	WTP FIDALGO BAY PUMP STATION PEST MAINTENANCE	\$ 81.60	wtpcc
272362	8/5/2020	117423	THE HOSE SHOP, INC	HOSE FOR POLY SYSTEM	\$ 331.94	wtpcc
272351	8/5/2020	000003	THE STORE	POLICE ASSESSMENT CENTER LUNCHES	\$ 87.83	hrcc1
272353	8/5/2020	1Z3Y592X0149174276	UNITED PARCEL SERVICE, INC	LAB SAMPLE SHIPMENT - RAINIER	\$ 77.55	wwtpcc
272352	8/5/2020	1130-0217-5774-2008	WALGREENS	WTP HYDROGEN PEROXIDE	\$ 2.80	wtpcc
272363	8/5/2020	1556709	WASHINGTON TRACTOR, INC	WTP MOWER PARTS	\$ 113.19	wtpcc
272425	8/6/2020	F33514/1	ACE HARDWARE	MAINTENANCE	\$ 1.51	wwtpcc
272414	8/6/2020	114-9979760-8640231	AMAZON.COM SERVICES, INC	SHOWER CADDIES, NIGHT LIGHT, SHOWER CURTAIN (29-2 & 29-3)	\$ 115.83	afdcc
272379	8/6/2020	1991860794	ARAMARK	OPS: MAT CLEANING	\$ 41.63	dshop
272428	8/6/2020	1991860793	ARAMARK	OPS & PARKS LAUNDRY SVC FOR	\$ 72.35	finance
272452	8/6/2020	1991860785	ARAMARK	APD NYLON MATS CLEANED	\$ 16.31	apd
272494	8/6/2020	857413	BAYSHORE OFFICE PRODUCTS INC	COVID-19 ITEMS	\$ 388.11	pwfacc
272422	8/6/2020	445009	ENCASED	FACILITY USE ITEM	\$ 24.00	pwfacc
272417	8/6/2020	1652	JAMIE'S SIGNS	JAMIE'S SIGNS COVID DISTANCING SIGNS	\$ 1,240.80	plancc
272388	8/6/2020	60696	STOW-IT	WATER JOB SHACK RENTAL	\$ 217.60	wdist
272498	8/6/2020	1358000	SURETY PEST CONTROL	FIDALGO BAY PUMP STATION PEST MAINTENANCE	\$ 81.60	wtpcc
272412	8/6/2020	000003	THE STORE	POLICE ASSESSMENT CENTER	\$ 111.35	hrcc1
272488	8/6/2020	000002	THE STORE	POLICE ASSESSMENT CENTER SNACKS	\$ 48.50	hrcc1
272505	8/7/2020	F34002/1	ACE HARDWARE	OUTLET BOX	\$ 17.19	wdistcc
272424	8/7/2020	111-7557696-1794635	AMAZON.COM SERVICES, INC	WTP KEYBOARD CASE	\$ 74.85	wtpcc
272500	8/7/2020	111-7557696-1794635	AMAZON.COM SERVICES, INC	WTP MOUSE	\$ 14.09	wtpcc
272513	8/7/2020	111-5790309-4917000	AMAZON.COM SERVICES, INC	OFFICE SUPPLIES	\$ 24.43	wwtpcc
272514	8/7/2020	111-1510744-9557039	AMAZON.COM SERVICES, INC	MAINTENANCE SUPPLIES	\$ 31.54	wwtpcc
272496	8/7/2020	857425	BAYSHORE OFFICE PRODUCTS INC	FACILITY USE ITEMS - PARKS	\$ 1,194.87	pwfacc
272518	8/7/2020	857503	BAYSHORE OFFICE PRODUCTS INC	OFFICE SUPPLIES	\$ 45.46	museumcc

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272489	8/7/2020	58605	CEDAR CREEK LUMBER	FACILITY USE ITEMS	\$ 800.73	pwfaccc
272495	8/7/2020	28073	FORT KNOX MAILBOX	COVID-19 PPE	\$ 50.00	pwfaccc
272497	8/7/2020	10972432	NUWAVE, LLC	COVID-PPE	\$ 1,079.76	pwfaccc
272517	8/7/2020	0474119682538084	PARTY CITY	PARTY CITY SURVIVOR CAMP REC PROGRAM AUG 2020	\$ 57.65	pkreccc
272516	8/7/2020	593 54 42 8854	SAFEWAY INC	SAFEWAY SURVIVOR CAMP AUG 2020	\$ 37.25	pkreccc
272502	8/7/2020	G70274	SEBO'S DO-IT CENTER	MAINTENANCE SUPPLIES	\$ 10.54	wwtpcc
272506	8/7/2020	G70286	SEBO'S DO-IT CENTER	ADJUSTABLE PHOTO CONTROL	\$ 18.49	wdistcc
272508	8/7/2020	G69983	SEBO'S DO-IT CENTER	SEBOS CEMETERY SUPPLIES	\$ 3.19	parksccl
272515	8/7/2020	118068	STOWES, INC	SAFETY BOOTS - TIM H	\$ 179.80	pwfaccc
272499	8/7/2020	1357998	SURETY PEST CONTROL	FIDALGO BAY PUMP STATION PEST MAINTENANCE	\$ 81.60	wtpcc
272490	8/8/2020	113-3263157-0993856	AMAZON.COM SERVICES, INC	DISPLAY PORT TO HDMI CABLES.	\$ 106.08	infosyscc
272491	8/8/2020	113-9853127-6960262	AMAZON.COM SERVICES, INC	WEBCAM FINANCE	\$ 54.39	infosyscc
272507	8/8/2020	114-1820434-8325801	AMAZON.COM SERVICES, INC	FLAG POLE SPOTLIGHT	\$ 143.60	pwfaccc
272509	8/8/2020	114-5140725-4072225	AMAZON.COM SERVICES, INC	THERMOMETER	\$ 24.94	financecc
272510	8/8/2020	114-7348487-9876212	AMAZON.COM SERVICES, INC	THERMOETER	\$ 25.01	financecc
272501	8/8/2020	327735	WHISTLE WORKWEAR	COVERALLS BELLINGHAM SALES TAX	\$ 48.90	fibercc
272503	8/9/2020	111-9902200-1181835	AMAZON.COM SERVICES, INC	MOUSE- SHOP	\$ 10.87	shopcc
272504	8/9/2020	112-4833535-5685845	AMAZON.COM SERVICES, INC	THERMOSTAT GUARD #044A	\$ 13.14	shopcc
272511	8/9/2020	113-1677648-1765801	AMAZON.COM SERVICES, INC	KITCHEN UTENSILS	\$ 17.40	afdcc
272512	8/9/2020	112-8473257-5021811	AMAZON.COM SERVICES, INC	UNIFORM CARDIGAN	\$ 24.48	afdcc
272679	8/9/2020	37863	DIAMOND RENTALS, INC.	DIAMOND RENTAL SERVICE JULY 2020	\$ 379.00	parksccl
272610	8/10/2020	112-0246579-4198612	AMAZON.COM SERVICES, INC	COVID-19 PPE	\$ 418.40	pwfaccc
272613	8/10/2020	112-8396307-2431436	AMAZON.COM SERVICES, INC	PHONE CASE	\$ 19.28	infosyscc
272615	8/10/2020	111-5191995-6288228	AMAZON.COM SERVICES, INC	WEBCAM FOR CITY ATTORNEY'S OFFICE	\$ 32.63	legalcc
272609	8/10/2020	4063	ANACORTES PRINTING	PRINTING	\$ 62.50	fibercc
272659	8/10/2020	857563	BAYSHORE OFFICE PRODUCTS INC	COVID PPE	\$ 1,441.38	pwfaccc
272660	8/10/2020	857732	BAYSHORE OFFICE PRODUCTS INC	FACILITY USE ITEMS	\$ 6.40	pwfaccc
272667	8/10/2020	857758	BAYSHORE OFFICE PRODUCTS INC	PARK SUPPLIES	\$ 8.05	parksccl
272612	8/10/2020	220875-5	BIRCH EQUIPMENT CO., INC	EQUIPMENT RENTAL	\$ 897.44	fibercc

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272614	8/10/2020	E/4938289	CHEVRON AND TEXACO UNIVERSAL	FUEL #90062	\$ 6.58	wdistcc
272657	8/10/2020	3216054	NURNBERG SCIENTIFIC	LAB SUPPLIES	\$ 404.12	wwtpcc
272685	8/10/2020	23573434	PARTS MASTER	PARTS FOR STOCK	\$ 139.29	dshop
272888	8/10/2020	300000290035	PUGET SOUND ENERGY INC	ALL MUSEUMS 7/8-8/5/20	\$ 121.00	museum
272620	8/10/2020	107298	RAINBOW ENTERPRISES	RAINBOW HEART LAKE VAULT PUMP	\$ 435.20	parksccl
272617	8/10/2020	G71920	SEBO'S DO-IT CENTER	HOSE STRAPS, AIR GUN	\$ 45.80	afdcc
272619	8/10/2020	G71871	SEBO'S DO-IT CENTER	SEBOS PARK SUPPLIES	\$ 45.79	parksccl
272616	8/10/2020	9857-2	SHERWIN WILLIAMS	SAFETY YELLOW PAINT	\$ 75.93	wdistcc
272611	8/10/2020	114-10744720	UNITED SITE SERVICES, INC	PENN AVE PORTA POTI RENTAL 7/1-7/31/20	\$ 193.85	wtpcc
272663	8/11/2020	F36600/1	ACE HARDWARE	TOOLS AND EQUIPMENT	\$ 102.78	fibercc
273017	8/11/2020	10182020	ADVANTAGE WINDOW COVERINGS	BLIND INSTALLATION CITY HALL	\$ 6,363.71	pwfacc
272670	8/11/2020	113-2611993-5882613	AMAZON.COM SERVICES, INC	OFFICE SUPPLIES	\$ 54.55	afdcc
272671	8/11/2020	112-9650834-1564219	AMAZON.COM SERVICES, INC	UNIFORM CARDIGAN	\$ 24.48	afdcc
272673	8/11/2020	111-5951699-8232206	AMAZON.COM SERVICES, INC	MAINTENANCE SUPPLIES	\$ 89.88	wwtpcc
272674	8/11/2020	111-3648029-5249844	AMAZON.COM SERVICES, INC	OFFICE SUPPLIES	\$ 78.30	wwtpcc
272675	8/11/2020	111-3648029-5249844	AMAZON.COM SERVICES, INC	OFFICE SUPPLIES	\$ 14.52	wwtpcc
272676	8/11/2020	111-2266708-4341863	AMAZON.COM SERVICES, INC	MAINTENANCE SUPPLIES	\$ 31.33	wwtpcc
272661	8/11/2020	221464-005	BIRCH EQUIPMENT CO., INC	TRAILER HITCH	\$ 355.75	fibercc
272664	8/11/2020	170975	FRONTIER BUILDING SUPPLY	50 # JET SET	\$ 212.08	shopcc
272662	8/11/2020	225920	INDUSTRIAL SAFETY PRODUCTS	CALIBRATION GAS CYLINDER	\$ 399.00	wtpcc
272656	8/11/2020	41600365037	LES SCHWAB TIRE CENTERS	LES SCHWAB PARK SUPPLIES	\$ 21.76	parksccl
272665	8/11/2020	001-474075	PISTON SERVICE OF ANACORTES	MAINTENANCE SUPPLIES	\$ 13.89	wwtpcc
272710	8/11/2020	593 51 7 8851	SAFEWAY INC	SAFEWAY SURVIVOR CAMP AUG 2020	\$ 20.07	pkreccc
272666	8/11/2020	G72373	SEBO'S DO-IT CENTER	PAINT THINNER	\$ 10.87	wdistcc
272672	8/11/2020	G57941	SEBO'S DO-IT CENTER	REPLACEMENT HEARING PROTECTION EQUIP (2911)	\$ 38.07	afdcc
272704	8/11/2020	10469	SUPER HAWK CANOPIES	CANOPY & PICKUP BED SLIDER	\$ 3,433.31	fibercc
272711	8/11/2020	200708	T-SHIRTS BY DESIGN	T SHIRTS BY DESIGN PEE WEE CAMP AUG 2020	\$ 130.56	pkreccc
272703	8/12/2020	F37432/1	ACE HARDWARE	LAB SUPPLIES	\$ 33.27	wwtpcc
272707	8/12/2020	F37311/1	ACE HARDWARE	PARK SUPPLIES	\$ 15.22	parksccl
272708	8/12/2020	111-3625376-5489836	AMAZON.COM SERVICES, INC	MAINTENANE SUPPLIES	\$ 80.89	wwtpcc
272709	8/12/2020	111-7872976-5670640	AMAZON.COM SERVICES, INC	OFFICE SUPPLIES	\$ 25.02	wwtpcc

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272732	8/12/2020	858135	BAYSHORE OFFICE PRODUCTS INC	FACILITY USE ITEM - PARKS	\$ 8.39	pwfacc
272680	8/12/2020	640468	BLADE CHEVROLET, INC	REGULATOR #018	\$ 115.84	dshop
272735	8/12/2020	0188-511791	CONSOLIDATED ELECTRICAL	MAINTENANCE SUPPLIES	\$ 41.06	wwtpcc
272705	8/12/2020	42170112978	EDGE ANALYTICAL, INC	WATER ANALYSIS - 10 INVOICES	\$ 722.00	wtpcc
273386	8/12/2020	E20058P	ELEMENTAL AIR, LLC	ADDITIONAL MERCURY SAMPLING FOR WWTP	\$ 7,760.00	dwwtp
272706	8/12/2020	25327674	INGERSOLL-RAND CO	AUTODRAIN KIT, O-RING KIT	\$ 346.94	wtpcc
272686	8/12/2020	3-142441	LOUIS AUTO GLASS INC.	WINDSHIELD #139	\$ 248.92	dshop
272701	8/12/2020	012457	PUGET SOUND ENERGY INC	LUNZ PROPERTY ELECTRICITY	\$ 48.63	wdistcc
272728	8/12/2020	593 8 40 5587	SAFEWAY INC	LAB SUPPLIES	\$ 29.90	wwtpcc
272700	8/12/2020	G73268	SEBO'S DO-IT CENTER	TOOLS	\$ 8.52	wwtpcc
272702	8/12/2020	G73161	SEBO'S DO-IT CENTER	TRUCK BED SPRAY COATING	\$ 21.74	wdistcc
273048	8/12/2020	1214378	SKAGIT PUBLISHING LLC	PUBLISH AA-2030235	\$ 113.68	finance
272631	8/12/2020	1679854350	WILSON DDS, NICHOLAS J	DENTAL SERVICES, MEAD, LEOFF1 RETIREE	\$ 553.00	hr
272729	8/13/2020	F38311/1	ACE HARDWARE	LAB MAINTENANCE	\$ 24.45	wwtpcc
272734	8/13/2020	F38141/1	ACE HARDWARE	SUPPLIES, STANDARD AND PROTECTIVE MEASURES	\$ 239.46	fibercc
272731	8/13/2020	113-3973723-8248257	AMAZON.COM SERVICES, INC	LAPTOP FOR LEGAL PROSECUTOR	\$ 607.10	infosyscc
272736	8/13/2020	112-5151579-5725011	AMAZON.COM SERVICES, INC	LABEL TAPES	\$ 31.52	afdcc
272737	8/13/2020	111-9441403-1117862	AMAZON.COM SERVICES, INC	OFFICE SUPPLIES	\$ 10.87	wwtpcc
272740	8/13/2020	1991870300	ARAMARK	OPS: MAT CLEANING	\$ 34.96	dshop
272741	8/13/2020	1991870299	ARAMARK	OPS & PARKS LAUNDRY SVC FOR	\$ 72.35	finance
272755	8/13/2020	1991870293	ARAMARK	APD NYLON MATS CLEANED	\$ 16.31	apd
272738	8/13/2020	B69922	COASTAL FARM &	WORK BOOTS- TOM S	\$ 124.99	shopcc
273402	8/13/2020	1200286784	HDR ENGINEERING, INC	SKAGIT RIVER RAW WATER PIPELINE/CLEARWELL PROJECT - CONSTRUCTION MNGMNT 6/28-8/1	\$ 34,233.12	pw1
273403	8/13/2020	1200286776	HDR ENGINEERING, INC	WATER SYSTEM MODEL UPDATE 3/1/20-8/1/20	\$ 1,248.36	dwwtp
273396	8/13/2020	420000387910	PUGET SOUND ENERGY INC	SR20 & SHIP HARBOR RAB SCHED 53 FOR STREET LIGHTING ORDERS 105089190/101118902	\$ 18,510.82	pw1
273397	8/13/2020	420000387670	PUGET SOUND ENERGY INC	SR20 & SHIP HARBOR RAB SCHED 51 FOR STREET LIGHTING ORDERS 105089190/101118902	\$ 39,374.15	pw1
272727	8/13/2020	G73663	SEBO'S DO-IT CENTER	SEBOS PARK SUPPLIES	\$ 8.52	parksccl
272730	8/13/2020	G73889	SEBO'S DO-IT CENTER	LAB MAINTENANCE	\$ 9.59	wwtpcc
272733	8/13/2020	G73524	SEBO'S DO-IT CENTER	COVID-19 PPE	\$ 58.64	pwfacc
273363	8/13/2020	4401425	TWO RIVERS TERMINAL, LLC	CHEMICAL DELIVERY	\$ 10,072.97	dwwtp

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272684	8/13/2020	114-10774433	UNITED SITE SERVICES, INC	RESTROOM FOR FIBER CREW 7/7/20 -8/3/20	\$ 59.15	wdist
272790	8/14/2020	F38783/1	ACE HARDWARE	LAB MAINTENANCE	\$ 4.09	wwtpcc
272797	8/14/2020	F38526/1	ACE HARDWARE	ACE PARK SUPPLIES	\$ 16.64	parkscc1
273392	8/14/2020	00-2019-240 - 10	ALTA PLANNING AND DESIGN, INC	COMMERCIAL AVE CORRIDOR PLAN PHASE 1 - 11TH-13TH ST DESIGN - THROUGH 7/31/20	\$ 7,829.12	pw1
272799	8/14/2020	113-5341584-7964201	AMAZON.COM SERVICES, INC	3-PACK SCISSORS	\$ 10.87	afdcc
272793	8/14/2020	445824	ENCASED	FACILITY USE ITEM	\$ 48.00	pwfacc
273404	8/14/2020	1200287766	HDR ENGINEERING, INC	WWTP OUTFALL PRE-DESIGN - PHASE 2 - 6/28/20-8/1/20	\$ 133,839.96	pw1
273021	8/14/2020	42217	MICRO DATA BUSINESS FORMS	PHYSICAL TICKET BOOKS; CRIMINAL AND INFRACTION	\$ 1,403.80	apd
272801	8/14/2020	22865	NATIONAL BARRICADE CO., LLC	CONSTRUCTION SIGN RENTAL	\$ 278.05	pwfacc
272791	8/14/2020	G74625	SEBO'S DO-IT CENTER	LAB MAINTENANCE	\$ 14.06	wwtpcc
272792	8/14/2020	G74761	SEBO'S DO-IT CENTER	LAB MAINTENANCE	\$ 12.97	wwtpcc
272794	8/14/2020	70400279	THE MARKET LLC	COVID-19 PPE - LIBRARY	\$ 48.25	pwfacc
272856	8/14/2020	840-59800076-3-29297	UNITED STATES POSTAL SERVICE	POSTAGE	\$ 1.60	museumcc
272795	8/14/2020	LDB8K-Z5A33-7P0	VISTAPRINT	BUSINESS CARDS; OFC LELAND	\$ 19.58	apdcc
272800	8/15/2020	112-2643112-1009817	AMAZON.COM SERVICES, INC	PHONE CASE	\$ 14.13	afdcc
272893	8/15/2020	133174	LAKESIDE INDUSTRIES, INC.	WA CLASS G ASPHALT	\$ 2,315.94	dshop
272796	8/16/2020	112-2758798-7409041	AMAZON.COM SERVICES, INC	MOUNTING BRACKETS VEH 186	\$ 81.74	shopcc
273019	8/16/2020	967	COLUMBIA BASIN WATER WORKS INC	METER TESTING	\$ 2,829.40	wdist
272871	8/17/2020	F40375/1	ACE HARDWARE	PAINT BRUSHES	\$ 29.27	wdistcc
272877	8/17/2020	F40718/1	ACE HARDWARE	COVID-19 PPE	\$ 105.71	pwfacc
272872	8/17/2020	113-9488879-9044255	AMAZON.COM SERVICES, INC	WEBCAMS	\$ 106.60	infosyscc
272876	8/17/2020	111-0899151-0690626	AMAZON.COM SERVICES, INC	FACILITY USE ITEM	\$ 15.12	pwfacc
272878	8/17/2020	111-5081242-7817039	AMAZON.COM SERVICES, INC	PATROL SUPPLIES; TRANSPORT/SPIT HOODS	\$ 137.10	apdcc
273388	8/17/2020	2184	AV CAPTURE ALL INC.	MUNICIPAL COURT RECORDING SOFTWARE UPGRADE	\$ 870.40	court
272917	8/17/2020	858569	BAYSHORE OFFICE PRODUCTS INC	OFFICE SUPPLIES	\$ 58.74	wdistcc
272945	8/17/2020	8498 30 017 0543538	COMCAST	DEPOT INTERNET 611 R AVENUE 8/22-9/21/20	\$ 186.16	parks1
272930	8/17/2020	WAANA127853	FASTENAL COMPANY	IND CLEAN WIPES	\$ 14.64	shopcc
272870	8/17/2020	CR225000	FERGUSON ENTERPRISES, INC	FACILITY USE ITEMS	\$ 74.31	pwfacc

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273400	8/17/2020	20411.16-2	GRAY & OSBORNE INC	ON-CALL STORMWATER ENGINEERING SERVICES CONSULTANT: CHERRY CT 7/19-8/15/20	\$ 246.75	plan
273401	8/17/2020	20411.14-2	GRAY & OSBORNE INC	ON-CALL STORMWATER ENGINEERING SERVICES CONSULTANT: FELT 2-LOT SP	\$ 325.30	plan
272807	8/17/2020	222644287	INSIGHT PUBLIC SECTOR, INC	SOFTWARE	\$ 2,129.50	fiber
272873	8/17/2020	1698	JAMIE'S SIGNS	COVID 19 JAMIES SIGNS DISTANCING STICKERS	\$ 609.28	plancc
272879	8/17/2020	Z0031703	NOVUS AUTO GLASS	ROCK CHIP REPAIR #222	\$ 59.84	shopcc
272885	8/17/2020	001-474718	PISTON SERVICE OF ANACORTES	FILTER- #6935	\$ 7.57	dshop
272886	8/17/2020	001-474712	PISTON SERVICE OF ANACORTES	BATTERY- #152	\$ 113.10	dshop
272880	8/17/2020	G76482	SEBO'S DO-IT CENTER	CHAIN FOR IRRIGATION METER	\$ 41.44	wdistcc
273391	8/17/2020	683	SKAGIT PUBLIC UTILITY	MUTUAL ASSISTANCE ON PROJECTS - SERVICES FOR SKAGIT RIVER RAW WATER PIPELINE	\$ 7,085.81	pw1
272881	8/17/2020	E21575624	THE EASTWOOD COMPANY	SMALL TOOLS	\$ 163.24	wwtpcc
272985	8/17/2020	101214	VECA ELECTRIC & TECHNOLOGIES	CITY HALL DOOR OPENER ELECTRICAL	\$ 1,389.11	pwfac
272920	8/18/2020	113-2997900-4734662	AMAZON.COM SERVICES, INC	WEBCAMS	\$ 326.35	infosyscc
272921	8/18/2020	112-2044538-0404218	AMAZON.COM SERVICES, INC	OPERATING SUPPLIES	\$ 116.62	wwtpcc
272935	8/18/2020	112-2511193-3247414	AMAZON.COM SERVICES, INC	PHONE CASE	\$ 10.87	afdcc
272936	8/18/2020	112-5319551-9845834	AMAZON.COM SERVICES, INC	PHONE CHARGING CABLES	\$ 10.87	afdcc
273012	8/18/2020	287324	BAY CITY SUPPLY	FACILITY USE ITEM	\$ 37.25	pwfac
272923	8/18/2020	220875-5	BIRCH EQUIPMENT CO., INC	EQUIPMENT RENTAL	\$ 248.22	fibercc
272825	8/18/2020	IN02578703	CCP INDUSTRIES	MAINTENANCE SUPPLIES	\$ 212.83	dwwtp
272926	8/18/2020	L0109817155	DEPARTMENT OF LICENSING	VEHICLE LICENSING #189	\$ 3,172.59	shopcc
273126	8/18/2020	9317358442	GRAYBAR ELECTRIC COMPANY, INC	TOOLS	\$ 111.97	fiber
273134	8/18/2020	9317350930	GRAYBAR ELECTRIC COMPANY, INC	CABINET, FIBER DISTRIBUTION	\$ 12,704.99	fiber
272828	8/18/2020	RefundKelly	KELLY, KEVIN	WA PARK CAMPGROUND REFUND KELLY	\$ 27.00	parks1
272889	8/18/2020	RefundMack	MACK, KEITH	WA PARK GROUP CAMPSITE REFUND MACK	\$ 300.00	parks1
272919	8/18/2020	E0600BTG7J	MICROSOFT CORPORATION	AZURE DISASTER RECOVERY SITE 7/2-8/1/20	\$ 467.21	infosyscc
272977	8/18/2020	001-474853	PISTON SERVICE OF ANACORTES	WIPER MOTOR #162	\$ 127.50	dshop
272924	8/18/2020	24240398	PURCELL TIRE AND SERVICE CENTE	TIRES VEH #704	\$ 200.74	shopcc
272925	8/18/2020	24240406	PURCELL TIRE AND SERVICE CENTE	TIRES FOR STOCK	\$ 616.55	shopcc
272927	8/18/2020	G77095	SEBO'S DO-IT CENTER	STAPLES FOR SIDING	\$ 21.28	wdistcc
272928	8/18/2020	G76856	SEBO'S DO-IT CENTER	CLAW BAR, NAIL VLOW, NUTSETTER	\$ 38.56	wdistcc
272933	8/18/2020	G76820	SEBO'S DO-IT CENTER	PARK SUPPLIES	\$ 5.26	parkscc1
272934	8/18/2020	G71275	SEBO'S DO-IT CENTER	PS11 MAINTENANCE	\$ 9.44	wwtpcc

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272918	8/18/2020	20551/00321	SHERWIN WILLIAMS	SAFETY YELLOW PAINT	\$ 303.73	wdistcc
272922	8/18/2020	377530	STRINGKING	COVID-19 PPE	\$ 2,373.16	pwfaccc
273119	8/18/2020	331 0533586	UNIFIRST CORPORATION	WATER CREW LAUNDRY	\$ 45.49	wdist
273238	8/18/2020	30960	WESTERN SYSTEMS REFUSE &	JOYSTICK CAN CONTROLS #514	\$ 442.60	dshop
272929	8/18/2020	WEB154484	ZOLL MEDICAL CORPORATION	ECG CABLES	\$ 513.54	afdcc
272968	8/19/2020	F41923/1	ACE HARDWARE	WALL PROTECTOR	\$ 5.43	shopcc
272931	8/19/2020	111-1340263-4977820	AMAZON.COM SERVICES, INC	PERMANENT MARKERS	\$ 10.87	shopcc
272932	8/19/2020	111-1690583-4994604	AMAZON.COM SERVICES, INC	OFFICE SUPPLY	\$ 3.86	shopcc
272962	8/19/2020	112-2044538-0404218	AMAZON.COM SERVICES, INC	OPERATING SUPPLIES	\$ 35.80	wwtpcc
272963	8/19/2020	113-0932298-1111437	AMAZON.COM SERVICES, INC	FACILITY USE ITEMS - WA PARK	\$ 17.22	pwfaccc
272971	8/19/2020	114-0553397-1022611	AMAZON.COM SERVICES, INC	SAFETY VESTS	\$ 140.31	pwfaccc
272966	8/19/2020	221964-005	BIRCH EQUIPMENT CO., INC	TOOL	\$ 38.07	fibercc
272937	8/19/2020	038 200 0000 2	CASCADE NATURAL GAS CORP.	APD 7/22-8/18/20	\$ 324.67	apd
272938	8/19/2020	917 600 0000 9	CASCADE NATURAL GAS CORP.	1915 13TH ST. 7/22-8/18/20	\$ 15.58	parks1
272939	8/19/2020	260 037 3822 1	CASCADE NATURAL GAS CORP.	611 R AVENUE 7/22-8/18/20	\$ 16.57	parks1
272940	8/19/2020	440 400 0000 0	CASCADE NATURAL GAS CORP.	FIDALGO CENTER 7/22-8/18/20	\$ 37.52	parks1
272941	8/19/2020	538 000 0000 1	CASCADE NATURAL GAS CORP.	411 HILLCREST DR. 7/22-8/18/20	\$ 20.71	parks1
272942	8/19/2020	638 000 0000 0	CASCADE NATURAL GAS CORP.	411 HILLCREST DR. #B, 7/22-8/18/20	\$ 13.00	parks1
272980	8/19/2020	710 300 0000 5	CASCADE NATURAL GAS CORP.	OPERATION / SCHOOL DIST 7/22-8/18/20	\$ 64.38	dshop
273029	8/19/2020	169 400 0000 9	CASCADE NATURAL GAS CORP.	STA 2 7/22 - 8/18/20	\$ 24.12	medic
273031	8/19/2020	674 400 0000 7	CASCADE NATURAL GAS CORP.	STA 1: 7/22 - 8/18/20	\$ 40.41	medic
273039	8/19/2020	989 800 0000 8	CASCADE NATURAL GAS CORP.	WWTP 7/22-8/18/20	\$ 14.71	dwwtp
273116	8/19/2020	199 800 0000 4	CASCADE NATURAL GAS CORP.	MUSEUM 7/22-8/18/20	\$ 13.00	museum
273117	8/19/2020	912 800 0000 0	CASCADE NATURAL GAS CORP.	CARNEGIE 7/22-8/18/20	\$ 13.83	museum
273127	8/19/2020	154 700 0000 9	CASCADE NATURAL GAS CORP.	LIBRARY 7/22-8/18/20	\$ 47.24	publib
273131	8/19/2020	795 700 0000 4	CASCADE NATURAL GAS CORP.	CITY HALL 7/22-8/20/20	\$ 15.58	finance
273110	8/19/2020	62673	COMMERCIAL FIRE PROTECTION INC	FACILITY FIRE ETINGUISHER YEARLY INSPECTION	\$ 1,418.12	pwfac
273385	8/19/2020	E20028-Added	ELEMENTAL AIR, LLC	ADDITIONAL SERVICES AND LABS FOR WWTP EMISSIONS PERFORMANCE TEST AND RATA	\$ 3,066.50	dwwtp
272891	8/19/2020	Epomeo LLC #1	EPOMEIO LLC	CDBG-CV SBSG CIAO BELLA RESTAURANT	\$ 10,000.00	plan
272972	8/19/2020	I73483	FRONTIER BUILDING SUPPLY	SCREWS	\$ 40.66	pwfaccc
273350	8/19/2020	9626598099	GRAINGER	MAINTENANCE SUPPLIES	\$ 191.83	dwwtp
273136	8/19/2020	9317375216	GRAYBAR ELECTRIC COMPANY, INC	MULTI-PORT SERVICE TERMINALS	\$ 1,841.59	fiber
273137	8/19/2020	9317375215	GRAYBAR ELECTRIC COMPANY, INC	MULTI-PORT SERVICE TERMINALS	\$ 2,381.74	fiber

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273124	8/19/2020	08/19/2020	HUMAN RESOURCES SYSTEMS	POLICE AND FIRE ASSESSMENT CENTERS	\$ 13,400.00	hr
272961	8/19/2020	36881514	LIFELINE	MEDICAL SERVICES & HEALTH-PHILIPS LIFELINE	\$ 55.13	hrcc1
272970	8/19/2020	41890	LOWE'S BUSINESS ACCOUNT/GEMB	WALL PATCH SUPPLIES	\$ 30.83	wtpcc
272894	8/19/2020	001-474947	PISTON SERVICE OF ANACORTES	FILTERS AND LUBE FOR SHOP	\$ 278.20	dshop
272979	8/19/2020	001-474946	PISTON SERVICE OF ANACORTES	CLIP LOOM ACCES.	\$ 19.49	dshop
272981	8/19/2020	001-475017	PISTON SERVICE OF ANACORTES	OIL #204	\$ 6.23	dshop
273142	8/19/2020	001-475006	PISTON SERVICE OF ANACORTES	CYCLE BATTERY- SHOP	\$ 115.27	dshop
273399	8/19/2020	P0001-44	QCC QUALITY CONTROLS CORP.	ON CALL PROFESSIONAL SERVICES AT WWTP - JULY 2020	\$ 5,180.50	dwwtp
272964	8/19/2020	G77409	SEBO'S DO-IT CENTER	COVID-19 PPE - LIBRARY	\$ 62.53	pwfacc
272965	8/19/2020	G77415	SEBO'S DO-IT CENTER	FILES AND CHAIN LOOP	\$ 137.02	shopcc
272967	8/19/2020	G77682	SEBO'S DO-IT CENTER	HARDWARE AND TOOLS	\$ 117.51	fibercc
272973	8/19/2020	G77475	SEBO'S DO-IT CENTER	EXTENSION CORDS	\$ 78.88	pwfacc
272974	8/19/2020	G77622	SEBO'S DO-IT CENTER	PARK SUPPLIES	\$ 19.07	parkscc1
272969	8/19/2020	3557-6	SHERWIN WILLIAMS	WTP PAINT SUPPLIES	\$ 37.29	wtpcc
273165	8/19/2020	94722295	SMOKEY POINT CONCRETE INC	SIDEWALK REPLACEMENT ON D AVE	\$ 1,463.66	dshop
273010	8/19/2020	1358927	SURETY PEST CONTROL	STATION 2: AUGUST SERVICE	\$ 44.61	afdcc
273407	8/19/2020	2020-1175	THE WATERSHED COMPANY	PERIODIC REVIEW OF SHORELINE MASTER PROGRAM - THROUGH 7/31/20	\$ 1,550.00	plan
273198	8/19/2020	331 0533755	UNIFIRST CORPORATION	WTP LAUNDRY SERVICE	\$ 77.44	dwwtp
272884	8/19/2020	386000156	US BANK NA - CUSTODY TREAS DIV	INVESTMENT FEES 7/1/2020-7/31/2020	\$ 54.00	finance
272975	8/19/2020	0713-12-4-C312-2008	WALGREENS	PARK SUPPLIES	\$ 2.17	parkscc1
273002	8/20/2020	F42494/1	ACE HARDWARE	COVID-19 PPE LIBRARY	\$ 56.79	pwfacc
273005	8/20/2020	F42577/1	ACE HARDWARE	HARDWARE	\$ 12.71	fibercc
273006	8/20/2020	F42286/1	ACE HARDWARE	HARDWARE AND TOOLS	\$ 60.73	fibercc
273000	8/20/2020	112-3419801-3751438	AMAZON.COM SERVICES, INC	OPERATING SUPPLIES	\$ 67.68	wwtpcc
273001	8/20/2020	112-3170912-2380251	AMAZON.COM SERVICES, INC	OPERATING SUPPLIES	\$ 31.98	wwtpcc
273003	8/20/2020	112-9515677-1316269	AMAZON.COM SERVICES, INC	COVID-19 PPE	\$ 326.40	pwfacc
272999	8/20/2020	622 10 350 36	COSTCO WHOLESALE CORPORATION	BATTERIES AND COFFEE PODS	\$ 47.17	apdcc
273114	8/20/2020	151968	FIDALGO ANIMAL MEDICAL CENTER	K9 T-BONE MEDICATION - TRIFEXIS	\$ 98.74	apd
273349	8/20/2020	9317398130	GRAYBAR ELECTRIC COMPANY, INC	CONDUIT	\$ 4,802.26	fiber
272983	8/20/2020	RefundGrundmeyer	GRUNDMEYER, ALYSSA	WA PARK CAMPGROUND REFUND GRUNDMEYER	\$ 84.00	parks1
273007	8/20/2020	23915	LOWE'S BUSINESS ACCOUNT/GEMB	SHOP GRINDER	\$ 244.18	wtpcc
273096	8/20/2020	193982	NAPA	MAINTENANCE	\$ 20.15	wwtpcc
273387	8/20/2020	S010310886.001	NORTH COAST ELECTRIC COMPANY	2020 ROCKWELL AUTOMATION TECHCONNECT SUPPORT AGREEMENT	\$ 5,405.77	dwwtp

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273011	8/20/2020	006012	PET PLACE MARKET	K9 T-BONE NEW DOG FOOD - LOCAL PURCHASE	\$ 54.34	apdcc
272978	8/20/2020	001-475038	PISTON SERVICE OF ANACORTES	BATTERY VEH 162	\$ 114.19	dshop
273009	8/20/2020	G78089	SEBO'S DO-IT CENTER	PARK SUPPLIES	\$ 17.05	parksccl
273016	8/20/2020	101302	VECA ELECTRIC & TECHNOLOGIES	WTP ELECTRICAL REPAIRS	\$ 2,394.16	pwfac
273355	8/20/2020	9861192172	VERIZON WIRELESS	SCADA COMMUNICATION 7/21-8/20/20	\$ 1,116.28	dwwtp
272976	8/20/2020	112558	WALTON BEVERAGE COMPANY, INC	OPS BREAKROOM SUPPLIES	\$ 87.50	dshop
272982	8/20/2020	112559	WALTON BEVERAGE COMPANY, INC	CITY HALL BREAK ROOM SUPPLIES	\$ 262.50	finance
273027	8/20/2020	112557	WALTON BEVERAGE COMPANY, INC	AFD BREAKROOM SUPPLIES	\$ 122.50	medic
273390	8/20/2020	37221436	WASTEQUIP, LLC	2 YARD DUMPSTERS	\$ 5,105.99	pw1
273106	8/21/2020	F43040/1	ACE HARDWARE	MAINTENANCE	\$ 14.68	wwtpcc
273004	8/21/2020	112-3627971-8281839	AMAZON.COM SERVICES, INC	COVID-19 PPE	\$ 97.89	pwfacc
273088	8/21/2020	113-5901824-1217846	AMAZON.COM SERVICES, INC	OFFICE SUPPLIES; PENS, RETRACTABLE WITHOUT GRIP	\$ 10.64	apdcc
273089	8/21/2020	113-3086519-3660234	AMAZON.COM SERVICES, INC	PATROL SUPPLIES; 4 PORT USB HUBS	\$ 21.72	apdcc
273093	8/21/2020	112-3208252-8447419	AMAZON.COM SERVICES, INC	CELL PHONE CASE	\$ 19.55	infosyscc
273081	8/21/2020	221962-5	BIRCH EQUIPMENT CO., INC	ROLLER RENTAL- HIGHLAND DR	\$ 700.13	wdistcc
273121	8/21/2020	AN 74588	CENTRAL WELDING SUPPLY CO, INC	O2 FOR AMBULANCES	\$ 73.21	medic
273104	8/21/2020	082120fuel	CHEVRON AND TEXACO UNIVERSAL	FUEL- MISC GAS CANS	\$ 26.97	wdistcc
273389	8/21/2020	13402000783	CROSSMATCH	GUARDIAN 200 FINGERPRINT SCANNER	\$ 10,385.96	apd
273384	8/21/2020	E20049P-80	ELEMENTAL AIR, LLC	WWTP COMPLIANCE EMISSIONS TESTING	\$ 12,248.80	dwwtp
273231	8/21/2020	29987	JET CITY EQUIPMENT	EXCAVATOR RENTAL- WATER DEPT	\$ 1,314.30	wdist
272984	8/21/2020	RefundMorin	MORIN, LARRY	WA PARK CAMPGROUND REFUND MORIN	\$ 127.00	parks1
273132	8/21/2020	1476744	POLYDYNE, INC	CHEMICAL PURCHASE	\$ 6,756.48	dwwtp
273125	8/21/2020	20-261	PRECISION FIBER INC.	FIBER SPLICING	\$ 1,015.00	fiber
273097	8/21/2020	24240605	PURCELL TIRE AND SERVICE CENTE	TIRES- SHOP STOCK	\$ 1,286.39	shopcc
273098	8/21/2020	24240604	PURCELL TIRE AND SERVICE CENTE	SERVICE TO #511	\$ 31.01	shopcc
273099	8/21/2020	24240603	PURCELL TIRE AND SERVICE CENTE	SERVICE TO #304	\$ 42.51	shopcc
273100	8/21/2020	24240602	PURCELL TIRE AND SERVICE CENTE	SERVICE TO #514	\$ 155.35	shopcc
273128	8/21/2020	3881	RAINIER ENVIRONMENTAL LAB	LAB TESTING	\$ 600.00	dwwtp
273082	8/21/2020	1101	RESPSAFETY	SAFETY SUPPLIES	\$ 198.00	wwtpcc
273092	8/22/2020	F43763/1	ACE HARDWARE	SMALL TOOLS	\$ 39.12	wwtpcc
273080	8/22/2020	113-9237692-7230631	AMAZON.COM SERVICES, INC	WEB CAMS	\$ 104.44	infosyscc
273083	8/22/2020	111-6820045-6345015	AMAZON.COM SERVICES, INC	FACILITY USE ITEMS - WA PARK	\$ 17.22	pwfacc
273084	8/22/2020	112-5582894-9688264	AMAZON.COM SERVICES, INC	COVID-19 PPE	\$ 101.65	pwfacc

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273086	8/22/2020	113-4172641-2579464	AMAZON.COM SERVICES, INC	TRAILER HITCH	\$ 99.84	fibercc
273090	8/22/2020	113-3086519-3660234	AMAZON.COM SERVICES, INC	OFFICE SUPPLIES; FACIAL TISSUES	\$ 27.19	apdcc
273094	8/22/2020	112-1024127-2181016	AMAZON.COM SERVICES, INC	PHONE - WAITING FOR TAG#	\$ 201.27	infosyscc
273101	8/22/2020	113-8261942-4784266	AMAZON.COM SERVICES, INC	HITCH LOCK, WHEEL CHOCK- #872	\$ 63.55	shopcc
273103	8/22/2020	114-6668219-6809029	AMAZON.COM SERVICES, INC	PUSH BROOM KIT	\$ 38.84	pwfacc
273105	8/22/2020	111-7154687-1114649	AMAZON.COM SERVICES, INC	OPS: OFFICE SUPPLIES	\$ 92.95	shopcc
273087	8/22/2020	8563 62 68577	HOME DEPOT	TOOLS	\$ 10.85	fibercc
273225	8/22/2020	134225	LAKESIDE INDUSTRIES, INC.	DUMP FEES- WATER	\$ 110.79	wdist
273226	8/22/2020	134226	LAKESIDE INDUSTRIES, INC.	5/8" & 3/4" ROCK SALES & DUMP FEES- WATER DEPT	\$ 3,443.09	wdist
273024	8/22/2020	00005W5A83340	UNITED PARCEL SERVICE, INC	UPS SHIPPING CHARGES; WEEK ENDING 8-22-20	\$ 30.77	apd
273085	8/23/2020	112-2476081-7585055	AMAZON.COM SERVICES, INC	COVID-19 PPE	\$ 76.98	pwfacc
273095	8/23/2020	113-1790538-8023408	AMAZON.COM SERVICES, INC	CELL PHONE CASE - THE BARS # 105.720.595.61.63 NEEDS JOB COST CODE	\$ 19.55	infosyscc
273102	8/23/2020	111-7094107-9769055	AMAZON.COM SERVICES, INC	ROOF VENT COVER- #837	\$ 19.55	shopcc
273079	8/23/2020	WSJ23	THE WALL STREET JOURNAL	TABLET EDITION	\$ 134.97	execc
273289	8/24/2020	Rogouski Invoice 3	BALANCED LIFE SPA	CDBG SBSG BALANCED LIFE SPA #3	\$ 1,114.00	plan
273038	8/24/2020	92764	BLYTHE PLUMBING & HEATING, INC	PUBLIC SAFETY BOILER INSPECTION	\$ 724.93	pwfac
273040	8/24/2020	92765	BLYTHE PLUMBING & HEATING, INC	DEPOT BOILER INSPECTION	\$ 270.91	pwfac
273041	8/24/2020	93035	BLYTHE PLUMBING & HEATING, INC	LIBRARY AC REPAIR SERVER ROOM	\$ 1,000.74	pwfac
273042	8/24/2020	92660	BLYTHE PLUMBING & HEATING, INC	HVAC SERVICE FIRESTATION 2	\$ 270.91	pwfac
273043	8/24/2020	92763	BLYTHE PLUMBING & HEATING, INC	LIBRAY BOILER SERVICE	\$ 918.09	pwfac
273044	8/24/2020	92663	BLYTHE PLUMBING & HEATING, INC	CITY HALL BOILER SERVICE	\$ 792.66	pwfac
273045	8/24/2020	92662	BLYTHE PLUMBING & HEATING, INC	MARITIME HERITAGE CENTER HOT WATER LEAK REPAIR	\$ 619.22	pwfac
273046	8/24/2020	92661	BLYTHE PLUMBING & HEATING, INC	MUSUEM HVAC SERVICE	\$ 221.15	pwfac
273032	8/24/2020	5676767	CARDINAL HEALTH 110, INC.	PHARMACEUTICALS	\$ 2.44	medic
273233	8/24/2020	ML-20082419265	CASCADE ENGINEERING SVCS INC	RADAR CALIBRATION (ALL RADARS)	\$ 2,470.00	apd
273033	8/24/2020	63094	COMMERCIAL FIRE PROTECTION INC	REPLACEMENT FIRE EXTINGUISHERS	\$ 171.14	pwfac
273026	8/24/2020	ReimbHatcher	HATCHER, TYLER	K9 T-BONE NEW FOOD	\$ 59.77	apd
273239	8/24/2020	50587	KRIEG CONSTRUCTION, INC	3/8" HMA	\$ 6,883.48	wdistcc
273120	8/24/2020	001-475341	PISTON SERVICE OF ANACORTES	LOOM/CLIP ACCESSORY- #186	\$ 20.73	dshop
273111	8/24/2020	RefundShjarback	SHJARBACK, SILJA	CEMETERY URN LINER REFUND SHJARBACK	\$ 193.66	parks1

Invoice Doc #	Transaction Date	Invoice #	Vendor Full Name	Description	Total Amount	Approval Queue
273113	8/25/2020	512005	AMERICAN ALLIANCE OF MUSEUMS	COVID 19 SIGN KIT	\$ 10.00	museumcc
273139	8/25/2020	2762063	FOSTER GARVEY PC	KOFFEL PROPERTY MATTER NO. 104	\$ 2,622.00	legal
273192	8/25/2020	830716	JCI JONES CHEMICALS INC	HYPOCHLORITE SOLUTION	\$ 4,774.05	dwwtp
273140	8/25/2020	001-475458	PISTON SERVICE OF ANACORTES	OXYGEN SENSOR- #143	\$ 38.83	dshop
273141	8/25/2020	001-475418	PISTON SERVICE OF ANACORTES	CAP, ROTOR- #143	\$ 25.37	dshop
273143	8/25/2020	001-475503	PISTON SERVICE OF ANACORTES	HYDRAULIC HOSES- #514	\$ 90.29	dshop
273164	8/25/2020	001-475499	PISTON SERVICE OF ANACORTES	BED MAT- #044	\$ 100.10	dshop
273008	8/25/2020	71045	SKAGIT RADIOLOGY INC	CHEST X-RAY FOR NEW HIRE	\$ 34.00	afdcc
273275	8/25/2020	331 0534651	UNIFIRST CORPORATION	WATER CREW LAUNDRY	\$ 45.49	wdist
273352	8/26/2020	BINV0008475	GOBLE SAMPSON ASSOCIATES, INC	MAINTENANCE SUPPLIES	\$ 2,828.52	dwwtp
273351	8/26/2020	9317489248	GRAYBAR ELECTRIC COMPANY, INC	DROP CABLES	\$ 6,335.47	fiber
273358	8/26/2020	9317489249	GRAYBAR ELECTRIC COMPANY, INC	OPTICAL SPLITTERS	\$ 17,937.04	fiber
273200	8/26/2020	830831	JCI JONES CHEMICALS INC	HYPOCHLORITE SOLUTION	\$ 4,877.21	dwtp
273167	8/26/2020	ReimbNations	NATIONS, JACQUELINE	DET SGT NATIONS-LARGE USB DRIVE FOR INVEST OUT OF TOWN	\$ 97.82	apd
273199	8/26/2020	331 0534832	UNIFIRST CORPORATION	WTP LAUNDRY SERVICE	\$ 81.34	dwtp
273228	8/27/2020	11046	C & C TIMBER INC	FIREWOOD BUNDLE FOR RESALE	\$ 1,293.75	parks1
273221	8/27/2020	92962103	CHEMTRADE CHEMICALS US LLC	ALUMINUM SULFATE	\$ 4,911.16	dwtp
273347	8/27/2020	350623	DITCH WITCH WEST	MAINTENANCE SUPPLIES	\$ 1,109.70	dwwtp
273224	8/27/2020	001-475693	PISTON SERVICE OF ANACORTES	FILTER- #018	\$ 6.04	dshop
273196	8/27/2020	RefundSwain	SWAIN, THOMAS	WA PARK CAMPGROUND REFUND SWAIN	\$ 11.00	parks1
273197	8/27/2020	112586	WALTON BEVERAGE COMPANY, INC	WTP BREAKROOM SUPPLIES	\$ 87.50	dwtp
273240	8/28/2020	12102	ARCHIVESOCIAL, INC.	UPGRADE PLAN - SOCIAL MEDIA 8/27-4/25/21	\$ 1,457.26	infosys
273365	8/28/2020	5694230	CARDINAL HEALTH 110, INC.	PHARMACEUTICALS	\$ 78.17	medic
273223	8/28/2020	08/20/2020	CHILDS, SAND	APPLIANCE REBATE	\$ 50.00	pwfac
273348	8/28/2020	0000941	CITY OF BURLINGTON	DARK FIBER LEASE	\$ 116.64	fiber
273235	8/28/2020	COA WWTP ReCert	DEPARTMENT OF ECOLOGY	OPERATOR CERTIFICATION	\$ 1,600.00	dwwtp
273373	8/28/2020	WAANA128113	FASTENAL COMPANY	BATTERIES, FLASHLIGHT, EXAM GLOVES	\$ 138.65	medic
273271	8/28/2020	2762528	FOSTER GARVEY PC	WATER TREATMENT PLANT MATTER 96	\$ 1,732.50	legal
273272	8/28/2020	2762529	FOSTER GARVEY PC	SOLID WASTE UTILITY MATTER 74	\$ 2,734.39	legal
273273	8/28/2020	2762530	FOSTER GARVEY PC	WTP 2017 - MATTER 102	\$ 2,432.70	legal
273222	8/28/2020	08/28/2020	JAMISON, PAT	APPLIANCE REBATE	\$ 50.00	pwfac
273370	8/28/2020	1031198	LIFE ASSIST, INC	VENT CHEST SEAL, EXAM GLOVES, ARS FOR NEEDLE COMPRESSION. TOURNIQUETS	\$ 1,595.99	medic
273229	8/28/2020	001-475764	PISTON SERVICE OF ANACORTES	COIL- #009	\$ 41.48	dshop
273378	8/28/2020	001-475767	PISTON SERVICE OF ANACORTES	FILTER- #108	\$ 5.12	dshop
273230	8/28/2020	87716	SUPERIOR SYSTEMS, INC	REPAIRS TO DROP BOX	\$ 3,797.50	dshop
273269	8/28/2020	360-293-6427-0218975	ZIPLY FIBER	CITY HALL 911 8/28-9/27/20	\$ 79.37	finance

Invoice Doc #	Transaction Date	Invoice #	Vendor Full Name	Description	Total Amount	Approval Queue
273277	8/28/2020	360-299-3674-0214175	ZIPLY FIBER	OPS 8/28-9/27/20	\$ 70.57	dshop
273279	8/28/2020	360-299-0813-1017915	ZIPLY FIBER	WWTP 8/28-9/27/20	\$ 313.40	dwwtp
273283	8/28/2020	360-299-6615-0615165	ZIPLY FIBER	APD 911 LINE 8/28-9/27/20	\$ 73.00	apd
273284	8/28/2020	360-588-9248-0619005	ZIPLY FIBER	APD BACKUP LINE 8/28-9/27/20	\$ 207.36	apd
273285	8/28/2020	360-588-1422-0822015	ZIPLY FIBER	APD BUSINESS LINE 8/28-9/27/20	\$ 301.38	apd
273286	8/28/2020	360-293-4900-0912865	ZIPLY FIBER	APD BAC LINE 8/28-9/27/20	\$ 85.79	apd
273287	8/28/2020	360-293-3725-0501135	ZIPLY FIBER	DEPOT PHONE 8/28-9/27/20	\$ 62.92	parks1
273372	8/28/2020	360-293-9063-0926075	ZIPLY FIBER	STA 3 PHONE/FAX/INTERNET 8/28-9/27/20	\$ 82.74	medic
273282	8/29/2020	00005W5A83350	UNITED PARCEL SERVICE, INC	UPS SHIPPING CHARGES; WEEK ENDING 8-29-20	\$ 9.47	apd
273353	8/31/2020	5163	ANACORTES TOWING, LLC	TOWING; APD CASE 20-A05718	\$ 163.20	apd
273354	8/31/2020	5162	ANACORTES TOWING, LLC	TOWING; APD CASE 250-A05705	\$ 163.20	apd
273280	8/31/2020	AUGUST 31, 2020	CANYON CREEK FARMS, INC	K9 T-BONE BOARDING (TWO OCCASIONS)	\$ 480.00	apd
273288	8/31/2020	Lione SBSG #1	CAP SANTE INN	CDBG SBSG LIONE	\$ 10,000.00	plan
273366	8/31/2020	5697896	CARDINAL HEALTH 110, INC.	PHARMACEUTICALS	\$ 531.68	medic
273278	8/31/2020	2787	CINEMA SEPTIC	MAINTENANCE	\$ 332.50	dwwtp
273281	8/31/2020	08/31/2020	FIDALGO CLEANING	APD CLEANING & SUPPLIES	\$ 700.00	apd
273381	8/31/2020	410501-20	IDENTIFIX	YEARLY ONLINE MANUALS & DIAGNOSTIC SERVICE- SHOP	\$ 1,428.00	dshop
273371	8/31/2020	1031391	LIFE ASSIST, INC	AIRWAY KITS, LARYNGOSCOPE HANDLES & BLADES	\$ 1,082.95	medic
273376	8/31/2020	0257893-IN	REISNER DISTRIBUTOR INC	INCINERATOR FUEL	\$ 1,326.44	dwwtp
273374	8/31/2020	B12228070	SHI INTERNATIONAL CORP.	ADDITIONAL LICENSE FOR FINANCE, VOLUNTEERS	\$ 3,847.11	infosys
273393	8/31/2020	1176	THE CLEAN TEAM	TOMMY THOMPSON TRAIL 22ND ST BATHROOM MAINTENANCE - AUGUST 2020	\$ 600.00	pw1
273025	9/1/2020	20200901	CHOWANEC, WILLIAM	STA 3 RENT: SEPTEMBER	\$ 2,340.00	medic
273362	9/1/2020	RefundDanek	DANEK, DAVID	WA PARK CAMPGROUND REFUND DANEK	\$ 127.00	parks1
273361	9/1/2020	RefundKilian	KILIAN, ROBERT	WA PARK CAMPGROUND REFUND KILIAN	\$ 61.00	parks1
273364	9/1/2020	026027	MCCUNN, MIKE	REIMBURSEMENT FOR GAS - ANTIQUE ENGINE	\$ 42.30	medic
273398	9/1/2020	3005453157	THYSSENKRUPP ELEVATOR CORP	CITY HALL ELEVATOR 9/1-11/30/20	\$ 661.55	finance
273193	9/1/2020	2176729-0043-8	WASTE MANAGEMENT	WTP GARBAGE, RECYCLING COLLECTION	\$ 144.03	dwwtp

Total

\$725,856.15



City Council Contract Agenda Bill

Meeting Date: 9/8/2020 **Agenda Item:** 4c

Subject: Contract Award: Dark Fiber Lease #20-172-FBR-001 with the City of Mount Vernon

Staff Contact: Emily Schuh

Approved for Submittal to Council by:
Darcy Swetnam, City Attorney

Action Type: Contract

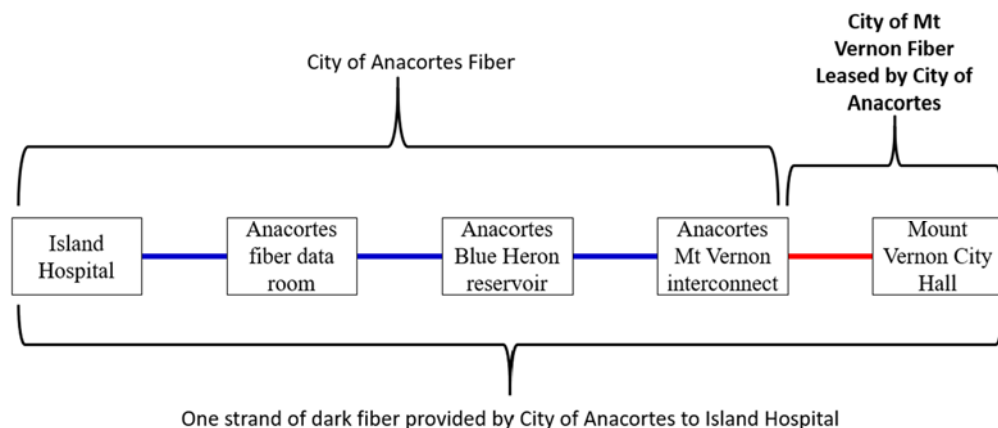
Summary Statement: City staff seeks City Council consent to enter into a dark fiber lease under which the City of Anacortes will lease two strands of dark fiber from the City of Mount Vernon.

Background: The City of Anacortes has entered into two service agreements (one with Island Hospital and one with Northwest Open Access Network) which will require use of dark fiber owned by the City of Mount Vernon. The monthly revenue from those two service agreements will total \$1,329.50. The monthly cost of this dark fiber lease will be \$350.00.

The City of Anacortes will assemble two fiber optic paths as follows, with the dark fiber to be leased from the City of Mount Vernon indicated in bold font in each:

Path A

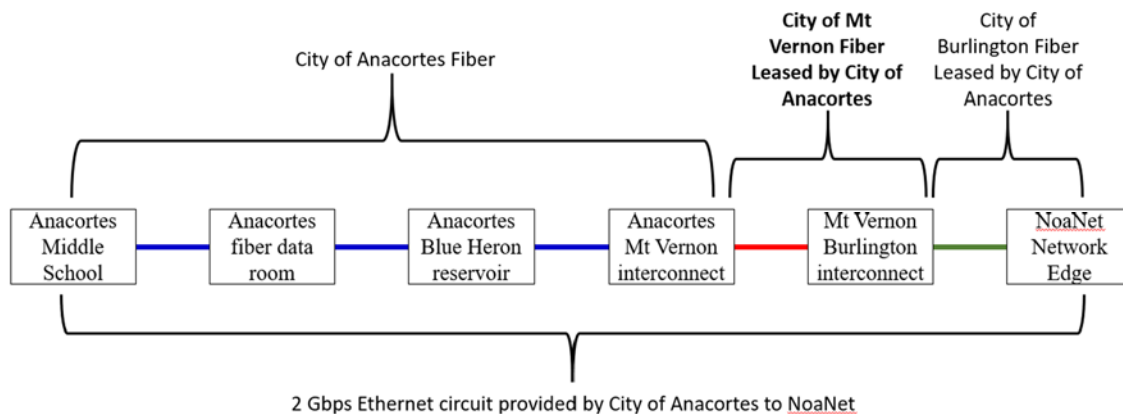
- Segment A-1 City of Anacortes fiber from Island Hospital to the Fiber data room
- Segment A-2 City of Anacortes fiber from the Fiber data room to Blue Heron reservoir site
- Segment A-3 City of Anacortes fiber from Blue Heron reservoir site to interconnection with City of Mount Vernon fiber network
- Segment A-4 City of Mount Vernon fiber from interconnection with City of Anacortes Fiber to City of Mount Vernon City Hall**



Path B

- Segment B-1 City of Anacortes fiber from Anacortes Middle School to the Fiber data room

- Segment B-2 City of Anacortes fiber from the Fiber data room to Blue Heron reservoir site
- Segment B-3 City of Anacortes fiber from Blue Heron reservoir site to interconnection with City of Mount Vernon fiber network
- Segment B-4 City of Mount Vernon fiber from interconnection with City of Anacortes Fiber to interconnection with City of Burlington fiber network**
- Segment B-5 City of Burlington fiber from interconnection with City of Mount Vernon fiber network to edge of NoaNet fiber network



Key Terms:

- Term of this Agreement shall effective upon the Start Date and, if not terminated in accordance with other provisions of the Agreement, shall continue in effect.
- The City of Anacortes will pay the City of Mount Vernon \$350.00 per month.

Previous Council/Committee Action: N/A

Competing Viewpoints Considered: The City of Mount Vernon is the only party with direct dark fiber paths to the City of Mount Vernon's City Hall and the edge of NoaNet's network in Burlington.

Recommended Motion: I move that City Council authorize the Mayor to execute contract #20-172-FBR-001 between the City of Anacortes and the City of Mount Vernon for Dark Fiber Lease.

Alternative Actions: Not approve the agreement which would result in the City of Anacortes terminating its service orders with Island Hospital and NoaNet.

Attachments: 20-172-FBR-001

Contractor	City of Mount Vernon
Contract Amount	\$350.00/month
Earmarked Funds	\$1,925,152.85
BARS #	001.260.532.10.41
Budget Amendment Required?	No
Start Date	Inception

DARK FIBER OPTIC LICENSE AGREEMENT

This Dark Fiber Optic Lease Agreement ("**Agreement**") is made and entered into this ____ day of _____, 20__, ("**Execution Date**") by and between the City of Anacortes, a municipal corporation in the State of Washington ("**Customer**") and The City of Mount Vernon, a municipal corporation in the State of Washington ("**The City**").

Whereas, The City has the authority to construct and maintain various wire line facilities within the rights-of-way of the City; and

Whereas, The City is offering for compensation unrestricted bandwidth dark fiber optic connectivity to customers; and

Whereas, the Customer desires to obtain from the City certain fiber connectivity between locations within the City's Fiber System. The City is willing to do so under the terms and conditions set forth herein; and

Accordingly, in consideration of the mutual benefits and obligations set forth herein, the parties agree as follows:

1. DEFINITIONS.

A. "City's fiber system" means all facilities related to the City's operation of its fiber lines which are owned, operated, controlled and maintained by the City, including but not limited to fiber optic cables, equipment and all associated hardware utilized by the City.

B. "Dark Fiber" means unlit optical fiber cable strands, with connectivity from end-to-end and meeting generally accepted industry loss and performance standards, where the Customer is responsible for providing and attaching the telecommunications equipment and lasers to transmit the light to carry data via the fiber.

C. "Fiber" means optical fiber cable strands used to transmit light to carry data from end-to-end and meeting generally accepted industry loss and performance standards.

D. "Non-recurring Charges" means work done by the City in order to install and connect the City's fiber system to the Customer's site location, the charge for such work shall include all reasonable material, labor, engineering and administrative costs and applicable overheads. The City's standard billing rates for having personnel on site shall apply, and the City's cost accounting systems used for recording capital and expense activities shall be used. Any work done by the City in order to maintain and repair the fiber system located on the Customer side of the demarcation point shall be included as non-recurring charges.

E. "Plant Maintenance" means the City's fiber system owned operated and maintained by the City ending at the Customer demarcation point.

2. THE CITY RESPONSIBILITIES FOR FIBER SERVICE

The City shall provide the following "Fiber Service" to the Customer:

A. Arrange for, install, own, operate and maintain facilities necessary to provide non-exclusive rights to utilize dark fiber from the City's Fiber system to the Customer between the demarcation point for specific site locations and under specific terms and conditions for each such site location as described in Exhibit A attached to and made part of this Agreement. The demarcation point shall be at the point in which dark fiber from the City enters the Customer's real property at its property line or the property line of the real property to which the City delivers dark fiber service to the Customer and shall be the point of separation of responsibility between the City and the Customer. The City shall be responsible for everything including operations and maintenance between the City side of the demarcation point and the Customer shall be responsible for everything including operations and maintenance on the Customer side of each demarcation point as identified in Exhibit A. The Mayor or his or her designee shall have authority to approve in writing, amendments to Exhibit A removing, increasing, or amending the number of Dark Fiber access locations as the need arises during the term of the Agreement. The City shall provide all outside Plant Maintenance of fiber at no additional cost to the Customer. In addition to fiber located on the Customer side of the demarcation point, if Plant Maintenance or repair is required due to any acts of the Customer, its employees, or agents, the Customer shall be responsible for all costs of maintenance related to the specific act; and

B. Securing and maintaining any and all necessary franchises, permits, easements or agreements necessary for the use of property including the use of utility poles for the construction and maintenance of the City's fiber system. The City will deploy a standard single mode fiber optic product and will perform all work using industry standards.

3. FIBER ROUTE

The City at all times shall have sole discretion to choose the route of the fiber optic lines including routes which may not be the most direct route between the locations desired by the Customer.

4. DELIVERY OF FIBER FACILITY

When required by the City, the Customer shall promptly facilitate access to the Customer's property or the property to which the City delivers dark fiber service to the Customer at or near the demarcation point including buildings or any structure necessary to construct and maintain Fiber Service to the Customer. The City shall notify the Customer in writing when fiber has been installed and is ready for use. The date of such notification ("**Start Date**") shall be the first day that the Customer shall be billed by the City under this Agreement.

5. TERM

This Agreement shall become effective upon the Start Date stated above and, if not terminated in accordance with other provisions of this Agreement, shall continue in effect.

6. COMPENSATION

Customer shall pay a rental rate for Fiber Service from Start Date on a monthly basis, Customer

shall pay all Non-recurring charges which occur during the month. If necessary, the first invoice for service commencing on the Start Date shall be prorated. Thereafter, monthly rental and Non-recurring payments will be invoiced at the beginning of each monthly period. All payments will be due thirty (30) days from Customer's receipt of City's invoice. Exhibit A shall contain the monthly lease payment amounts and amounts for any initial Non-recurring charges to establish on site connectivity with the Customer.

7. FIBER CONNECTIVITY RESTORATION, REPAIR & MAINTENANCE

The City shall employ a reasonable standard of care to maintain continuity of the City's fiber system whenever possible. If the Customer becomes aware that fiber continuity is lost, the Customer shall notify the City immediately. If during off hours, Customer shall notify the City by pager number provided in Section 10. Once the City is notified, City shall inspect the City's fiber system and all fiber and associated equipment on Customer side of the demarcation point in order to determine the cause of loss of service. After its inspection the City shall report back to the Customer. The City shall be responsible and to re-establish continuity to the Customer in the event lack of continuity exists on the City side of the demarcation point. Customer shall be responsible to re-establish continuity of the fiber in the event lack of continuity exists on the Customer side of the demarcation point. The City shall notify the Customer if problems encountered are not due to lack of fiber continuity or is due to a lack of continuity on the Customer side of the demarcation point.

The City shall have the ability to perform emergency and regular maintenance of the City's fiber system. Such maintenance includes the potential that fiber continuity may be disrupted to the Customer for a reasonable period of time. The City shall coordinate with the Customer to schedule regular maintenance at times that are mutually convenient to both parties when such maintenance is likely to cause disruption of Fiber service to the Customer.

Customer shall grant to the City or its contractor access to Customer property or Customer shall facilitate the City's or its contractor's access to the property to which the City delivers dark fiber service to the Customer. Such access shall include the interior areas of any structures that contain fiber or fiber related equipment on the Customer side of the demarcation point in order to complete any inspection necessary to determine where or the nature of the cause of any disruption of Fiber Service to the Customer. The Customer shall provide 24/7 escorted access as necessary to repair and maintain the Customer Fiber if necessary. Customer shall fully defend, indemnify and hold harmless the City from any and all claims by third parties against the City as result of work done on property in furtherance of this Agreement which Customer provides access to the greatest extent allowed by law.

8. CREDITS FOR LOSS OF CONTINUITY

Credits for loss of continuity will not be issued by the City unless it is as a result of City's negligence. In the event of the loss of continuity as a result of the City's negligence, the Customer will be entitled to a credit per the following schedule. Such credits will be Customer's sole remedy for breach of this Agreement and constitute liquidated damages agreed by the Parties.

Duration of Loss of Continuity	Customer Credit
Less than 60 minutes	No credit
60 minutes up to 8 hours	5% credit

>8 hours up to 24 hours	10% credit
>24 hours up to 48 hours	20% credit
>48 hours	35% credit

9. TERMINATION WITHOUT CAUSE

Either Party may terminate this agreement at any time and without cause with ninety (90) days prior written notice to the other Party.

10. NOTICE

A. All notices hereunder may be delivered or mailed unless required otherwise within this Agreement. If mailed, they shall be sent to the following respective addresses:

To Mount Vernon:
Attn: City Attorney
910 Cleveland Avenue
Mount Vernon, WA 98273

E-Mail: kevinr@mountvernonwa.gov

To City of Anacortes
Attn, Contract Administrator
PO Box 547
Anacortes, WA 98221

E-Mail: matsont@cityofanacortes.org

And to:

City of Mount Vernon
Attn: Information Services Director
910 Cleveland Avenue
Mount Vernon, WA 98273
E-Mail: kimk@mountvernonwa.gov

City of Anacortes
Attn. Fiber Business Manager
PO Box 547
Anacortes, WA 98221
E-Mail: jiml@cityofanacortes.org

or to such other respective addresses as any Party hereto may hereafter from time to time designate in writing. All notices and payments mailed by regular post (including first class) shall be deemed to have been given on the third business day following the date of mailing, if properly mailed and addressed. Notices and payments sent by certified or registered mail shall be deemed to have been given on the day next following the date of mailing, if properly mailed and addressed. For all types of mail, the postmark affixed by the United States Postal Service shall be conclusive evidence of the date of mailing. For e-mail, delivery shall be the next business day after the day sent; a delivery or a read receipt shall be conclusive evidence of the date of mailing.

B. NOTIFICATION OF LOSS OF SERVICE.

In the event Customer experiences loss of fiber continuity as set forth in Section 7 of this Agreement, Customer shall notify the City by calling the following phone numbers:

- a. During Regular Business Hours (Mon-Thurs 8-5 pm Fri. 8-3:30pm): 360.419.3240
- b. During Off Hours pager number: 360.336.6230

Notices regarding loss of fiber continuity under this subsection may be hereafter changed from time to time by the City if such notice of the changes is provided in writing

11. LIMITATIONS OF LIABILITY

Notwithstanding any provision of this Agreement to the contrary, except to the extent caused by its own willful misconduct, the City shall not be liable for any special, incidental, indirect, punitive or consequential damages including, but not limited to, loss of profits or revenue, cost of capital, or claims of customers, (whether arising out of transmission interruptions or problems, any interruption or degradation of service or otherwise), whether foreseeable or not, arising out of, or in connection with either party's performance or non performance of its respective obligations under this Agreement or any other cause or nature whatsoever and all claims with respect to which such special, incidental, indirect, punitive or consequential damages are hereby specifically waived. Customer understands that loss of service or continuity or other events to the Mount Vernon Fiber System may impact or totally eliminate Customer's ability to transfer, convey, or route voice, data, audio, video or any other information or signals through Mount Vernon connections including to third parties to which it may have agreements or facilities or services internal to the Customer. The Customer further understands such risks include outages or impairment to facilities which provide critical infrastructure or services such as the Anacortes Water Treatment Plant, sewer facilities, public safety communications, connections needed to provide critical data such as medical and first responder information, and providing telecommunication services to subscribers to the Anacortes Municipal Fiber system. Customer knowingly, intelligently, and voluntarily waives any claims and assumes all risks involved in failures of connectivity including but not limited to claims of property damage, death or serious injury and is limited to the remedies set forth in Section 8.

12. CUSTOMER RESTRICTIONS ON USE OF FIBER

The City will provide dark fibers to the Customer with no bandwidth restrictions. The Customer warrants that it will use the dark fiber only for legal and authorized purposes. The fiber optic line will be provided as a discrete and dedicated connection for the Customer. The Customer cannot resell the dark fiber to any other without the written consent of The City.

13. INDEMNIFICATION

Subject to the provisions of this Agreement, Customer hereby releases and agrees to indemnify, defend, protect and hold harmless The City, its directors, officers, stockholders, agents, and employees, and its respective successors or permitted assigns from and against: (i) any and all causes of action, demands, claims, suits, losses, judgments or costs (collectively "Damages") which may be brought by or asserted by any third party against The City related to Customer's maintenance, operation or use of the Fibers, or (ii) each and every breach, or material default by Customer of any of its covenants, agreements, duties or obligations hereunder, or (iii) any violation by Customer of any regulation, rule, statute or court order of any local, state or federal governmental agency, court or body in connection with Customer's performance of its obligations under this Agreement, or (iv) damages directly attributable to the negligent act or omission or willful misconduct of Customer.

14. RESOLUTION OF DISPUTES

The Parties shall attempt to resolve by negotiation and compromise any disputes as to the validity or enforcement of any term or provision of this Agreement. Failing such compromise, such claim or assertion shall be settled by binding arbitration. Venue of any such proceeding shall be in Skagit County Washington. There shall be one arbitrator agreed upon by the parties, or if the

parties cannot agree on that arbitrator within two (2) days of the initial arbitration demand, the arbitrator shall be selected by the administrator of the American Arbitration Association ("AAA") office closest to Mount Vernon, Washington. The arbitrator selected by AAA shall reside in, or as close to, Mount Vernon, WA as practical. The arbitration shall be conducted under the AAA Commercial Arbitration Rules with Expedited Procedures in effect. The arbitrator may award injunctive relief or any other remedy available from a judge, including temporary restraining orders or injunctions or the joinder of parties or consolidation of the arbitration proceedings with any other proceedings involving common issues of law or fact or which may promote judicial economy. Pending appointment of an arbitrator, any party to a claim or assertion may apply to a court of competent jurisdiction for such interim order or relief as may be appropriate, including temporary restraining orders or injunctions, provided that once the arbitrator is appointed, all further interim relief, including temporary restraining orders or injunctions, shall be awarded by the arbitrator whose powers in that regard shall include the power to vary or dissolve any temporary order or relief granted by the court. The arbitrator in such proceedings shall award to the substantially prevailing party reasonable attorney's fees and costs incurred by the substantially prevailing party in conjunction with such dispute.

15. ASSIGNMENT & TRANSFER

The covenants and conditions herein contained shall apply to and bind the heirs, successors, executors, administrators and assigns of all of the parties hereto and all of the parties shall be jointly and severally liable hereunder. Neither party may assign this Agreement without the prior written consent of the other party which consent shall not be unreasonably withheld.

16. REPRESENTATION & WARRANTY

The signatories of this Agreement represent and warrant that they are authorized to execute this Agreement on behalf of the entities which are party to this Agreement, bind their respective entities to this Agreement; that the parties are registered to do business in the State of Washington and that the execution of this Agreement has been approved by the governing boards, members or partners, if any, of the parties to this Agreement.

17. FORCE MAJEURE

Neither party shall be in default under this Agreement if, and to the extent that, any failure or delay in such party's performance of one or more of its obligations hereunder is caused by any of the following conditions, each of which shall constitute a force majeure, and the affected party shall be released from liability and shall suffer no prejudice for the failure of performance of its obligation or obligations, and, if the construction schedule is affected, the Start Date shall be excused and extended for and during the period of any such delay: any circumstance beyond the reasonable control of the affected party, including without limitation, which materially affects the ability of the affected party to perform its obligations hereunder; any act of God; fire; flood; the adoption or amendment of government codes, ordinances, laws, rules, regulations or restrictions that materially impair the affected party's performance hereunder including lack of funding; war or civil disorder; strikes, lock-outs or other labor disputes.

18. TAXES

Customer shall pay any sales tax, B&O tax, and leasehold excise tax incurred as a result of lease revenues derived from this Agreement if applicable.

19. ENTIRE AGREEMENT

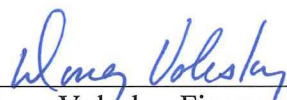
This Agreement constitutes the full and final agreement between the parties hereto and incorporates and supersedes all prior agreements and negotiations. It may not be modified or supplemented in *any* manner whatsoever, except upon the written agreement of all parties hereto.

Executed and accepted this ____ day of _____, 20__.

CITY OF MOUNT VERNON

By: 
Jill Boudreau, Mayor

Date: 8/17/2020

Attest: 
Doug Volesky, Finance Director

Date: 8-14-2020

Approved as to form and legality:


Kevin Rogerson, City Attorney

Date: 8-13-2020

CITY OF ANACORTES

By: _____
Laurie Gere, Mayor

Date: _____

Attest:

By: Steven D. Hoglund, City Clerk

Approved as to Form:

By: Darcy Swetnam, City Attorney

EXHIBIT A

TO DARK FIBER OPTIC LEASE AGREEMENT BETWEEN THE CITY OF MOUNT VERNON AND CUSTOMER

LOCATIONS / WORK PROVIDED

Dark Fiber Provided: Single mode fiber optic connectivity between the main building located at the Customer site and City right of way below:

<i>From:</i> <i>City Right of Way</i>	<i>To:</i> <i>Customer</i>	<i>Customer Contact</i>	<i>Monthly Rental Price</i>
Interconnect point between City of Anacortes fiber optic network and City of Mount Vernon fiber optic network	Interconnect point between City of Mount Vernon fiber optic network and City of Burlington fiber optic network	Jim Lemberg City of Anacortes PO Box 547 Anacortes, WA 98221 ofc: 360-588-8360 email: jiml@CityOfAnacortes.org	\$175
Interconnect point between City of Anacortes fiber optic network and City of Mount Vernon fiber optic network	City of Mount Vernon 910 Cleveland Avenue Mount Vernon, WA	Jim Lemberg City of Anacortes PO Box 547 Anacortes, WA 98221 ofc: 360-588-8360	\$175
Rack Space:	Network Switch:		

Non-Recurring Expenses: \$0

Other terms and conditions: Any additional building entry fees charged by the building owner or property management will be the responsibility of the Customer. Further, the Customer will be responsible for providing the City of Mount Vernon written permission for installation and building access.

Call Out Numbers For Loss of Continuity:

Fiber call out number: 360.336.6230



City Council Agenda Item Summary

Meeting Date: 9/8/2020

Agenda Item Number: 5a

Agenda Item Title: 2020 Utility Revenue Bond

Staff Contact(s): Steve Hoglund

Action Type: Ordinance 3075

Item Summary: Utility Bond ordinance to fund Water and Sewer projects for 2020 and 2021.

Budget Impact

Amount Budgeted:

Proposed Expenditure:

Budget Amendment Required? No

Previous Action: The needs and options for needed utility funding were discussed during the 8/12/20 City Council Finance Committee (CFC) meeting. Also, CFC discussed this ordinance, along with staff, the Financing Team, and outside Legal Counsel during the August 26, 2020 CFC meeting.

Recommended Motion: City Staff and City Financing Consultants recommend approving Ordinance 3075.

Alternative Actions: Without this ordinance, the City cannot continue with needed Utility Bond Financing

Attachments In order presented:

- Ordinance 3075

CITY OF ANACORTES, WASHINGTON

ORDINANCE NO. _____

AN ORDINANCE relating to the combined utility system of the City; providing for the issuance of its not to exceed \$____ principal amount Utility System Improvement and Refunding Revenue Bonds, 2020 to provide the funds (i) to pay or reimburse a portion of the costs of carrying out certain improvements to the water system and sewer system, as further defined herein (the “Projects”); (ii) to carry out a refunding of all or a portion of the City’s outstanding Utility System Improvement Revenue Bonds, Series 2010 (Build America Bonds – Direct Payment), and (iii) to pay the costs of issuance of the Bonds and the administrative costs of carrying out the refunding; appointing the City’s designated representative to approve the Bond Sale Terms and establishing parameters for certain of those Bond Sale Terms; authorizing the sale in a manner to be selected by the City’s designated representative; and providing for other related matters.

Passed _____, 2020

This document prepared by

STRADLING YOCCA CARLSON & RAUTH, a Professional Corporation
Seattle, Washington
www.sycr.com | 206.829.3000

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Exhibits

Exhibit A	Project Descriptions
Exhibit B	Parity Conditions
Exhibit C	Parameters for the Bond Sale Terms
Exhibit D	Continuing Disclosure Agreement

CITY OF ANACORTES, WASHINGTON

ORDINANCE NO. ____

AN ORDINANCE relating to the combined utility system of the City; providing for the issuance of its not to exceed \$____ principal amount Utility System Improvement and Refunding Revenue Bonds, 2020 to provide the funds (i) to pay or reimburse a portion of the costs of carrying out certain improvements to the water system and sewer system, as further defined herein (the “Projects”); (ii) to carry out a refunding of all or a portion of the City’s outstanding Utility System Improvement Revenue Bonds, Series 2010 (Build America Bonds – Direct Payment), and (iii) to pay the costs of issuance of the Bonds and the administrative costs of carrying out the refunding; appointing the City’s designated representative to approve the Bond Sale Terms and establishing parameters for certain of those Bond Sale Terms; authorizing the sale in a manner to be selected by the City’s designated representative; and providing for other related matters.

NOW THEREFORE, the City Council of the City of Anacortes, Washington (the “City”), do ordain as follows:

Section 1. Recitals and Findings. The City Council makes the findings and determinations set forth below. Capitalized terms that are not defined have the meanings given in Section 2 of this ordinance.

1.1 Utility System. The City of Anacortes (the “City”) now owns, operates and maintains a water supply and distribution system, a storm drainage system, garbage utility, and a sanitary sewage system. Pursuant to Ordinance No. 2763, passed and approved on May 21, 2007, these utilities were combined into a combined utility system (the “Utility System”), pursuant to RCW 35.67.320.

1.2 Outstanding Senior Lien Bonds. Pursuant to Ordinance Nos. 2842 and 2882 (collectively, the “Senior Lien Bond Ordinances”), the City previously issued its 2010 Senior Lien Bonds and its 2012 Senior Lien Bonds (each as defined below, and collectively referred to as the “Senior Lien Bonds”) which constitute a lien and charge upon the Net Revenue of the Utility System (and certain ULID assessments pledged to payment of such Senior Lien Bonds, if any) prior and superior to any other charges whatsoever, and reserved the right to issue additional Utility System revenue bonds on a parity of lien under certain conditions set forth in those ordinances. By Ordinance No. 3015 (the “2017 Parity Lien Ordinance”) the City closed the lien established pursuant to the Senior Lien Bond Ordinances, revoked the authority to issue additional Senior Lien Bonds, and established a new lien for Parity Obligations.

1.3 Outstanding Parity Obligations. Pursuant to the 2017 Parity Lien Ordinance, the City issued its Utility System Revenue Refunding Bond, 2017, which constitutes a lien and charge upon the Net Revenue subordinate to the lien of the Senior Lien Bonds but prior and superior to any other charges whatsoever, and will constitute a first priority lien and charge upon any Pledged ULID

Assessments, and reserved the right to issue additional Utility System revenue bonds on a parity of lien under certain conditions set forth in the 2017 Parity Lien Ordinance.

1.4 Water Projects; Sewer Projects. The City is in need of funds with which to finance the Water Projects and the Sewer Projects, which, together with other projects set forth in the City's Capital Improvement Plan for the Utility System, constitute the Plan of Additions.

(a) The **Water Projects** consist of certain capital improvements to the City's water system, including but not limited to (i) the construction of an additional raw water line to transport water from the Skagit River to the City's water treatment plant, (ii) the drilling of an additional clearwell, (iii) the acquisition of a water leak detection system, (iv) the acquisition of an additional property for the benefit of the water system, and (v) other water system improvements as may be approved by the City Council. The cost of the Water Projects is estimated to be approximately \$16 million, to be financed with approximately \$12 million of proceeds of the Bonds and other available funds of the water system. Construction of the Water Projects began in 2020, and it is expected to be completed on time and within budget by mid-2023. The life of the improvements comprising the Water Projects is expected to be more than 30 years.

(b) The **Sewer Projects** consist of certain capital improvements to the City's sewer system, including but not limited to (i) the construction of a new outfall pipeline for the City's wastewater treatment plant, and (ii) other sewer system improvements as may be approved by the City Council. The cost of the Sewer Projects is estimated to be approximately \$20 million, to be financed with approximately \$10 million of proceeds of the Bonds and approximately \$10 million from a combination of proceeds of future utility system revenue bonds and other available funds of the sewer system. Construction of the Sewer Projects is expected to begin in early 2021 and is expected to be completed on time and within budget in 2022. The life of the improvements comprising the Sewer Projects is expected to be more than 30 years.

1.5 Adoption of Plan of Additions. The City specifies, adopts and orders the carrying out of the Water Projects and Sewer Projects described in Exhibit A as a part of the system or plan of additions and betterments to and extensions of the Utility System. The Plan of Additions shall be carried out in accordance with the plans and specifications therefor prepared by the City's engineers and consulting engineers. The City Council may modify the details of the Plan of Additions where in its judgment it appears advisable, provided that such modifications do not substantially alter the purpose of such system or plan. The cost of the Plan of Additions, including the cost of issuance and sale of the Bonds, shall be paid from the proceeds of the Bonds, proceeds of future utility system revenue bonds and from other money available to the Utility System.

1.6 Parity Conditions Met. As a condition of issuance of the Bonds authorized herein as set forth in Section 4 and Exhibit C (Parameters for the Bond Sale Terms), the City's Designated Representative must determine that the conditions set forth in the 2017 Parity Lien Ordinance for the issuance of additional Parity Obligations have been met and satisfied as of the date the Bonds are issued and delivered to the Purchaser.

1.7 Sufficiency of Gross Revenue. The City Council finds and determines that the Gross Revenue and benefits to be derived from the operation and maintenance of the System at the rates to be charged for services from the System will be more than sufficient to meet all Operations and Maintenance Costs and to permit the setting aside into the Bond Fund out of the Gross Revenue of amounts sufficient to pay the principal of and interest on the outstanding Senior Lien Bonds and on

the outstanding Parity Obligations (including the Bonds) when due. The City Council declares that in fixing the amounts to be paid into the Bond Fund under this ordinance it has exercised due regard for Operations and Maintenance Costs and has not obligated the City to set aside and pay into the Bond Fund a greater amount of Gross Revenue of the System than in its judgment will be available over and above such Operations and Maintenance Costs.

1.8 Findings with Respect to the Refunding of the 2010 Senior Lien Bonds. Pursuant to the 2010 Senior Lien Bond Ordinance, the City previously issued Utility System Improvement Revenue Bonds, Series 2010 (Build America Bonds – Direct Payment) (the “2010 Senior Lien Bonds”) in the original aggregate principal amount \$44,300,000, in order to (i) pay a portion of the costs of upgrades to the water treatment plant and related facilities of the Utility System, (ii) fund the debt service reserve, and (iii) pay the costs of issuance and sale of the Bonds. In the 2010 Senior Lien Bond Ordinance, the City reserved the right to redeem the 2010 Senior Lien Bonds maturing on and after December 1, 2025 prior to their maturity at any time on or after December 1, 2020, at a price of par plus accrued interest to the date fixed for redemption.

1.9 Refunding Plan. Pursuant to chapter 39.53 RCW and other applicable State law, the City is authorized to carry out the Refunding Plan, and after due consideration, it appears to the City Council that, in order to achieve an overall debt service savings, it is in the best interest of the City and its ratepayers to issue and sell the combined utility system revenue bonds authorized in this ordinance, in order to refund the outstanding 2010 Senior Lien Bonds by carrying out the Refunding Plan (as defined herein). Further, to effect that refunding in the manner most advantageous to the City, the Council finds it necessary and advisable to purchase certain Acquired Obligations (as defined below), bearing interest and maturing at such time or times as may be necessary to accomplish the refunding, out of a portion of the proceeds of the Bond and other money of the City.

1.10 Issuance of the Bond. For the purposes described herein, the City Council finds that it is in the best interests of the City and its ratepayers to issue and sell the Bonds to the Purchaser, pursuant to the terms set forth in the Bond Sale Terms, as approved by the City’s Designated Representative consistent with this ordinance.

Section 2. Definitions. As used in this ordinance the following words shall have the following meanings:

“2010 Senior Lien Bond Ordinance” means Ordinance No. 2842, passed on November 10, 2010, authorizing the issuance of the 2010 Senior Lien Bonds.

“2010 Senior Lien Bonds” means the City’s Utility System Improvement Revenue Bonds, 2010 (Taxable Build America Bonds – Direct Payment), issued in the original aggregate principal amount of \$44,300,000, pursuant to the 2010 Senior Lien Bond Ordinance.

“2012 Senior Lien Bond Ordinance” means Ordinance No. 2882, passed on July 2, 2012, authorizing the issuance of the 2012 Senior Lien Bonds.

“2012 Senior Lien Bonds” means the City’s Utility System Revenue Bonds, 2012, issued in the original aggregate principal amount of \$12,320,000, pursuant to the 2012 Senior Lien Bond Ordinance.

“2017 Parity Obligation” means the City’s Utility System Revenue Refunding Bond, 2017 (Parity Obligation Lien), issued in the original principal amount of \$6,635,000 pursuant to the 2017 Parity Lien Ordinance.

“2017 Parity Lien Ordinance” means Ordinance No. 3015, passed on December 4, 2017, authorizing the issuance of the 2017 Parity Obligation.

“Acquired Obligations” means those United States Treasury Certificates of Indebtedness, Notes, and Bonds – State and Local Government Series or other Government Obligations, as identified in the Refunding Trust Agreement, which are purchased to accomplish the refunding of the Refundable Bonds as authorized by this ordinance.

“Adjusted Net Revenue” means Net Revenue, adjusted by adding (a) any amount on deposit in the Principal and Interest Account of the Senior Bond Fund and the Parity Debt Service Account on the last business day prior to the commencement of that calendar year, or (b) for current year calculations, the amount on deposit in such accounts as of a date not more than 30 days prior to the date of calculation.

“Annual Debt Service” for any calendar year means the sum of the amounts required in such calendar year to pay (a) the interest due in such calendar year on all Parity Obligations (and/or Senior Lien Bonds, as applicable) then outstanding, excluding interest to be paid from the proceeds of the sale of Parity Obligations or other bonds; (b) the principal of all Parity Obligations (and/or Senior Lien Bonds, as applicable) that are Serial Bonds coming due in such calendar year; and (c) the mandatory redemption payments scheduled for such calendar year in respect of Parity Obligations (and/or Senior Lien Bonds, as applicable) that are Term Bonds. For purposes of calculating and determining compliance with the Coverage Requirement, the Reserve Requirement and the conditions for the issuance of Future Parity Obligations, the following shall apply: (i) Annual Debt Service shall generally be calculated on a calendar year basis, beginning with the calendar year following the date of calculation; (ii) Annual Debt Service shall be reduced by the amount of all Tax Credit Subsidy Payments that are scheduled to be received by the City in respect of Tax Credit Subsidy Bonds; (iii) Annual Debt Service shall be reduced by the amount of Pledged ULID Assessments due in that calendar year and not delinquent; and (iv) Annual Debt Service shall be reduced by any amount provided to be paid from proceeds of bonds (including amounts in a refunding or defeasance escrow account), and by earnings from investments in the Senior Reserve Account and in any Parity Reserve Account.

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

“Average Annual Debt Service” means, as of its date of calculation, the sum of Annual Debt Service for all calendar years during which the applicable bonds are scheduled to remain outstanding, divided by the number of those calendar years (without regard to bond years).

“Beneficial Owner” means, with respect to any Parity Obligation at any time Outstanding, the owner of any beneficial interest in that Parity Obligation.

“Bond Counsel” means Stradling Yocca Carlson & Rauth, a Professional Corporation, or any firm of lawyers nationally recognized and accepted as bond counsel and so engaged by the City for that purpose.

“Bond Purchase Contract” means, in the case of a competitive sale, the winning bidder’s bid, together with the official notice of sale and a Pricing Certificate confirming the Bond Sale Terms. In the case of a negotiated sale, the Bond Purchase Contract may be in the form of a written offer to purchase the Bonds presented by the Purchaser and accepted by the Designated Representative, acting on behalf of the City, setting forth the Bond Sale Terms. In the case of a direct placement, the Bond Purchase Contract may be in the form of a direct placement agreement, continuing covenant agreement, or other similar form of written agreement with a direct purchaser of the Bonds.

“Bond Register” means the books or records maintained by the Bond Registrar on which are recorded the names and addresses of the Registered Owner of each of the Parity Obligations.

“Bond Registrar” means, as determined by the City’s Designated Representative, the City’s Finance Director, the Fiscal Agent, or another agent qualified to serve as registrar and to maintain the Bond Register in accordance with the Registration Ordinance.

“Bond Sale Terms” means the terms and conditions for the sale of the Bonds approved by the City’s Designated Representative consistent with the parameters set forth in Exhibit C, including the amount, date or dates, denominations, interest rate or rates (or mechanism for determining the interest rate or rates), payment dates, final maturity, redemption rights, price and other terms, conditions or covenants. The Bond Sale Terms shall be set forth in a written Bond Purchase Contract, which, in the case of a competitive sale, may include a Pricing Certificate confirming the purchase price and Bond Sale Terms.

“Bonds” means the not to exceed \$_____ aggregate principal amount Utility System Improvement and Refunding Revenue Bonds, 2020, authorized to be issued by this ordinance.

“Book-Entry Form” means a fully registered form in which physical bond certificates are registered only in the name of the Securities Depository (or its nominee), as Registered Owner, with the physical bond certificates held by and immobilized in the custody of the Securities Depository (or its designee), where the system for recording and identifying the transfer of ownership interest of the Beneficial Owners in those bonds is neither maintained by nor the responsibility of the City or the Bond Registrar.

“City” means the City of Anacortes, Washington, a code city duly organized and existing under the laws of the State.

“City Contribution” means legally available money of the City from any source other than proceeds of sale of the Bonds that is allocated to carrying out the Refunding Plan.

“City Council” means the City Council of the City.

“Code” means the Internal Revenue Code of 1986, as amended, and applicable rules and regulations promulgated thereunder.

“Common Reserve Bonds” means any Series of Future Parity Obligations that may be designated by the City as a Common Reserve Bond, secured by the Common Reserve Account. The Bonds authorized by this ordinance are not designated as Common Reserve Bonds.

“Common Reserve Account” means an account to serve as a common reserve for all Common Reserve Bonds, created and maintained within the Utility System Bond Fund for the purpose of securing Future Parity Obligations that are designated as Common Reserve Bonds. The Common Reserve Account is a Parity Reserve Account.

“Continuing Disclosure Agreement” means the written undertaking to provide continuing disclosure entered into pursuant to Section 23 of this ordinance, in substantially the form set forth in Exhibit D.

“Contract Resource Obligation” means an obligation of the City that is designated as a Contract Resource Obligation and is entered into in accordance with Section 18.

“Coverage Requirement” means that Adjusted Net Revenue in each calendar year must be equal to at least 1.25 times the Average Annual Debt Service on all then-outstanding Senior Lien Bonds and Parity Obligations.

“DTC” means The Depository Trust Company, New York, New York, or its nominee.

“Designated Representative” means the officer or employee of the City appointed in Section 4 of this ordinance to serve as the City’s designated representative in accordance with RCW 39.46.040(2) for purposes of accepting, on behalf of the City, an offer to purchase the Bond on Bond Sale Terms consistent with this ordinance and the parameters set forth herein.

“Event of Default” shall have the meaning assigned to that term in Section 22.

“Finance Director” means the person who holds the office or has the official responsibilities of Treasurer of the City or successor office.

“Fiscal Agent” means the fiscal agent of the State, as the same may be designated by the State from time to time.

“Future Parity Obligation Ordinance” means any ordinance passed by the City Council providing for the issuance and sale of a series of Future Parity Obligations, and any other ordinance amending or supplementing the provisions of any such ordinance.

“Future Parity Obligations” means all revenue bonds and other obligations of the City for borrowed money (including, without limitation, financing leases) issued or incurred after the date of the issuance of the Bonds authorized by this ordinance, the payment of which constitutes a lien and charge on the Net Revenue and Pledged ULID Assessments equal in rank with the lien and charge upon such revenue and assessments required to be paid into the Parity Obligation Debt Service Account to pay and secure the payment of the principal of and interest on the Bonds and other outstanding Parity Obligations.

“Government Obligations” means, unless otherwise limited in the Bond Purchase Contract, those obligations described under the definition of government obligations in RCW 39.53.010(4), as it now reads or hereafter may be amended, and which are otherwise lawful investments for the City at the time of such investment.

“Gross Revenue” means all of the earnings and revenues received by the City from the maintenance and operation of the Utility System from any source whatsoever, including but not

limited to revenues from the sale, lease or furnishing of commodities, services, properties or facilities; all earnings from the investment of money in the Utility System Bond Fund; earnings from the investment of money in any maintenance fund or similar fund; all connection and capital improvement charges collected for the purpose of defraying the cost of capital facilities of the Utility System; and withdrawals from the Rate Stabilization Fund. However, the Gross Revenue shall not include: (a) revenues from general ad valorem taxes; (b) principal proceeds of Parity Obligations or any other borrowings, or earnings or proceeds from any investments in a trust, defeasance or escrow fund created to defease or refund obligations relating to the Utility System (until commingled with other earnings and revenues included in the Gross Revenue) or held in a special account for the purpose of paying a rebate to the United States Government under the Code; (c) income and revenue which may not legally be pledged for revenue bond debt service; (d) improvement district assessments; (e) federal or state grants, and gifts from any source, allocated to capital projects; (f) payments under bond insurance or other credit enhancement policy or device; (g) insurance or condemnation proceeds used for the replacement of capital projects or equipment; (h) proceeds from the sale of System property; (i) earnings in any construction fund or bond redemption fund; (j) deposits to the Rate Stabilization Fund; or (k) revenue from any Separate System.

“Independent Utility Consultant” means a professional consultant experienced with municipal utilities of comparable size and character to the Utility System.

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

“Letter of Representations” means the Blanket Issuer Letter of Representations between the City and DTC, substantially in the form on file with the City Clerk, as it may be amended from time to time, and any successor or substitute letter relating to the operational procedures of the Securities Depository.

“MSRB” means the Municipal Securities Rulemaking Board.

“Maximum Annual Debt Service” means, as of the date of calculation, the maximum amount of Annual Debt Service that will mature or come due in the current calendar year or any future calendar year with respect to the relevant bonds.

“Net Revenue” for any calendar year means the Gross Revenue for that calendar year less Operations and Maintenance Costs for that calendar year plus any withdrawals from the Rate Stabilization Fund made in accordance with Section 19 of this ordinance. In calculating Net Revenue, the City shall not take into account any non-cash gains or losses with respect to any real or personal property, investment or agreement that it may be required to recognize under generally accepted accounting principles, such as unrealized mark-to-market gains and losses.

“Official Statement” means an offering document or other disclosure document required to be provided to purchasers and potential purchasers in connection with the initial offering of the Bonds in conformance with Rule 15c2-12 or other applicable regulation of the SEC.

“Operations and Maintenance Costs” means all reasonable expenses incurred by the City in causing the Utility System to be operated and maintained in good repair, working order and condition, including without limitation payments of premiums for insurance on the Utility System; costs incurred in connection with the acquisition of water or the securing of water rights; payments to any public or private entity for water service, sewage treatment and disposal service or other utility

service in the event that the City combines such service into the combined utility system and enters into a contract for such service, including pro-rata budget allocations or charges for the City's administration expenses where those represent a reasonable distribution and share of actual costs; and any State-imposed taxes. Operations and Maintenance Costs shall exclude depreciation, amortization or other similar recognitions of non-cash expense items made for accounting purposes only; taxes levied or imposed by the City; payments-in-lieu-of-taxes paid to the City; capital additions and capital replacements to the Utility System.

"Owner" means, without distinction, the Registered Owner and the Beneficial Owner.

"Parity Certificate" means a certificate delivered for purposes of satisfying the Parity Conditions.

"Parity Conditions" means (a) with reference to issuance of the Bonds as Parity Obligations, the Parity Conditions set forth in the 2017 Parity Lien Ordinance, and (b) with reference to the issuance of additional Future Parity Obligations, the conditions set forth in Exhibit B to this ordinance.

"Parity Obligation Debt Service Account" means that special fund or account created pursuant to Section 14 of the 2017 Parity Lien Ordinance within the established Utility System Bond Fund, to provide for the payment of principal of and interest on the Parity Obligations.

"Parity Obligations" means the 2017 Parity Obligation, the Bonds, and any Future Parity Obligations.

"Parity Reserve Account" means any account within the Utility System Bond Fund that may be created in the future as a debt service reserve account securing payment of the principal of and/or interest on one or more series of Parity Obligations. The Common Reserve Account (if any) is a Parity Reserve Account.

"Permitted Investments" means investments that are legal investments for the City at the time of such investment.

"Plan of Additions" means the Water Projects and the Sewer Projects, together with the other projects identified in the current Utility Capital Improvement Plan, as approved by ordinance and as may be amended or updated by future ordinances from time to time, which together constitute a system or plan of additions and betterments to and extensions of the Utility System, all as specified, adopted, and ordered to be carried out by Section 3.3 of this ordinance.

"Pledged ULID Assessments" means all utility local improvement district assessments and installments thereof (including interest and penalties on assessments) collected in respect of a ULID created to finance improvements to the Utility System, which assessments are pledged to the payment of Parity Obligations.

"Pricing Certificate" means a certificate executed by the City's Designated Representative as of the pricing date of a Series of the Bonds, confirming the Bond Sale Terms for the sale of that Series of the Bonds to the Purchaser thereof, in accordance with the parameters set forth in Exhibit C.

"Projects" means, together, the Water Projects and the Sewer Projects.

“Purchaser” means the corporation, firm, association, partnership, trust, bank, financial institution or other legal entity or group of entities selected by the Designated Representative to serve as purchaser in a direct placement, underwriter in a negotiated sale or awarded as the successful bidder in a competitive sale of a Series of the Bonds.

“Rate Stabilization Fund” means the fund described in Section 19 of this ordinance.

“Rating Agency” means Moody’s Investors Service Inc., S&P Global Ratings and/or Fitch Ratings, the recognized successors of any of the foregoing, or any other nationally-recognized securities rating agency or agencies then maintain a rating on any of the City’s then-outstanding Utility System Revenue Bonds at the request of the City.

“Redemption Date” means the date or dates as set forth in the Refunding Plan for the call, payment and redemption of the Refundable Bonds.

“Record Date” means, unless otherwise defined in the Bond Purchase Contract for the Series of the Bonds, in the case of each interest or principal payment date, the Bond Registrar’s close of business on the 15th day of the month preceding the interest or principal payment date. With regard to redemption of the Bonds prior to their maturity, the Record Date shall mean the Bond Registrar’s close of business on the day prior to the date on which the Bond Registrar sends the notice of redemption to the Registered Owners of the Bonds.

“Refundable Bonds” means the following currently outstanding maturities of the 2010 Senior Lien Bonds, the refunding of which is authorized by this ordinance:

Maturity (Dec. 1)	Principal Amount	Interest Rate	Maturity (Dec. 1)	Principal Amount	Interest Rate
2025*	11,495,000	5.579	2030*	\$13,905,000	6.479%

*Term Bonds

“Refunding Plan” means the following plan for the refunding of the Refundable Bonds, as it may be further detailed in the Refunding Trust Agreement:

(a) The deposit with the Refunding Trustee of proceeds of the City Contribution, together with those proceeds of sale of the Bonds allocated to the Refunding Plan, in an amount sufficient to acquire the Acquired Obligations and establish a beginning cash balance;

(b) The purchase by the Refunding Trustee of the maturing principal of and interest on the Acquired Obligations and the application of such amounts, together with any other cash balance held by it on the Redemption Date, to the call payment and redemption of the Refundable Bonds at a price equal to 100% of the principal amount to be redeemed plus accrued interest to that date; and

(c) At the direction of the City’s Designated Representative, the payment of the costs of issuing the Bonds and the costs of carrying out the foregoing elements of the Refunding Plan.

“Refunding Trust Agreement” means a refunding trust agreement between the City and the Refunding Trustee providing for the carrying out of the Refunding Plan.

“Refunding Trustee” means the trustee, or any successor trustee, selected by the Designated Representative to serve as refunding trustee pursuant to Section 11.

“Registered Owner” means the person in whose name a Bond is registered on the Bond Register. If the Bond is in Book-Entry Form under the Letter of Representations, Registered Owner shall mean the Securities Depository.

“Registration Ordinance” means Ordinance No. 1944 establishing a system of registration for the City’s bonds and other obligations.

“Reserve Requirement” means (a) for each Series of the Bonds, zero dollars, unless a greater amount (not to exceed the maximum dollar amount permitted by the Code to be allocated to a debt service reserve fund from tax-exempt or tax-advantaged bond proceeds, without requiring such amounts to be invested at a restricted yield) is deemed necessary or convenient by the Designated Representative and agreed to in the Bond Sale Terms for such Series; (b) for any Future Parity Obligations that are designated as Common Reserve Bonds, an incremental amount to be added to the Common Reserve Account, determined as set forth in the Future Parity Obligation Ordinance, provided that the sum of the Reserve Requirements for all Common Reserve Bonds may not exceed the maximum dollar amount permitted by the Code to be allocated to a debt service reserve fund from tax-exempt or tax-advantaged bond proceeds, without requiring such amounts to be invested at a restricted yield; and (c) for any Future Parity Obligations other than those designated as Common Reserve Bonds, an amount determined as set forth in the ordinance authorizing such Series of Future Parity Obligations, which amount may be zero.

“Reserve Security” means any bond insurance, security, letter of credit, guaranty, surety bond or similar credit enhancement device providing for or securing the payment of all or part of the principal of and interest on the Parity Obligations, issued by an institution which has been assigned a credit rating at the time of issuance of the Reserve Security that is in one of the two highest rating categories of at least one nationally recognized rating agency, without regard to any gradations within a rating category.

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

“SEC” means the United States Securities and Exchange Commission.

“Securities Depository” means DTC, any successor thereto, any substitute securities depository selected by the City (or the nominee of any of the foregoing). Any successor or substitute Securities Depository must be qualified under applicable laws and regulations to provide the services proposed to be provided by it.

“Senior Lien Debt Service Account” means the Principal and Interest Account within the Utility System Bond Fund, originally created for the purpose of paying and securing the principal of and interest on the City’s Senior Lien Bonds.

“Senior Lien Bonds” means the 2010 Senior Lien Bonds and the 2012 Senior Lien Bonds.

“Senior Lien Reserve Account” means the account of that name created in the Utility System Bond Fund.

“Separate System” means any water supply, sewage collection or treatment, stormwater or other utility service or facilities that may be created, acquired or constructed by the City as provided in Section 17 of this ordinance.

“Serial Bonds” means obligations maturing in specified years, which are not designated as Term Bonds and for which no mandatory redemption installments are scheduled.

“Series of Bonds” or **“Series”** means a series of Bonds issued pursuant to this ordinance.

“Sewer Projects” means those extensions, betterments, and improvements to the Sewer System described in Exhibit A, which is incorporated by reference.

“Significant Wholesale Customer” means any person, firm, corporation or municipal corporation under any executed contract for water or other utility service, the revenue from which contract comprises 10% or more of the Gross Revenue of the Utility System.

“State” means the State of Washington.

“State Auditor” means the office of the Auditor of the State or such other department or office of the State authorized and directed by State law to make audits.

“Tax Credit Subsidy Bond” means any bond that is designated by the City as a “build America bond” or other similar type of tax credit bond pursuant to the Code, and which is further designated as a “qualified bond” under Section 6431 of the Code (or a similar section of the Code), and with respect to which the City is eligible to receive a Tax Credit Subsidy Payment.

“Tax Credit Subsidy Payment” means the amounts which the City expects to receive as a tax credit payable by the United States Treasury to the City under Section 6431 of the Code (or a similar section of the Code), in respect of any bonds issued as Tax Credit Subsidy Bonds.

“Term Bond” means a Utility System Revenue Obligation that is subject to mandatory redemption prior to its scheduled maturity date or dates in mandatory redemption installments set forth in the Bond Purchase Contract or Pricing Certificate.

“ULID” means utility local improvement district.

“Utility System” or **“System”** means (a) the water supply and distribution system of the City, as it now exists and including all additions, betterments and extensions at any time made; (b) the sanitary sewage collection, treatment and disposal system, septic inspection and maintenance system of the City; (c) any storm and surface water drainage system of the City; (d) any garbage and refuse collection and disposal system; and (e) any other system or utility that may lawfully be combined with the foregoing. The Utility System shall not include any Separate System of the City.

“Utility System Bond Fund” means the special fund known as the Utility System Bond Fund, created pursuant to Section 10 of Ordinance No. 2763, passed on May 21, 2007, for the purpose of paying and securing the obligations of the Utility System of the City.

“Utility System Revenue Obligations” means the Senior Lien Bonds, the Parity Obligations (including the Bonds), and any other obligations that may be authorized in the future that are made payable solely from accounts within the Utility System Bond Fund.

“Water Projects” means those extensions, betterments, and improvements to the Water System described in Exhibit A, which is incorporated by reference.

Section 3. Authorization of Bonds. The City is authorized to issue the Bonds in one or more Series in an aggregate principal amount not to exceed \$_____, for the purpose of providing the funds (i) to pay or reimburse a portion of the costs of carrying out the Projects; (ii) to carry out a refunding of all or a portion of the City’s outstanding Utility System Improvement Revenue Bonds, Series 2010 (Build America Bonds – Direct Payment), and (iii) to pay the costs of issuance of the Bonds and the administrative costs of carrying out the refunding.

Section 4. Appointment of Designated Representative. For purposes of this ordinance, the Finance Director and the Mayor are each, acting independently and within the parameters set forth in Exhibit C, appointed and authorized to act as the City’s Designated Representative pursuant to RCW 39.46.040(2), to conduct the sale of the Bonds in the manner and upon the terms deemed most advantageous to the City, and to approve the Bond Sale Terms, with such additional terms and covenants, not inconsistent with Exhibit C, as the Designated Representative deems advisable.

Section 5. Bond Registrar; Registration and Transfer of Bond.

5.1 Registration of the Bond; Bond Registrar. The Bonds shall be issued only in registered form as to both principal and interest and shall be recorded on the Bond Register. The Fiscal Agent is appointed to act as Bond Registrar for each Series of the Bonds, unless otherwise determined by the Designated Representative.

5.2 Transfer and Exchange of Bonds. The Bond Registrar shall keep, or cause to be kept, sufficient books for the registration and transfer of the Bonds, which shall be open to inspection by the City at all times. The Bond Register shall contain the name and mailing address of the Registered Owner of each Bond and the principal amount and number of each of Bond held by the Registered Owner. The Bond Registrar is authorized, on behalf of the City, to authenticate and deliver those Bonds transferred or exchanged in accordance with the provisions of the Bonds and this ordinance, to serve as the City’s paying agent for the Bonds, and to carry out all of the Bond Registrar’s powers and duties under this ordinance and the Registration Ordinance.

The Bond Registrar shall be responsible for its representations contained in the Bond Registrar’s Certificate of Authentication on each Bond. The Bond Registrar may become an Owner with the same rights it would have if it were not the Bond Registrar and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as members of, or in any other capacity with respect to, any committee formed to protect the rights of Owners.

If a Bond is surrendered to the Bond Registrar, it may be exchanged for a Bond or Bonds in any Authorized Denomination of an equal aggregate principal amount and of the same interest rate, maturity and Series. The Bond may be transferred only if endorsed in the manner provided thereon and surrendered to the Bond Registrar. Any exchange or transfer shall be without cost to the Owner or transferee. The Bond Registrar shall not be obligated to exchange any Bond or transfer registered ownership during the period between the applicable Record Date and the next upcoming interest payment or redemption date.

5.3 Securities Depository; Book-Entry Only Form. Unless otherwise determined by the Designated Representative, the Bonds initially shall be issued and registered in Book-Entry Form. The Bonds so registered shall be held fully immobilized in Book-Entry Form by the Securities Depository in accordance with the provisions of the Letter of Representations. Registered ownership of a Bond held in Book-Entry Form, or any portion thereof, may not be transferred except: (i) to any successor Securities Depository appointed by the City or such substitute Securities Depository's successor; (ii) to any substitute Securities Depository appointed by the City or such substitute Securities Depository's successor; or (iii) to any person if the Bond is no longer held in Book-Entry Form. Upon the resignation of the Securities Depository from its functions as depository, or upon a determination by the Finance Director to discontinue utilizing the then-current Securities Depository, the Finance Director may appoint a substitute Securities Depository. If the Securities Depository resigns from its functions as depository and no substitute Securities Depository can be obtained, or if the Director of Finance determines not to utilize a Securities Depository, then the Bonds shall no longer be held in Book-Entry Form and ownership may be transferred only as provided herein. Nothing herein shall prevent the Bond Sale Terms from providing that a Series of the Bonds shall be issued in certificated form without utilizing a Securities Depository, and that the Bonds of such Series shall be registered as of their Issue Date in the name of the Owners thereof, in which case ownership may be transferred only as provided herein. Neither the City nor the Bond Registrar shall have any responsibility or obligation to participants of the Securities Depository or the persons for whom they act as nominees with respect to the Bonds regarding the accuracy of any records maintained by the Securities Depository or its participants of any amounts in respect of principal of or interest on the Bonds or any notice which is permitted or required to be given to Registered Owners hereunder (except such notice as is required to be given by the Bond Registrar to the Securities Depository). For so long as a Bond is held in Book-Entry Form, the Securities Depository shall be deemed to be the Registered Owner for all purposes hereunder and all references to Registered Owner shall mean the Securities Depository and shall not mean the Beneficial Owner.

5.4 Lost or Stolen Bond. In case any Bond shall be lost, stolen or destroyed, the Bond Registrar may authenticate and deliver a new bond or bonds of like amount, date, tenor, and effect to the Registered Owner(s) thereof upon the Registered Owner paying the expenses and charges of the City in connection therewith and upon filing with the Bond Registrar evidence satisfactory to the Bond Registrar that such bond or bonds were actually lost, stolen or destroyed and of Registered Ownership thereof, and upon furnishing the City with indemnity satisfactory to both.

5.5 DTC Letter of Representations. To induce DTC to accept the Bonds as eligible for deposit at DTC, the City approves the Letter of Representations. The Designated Representative is authorized and directed to execute the Letter of Representations, on behalf of the City, and to deliver it to DTC on or before the Issue Date.

Section 6. Form and Execution of Bonds. Each Bond shall be prepared in a form consistent with the provisions of this ordinance and State law. Each Bond shall be signed by the Mayor and City Clerk, either or both of whose signatures may be manual or in facsimile, and the seal of the City or a facsimile reproduction thereof shall be impressed or printed thereon. Only a Bond bearing a certificate of authentication in substantially the following form, manually signed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this ordinance: "This Bond is one of the fully registered City of Anacortes, Washington, Utility System Improvement and Refunding Revenue Bonds, 2020 [Series XX], described in [this ordinance]." The authorized signing of a Certificate of Authentication shall be conclusive evidence that the Bond so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of

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

Section 7. Payment of the Bond; Failure to Pay.

7.1 **Payment.** Principal of and interest on each Bond shall be payable in lawful money of the United States of America on the dates and in the amounts provided in the Bond Purchase Contract. Principal of and interest on each Bond issued as a Parity Obligation shall be payable solely out of the Parity Obligation Debt Service Account. The Bonds shall not be general obligations of the City. The Bonds may not be subject to acceleration under any circumstances.

7.2 **Bonds Held in Book-Entry Form.** Principal of and interest on each Bond held in Book-Entry Form is payable in the manner set forth in the Letter of Representations

7.3 **Bond Not Held in Book-Entry Form.** Interest on each Bond not held in Book-Entry Form is payable by electronic transfer on the interest payment date, or by check or draft of the Bond Registrar mailed on the interest payment date to the Registered Owner at the address appearing on the Bond Register on the Record Date. However, the City is not required to make electronic transfers except pursuant to a request by a Registered Owner in writing received on or prior to the Record Date and at the sole expense of the Registered Owner. Principal of each Bond not held in Book-Entry Form is payable upon presentation and surrender (unless waived by the City) of the Bond by the Registered Owner to the Bond Registrar.

7.4 **Failure to Pay the Bond.** If the principal of any Bond is not paid when the Bond is properly presented at its maturity or date fixed for redemption, the City shall be obligated to pay, solely from the Parity Obligation Debt Service Account, interest on that Bond at the same rate provided in the Bond from and after its maturity or date fixed for redemption until that Bond, both principal and interest, is paid in full or until sufficient money for its payment in full is on deposit in the Utility System Bond Fund, or in a trust account established to refund or defease the Bond, and the Bond has been called for payment by giving notice of that call to the Registered Owner.

Section 8. Redemption and Purchase Provisions.

8.1 **Optional Redemption.** Any of the Bonds may be subject to redemption prior to their stated maturity dates at the option of the City at the times and on the terms set forth in the applicable Bond Purchase Contract.

8.2 **Mandatory Redemption.** Any of the Bonds may be designated as Term Bonds, subject to mandatory redemption on the dates and in the amounts as set forth and confirmed in the applicable Pricing Certificate. If not redeemed or purchased at the City's option prior to maturity, a Term Bond (if any) must be redeemed, at a price equal to one hundred percent of the principal amount to be redeemed, plus accrued interest, on the dates and in the years and amounts as set forth in the Pricing Certificate. If the City optionally redeems, defeases or purchases a Term Bond prior to

maturity, the principal amount of that Term Bond that is so redeemed, defeased or purchased (irrespective of its redemption or purchase price) shall be credited against the remaining scheduled mandatory redemption installments in the manner as directed by the Finance Director. In the absence of direction by the Finance Director, credit shall be allocated to the remaining installments for that Term Bond on a *pro rata* basis.

8.3 Partial Redemption; Selection of Bonds for Redemption. If fewer than all of the outstanding Bonds of any Series are to be redeemed at the option of the City, the Finance Director shall select the Series and maturity or maturities to be redeemed. If less than all of the principal amount of a maturity of the selected Series is to be redeemed, if such Series is held in Book-Entry Form, the portion of such maturity to be redeemed shall be selected for redemption by the Securities Depository in accordance with the Letter of Representations, and if the Series is not then held in Book-Entry Form, the portion of such maturity to be redeemed shall be selected by the Bond Registrar using such method of random selection as the Bond Registrar shall determine. All or a portion of the principal amount of any Bond that is to be redeemed may be redeemed in any applicable Authorized Denomination. If less than all of the outstanding principal amount of any Bond is redeemed, upon surrender of that Bond to the Bond Registrar there shall be issued to the Registered Owner, without charge, a new Bond (or Bonds, at the option of the Registered Owner) of the same Series, seniority, maturity, and interest rate in any Authorized Denomination in the aggregate principal amount to remain outstanding.

8.4 Notice of Redemption. If a Series of the Bonds are held in Book-Entry Form, notice of redemption shall be given in accordance with the Letter of Representations. Otherwise, unless waived by the Registered Owner or unless otherwise provided in the Bond Purchase Contract, notice of any intended redemption must be given not less than 20 nor more than 60 days prior to the date fixed for redemption by first-class mail, postage prepaid, to the Registered Owner of the Bond to be redeemed (or portion thereof) at the address appearing on the Bond Register on the Record Date. The requirements of the preceding sentence shall be deemed to have been fulfilled when notice has been mailed as so provided, whether or not it is actually received by the Owner of that Bond. In addition, the redemption notice shall be mailed or sent electronically within the same period to the MSRB (if required under the Continuing Disclosure Agreement), to each Rating Agency, and to such other persons and with such additional information as the Finance Director shall determine, but these additional mailings shall not be a condition precedent to the redemption of any Bond.

8.5 Rescission of Optional Redemption Notice. In the case of an optional redemption or an extraordinary redemption, the notice of redemption may state that the City retains the right to rescind the redemption notice and the redemption by giving a notice of rescission to the affected Registered Owners at any time on or prior to the date fixed for redemption. Any notice of optional redemption that is so rescinded shall be of no effect, and each Bond (or portion thereof) for which a notice of redemption has been rescinded shall remain outstanding.

8.6 Effect of Redemption. If notice of redemption is given as provided in this ordinance and is not rescinded (as provided in Section 8.5), that Bond (or portion thereof called for redemption) shall become due on the date fixed for redemption. Interest on that Bond (or portion thereof) shall cease to accrue on the date fixed for redemption unless that Bond (or portion thereof) is not paid when properly presented.

8.7 **Purchase by City.** The City reserves the right and option to purchase any or all of the Bonds available for purchase at any time at any price acceptable to the City plus accrued interest to the date of purchase.

Section 9. Refunding or Defeasance of the Bond. The City may issue refunding bonds pursuant to the laws of the State or use money available from any other lawful source to pay when due the principal of and interest on those Parity Obligations, or any portion thereof included in a refunding or defeasance plan (the “Defeased Bonds”), and to redeem and retire, refund or defease such Defeased Bonds and to pay the costs of such refunding or defeasance. If the City deposits irrevocably with an escrow agent money and/or Government Obligations sufficient in amount, together with the earnings thereon, sufficient to pay the principal of and premium, if any, on the Defeased Bonds, together with all interest accruing thereon to the due date or redemption date, and pays or makes provision for payment of all fees, costs and expenses of that escrow agent due or to become due with respect to the Defeased Bonds, all liability of the City and the Utility System with respect to the Defeased Bonds shall cease, the Defeased Bonds shall be deemed not to be outstanding hereunder and the registered owners of the Defeased Bonds shall be restricted exclusively to the money or Government Obligations so deposited, together with any earnings thereon, for any claim of whatsoever nature with respect to the Defeased Bonds, and that escrow agent shall hold that money, Government Obligations and earnings in trust exclusively for those registered owners and that money, Government Obligations and earnings shall not secure any other Parity Obligations under this ordinance. After establishing such an escrow account, the City may apply any money in any other fund or account established for the payment or redemption of the Defeased Bonds to any lawful purposes as it shall determine, subject only to the rights of the owners of any other Parity Obligations then outstanding. Defeased Bonds shall be excluded from computation of the Coverage Requirements and other covenants under this ordinance.

Section 10. Deposit of Bond Proceeds.

10.1 **New Money Proceeds.** On the Issue Date, the proceeds of the Bonds that are allocated to the financing of the Plan of Additions shall be deposited in the appropriate water and sewer project accounts within the Utility System Funds designated by the Finance Director, and shall be used solely to pay costs of carrying out the Projects and may be used to pay costs of issuance pursuant to Section 10.3.

10.2 **Refunding Plan.** On the Issue Date, the City shall cause the proceeds of the Bonds that are allocated to carrying out the Refunding Plan to be deposited with the Refunding Trustee and used to carry out the Refunding Plan in accordance with Section 11 and the Refunding Trust Agreement.

10.3 **Costs of Issuance.** The portion of the proceeds allocable to payment of costs related to the sale, issuance, and delivery of the Bonds may be transferred to the Refunding Trustee to be used to pay such costs in accordance with an executed Refunding Trust Agreement, or may be retained by the City to be used to pay such costs directly, as the Finance Director may determine is most convenient.

10.4 **Remaining Proceeds (if any).** The proceeds of any Series of the Bonds remaining after the City makes all deposits described in this section shall be deposited into the Parity Obligation Debt Service Account to pay interest on that Series on the next interest payment date.

Section 11. Refunding of the Refundable Bonds.

11.1 Appointment of the Refunding Trustee; Selection of Refundable Bonds. The Finance Director is authorized and directed to appoint a Refunding Trustee in accordance with chapter 39.53 RCW, and the Designated Representative is authorized to execute on behalf of the City a Refunding Trust Agreement providing for the carrying out of the Refunding Plan, as defined herein and as further detailed therein.

11.2 Use of Bond Proceeds for Refunding Plan; Acquisition of Acquired Obligations. On the Issue Date, bond proceeds allocated to carrying out the Refunding Plan (together with any City Contribution) shall be deposited with the Refunding Trustee and used to discharge the obligations of the City relating to the Refundable Bonds by carrying out that Refunding Plan in accordance with the Refunding Trust Agreement. The Acquired Obligations (if any) shall be listed and more particularly described in an exhibit attached to the Refunding Trust Agreement, shall conform to the requirements of the 2010 Senior Lien Bond Ordinance, and are subject to substitution as set forth below. Any Bond proceeds or other money deposited with the Refunding Trustee not needed to carry out the Refunding Plan (or to pay administrative costs and costs of issuance) shall be returned to the City for deposit in the Parity Obligation Debt Service Account to pay interest on the Bonds on the next upcoming interest payment date.

11.3 Substitution of Acquired Obligations. The City reserves the right at any time to substitute cash or other Government Obligations conforming to the requirements of the 2010 Senior Lien Bond Ordinance ("Substitute Obligations") for any of the Acquired Obligations if the City obtains, (a) an opinion of Bond Counsel to the effect that the interest on the Bonds and the Refundable Bonds will remain excluded from gross income for federal income tax purposes under Sections 103, 148 and 149(d) of the Code, and (b) a verification by a nationally recognized independent certified public accounting firm that such substitution will not impair the timely payment of the amounts required to be paid by the Refunding Plan. Any surplus money resulting from the sale, transfer, other disposition or redemption of the Acquired Obligations and the substitutions therefor shall be released from the trust estate and transferred to the City to be used for any lawful City purpose.

11.4 Refunding Trust Agreement; Administration of Refunding Plan. The Designated Representative is authorized to execute a Refunding Trust Agreement setting forth the duties, obligations and responsibilities of the Refunding Trustee in connection with the carrying out of the Refunding Plan. The Refunding Trust Agreement may, among other things, authorize and direct the Refunding Trustee to purchase the Acquired Obligations (or Substitute Obligations) and shall direct the Refunding Trustee to make the payments required to be made by the Refunding Plan. The money deposited with the Refunding Trustee (and Acquired Obligations or Substitute Obligations acquired therewith) and any income therefrom shall be held irrevocably, invested and applied in accordance with the provisions of the applicable 2010 Senior Lien Bond Ordinance, this ordinance, chapter 39.53 RCW and other applicable State law. All administrative costs (including without limitation all necessary and proper fees, compensation and expenses of the Refunding Trustee for the Bonds and all other costs incidental to the setting up of the escrow to accomplish the Refunding Plan) and costs of issuance of the Bonds may be paid out of the amounts deposited with the Refunding Trustee or other available money of the City, in accordance with the Refunding Trust Agreement.

11.5 Call for Redemption of the Refundable Bonds. The Finance Director is authorized to take all action necessary to call the Refundable Bonds for redemption on the Redemption Date in

accordance with the 2010 Senior Lien Bond Ordinance and this ordinance. Such call for redemption shall identify the Refundable Bonds, the maturity dates, the Redemption Date and redemption price (expressed as a percentage of par, plus accrued interest), and shall be irrevocable after the Bonds are delivered to the Purchaser. The Finance Director is authorized and directed to give or cause to be given such notices as may be required, at the times and in the manner required pursuant to the applicable 2010 Senior Lien Bond Ordinance, and to take all other actions necessary to effect the redemption of the Refundable Bonds on the Redemption Date.

11.6 Refunding Conditions and Findings Required. The City Council finds and determines that upon the findings made by the Designated Representative pursuant to this subsection, the Refunding Plan will discharge and satisfy the obligations, pledges, charges, trusts, covenants and agreements of the City under the 2010 Senior Lien Bond Ordinance as to the Refundable Bonds, and the Refundable Bonds shall no longer be deemed to be outstanding under the 2010 Senior Lien Bond Ordinance immediately upon the deposit of the money specified in the Refunding Plan with the Refunding Trustee. Prior to approving the sale of the Bonds, the Designated Representative must determine in writing that, in his or her judgment, each of the following conditions are met:

(a) The Redemption Date is the earliest practical date on which the Refundable Bonds may be called for redemption.

(b) The savings that will be effected (as measured by the difference between the principal and interest cost over the life of the Bonds and the principal and interest cost over the life of the Refundable Bonds but for such refunding) shall be equal to at least the percentage savings set forth in Exhibit A. In making such determination, the Designated Representative shall give consideration to the fixed maturities (and scheduled mandatory principal redemptions) of the Bonds and the Refundable Bonds, the costs of issuance of the Bonds and the known earned income from the investment of the proceeds of the issuance and sale of the Bonds pending payment and redemption of the Refundable Bonds.

(c) The Refunding Plan to be effected by the issuance and sale of the Bonds will provide sufficient funds to discharge and satisfy the obligations of the City under the 2010 Senior Lien Bond Ordinance. In making such determination, the Designated Representative may rely upon a certification of the City's financial advisor or an independent verification agent.

Section 12. Security for the Bond.

12.1 Pledge of Net Revenue and Pledged ULID Assessments. The Bonds shall be special limited obligations of the City payable from and secured solely by the Net Revenue and all Pledged ULID Assessments (if any) and money in the Parity Obligation Debt Service Account and any subaccounts created therein. The Bonds are not Common Reserve Bonds and are not secured by any amounts in a Parity Reserve Account or other debt service reserve account. The Net Revenue and Pledged ULID Assessments (if any) are pledged to make the payments into the Parity Obligation Debt Service Account required by this ordinance. This pledge constitutes a charge and lien upon such Net Revenue that is subordinate to the lien and charge in respect of the Senior Lien Bonds, and is prior and superior to all other liens and charges whatsoever, and constitutes a first priority charge and lien upon the Pledged ULID Assessments. The Bond shall not constitute a general obligation of the City, the State or any political subdivision of the State or a charge upon any general fund or upon any money or other property of the City, the State, or any political subdivision of the State not specifically pledged by this ordinance.

12.2 **Lien Position.** The Bonds shall be issued on parity of lien with any Future Parity Obligations, without regard to date of issuance or authorization and without preference or priority of right or lien. The City further covenants that, for as long as any Parity Obligations remain outstanding, it will not issue any additional Senior Lien Bonds or any other revenue obligations (or create any special fund or account therefor), which will have any priority over or which will rank on a parity with the payments required in respect of the Parity Obligations, and that it will issue Future Parity Obligations only accordance with the Parity Conditions. Nothing in this ordinance prevents the City from issuing revenue bonds or other obligations which are a charge or lien upon Net Revenue subordinate to the payments required to be made from Net Revenue into the Parity Obligation Debt Service Account and the subaccounts therein.

Section 13. Flow of Funds; Priority of Expenditure of Gross Revenue. The Gross Revenue shall be deposited as received in the combined Utility System Funds created for each component utility, and used for the following purposes only and applied in the following order of priority:

13.1 To pay the Operations and Maintenance Costs;

13.2 To make all payments into the Senior Lien Bond Principal and Interest Account required to be made in order to pay the interest on and principal of all Senior Lien Bonds when due;

13.3 To make all payments required to be made into the Senior Lien Reserve Account, all payments required to be made under any agreement relating to the provision of Reserve Security, and all payments required to be made under any reimbursement agreement with a Reserve Security provider that requires those payments to be made on a parity with the payments required to be made into the Senior Lien Reserve Account;

13.4 To make all payments required to be made into the Parity Obligation Debt Service Account in respect of the interest on and principal of all Parity Obligations when due;

13.5 To make all payments required to be made into any Parity Reserve Account and to make payments due under any reimbursement agreement with the provider of a Reserve Security that requires those payments to be made on a parity with the payments to be made into a Parity Reserve Account;

13.6 To make when due the required payments to be made into any revenue bond, note warrant or other revenue obligation redemption fund, debt service account or reserve account created to pay and secure the payment of any revenue bonds, warrants, notes or other obligations of the Utility System having a charge upon the Net Revenue junior and inferior to the charge thereon for the payment of the principal of and premium (if any), and interest on the Senior Lien Bonds and the Parity Obligations, in any priority not inconsistent with this ordinance, that the City may hereafter establish by ordinance; and

13.7 Without priority, to any of the following purposes: to retire by redemption or purchase any outstanding revenue bonds or revenue obligations of the Utility System; to make necessary additions, betterments, improvements, repairs, extensions, and replacements of the Utility System; to pay City taxes or other payments in lieu of taxes payable from Gross Revenue; to make deposits to the Rate Stabilization Account; or for any other lawful purpose of the Utility System.

Section 14. The Utility System Bond Fund; Parity Obligation Debt Service Account Created. The Utility System Bond Fund was previously created within the City treasury by the Ordinance No. 2763, passed on May 21, 2007 (authorizing the issuance of the 2007 Senior Lien Bonds and creating accounts within that Fund securing payment of the principal of and interest the Senior Lien Bonds).

14.1 Parity Obligation Debt Service Account Created. For the sole purpose of paying and securing payment of the Parity Obligations, the 2017 Parity Lien Ordinance created the Parity Obligation Debt Service Account in the Utility System Bond Fund. The Finance Director may create additional sinking fund accounts or other subaccounts in the Parity Obligation Debt Service Account to pay or secure the payment of Future Parity Obligations, so long as the maintenance of such accounts does not conflict with the rights of the owners of Parity Obligations or the Senior Lien Bonds. The Finance Director may create Parity Reserve Accounts within the Utility System Bond Fund to additionally secure payment of Future Parity Obligations, in accordance with the ordinances authorizing their issuance.

14.2 Required Payments into the Parity Obligation Debt Service Account. So long as any Parity Obligation remains outstanding, the City obligates and binds itself to set aside and pay into the Parity Obligation Debt Service Account all Pledged ULID Assessments and, out of the Net Revenue, certain fixed amounts without regard to any fixed proportion, namely, on or before each debt service payment date an amount which, together with Pledged ULID Assessments and other money on deposit therein, will be sufficient to pay the principal of and interest on the Parity Obligations (including the Bonds) coming due and payable on such debt service payment date, including mandatory redemption amounts due on that date with respect to any Parity Obligation that is a Term Bond. If the City fails to set aside and pay into the Parity Obligation Debt Service Account the amounts set forth, the Registered Owner of an outstanding Parity Obligation may bring action against the City and compel the setting aside and payment.

14.3 Investment of Money in Parity Obligation Debt Service Account and Parity Reserve Account(s) (if any). All money in the Parity Obligation Debt Service Account and any Parity Reserve Account may be kept in cash or invested in Permitted Investments maturing not later than the date when needed (for investments in the Parity Obligation Debt Service Account) or the last maturity of any outstanding Parity Obligations (for investments in the Parity Reserve Account). In no event shall any money in the Parity Obligation Debt Service Account, any Parity Reserve Account or any other money reasonably expected to be used to pay principal of and/or interest on the Parity Obligations be invested at a yield which would cause any Series issued as Tax-Exempt Bonds or Tax Credit Subsidy Bonds to be arbitrage bonds within the meaning of Section 148 of the Code. Income from investments in the Parity Obligation Debt Service Account shall be deposited in that account. Income from investments in any Parity Reserve Account shall be retained in that account until the amount therein is equal to the Reserve Requirement for all Parity Obligations secured by that account, and thereafter shall be deposited in the Parity Obligation Debt Service Account. Notwithstanding the provisions for deposit or retention of earnings in the Parity Obligation Debt Service Account or Parity Reserve Account, any earnings which are subject to a federal tax or rebate requirement may be withdrawn from such account for deposit in a separate fund or account for that purpose. If no longer required for such rebate, money in that separate fund or account shall be returned to the Parity Obligation Debt Service Account or Parity Reserve Account, as applicable.

Section 15. Covenants. The City covenants and agrees with the Owner of the Bond, as follows:

15.1 **Maintenance and Operation.** The City will pay all Operations and Maintenance Costs and will at all times maintain and keep the Utility System in good repair, working order and condition, and also will at all times operate such utility and the business in connection therewith in an efficient manner and at a reasonable cost.

15.2 **Rates and Charges.**

(a) **Debt Service Coverage.** The City will establish, maintain, revise as necessary, and collect such rates and charges for the services furnished by the Utility System (including those furnished under contract with wholesale customers) sufficient to produce Net Revenue that meets or exceeds the Coverage Requirement.

(b) **Significant Wholesale Customer Contracts.** The City will not reduce any rate or charge for services of the Utility System as is now established by the existing rate ordinance or ordinances of the City, or any contract with a Significant Wholesale Customer, if such change would substantially reduce the annual Net Revenue below that which would have been obtained before such change unless the City has on file a certificate from an Independent Utility Consultant, stating that after such change, the Net Revenue will remain sufficient to comply with all the covenants and requirements of this ordinance, including the Coverage Requirement.

(c) **No Free Service.** Except to aid the poor or infirm, to provide for resource conservation or to provide for the proper handling of hazardous materials, the City will not furnish or supply or permit the furnishing or supplying of any service or facility in connection with the operation of the Utility System free of charge to any person, firm or corporation, public or private, other than the City, so long as any Utility System Revenue Bond remain outstanding.

15.3 **Pledged ULID Assessments.** The City will collect promptly all Pledged ULID Assessments (if any). Such assessments may be used to pay the principal or interest on any Parity Obligations without those assessments being particularly allocated to the payment of principal or interest on any particular series of Parity Obligations.

15.4 **Restrictions on Sale or Disposition of Utility System.** The City will not sell, lease, mortgage or in any manner encumber or dispose of all the property of the Utility System unless provision is made for payment into the Utility System Bond Fund of a sum sufficient to pay the principal of and interest on all then-outstanding Utility System Revenue Bonds. Furthermore, it will not sell, lease, mortgage, or in any manner encumber or dispose of any part of the property of the Utility System that is used, useful and material to its operation, unless provision is made (a) for the replacement of that portion of the Utility System, or (b) for the payment into the Utility System Bond Fund of an amount bearing the same ratio to the principal amount of then-outstanding Utility System Revenue Bonds as the amount of Net Revenue available for debt service derived during the preceding 12 month period from that portion of the Utility System bears to the total Net Revenue available for debt service for such bonds for the same period. Any such money so paid into the Utility System Bond Fund shall be used to retire Utility System Revenue Bonds at the earliest possible date and may be invested to the same extent and in the same manner as provided for the investment of money in the Utility System Bond Fund until so used.

15.5 **Books and Accounts.** The City will keep proper and separate accounts and records in which complete and separate entries shall be made of all transactions relating to the Utility System. Upon request of any Registered Owner of a Utility System Revenue Bond, it also will furnish a copy

of the most recently completed audit of the City's accounts by the State Auditor of Washington, or such other audit as is authorized by law in lieu thereof.

15.6 **Insurance.** The City will at all times carry fire and such other forms of insurance on such of the buildings, equipment, facilities and properties of the Utility System as are ordinarily carried on such buildings, equipment, facilities, and properties by utilities engaged in the operation of similar utility systems to the full insurable value thereof, and also will carry adequate public liability insurance (and war risk insurance if available at reasonable rates) at all times. The premiums on such insurance policies are declared to be a normal part of Operations and Maintenance Costs.

Section 16. Future Parity Obligations. The City reserves the right to issue Future Parity Obligations if the Parity Conditions are met and complied with at the time of the issuance of those Future Parity Obligations. If Future Parity Obligations are being issued for the sole purpose of refunding Utility System Revenue Bonds (including costs of issuance and providing for the Reserve Requirement, if any), no Parity Certificate is required if, as result of the issuance of those Future Parity Obligations, (a) the Annual Debt Service on the Future Parity Obligations to be issued is not increased by more than \$5,000 over the Annual Debt Service for that year of the Utility System Revenue Bonds being refunded, and (b) the final maturity of the Future Parity Obligations will not extend more than one year longer than the Utility System Revenue Bonds being refunded.

Nothing in this ordinance shall prevent the City from issuing Future Parity Obligations to refund maturing Utility System Revenue Bonds then outstanding, money for the payment of which is not otherwise available. Furthermore, nothing in this ordinance shall prevent the City from issuing revenue bonds or other obligations that are a charge upon the Gross Revenue of the Utility System subordinate to the payments required to be made into the Utility System Bond Fund for the payment of the Utility System Revenue Bonds, or from pledging the payment of ULID assessments into a bond redemption fund created for the payment of the principal of and interest on those subordinate bonds or obligations if such ULID assessments are levied for improvements constructed from the proceeds of those subordinate bonds.

Section 17. Separate Utility Systems. The City may create, acquire, construct, finance, own and operate one or more additional systems for water supply, sewer service, water, sewage or stormwater transmission, treatment or other commodity or utility service. The revenue of that Separate System, and any ULID assessments payable solely with respect to improvements to a Separate System, shall not be included in the Gross Revenue and may be pledged to the payment of revenue obligations issued to purchase, construct, condemn or otherwise acquire or expand the Separate System. The Net Revenue may be pledged to the payment of any obligations issued to finance a Separate System only on a basis subordinate to the lien of the Parity Obligations.

Section 18. Contract Resource Obligations. The City may at any time enter into one or more Contract Resource Obligations for the acquisition, from facilities to be constructed or improved by the use of payments under such Contract Resource Obligations, of any water, wastewater, stormwater, solid waste or other utility commodity or service relating to the Utility System, as follows:

18.1 The City may determine that, and may agree under a Contract Resource Obligation to provide that, all payments under that Contract Resource Obligation (including payments prior to the time that water, wastewater, stormwater, solid waste or other utility service is being provided, or during a suspension or after termination of supply or service) shall be an Operations and

Maintenance Cost if the payments required to be made under the Contract Resource Obligation are not subject to acceleration and the following additional requirements are met at the time such a Contract Resource Obligation is entered into:

(a) No event of default has occurred and is continuing under the terms of any debt obligation of the City in respect of the Waterworks Utility; and

(b) There is on file a certificate of an independent licensed professional engineer or engineering firm stating that in his, her or its professional opinion: (i) the payments to be made by the City in connection with the Contract Resource Obligation are reasonable for the supply or transmission rendered; (ii) the source of any new supply, and any facilities to be constructed to provide the supply or transmission, are sound from a water or other commodity supply or transmission planning standpoint, are technically and economically feasible in accordance with prudent utility practice, and are likely to provide supply, transmission or service no later than a date set forth in the independent licensed professional engineer's certification; and (iii) the Net Revenue of the Utility System will be sufficient to meet the Coverage Requirement for each of the five Fiscal Years following the Fiscal Year in which the Contract Resource Obligation is incurred, where the calculation of Net Revenue (A) takes into account the adjustments to Gross Revenue permitted in the Parity Certificate, and (B) adjusts the Operations and Maintenance Costs by the independent licensed professional engineer's estimate of the payments to be made in accordance with the Contract Resource Obligation.

18.2 Nothing in this section shall prevent the City from entering into other agreements for the acquisition of water supply, transmission or other commodity or service relating to the Waterworks Utility from existing facilities and from treating those payments as an Operations and Maintenance Cost.

18.3 Nothing in this section shall prevent the City from entering into other agreements for the acquisition of water, wastewater, stormwater, solid waste or other utility commodity or service relating to the Utility System from facilities to be constructed and from agreeing to make payments with respect thereto, such payments constituting a lien and charge on the Net Revenue subordinate to that of the Parity Obligations.

Section 19. Rate Stabilization Fund. There has been previously created and established in the City treasury a Rate Stabilization Fund. The City may at any time, as determined by the Finance Director and consistent with Section 13 of this ordinance, deposit into the Rate Stabilization Fund amounts from Gross Revenue and any other money received by the Utility System and available to be used for that purpose, excluding principal proceeds of any Future Parity Obligations. No deposit shall be made into the Rate Stabilization Fund to the extent that such deposit would prevent the City from meeting the Coverage Requirement in the relevant calendar year.

The Finance Director may at any time, upon authorization by ordinance withdraw money from the Rate Stabilization Fund for inclusion in the Net Revenue for the current fiscal year of the Utility System, except that the total amount withdrawn from the Rate Stabilization Fund in any calendar year may not exceed the total debt service of the Utility System Revenue Bonds in that year. Such deposits or withdrawals may be made up to and including the date 90 days after the end of the calendar year for which the deposit or withdrawal will be reflected in the calculation of Net Revenue.

Earnings from investments in the Rate Stabilization Fund shall be deposited in that fund and shall not be included as Net Revenue unless and until withdrawn from that fund as provided in this section. The Finance Director may also deposit earnings from investments in the Rate Stabilization Fund into any System fund as authorized by ordinance, and such deposits shall be included as Net Revenue in the year of deposit.

Section 20. Federal Tax Covenants.

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

20.2 Post-Issuance Compliance. The Finance Director is authorized and directed to review and update the City's written procedures to facilitate compliance by the City with the covenants in this ordinance and the applicable requirements of the Code that must be satisfied after the Issue Date to prevent interest on the Bonds from being included in gross income for federal tax purposes.

Section 21. Amendatory and Supplemental Ordinances. This ordinance may not be supplemented or amended in any respect subsequent to the Issue Date for so long as the Bonds remain outstanding, except in accordance with and subject to the provisions of this section.

21.1 Amendments Without Bond Owner Consent. From time to time and at any time, without the consent of or notice to any owners of any Parity Obligation, the City may supplement or amend this ordinance and the related bond documents for any of the purposes set forth in this subsection. Any such supplement or amendment may be passed, adopted, or otherwise approved by the City without requiring the consent of the registered owners of any Parity Obligations, but may become effective only upon receipt by the City of an opinion of Bond Counsel stating that such supplement or amendment is authorized or permitted by this ordinance and, upon the effective date thereof, will be valid and binding upon the City in accordance with its terms, and will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the affected Parity Obligations (if applicable). The types of supplements and amendments permitted under this subsection are as follows:

(a) To cure any formal defect, omission, inconsistency, or ambiguity in a manner not adverse to the owners of any Parity Obligations;

(b) To impose upon the Bond Registrar (with its consent) for the benefit of the owners of Parity Obligations any additional rights, remedies, powers, authority, security, liabilities, or duties which may lawfully be granted, conferred, or imposed and which are not contrary to or inconsistent with this ordinance as theretofore in effect;

(c) To add to the covenants and agreements of, and limitations and restrictions upon, the City in the bond documents, other covenants, agreements, limitations and restrictions to be observed by the City which are not contrary to or inconsistent with this ordinance as theretofore in effect;

(d) To confirm, as further assurance, any pledge under (and the subjection to any claim, lien, or pledge created or to be created by) this ordinance on any other money, securities, or funds;

(e) To alter the Authorized Denominations for any Parity Obligations and to make correlative amendments and modifications regarding exchangeability of the Bonds for different authorized denominations, redemptions of portions of Bonds in particular authorized denominations, and similar amendments and modifications of a technical nature;

(f) To comply with any future federal law or interpretation to preserve the exclusion of the interest on any Parity Obligations issued and sold as Tax-Exempt Bonds from gross income for federal income tax purposes, or to preserve the entitlement of the City to receive applicable Tax Credit Subsidy Payments in respect of any series of Parity Obligations issued and sold as Tax Credit Subsidy Bonds;

(g) To add to the covenants and agreements of (or limitations and restrictions upon) the City, such additional or alternative covenants, agreements, limitations, or restrictions to be observed by the City as the City may determine are necessary or convenient to accommodate a provider of Qualified Insurance or provider of a Reserve Security and which are not materially adverse to the owners of any Parity Obligations; and

(h) To modify, alter, amend or supplement the ordinance and related bond documents in any other respect which is not materially adverse to the owners of the Parity Obligations and which does not involve a change described in subsection 21.3.

21.2 Amendments With Bond Owner Consent. With the consent of registered owners of not less than 60% in aggregate principal amount of the Parity Obligations then outstanding, the City may pass, adopt, or otherwise approve any supplement or amendment (other than amendments requiring unanimous consent as set forth in subsection 21.3) that is deemed necessary or desirable by the City for the purpose of modifying, altering, amending, supplementing, or rescinding, in any particular, any of the terms or provisions contained in any ordinance authorizing the issuance of Parity Obligations or the related bond documents other than those terms and provisions described in subsection 21.3.

21.3 Amendments Prohibited Except Upon Unanimous Consent. Unless approved in writing by or on behalf of the registered owner of each Parity Obligation then outstanding, nothing contained in this section shall permit, or be construed as permitting (a) a change in the times, amounts, or currency of payment of the principal of or interest on any outstanding Parity Obligation, (b) a reduction in the principal amount or redemption price of any outstanding Parity Obligation,

(c) a change in the method of determining the rate of interest thereon (other than a conversion to a new interest rate made in accordance with the applicable ordinance and related documents), (d) a preference or priority of any Parity Obligation over any other Parity Obligation, or (e) a reduction in the percentage of the aggregate principal amount of the then-outstanding Parity Obligations required to effect a change under subsection 21.2.

21.4 Notice to Bond Owners. If at any time the City passes, adopts, or otherwise approves a supplement or amendment for any of the purposes of subsection 21.2 or 21.3, the Bond Registrar shall cause notice of the proposed supplement or amendment to be given by first class mail (a) to all registered owners of the then outstanding Parity Obligations, (b) to each provider of a Reserve Security (if any), and (c) to each Rating Agency then providing a rating on the Parity Obligations. Such notice shall briefly set forth the nature of the proposed supplement or amendment and shall state that a copy is on file at the office of the City Clerk for inspection by all owners of the then outstanding Parity Obligations.

21.5 Effective Date; Consents. Any supplement or amendment, substantially as described in the notice mailed pursuant to subsection 21.4, may go into effect upon delivery to the Bond Registrar of (a) the required consents, in writing, of registered owners of the Parity Obligations, and (b) an opinion of Bond Counsel stating that such supplement or amendment is authorized or permitted by this ordinance and will not adversely affect the exclusion from gross income for federal income tax purposes of interest on any Tax-Exempt Bonds. Upon the effective date thereof, such supplement or amendment will be valid and binding upon the City in accordance with its terms.

21.6 Effect of Amendment. If registered owners of not less than the percentage of Parity Obligations required by this section shall have consented to and approved such a supplement or amendment, no owner of any Parity Obligation shall have any right (a) to object to the passage, adoption, or approval of such supplement or amendment, (b) to object to any of the terms and provisions contained therein or the operation thereof, (c) in any manner to question the propriety of the passage, adoption, or approval thereof, (d) to enjoin or restrain the City from passing, adopting, or otherwise approving the same, or (e) to enjoin or restrain the City, any authorized official thereof, or the Bond Registrar from taking any action pursuant to the provisions thereof. It shall not be necessary to obtain approval of the particular form of any proposed supplement, but it shall be sufficient if the consent shall approve the substance thereof. Upon the effective date of any supplement or amendment, this ordinance or the related bond document shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations of the City and all owners of Parity Obligations then outstanding shall thereafter be determined, exercised, and enforced in accordance with and subject in all respects to such modifications and amendments. All the terms and conditions of any such supplement or amendment shall be deemed to be a part of this ordinance and the bond documents for any and all purposes.

Section 22. Defaults and Remedies.

22.1 Events of Default. Each of the following shall constitute an Event of Default with respect to the Bond:

(a) If a default is made in the payment of the principal of or interest on the Bond when the same shall become due and payable; or

(b) If the City defaults in the observance and performance of any other of the covenants, conditions and agreements on the part of the City set forth in this ordinance or in the Bonds, and such default or defaults have continued for a period of six months after the City has received from the Registered Owners of the Bonds (or a Bondowners' Trustee for the outstanding Parity Obligations, as defined in subsection 22.3) a written notice specifying and demanding the cure of such default. However, if the default in the observance and performance of any other of the covenants, conditions and agreements is one which cannot be completely remedied within the six months after written notice has been given, it shall not be an Event of Default with respect to the Bonds as long as the City has taken active steps within the six months after written notice has been given to remedy the default and is diligently pursuing such remedy.

22.2 No Acceleration. Nothing contained in this section shall, in any event or under any circumstance, be deemed to authorize the acceleration of the maturity of principal on the Parity Obligations, and the remedy of acceleration is expressly denied to the registered owners of the Parity Obligations under any circumstances including, without limitation, upon the occurrence and continuance of an Event of Default.

22.3 Limitations on Remedies. The City reserves the right to issue Future Parity Obligations limiting the remedies of the Owners of Parity Obligations (including the Bonds) upon an Event of Default, as follows:

(a) **Bondowners' Trustee.** If an Event of Default has occurred and has not been remedied, a bondowners' trustee (the "Bondowners' Trustee") may be appointed by the registered owners of 25% or more in principal amount of the then outstanding Parity Obligations, by an instrument or concurrent instruments in writing signed and acknowledged by such registered owners of the Parity Obligations or by their attorneys-in-fact duly authorized and delivered to such Bond Owners' Trustee, notification thereof being given to the City. That appointment shall become effective immediately upon acceptance thereof by the Bond Owners' Trustee. Any Bond Owners' Trustee appointed under the provisions of this subsection shall be a bank or trust company organized under the laws of the State of Washington or the State of New York or a national banking association. The bank or trust company acting as Bond Owners' Trustee may be removed at any time, and a successor Bond Owners' Trustee may be appointed, by the registered owners of a majority in principal amount of the Parity Obligations, by an instrument or concurrent instruments in writing signed and acknowledged by such registered owners of the Parity Obligations or by their attorneys-in-fact duly authorized. The Bond Owners' Trustee may require such security and indemnity as may be reasonable against the costs, expenses and liabilities that may be incurred in the performance of its duties. If, in the sole judgment of the Bond Owners' Trustee, any Event of Default is cured and the Bond Owners' Trustee furnishes to the City a certificate so stating, that Event of Default shall be conclusively deemed to be cured and the City, the Bond Owners' Trustee and the registered owners of the Parity Obligations shall be restored to the same rights and position which they would have held if no Event of Default had occurred. The Bond Owners' Trustee appointed in the manner herein provided, and each successor thereto, is declared to be a trustee for the registered owners of all the Parity Obligations and is empowered to exercise all the rights and powers herein conferred on the Bond Owners' Trustee.

(b) **Suits at Law or in Equity.** Upon the occurrence of an Event of Default and during the continuance thereof, the Bond Owners' Trustee may, and upon the written request of the registered owners of not less than 25% in principal amount of the Parity Obligations outstanding shall, take such steps and institute such suits, actions or other proceedings, all as it may deem

appropriate for the protection and enforcement of the rights of the registered owners of the Parity Obligations, to collect any amounts due and owing to or from the City, or to obtain other appropriate relief, and may enforce the specific performance of any covenant, agreement or condition contained in this ordinance or set forth in any of the Parity Obligations. Any action, suit or other proceedings instituted by the Bond Owners' Trustee hereunder shall be brought in its name as the Bond Owners' Trustee and all such rights of action upon or under any of the Parity Obligations or the provisions of this ordinance may be enforced by the Bond Owners' Trustee without the possession of any of those Parity Obligations and without the production of the same at any trial or proceedings relative thereto except where otherwise required by law. Any such suit, action or proceeding instituted by the Bond Owners' Trustee shall be brought for the ratable benefit of all of the registered owners of those Parity Obligations, subject to the provisions of this ordinance. The respective registered owners of the Parity Obligations, by taking and holding the same, shall be conclusively deemed irrevocably to appoint the Bond Owners' Trustee the true and lawful trustee of the respective registered owners of those Parity Obligations, with authority to institute any such action, suit or proceeding; to receive as trustee and deposit in trust any sums becoming distributable on account of those Parity Obligations; to execute any paper or documents for the receipt of money; and to do all acts with respect thereto that the registered owner himself or herself might have done in person. Nothing herein shall be deemed to authorize or empower the Bond Owners' Trustee to consent to accept or adopt, on behalf of any owner of the Parity Obligations, any plan of reorganization or adjustment affecting the Parity Obligations or any right of any registered owner thereof, or to authorize or empower the Bond Owners' Trustee to vote the claims of the registered owners thereof in any receivership, insolvency, liquidation, bankruptcy, reorganization or other proceeding to which the City is a party.

(c) **Application of Money Collected by Bond Owners' Trustee.** Any money collected by the Bond Owners' Trustee at any time pursuant to this section shall be applied in the following order of priority: (i) to the payment of the charges, expenses, advances and compensation of the Bond Owners' Trustee and the charges, expenses, counsel fees, disbursements and compensation of its agents and attorneys; (ii) to the payment to the persons entitled thereto of all installments of interest then due on the Parity Obligations in the order of maturity of such installments and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon to the persons entitled thereto, without any discrimination or preference; and (iii) to the payment to the persons entitled thereto of the unpaid principal amounts of any Parity Obligations which shall have become due (other than Parity Obligations previously called for redemption for the payment of which money is held pursuant to the provisions of the applicable bond documents), whether at maturity or by proceedings for redemption or otherwise, in the order of their due dates and, if the amount available shall not be sufficient to pay in full the principal amounts due on the same date, then to the payment thereof ratably, according to the principal amounts due thereon to the persons entitled thereto, without any discrimination or preference.

(d) **Duties and Obligations of Bond Owners' Trustee.** The Bond Owners' Trustee shall not be liable except for the performance of such duties as are specifically set forth herein. During an Event of Default, the Bond Owners' Trustee shall exercise such of the rights and powers vested in it hereby, and shall use the same degree of care and skill in its exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs. The Bond Owners' Trustee shall have no liability for any act or omission to act hereunder except for the Bond Owners' Trustee's own negligent action, its own negligent failure to act or its own willful misconduct. The duties and obligations of the Bond Owners' Trustee shall be determined solely by the express provisions of this ordinance, and no implied powers, duties or obligations of the Bond

Owners' Trustee shall be read into this ordinance. The Bond Owners' Trustee shall not be required to expend or risk its own funds or otherwise incur individual liability in the performance of any of its duties or in the exercise of any of its rights or powers as the Bond Owners' Trustee, except as may result from its own negligent action, its own negligent failure to act or its own willful misconduct. The Bond Owners' Trustee shall not be bound to recognize any person as a registered owner of any Parity Obligation until his or her title thereto, if disputed, has been established to its reasonable satisfaction. The Bond Owners' Trustee may consult with counsel and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel. The Bond Owners' Trustee shall not be answerable for any neglect or default of any person, firm or corporation employed and selected by it with reasonable care.

(e) **Suits by Individual Parity Obligation Owners Restricted.** No owner of any one or more Parity Obligations shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of same unless: (i) an Event of Default has happened and is continuing; (ii) a Bond Owners' Trustee has been appointed; (iii) such owner previously shall have given to the Bond Owners' Trustee written notice of the Event of Default on account of which such suit, action or proceeding is to be instituted; (iv) the registered owners of 25% in principal amount of the Parity Obligations, after the occurrence of such Event of Default, have made written request of the Bond Owners' Trustee and have afforded the Bond Owners' Trustee a reasonable opportunity to institute such suit, action or proceeding; (v) there have been offered to the Bond Owners' Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby; and (vi) the Bond Owners' Trustee has refused or neglected to comply with such request within a reasonable time. No owner of any Parity Obligation shall have any right in any manner whatever by his or her action to affect or impair the obligation of the City to pay from Net Revenue the principal of and interest on such Parity Obligations to the respective registered owners thereof when due.

Section 23. Sale and Delivery of the Bonds; Official Statement; Continuing Disclosure.

23.1 **Manner of Sale of Bonds; Delivery of Bonds.** The Designated Representative is authorized to sell each Series of Bonds by negotiated sale, direct placement or competitive sale, based on the assessment of the Designated Representative of market conditions, in consultation with appropriate City officials, staff, municipal advisors, Bond Counsel and other advisors. In determining the method of sale and accepting the Bond Sale Terms, the Designated Representative shall take into account those factors that, in the judgment of the Designated Representative, may be expected to result in the lowest true interest cost to the City.

23.2 **Procedure for Competitive Sale.** If the Designated Representative determines that a Series of Bonds are to be sold by competitive sale, the Designated Representative shall cause the preparation of an official notice of bond sale setting forth bid parameters that the Designated Representative deems appropriate consistent with this ordinance. Bids for the purchase of the Bonds shall be received at such time or place and by such means as the Designated Representative directs. On the date and time established for the receipt of bids, the Designated Representative (or the designee of the Designated Representative) shall accept bids and shall cause the bids to be mathematically verified. The Designated Representative is authorized to award, on behalf of the City, the winning bid and to accept the winning bidder's offer to purchase the Bonds with such adjustments to the aggregate principal amount and principal amount per maturity as the Designated

Representative deems appropriate consistent with the terms of this ordinance. The Designated Representative may reject any or all bids submitted and may waive any formality or irregularity in any bid or in the bidding process if the Designated Representative deems it to be in the City's best interest to do so. If all bids are rejected, the Bonds may be sold pursuant to negotiated sale or in any manner provided by law as the Designated Representative determines is in the best interest of the City, within the parameters set forth in this ordinance.

23.3 Procedure for Negotiated Sale or Direct Placement. If the Designated Representative determines that a Series of Bonds is to be sold by negotiated sale or direct placement, the Designated Representative shall select one or more Purchasers with which to negotiate such sale. The Bond Purchase Contract shall set forth the Bond Sale Terms. The Designated Representative is authorized to execute and deliver the Bond Purchase Contract on behalf of the City, so long as the terms provided therein are consistent with the terms of this ordinance.

23.4 Preparation, Execution and Delivery of the Bonds. The Bonds will be prepared at City expense and will be delivered to the Purchaser in accordance with the Bond Purchase Contract, together with the approving legal opinion of Bond Counsel regarding the Bonds.

23.5 Official Statement.

(a) **Preliminary Official Statement.** The Designated Representative and other appropriate City officials are directed to cause the preparation of and review the form of a preliminary Official Statement in connection with each sale of one or more Series to the public. For the sole purpose of an underwriter's compliance with paragraph (b)(1) of Rule 15c2-12, if applicable, the Designated Representative is authorized to deem that preliminary Official Statement final as of its date, except for the omission of information permitted to be omitted by Rule 15c2-12. The City approves the distribution to potential purchasers of the Bonds of a preliminary Official Statement that has been deemed final in accordance with this subsection.

(b) **Final Official Statement.** The City approves the preparation of a final Official Statement for the Bonds to be sold to the public in the form of the preliminary Official Statement that has been deemed final in accordance with subsection (a), with such modifications and amendments as the Designated Representative deems necessary or desirable, and further authorizes the Designated Representative to execute and deliver such final Official Statement to the Purchaser, if required under Rule 15c2-12. The City authorizes and approves the distribution by the Purchaser of the final Official Statement so executed and delivered to purchasers and potential purchasers of the Bonds.

23.6 Agreement to Provide Continuing Disclosure. If necessary to meet the requirements of paragraph (b)(5) of Rule 15c2-12, as applicable to the Purchaser acting as a participating underwriter for the Bonds, the Designated Representative is authorized to execute a written undertaking to provide continuing disclosure for the benefit of holders of the Bonds (the "Continuing Disclosure Agreement") in substantially the form attached as Exhibit D.

Section 24. General Authorization and Ratification. The Designated Representative and other appropriate officers of the City are severally authorized to take such actions and to execute such documents as in their judgment may be necessary or desirable to carry out the transactions contemplated in connection with this ordinance, and to do everything necessary for the prompt delivery of the Bond to the Purchaser (including approving additional terms, conditions or covenants

as set forth in Exhibit C) and for the proper application, use and investment of the proceeds of the Bonds. All actions taken prior to the effective date of this ordinance in furtherance of the purposes described in this ordinance and not inconsistent with the terms of this ordinance are ratified and confirmed in all respects.

Section 25. Severability. The provisions of this ordinance are declared to be separate and severable. If a court of competent jurisdiction, all appeals having been exhausted or all appeal periods having run, finds any provision of this ordinance to be invalid or unenforceable as to any person or circumstance, such offending provision shall, if feasible, be deemed to be modified to be within the limits of enforceability or validity. However, if the offending provision cannot be so modified, it shall be null and void with respect to the particular person or circumstance, and all other provisions of this ordinance in all other respects, and the offending provision with respect to all other persons and all other circumstances, shall remain valid and enforceable.

Section 26. Effective Date. This ordinance shall take effect and be in force from and after its passage and five days following its publication as provided by law.

PASSED by the City Council of the City of Anacortes, Washington, at a regular open public meeting thereof on the ____ day of _____, 2020, and signed in authentication of its passage this ____ day of _____, 2020.

Mayor

AUTHENTICATED:

City Clerk

APPROVED AS TO FORM:

Bond Counsel

Exhibit A

Water Projects

The Water Projects consist of certain capital improvements to the City's water system, including but not limited to (i) the construction of an additional raw water line to transport water from the Skagit River to the City's water treatment plant, (ii) the drilling of an additional clearwell, (iii) the acquisition of a water leak detection system, (iv) the acquisition of an additional property for the benefit of the water system, and (v) other water system improvements as may be approved by the City Council.

Sewer Projects

The Sewer Projects consist of certain capital improvements to the City's sewer system, including but not limited to (i) the construction of a new outfall pipeline for the City's wastewater treatment plant, and (ii) other sewer system improvements as may be approved by the City Council. The cost of the Sewer Projects is estimated to be approximately \$20 million, to be financed with approximately \$10 million of proceeds of the Bonds and approximately \$10 million from a combination of proceeds of future utility system revenue bonds and other available funds of the sewer system.

Exhibit B

Parity Conditions

The City may issue Future Parity Obligations only for lawful Utility System purposes and only if the following conditions are met and complied with at the time of the issuance of those Future Parity Obligations:

(a) There must be no deficiency in the Utility System Bond Fund and there must be no event of default, nor any event or condition that with notice and the passage of time would constitute an event of default, which shall have occurred and be continuing, nor may the issuance of those Future Parity Obligations in and of itself cause an event of default or an event or condition which with notice and the passage of time would constitute an event of default.

(b) The Future Parity Obligation Ordinance must provide that all Pledged ULID Assessments is to be paid directly into the Parity Obligation Debt Service Account.

(c) The Future Parity Obligation Ordinance must provide for the payment of the principal of and interest on such Parity Obligations out of the Parity Obligation Debt Service Account.

(d) If the Future Parity Obligations are to be secured by a Parity Reserve Account, the Future Parity Obligation Ordinance must provide for the deposit into the Reserve Account of any combination of Future Parity Obligation proceeds, Reserve Securities and other legally available money, in the amounts and at the times necessary to satisfy the Reserve Requirement for those Future Parity Obligations.

(e) There must be on file with the City a Parity Certificate, prepared by either:

(i) The City Finance Director, demonstrating that the Coverage Requirement was satisfied during any twelve consecutive calendar months out of the immediately preceding 24 calendar months, assuming that (A) those Future Parity Obligations were outstanding and that the debt service payable on those Future Parity Obligations in that 12 month period was equal to the Average Annual Debt Service on those Future Parity Obligations, and (B) any Parity Obligations to be refunded by those Future Parity Obligations are not outstanding; or

(ii) An Independent Utility Consultant, which may take into account the adjustments described below, stating that in his or her opinion (which opinion and underlying assumptions shall be set forth in the certificate), the Coverage Requirement will be satisfied (assuming that those Future Parity Obligations are outstanding and any Parity Obligations to be refunded by those Future Parity Obligations are not outstanding) (A) in each of the calendar years for the five calendar years next following the earlier of: (I) the year in which those Future Parity Obligations are issued (or, if interest is capitalized, the end of the period during which the interest on those Future Parity Obligations is fully capitalized), (II) the date on which substantially all new facilities or improvements financed in substantial part by those Future Parity Obligations are expected to commence operations; and (B) in the calendar year in which those Future Parity Obligations are issued and any subsequent year prior to but not included in the years for which certification is provided. In determining whether the City is able to comply with the terms of the

Parity Conditions, the coverage certificate required above may take into account the following adjustments to the historical Net Revenue:

A. Any change in Utility System rates and charges that has taken place or been adopted by ordinance or contract may be reflected, including any changes in the rates charged to any Significant Wholesale Customer in effect and being charged, or expected to be charged in accordance with a program of specific levels or increase (or decreases) in overall revenue.

B. Revenue from customers added or projected to be added to the Utility System after the relevant 12 month period, including revenue from new Significant Wholesale Customers, may be adjusted to reflect one year's Net Revenue allocable to those new customers.

C. A full year's revenue may be included on a *pro forma* basis from any customer being served but who has not been receiving service for the full period of operation used as a basis for the certificate.

D. Actual or reasonably anticipated changes in the Operations and Maintenance Costs subsequent to the relevant 12 month period shall be added or deducted, as is applicable.

E. Net Revenue allocable to any person, firm, corporation or municipal corporation under any executed contract for water or other utility service, which revenue was not included in the historical Net Revenue, may be included in Net Revenue.

F. Transfers into or out of the Rate Stabilization Fund may be taken into account, and those amounts may be added to or deducted from Net Revenues, as applicable.

Exhibit C

Parameters for the Bond Sale Terms

- (a) **Principal Amount.** The Bonds may be issued in one or more Series. The aggregate principal amount of the Bonds shall not exceed \$_____, and the refunding portion shall not exceed the amount necessary to carry out the refunding and pay the costs of issuance and administrative costs of carrying out the Refunding Plan.
- (b) **Date or Dates.** Each Series of the Bonds shall be dated its Issue Date, which date may not be later than December 31, 2021.
- (c) **Denominations, Name, etc.** Each Series of the Bonds shall be issued in Authorized Denominations and shall be numbered in such manner and shall bear such name and additional designation as deemed necessary or appropriate by the Designated Representative.
- (d) **Interest Rate(s).** Each Series of the Bonds shall bear interest at fixed or variable rates from the Issue Date or from the most recent date for which interest has been paid or duly provided for, whichever is later, as set forth in the Bond Purchase Contract for that Series. One or more rates of interest may be fixed for a Series of the Bonds. The rate of interest for any Bond may not exceed 5.00% and the true interest cost to the City may not exceed 4.00%.
- (e) **Payment Dates.** Interest shall be payable at least semiannually on dates acceptable to the Designated Representative as set forth in a Bond Purchase Contract. Principal payments shall commence on a date acceptable to the Designated Representative and shall be payable at maturity or in mandatory redemption installments on dates acceptable to the Designated Representative as set forth in a Bond Purchase Contract.
- (f) **Final Maturity.** The final maturity shall not extend beyond December 1, 2045.
- (g) **Redemption Rights.** The Designated Representative may approve in a Bond Purchase Contract provisions for the optional and mandatory redemption of Bonds, subject to the following:

(1) Optional Redemption. The Designated Representative may designate any Bond as subject to optional redemption prior to its maturity. Any Bond that is subject to optional redemption prior to maturity must be callable on at least one or more date(s) occurring not more than 10½ years after the Issue Date, consistent with Section 8.1.

(2) Mandatory Redemption. The Designated Representative may designate any Bond as a Term Bond, subject to mandatory redemption prior to its maturity on the dates and in principal payment amounts set forth in mandatory redemption payments, consistent with Section 8.2.

(h) **Price.**

The purchase price for any Series of the Bonds may not be less than 98% or more than 135% of the stated principal amount of that Series.

(j) **Other Terms and Conditions.**

(1) Expected Life of Capital Facilities. As of the Issue Date of each Series, the Designated Representative must find to his or her satisfaction that the average expected life of the capital facilities to be financed with the proceeds (or allocable share of proceeds) of that Series exceeds the weighted average maturity of such Series (or share thereof allocated to financing those capital facilities).

(2) Satisfaction of Parity Conditions. The Designated Representative must determine that the Parity Conditions have been met or satisfied as of the Issue Date for each Series.

(3) Refunding Conditions. The Designated Representative must find that:

(a) The net present value savings that will be effected (as measured by the difference between the principal and interest cost over the life of the Bonds allocable to the Refunding Plan and the principal and interest cost over the life of the Refunded Bonds, but for such refunding) shall be at least equal to 3.00%. In making such determination, the Designated Representative shall give consideration to the fixed maturities of the Bonds and the Refunded Bonds, the costs of issuance of the Bonds and the known earned income from the investment of the proceeds of the

Bonds pending redemption of the Refunded Bonds.

- (b) The Refunding Plan will provide sufficient funds to discharge and satisfy the obligations of the City under the Refunded Bond Ordinance. In making such determination, the Designated Representative may rely upon a certification or verification by a nationally recognized independent certified public accounting firm or a certification provided by the City's municipal advisor.

4) Additional Credit Enhancement, Terms, Conditions and Agreements. The Designated Representative may determine whether it is in the City's best interest to provide for a Reserve Requirement that is greater than zero, for bond insurance or other credit enhancement, or for the purchase of a Reserve Security; and may accept such additional terms, conditions, and covenants as he or she may determine are in the best interests of the City, consistent with this ordinance.

Exhibit D

Form of Continuing Disclosure Agreement

The City of Anacortes, Washington (the “City”) makes the following written undertaking (the “Undertaking”) for the benefit of the Owners of the City’s Utility System Improvement and Refunding Revenue Bonds, 2020 [Series XX] (the “Bonds”), for the sole purpose of assisting the underwriter in meeting the requirements of paragraph (b)(5) of United States Securities and Exchange Commission (the “SEC”) Rule 15c2-12 (the “Rule 15c2-12”), as applicable to a participating underwriter for the Bonds. Capitalized terms used but not defined below shall have the meanings given in Ordinance _____ (the “Bond Ordinance”).

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

(i) Annual financial information and operating data of the type included in the final official statement for the Bonds as generally described in subsection (b) below (the “Annual Financial Information”). If audited financial statements are unavailable, the timely filing of unaudited financial statements shall satisfy the requirements and filing deadlines set forth below, and the City agrees to file audited financial statements if and when they are otherwise prepared and available to the City.

(ii) Timely notice (not in excess of ten business days after the occurrence of the event) of the occurrence of any of the following events with respect to the Bonds: (a) principal and interest payment delinquencies; (b) non-payment related defaults, if material; (c) unscheduled draws on debt service reserves reflecting financial difficulties; (d) unscheduled draws on credit enhancements reflecting financial difficulties; (e) substitution of credit or liquidity providers, or their failure to perform; (f) adverse tax opinions, the issuance by the IRS of proposed final determinations of taxability, Notice of Proposed Issue (IRS Form 5701 – TEB) or the material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (g) modifications to rights of holders of the Bonds, if material; (h) Bond calls (other than scheduled mandatory redemptions of Term Bonds), if material, and tender offers; (i) defeasances; (j) release, substitution, or sale of property securing repayment of the Bonds, if material; (k) rating changes; (l) bankruptcy, insolvency, receivership or similar event of the City, as such “Bankruptcy Events” are defined in Rule 15c2-12; (m) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (n) appointment of a successor or additional trustee or the change of name of a trustee, if material; (o) default, event of acceleration, termination event, modification of terms or other similar events under the terms of a Financial Obligation (as such term is defined below) of the City, any of which reflect financial difficulties; and (p) incurrence of a Financial Obligation of the City or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation of the City, any of which affect security holders.

For purposes of this Undertaking, the term “Financial Obligation” means: (a) a debt obligation; (b) a derivative instrument entered into in connection with, or pledged as security or a

source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b). The term “Financial Obligation” does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12 and the issuer thereof has entered into a continuing disclosure undertaking for such municipal securities.

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

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

(i) Will consist of (1) annual financial statements prepared (except as noted in the financial statements) in accordance with applicable generally accepted accounting principles applicable to local governmental units of the State such as the City, as such principles may be changed from time to time, which statements may be unaudited, provided, that if and when audited financial statements are prepared and available they will be provided; [(2) *additional utility information and operating data of the type included in the Official Statement, to be identified based upon completed Official Statement*];

(ii) Will be provided to the MSRB not later than the last day of August after the end of each fiscal year of the City (currently, a fiscal year ending December 31), as such fiscal year may be changed as required or permitted by State law, commencing with the City’s fiscal year ending December 31, 20__; and

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

(c) Amendment of Continuing Disclosure Agreement. This Undertaking is subject to amendment after the primary offering of the Bonds without the consent of any Owner or holder of any Bond, or of any broker, dealer, municipal securities dealer, participating underwriter, rating agency or the MSRB, under the circumstances and in the manner permitted by Rule 15c2-12, as follows: (i) the amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the City, or type of business conducted; (ii) the undertaking, as amended, would have complied with the requirements of Rule 15c2-12 at the time of the primary offering, after taking into account any amendments or interpretations of Rule 15c2-12, as well as any change in circumstances; and (iii) the amendment does not materially impair the interests of holders, as determined either by parties unaffiliated with the City (e.g., bond counsel or other counsel familiar with federal securities laws), or by approving vote of bondholders pursuant to the terms of the Bond Ordinance at the time of the amendment.

The City will give notice to the MSRB of the substance (or provide a copy) of any amendment to this Undertaking and a brief statement of the reasons for the amendment. If the amendment changes the type of annual financial information to be provided, the annual financial information containing the amended financial information will include a narrative explanation of the effect of that change on the type of information to be provided.

(d) Beneficiaries. This Undertaking shall inure to the benefit of the City and any Owner of Bonds, and shall not inure to the benefit of or create any rights in any other person.

(e) Termination of Continuing Disclosure Agreement. The City's obligations under this Undertaking will terminate upon the legal defeasance, prior redemption, or payment in full of all of the Bonds. In addition, the City's obligations under this Undertaking will terminate if those provisions of Rule 15c2-12 which require the City to comply with this Undertaking become legally inapplicable in respect of the Bonds for any reason, as confirmed by an opinion of nationally recognized bond counsel or other counsel familiar with federal securities laws delivered to the City, and the City provides timely notice of such termination to the MSRB.

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

(g) Designation of Official Responsible to Administer Undertaking. The Finance Director of the City (or such other officer of the City who may in the future perform the duties of that office) or their designee is the person designated, in accordance with the Bond Ordinance, to carry out this Undertaking of the City in respect of the Bonds set forth in this section and in accordance with Rule 15c2-12, including, without limitation, the following actions:

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

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

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

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

(v) Effecting any necessary amendment of the Undertaking.

CERTIFICATION

I, the undersigned, City Clerk of the City of Anacortes, Washington (the “City”), hereby certify as follows:

1. The attached copy of Ordinance No. ____ (the “Ordinance”) is a full, true and correct copy of an ordinance duly passed at a regular meeting of the City Council of the City held at the regular meeting place thereof on _____, 2020, as that ordinance appears on the minute book of the City; and the Ordinance will be in full force and effect five days after the publication of its summary in the City’s official newspaper; and

2. A quorum of the members of the City Council was present throughout the meeting and a majority of those members present voted in the proper manner for the passage of the Ordinance.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of _____, 2020.

CITY OF ANACORTES, WASHINGTON

City Clerk



City Council Agenda Item Summary

Meeting Date: 9/8/2020

Agenda Item Number: 5b

Agenda Item Title: Ordinance No. 3074 An Ordinance Amending Section 1.30.080 of the Anacortes Municipal Code Regarding Executing Contracts for Dark Fiber Leases and Telecommunication Contracts

Staff Contact(s): Darcy Swetnam & Emily Schuh

Approved by: Steve Hoglund, Darcy Swetnam

Action Type: Ordinance 3074

Item Summary:

City Council and staff desire to streamline the contracting process for dark fiber leases and telecommunication agreements. This ordinance provides parameters in which the Mayor is authorized to enter into dark fiber leases or telecommunication contracts. Feedback from the August 24, 2020 City Council meeting and September 27, 2020 Council Fiber committee meeting are incorporated in to the proposed document.

Budget Impact

Amount Budgeted:

Proposed Expenditure:

Budget Amendment Required?

Previous Action: [August 24, 2020](#) Presented draft to City Council. Feedback on the ordinance has been incorporated into the document.

Recommended Motion: I move to approve Ordinance No. 3074 which amends Section 1.30.080 of the Anacortes Municipal Code regarding executing contracts for Dark Fiber Leases and Telecommunication Contracts.

Alternative Actions: Take no action and all Dark Fiber Leases and Telecommunication Contracts require council approval

Attachments In order presented:

- Ordinance 3074

Ordinance No. 3074
An Ordinance Amending Section 1.30.080 of the Anacortes Municipal Code
Regarding Executing Contracts for Dark Fiber Leases and Telecommunication
Contracts

Whereas the City Council of the City of Anacortes desires to provide reliable, high-speed internet to the residents and businesses of Anacortes, for the benefit and growth of economic and community goals; and

Whereas as part of the City of Anacortes municipal fiber system, the City Council anticipates having excess fiber infrastructure available for dark fiber leases or certain telecommunications services; and

Whereas the City Council desires to streamline the contracting process for dark fiber leases and telecommunication agreements.

Now, therefore, the City Council of the City of Anacortes does ordain as follows:

Section 1. Anacortes Municipal Code Section 1.30.080 revised to read as follows:

1.30.080 **Approval of municipal fiber contracts.**

A. Mayor Approval.

a. The Mayor is authorized to approve the following contracts:

i. Dark Fiber Leases: Leases for customer use of unactivated deployed fiber within the City Network through which the City transmits neither light nor any other signal, provided that:

1. The lease is for no more than eight (8) strands per each Lessee;

2. The lease term is for no more than 5 (five) years;

3. The requested lease will not interfere with the City's ability to provide residential and commercial fiber service to all potential subscribers;

4. The lease is on a form approved by the City Attorney.

ii. Telecommunication Contracts: Contracts for the provision of telecommunications services available through the City Network, including contracts for "point-to-point Ethernet service," "Dedicated Internet Access service," and "static

IPv4 addresses,” provided that such contracts are on forms approved by the City Attorney.

- b. Any contract that the Mayor is not authorized to approve pursuant to this Section must be approved pursuant to the remaining provisions of this chapter.

B. Director of Fiber Department Approval.

- a. The Director of the Fiber Department is authorized to approve contracts that meet all of the following criteria:
- i. The contract is exclusively for the city's provision of residential and business-class internet services, and may include a right of entry for access to customer premises to complete connection work.
 - ii. The contract includes the Master Service Agreement approved by the City Attorney.
- b. Any contract that the Director of the Fiber Department is not authorized to approve must be approved pursuant to the remaining provisions of this chapter.

Section 2. This ordinance shall take effect five (5) days from and after its passage, approval and publication in the manner required by law.

PASSED and APPROVED this ____ day of _____, 2020.

CITY OF ANACORTES:

Laurie Gere, Mayor

Attest:

Steve Hoglund, City Clerk-Treasurer

Approved as to Form:

Darcy Swetnam, WSBA #40530 City
Attorney

Ordinance No. 3074
An Ordinance Amending Section 1.30.080 of the Anacortes Municipal Code
Regarding Executing Contracts for Dark Fiber Leases and Telecommunication
Contracts

Whereas the City Council of the City of Anacortes desires to provide reliable, high-speed internet to the residents and businesses of Anacortes, for the benefit and growth of economic and community goals; and

Whereas as part of the City of Anacortes municipal fiber system, the City Council anticipates having excess fiber infrastructure available for dark fiber leases or certain telecommunications services; and

Whereas the City Council desires to streamline the contracting process for dark fiber leases and telecommunication agreements.

Now, therefore, the City Council of the City of Anacortes does ordain as follows:

Section 1. Anacortes Municipal Code Section 1.30.080 revised to read as follows:

1.30.080 Approval of municipal fiber contracts.

A. Mayor Approval.

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a. The Mayor is authorized to approve the following contracts:

i. Dark Fiber Leases: Leases for customer use of unactivated deployed fiber within the City Network through which the City transmits neither light nor any other signal, provided that:

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1. The lease is for no more than eight (8) strands per each Lessee;

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2. The lease term is for no more than 5 (five) years;

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3. The requested lease will not interfere with the City's ability to provide residential and commercial fiber service to all potential subscribers;

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4. and that The lease is on a form approved by the City Attorney.

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ii. Telecommunication Contracts: Contracts for the provision of telecommunications services available through the City Network, including contracts for "point-to-point Ethernet

service," "Dedicated Internet Access service," and "static IPv4 addresses," provided that such contracts are on forms approved by the City Attorney.

- b. Any contract that the Mayor is not authorized to approve pursuant to this Section must be approved pursuant to the remaining provisions of this chapter.

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B. Director of Fiber Department Approval.

- a. The Director of the Fiber Department is authorized to approve contracts that meet all of the following criteria:
- i. The contract is exclusively for the city's provision of residential and business-class internet services, and may include a right of entry for access to customer premises to complete connection work.
 - ii. The contract includes the Master Service Agreement approved by the City Attorney.
- b. Any contract that the Director of the Fiber Department is not authorized to approve must be approved pursuant to the remaining provisions of this chapter.

Section 2. This ordinance shall take effect five (5) days from and after its passage, approval and publication in the manner required by law.

PASSED and APPROVED this ____ day of _____, 2020.

CITY OF ANACORTES:

Laurie Gere, Mayor

Attest:

Steve Hoglund, City Clerk-Treasurer

Approved as to Form:

Darcy Swetnam, WSBA #40530 City
Attorney



City Council Agenda Item Summary

Meeting Date: 9/8/2020

Agenda Item Number: 5c

Agenda Item Title: Thompson Train Purchase Proposals

Staff Contact(s): Bret Lunsford, Darcy Swetnam

Action Type: Discussion; Presentation

Item Summary: Staff seeks Council direction on how to move forward with the Train. The City received a purchase offer from Bret Iwan, which expires on September 10, 2020. The Anacortes Railway Group has also expressed interest in developing a proposal to purchase the Train, wanting to operate it in Anacortes. Currently, Council may decide to accept the Iwan offer; reject the Iwan offer, either formally or by taking no action; or request an additional extension from Bret Iwan.

Budget Impact

Amount Budgeted:

Proposed Expenditure:

Budget Amendment Required? No

Previous Action: September 3, 2019 - Purchase offer from Bret Iwan sent to Council

[March 9, 2020](#) - Council heard presentation from Bret Iwan on purchase offer

March 20, 2020 - City received purchase offer extension from Bret Iwan

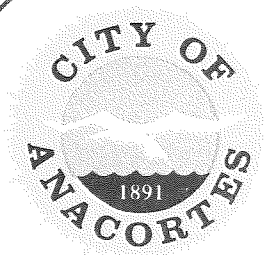
June 16, 2020 - City receives additional offer extension from Bret Iwan, with September 10, 2020 expiration

Recommended Motion: No recommended motion at this time. Staff can help Council develop a motion once Council determines which action to take.

Alternative Actions: Accept offer, reject offer, or request additional time.

Attachments In order presented:

- 2012 Train Agreement by which the Train was donated to the City
- 2019 MOA between the City and Anne Thompson to allow the Train to be sold
- Purchase offer from Bret Iwan
- Iwan purchase offer Extension
- Anacortes Railway Group proposal overview
- 2020 letter from Anne Thompson
- 2020 letter from Headen Thompson



ANACORTES MUSEUM

Promoting and inspiring an understanding and appreciation of the History of Fidalgo and Guemes Islands.

1305 8th STREET, ANACORTES, WA 98221-1833
<http://museum.cityofanacortes.org>
Phone: (360) 293-1915
Fax: (360) 293-1929

National Historic Landmark
W.T. Preston Snagboat and
Heritage Center, 9th & A Ave.

June 21, 2012

Mrs. Anne Thompson
1904 47th Street
Seattle, WA 98116

Dear Anne,

Thank you for contacting the City of Anacortes to discuss the future of the ~~Tommy Thompson~~ Train. *Thomas G Thompson, Jr.*

It is our understanding that:

- you are offering to transfer complete ownership of the ~~Tommy Thompson~~ Train, comprised of one engine and three cars, to the City of Anacortes by way of donation. *Thomas G Thompson, Jr.*

The City of Anacortes agrees:

- the "Train" will be cared for and safely stored in Anacortes;
- efforts will be made to raise funds for an eventual display structure;
- all expenses for moving the train to Anacortes will be borne by the City of Anacortes and the Anacortes Museum Foundation; and
- the calliope and music (upon determining that the calliope is in good working order) shall be purchased by the Anacortes Museum Foundation for the sum of \$4000.

Per your wish, the City's intent with the gift of the Train is to establish a static display for the enjoyment of the community.

If you agree to donate the Train based on these provisions, please sign and return one copy of this letter and retain the other for your records.

Thomas G Thompson, Jr.
The ~~Tommy Thompson~~ Train is an iconic piece of Anacortes history and a very generous gift.
We look forward to its return to Anacortes.

Sincerely,

H. Dean Maxwell, Mayor
City of Anacortes

I agree to the provisions outlined above:

Anne Thompson

date

October 24, 2012

Mrs. Anne Thompson
1904 47th Street
Seattle, WA 98116

Dear Anne,

Thank you for transferring ownership of the Tommy Thompson Train, comprised of one engine and three cars, to the City of Anacortes by way of donation.

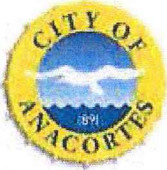
For the purpose of obtaining insurance on the Train, the Museum contacted several collectors of steam trains and similar equipment to help establish the value of your gift. Based on their feedback we established an insurance value of \$40,000 for the complete train (engine & 3 cars).

While the Train has not been professionally appraised, we do feel comfortable, based on our research, that the above figure is a reasonable estimate of value.

The Tommy Thompson Train is an iconic piece of Anacortes history and a very generous gift. We are grateful it has returned to Anacortes.

Sincerely,

Steve Oakley
Director, Anacortes Museum



MEMORANDUM OF AGREEMENT
between the
CITY OF ANACORTES
and
ANNE THOMPSON

This Memorandum of Agreement ("MOA"), executed this 10th day of December, 2019, is made by and between the City of Anacortes, a Washington Municipal Corporation (the "City"), and Anne Thompson, collectively referred to as "the Parties."

RECITALS

WHEREAS, Anne Thompson is the surviving spouse of Thomas G. Thompson, Jr., who constructed, owned and operated the Thomas G. Thompson, Jr. Train (the "Train") in Anacortes, Washington, which was a beloved community amenity; and

WHEREAS, after Thomas G. Thompson, Jr.'s passing, Anne Thompson donated the Train to the City, as commemorated in a certain letter dated June 21, 2012; and

WHEREAS, the terms of the gift dictated that the City would care for and store the Train in Anacortes and that the City would establish a static display for the Train for the enjoyment of the community; and

WHEREAS, the City has received a request recently from a potential purchaser and long-time admirer of the Train who proposes to acquire the Train from the City, relocate the Train out of state, and construct a track and event venue where the Train would be brought out of retirement to once again operate as a public amenity under the Anacortes Railway and Thomas G. Thompson, Jr. Train name; and

WHEREAS, the City wishes to honor the legacy of Thomas G. Thompson, Jr. and the Train and their importance to the Anacortes community and the Thompson family; and

WHEREAS, the Parties now wish to clarify the terms of the gift of the Train to the City;

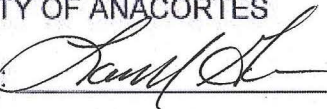
NOW THEREFORE, for and in consideration of the premises and mutual promises contained in this MOA, the City and Anne Thompson agree as follows:

AGREEMENT

1. Sale of the Train: The City may consider proposals to sell the Train and all necessary equipment and appurtenances for its operation; and such sale would be consistent with the Thompson family's intent in donating the Train to the City provided the following conditions are met:
 - a. The potential purchaser can demonstrate the requisite skills and knowledge to operate the Train.
 - b. The potential purchaser can demonstrate plans for a location for the Train as an attraction open to the public.
 - c. The potential purchaser makes a commitment to the City not to significantly alter the Train other than as needed for its maintenance and care.
 - d. The potential purchaser makes a commitment to care for the Train and provide for its regular maintenance and upkeep.
 - e. Any proceeds received by the City from the sale of the Train would be used to both interpret and memorialize the legacy of Thomas G. Thompson, Jr. and his Train and support the work of the Anacortes Museum.
2. Affirmation of Original Donation: If the City does not accept a proposal to sell the Train, it will adhere to all terms in the June 21, 2012 letter by which the original donation was made.

The Parties, by their authorized representatives, affix their authorized signatures hereto:

CITY OF ANACORTES

By: 

Date: 12-10-19

Laurie Gere, Mayor

ANNE THOMPSON

By: 

Date: 11-15-2019

Introduction

July 16, 2019

"Man never came so close to recreating himself in a machine as he did with the steam locomotive. I know it's just a piece of machinery, but I really get the feeling it's having fun." - Thomas G. Thompson

While working as a steam mechanic and engineer, I have learned first hand the truth behind this sentiment. When steamed up, a locomotive comes alive. Breathing with temperament and drive.

The Anacortes Railway has been influential in my love of railroading, for as long as I can remember. As my collection of hand-punched tickets grew, so did my fascination. From the color scheme of the locomotive, to the corbels of the engine shed, no detail went unnoticed.

I would love nothing more than to help provide a location for Tommy's creation to continue having fun, while celebrating the heritage of a community I treasure.

Included in this proposal, is an outline of my offer to purchase the Anacortes Railway equipment, for use in a new business venture located in Northern California. Along with a proposed acquisition, I have listed several ways in which my design business, Bungalow Modern, and my families' business, Iwan Locomotive Works, could assist the museum in creating a space, honoring the history of the Railway's time in Anacortes.

I look forward to the opportunity to discuss further, and answer any questions that may accompany this submission.

Sincerely,

A handwritten signature in black ink, appearing to read 'Bret Iwan', with a long horizontal line extending to the right.

Bret Iwan

Owner, Bungalow Modern

Bungalow Modern LLC

1015 N OAKLAND AVE

PASADENA CA 91104

816.332.2156 Cell

626.344.7091 Office

Anacortes Railway Purchase Proposal ADDENDUM-3

JANUARY 20, 2020

For the Anacortes City Council's consideration, I wish to offer an extension beyond the initial expiration date of my July 16, 2019 proposal, with a new proposal expiration date of **March 31, 2020**.

All terms, pricing, and intent outlined in the original proposal apply, in good faith, that the Locomotive #1, and 3 Excursion Coaches remain unaltered.

In addition, Appendix B - 'STEAM RAILROAD Maintenance and Operating Cost Estimates' has been included to help better inform the investment necessary beyond the proposed acquisition, with regard to meeting all criteria outlined in the Anne Thompson MOA, dated December 10, 2019.

Sincerely,



Bret Iwan

Owner, Bungalow Modern LLC

Bungalow Modern LLC

1015 N OAKLAND AVE

PASADENA CA 91104

816.332.2156 Cell

626.344.7091 Office

Anacortes Railway Purchase Proposal

JULY 16, 2019 - REVISED JANUARY 20, 2020

OVERVIEW

Proposed purchase of Anacortes Railway Assets. To include:

- 0-4-4T, 18" Gauge, 4 , 4 ½ Ton, Forney Steam Locomotive, Anacortes Railway #1
- 3 Excursion Coaches (Amenable to excluding one coach, to remain in possession of Anacortes Museum)
- Rail & Equipment (Track Bolts, Turn-Outs, Turn-Tables, Switch Stands) *Excluding Public Grade Crossing*

GOALS

1. Celebrate the craftsmanship, heritage, and legacy of the Anacortes Railway, by relocating to an operational venue. With the added potential to tour rail enthusiast festivals and meet-ups.
2. Provide location and privately funded maintenance for continued longevity. *See *Appendix B for itemized maintenance and operation estimates**
3. Work closely with The Anacortes Museum, to provide assistance, design direction, or replica elements, in order to celebrate the story of Thomas G. Thompson's creation and contributions to the City of Anacortes, per the Thompson families request.

SPECIFICATIONS

Purchase of Anacortes Railway to be conducted between **Bret Iwan**, henceforth known as Buyer, and the **City of Anacortes**, henceforth known as Seller.

Buyer to assume all responsibility, and cost, associated with the removal of existing right of way, and the transportation of assets from current locations. Seller agrees to provide adequate time (*initially estimated at 6 months from contracted purchase date*), for the removal of rail, and equipment.

If elected by seller, offer to include the following options; value(s) to be discounted from Purchase Price:

- A. Design consultation and art direction, provided by buyer, for the conversion of existing car house display. Redeemable for a period of 5 years from purchase date. (\$10,000 Value)
- B. Fabrication of a replica locomotive for display purposes. Approximate 3 year fabrication lead time. (\$15,000 Value)
- C. Fabrication of scale model railway display, of original Anacortes Railway route and equipment. Approximate 1 year fabrication lead time. (\$3,000 Value)

Itemized Purchase Price to be as follows:

-Locomotive #1	\$75,000.00	
-Passenger Coach #21	\$9,500.00	
-Passenger Coach #22	\$9,500.00	
-Passenger Coach #23	\$8,500.00	
-Rail & Equipment	\$15,000.00	*See itemized list Appendix A.*
TOTAL	\$117,500.00	

REFERENCE INFORMATION

COMPARABLES

In determining the Purchase Price Offer, these comparable equipment listings were used:

- [15" Gauge, 1956 Crown Steam Locomotive](#), Northern California - Listed \$28,500

-
- [18" Gold Mining Railroad](#), San Diego CA - Listed \$185,000
-5 Locomotives, 22 Passenger Cars, 5 Utility Cars, 5 switches, ½ Mile of Rail
 - [24" Gauge, 10 Ton, Steam Locomotive](#), Italy - Listed \$168,000
-2001 Mogul Locomotive, Tender, 2 Flat Cars, 1 Utility Car, 2 Loco-tractors, 656' of Rail
 - [24" Gauge, 12 Ton, 1934 Henschel Steam Locomotive](#), Northeast Iowa - **SOLD** \$125,000
 - [36" Narrow Gauge, 21 Ton, 1940 HK Porter Locomotive](#), Buena Park, CA - **SOLD** \$40,630
 - [Standard Gauge Railroad, Wakefield Canada](#) - Listed \$421,340
-1907 Steam Locomotive, 1962 Diesel Electric Locomotive, 7 Coaches; climate controlled w/ lavatories, Dining car with kitchen, Gift Shop coach.

OPERATING COST ESTIMATES

See Appendix B - STEAM RAILROAD Maintenance and Operating Cost Estimates

TERMS

Proposal prepared by Bret Iwan, DBA Bungalow Modern LLC.

Pricing and Specifications outlined above, Expire March 31, 2020..

Payment to be delivered upon execution of Bill of Sale by Buyer and Seller.

Bungalow Modern LLC

1015 N OAKLAND AVE
PASADENA CA 91104
816.332.2156 Cell
626.344.7091 Office

Appendix A.

Anacortes Railway Purchase Itemized

OCTOBER 21, 2019 REVISED JANUARY 20, 2020

ITEMS

Proposal and Purchase Price determined, assuming possession of Anacortes Railway Equipment, as follows:

1. 0-4-4T, 18" Gauge, 4 ½ Ton, Forney Steam Locomotive, Anacortes Railway #1 (including Bell, Whistle, and Air Hoses)
2. 3 Excursion Coaches; #21 Magic City, #22 Annacopper Road, #23 Capsante
3. Approx 13,000 Feet of 20lb Rail, including rail joiners and track bolts
 - a. Track along R Ave, between 4th & 9th, Including
 - b. Track along 9th, between Commercial & Q Ave
 - c. All Rail currently located at offsite storage field
4. (4) Switch Stands
5. (5) Turnouts; each including switch, connection rod, frog, and guard rail.
 - a. *Assumed located at off site storage field*
6. (2) Turntables
 - a. (1) located at termination of ROW at 4th.
 - b. (1) currently located at off site storage field
7. (4) Sets Arch Bar Car Trucks *Currently located at off site storage field*

TERMS

Proposal prepared by Bret Iwan, DBA Bungalow Modern LLC.

Pricing and Specifications outlined above, Expire March 31st, 2020, per third Addendum dated January 20, 2020.

Bungalow Modern LLC

1015 N OAKLAND AVE
PASADENA CA 91104
816.332.2156 Cell
626.344.7091 Office

Appendix B.

STEAM RAILROAD Maintenance and Operating Cost Estimates

JANUARY 20, 2020

THIS INFORMATION COMPILED FOR THE MEANS OF ESTIMATING OPERATING COSTS WITH REGARD TO A STEAM RAILROAD AND EQUIPMENT BETWEEN 12" AND 18" GAUGE.

MAINTENANCE**1. LUBRICATION**

- a. HIGH TEMPERATURE GREASE - \$200 / operating month
- b. GEAR OIL - \$2700 / 55 Gallon (anticipated quarterly cost)
- c. STEAM OIL - \$1000 / 55 Gallon (anticipated quarterly cost)

2. WATER TREATMENT - Assumes water supply pre treated via Water Softener

- a. TERLYN LSB 4000 SCALE REMOVER - \$900 / 5 GALLON (bi-monthly cost)
- b. RUSTSTOP 85 OXYGEN ELIMINATOR - \$2450.00 / 55 Gallon (monthly)

3. RIGHT OF WAY (ROW)

- a. **NEW** 20lb/yd ASCE RAIL - \$2.00/lb (Based on previous ROW 14,000 Track Feet/9400 yards = \$752,000)
- b. Ballast Rock - \$27.00/ton (Approx. 2,500 ton/mile; \$180,000 previous ROW)
- c. Railroad Ties - \$25.00/creosote soaked tie 6" x 36" (ties spaced 18" on center)
\$230,000 approx for 14,000 Track Feet

4. ROUTINE BOILER REQUIRED MAINTENANCE PER FRA REGULATIONS

-
- a. Re-tubing - \$30,000 (required every 15 years)
 - b. Pressure Vessel Inspection Fees - Approx. \$75.00 (Every 2/4 years)
5. COSMETIC RESTORATION *Specific to Anacortes Railway Equipment*
- a. LOCOMOTIVE SMOKE BOX SURFACE RUST - \$300
 - b. LOCOMOTIVE PAINT REPAIR AND TOUCH UPS - \$5000
 - c. COACH REFURBISHMENT, EXTERIOR AND INTERIOR - \$10,000

OPERATION

6. WATER
- a. Rate Determined by Municipal Supply
7. ELECTRICITY
- a. Support Structures, including Engine Shed, Ticket Booth, Grade Crossing Signals, and Lighting for Night Time safety - Determined by Municipal Supply
8. FUEL
- a. Douglas Fir Bark - \$250 per cord (estimate 1 cord per month of operation)
 - b. OPTIONAL CONVERSION TO OIL BURNING - 30k-75k
9. INSURANCE
- a. Equipment Insurance - *Unknown without proper evaluation*
 - b. Liability - *Unknown without proper ROW and Location evaluation*
10. INFRASTRUCTURE
- a. Engine Shed Facilities - \$100k-\$300k Construction Costs depending on scope
 - b. Ticketing Booth - \$15k-25k Construction Cost depending on scope
 - c. Grade Crossing Signals & Gates - Starting at \$10,000
 - d. Water Softener - \$2,000.00
11. LAND USAGE RIGHTS

-
- a. Property franchise fees or ROW approval depending on land ownership. *PLEASE NOTE: Proposal, as prepared by Bret Iwan, assumes all private property expenses as tied to business endeavors, excluded from Railway Operating costs.*

12. PERMITS

- a. PAR (PERMANENT AMUSEMENT RIDE) *Varied by State*

13. MARKETING

- a. \$4,000 annually - (Tickets, Web Hosting, Social Media Management, Advertising, etc)

14. RAILROAD STAFF HOURS

- a. APPEARANCES: Approx 8-10 hours before each operating session, per Thomas Thompson guidelines.
- b. DAILY MAINTENANCE: Approx 3-4 hours *opening maintenance* and steam up procedures prior to operating day. Approx 1.5-2 hours for closing maintenance.
- c. NON OPERATIONAL and PREVENTATIVE MAINTENANCE: Approx 30-50 hours monthly, with an estimated increase of 15-20 hours during heavy operational season.

TERMS

Estimates prepared by and Copyright Bungalow Modern LLC. 2020

Pricing and Specifications outlined above, serve as estimates of assumed maintenance and operating costs for a steam railroad, with a gauge of 12" to 18". Market value and Location may influence totals.

Bungalow Modern LLC

1015 N OAKLAND AVE

PASADENA CA 91104

816.332.2156 Cell

626.344.7091 Office

Anacortes Railway Purchase Proposal ADDENDUM-5

June 16, 2020

For the Anacortes City Council's consideration, with the understanding of COVID-19's impact on city business, I wish to offer a three month extension of my July 16, 2019 proposal. With the Thompson Family's approval, I propose a new expiration date of **September 10, 2020.**

All terms, pricing, and intent outlined in the original proposal apply, in good faith, that the Locomotive #1, and 3 Excursion Coaches remain unaltered. As well as the current right of way is prevented from any further salvage operations.

I sincerely appreciate the consideration of Mayor Gere and City Council on this matter, while working closely with the Thompson Family to help fulfil the wishes of Anne Thompson.

Sincerely,

A handwritten signature in black ink, appearing to read 'Bret Iwan', with a long horizontal flourish extending to the right.

Bret Iwan

Owner, Bungalow Modern LLC

Aug 14th 2020,

Hello Bret,

I will be out of town on the week of the 24th and unable to present a proposal to the City Council per your request. I can provide you, Mayor Gere and the Council Members with an update regarding the progress we have made in the efforts to keep Tommy's Train here in Anacortes. Please understand that due to the Governor's mandates on Covid-19 and the phased openings regarding meetings and government closures we have not had access to resources needed to complete our proposal. Certain permitting questions and costs cannot be fully calculated at this time. The Anacortes Railway Group work so far has obtained or reports the following items for your review.

Our core group has remained intact and I have enlisted the help of Jean Ford Andrich. Her work with the Friends of the Forest has created the model to follow for a partnership with the City of Anacortes. We want the Anacortes Railway Group to be part the community and have the opportunity to acquire fresh ideas and sustainable leadership.

We also have the resources of Ryan Handel. Ryan had an ongoing relationship with Tommy Thompson was one of the engineers that Tommy entrusted to run the train on some weekends when it operated here. Ryan remains a friend of the Thompson family and he actually operated the train for Tommy's memorial run after Tommy's passing. Ryan is on the train and engine crew of the Mt Rainier Railroad and also the Vice President of the Northwest Steam Society. Ryan currently has the original molds for many of the custom pieces Tommy used while building the train. He has also provided us multiple manuals specifically made for the operations, maintenance, safety rules and an exam needed to operate the train.

We have a preliminary plan and quote to build housing for the train itself. We also have rough quotes regarding the building of the tracks themselves. We have had conversations with and gained support from local businesses including Quantum Construction, Strandberg Construction and Lakeside Industries.

We have had discussions with Anacortes service groups that have expressed an interest in also donating time, resources and funds for this cause.

We have obtained insurance quotes from 2 different vendors that specialize in this type of railroad activity.

A current Boy Scout / Eagle Scout has reached out to us and wants to be involved in the train project. We have also had a conversation with Joe Furin from Anacortes High School to possibly get interested students involved, to the extent they can be, and educate them on the train or the uses of steam for machinery or propulsion.

Our biggest obstacles or concerns going forward are the need to review and obtain the permits regarding track layout, the clarification on the MOA approved by the City Council December 2nd 2019 and the topic of dissolution of City of Anacortes assets.

We need to get approval for our proposed route from the Ben Root Skate Park to 34th street using the right of way on the existing Tommy Thompson Trail. Due to the current Covid pandemic we have been unable to act on this part of our plan.

We also have asked and are still awaiting clarification on the MOA that was approved by the Council during the Dec 2nd, 2019 meeting. Eric Johnson questioned if the MOA would prohibit a local group from acquiring the train. The minutes of the Dec 2nd City Council meeting state that Ms. Swetnam “emphasized that the MOA did not propose any particular disposition of the train, only made more options available to the City”. The Thompson family has since submitted letters to the city that contradict the MOA that was passed. Included in this email are also the donation letters from the city to the Thompson Family with regards to the value of the donation for a tax document.

Another topic of discussion to be addressed is the dissolution of a city asset without having a public bid process. We are aware of at least one other group in our area that would also entertain the idea of purchasing the train for their own endeavors.

We can satisfy every requirement of the MOA passed on Dec 2nd with the exception of the approved route. At this time we feel that any proposed sale of the Thomas G. Thompson Jr. Train should not go forward until we have the ability to obtain and address the issues stated in this response. A community asset like the Thomas G. Thompson Jr. Train cannot be replaced once it is sold off to either a private or public entity.

The Anacortes Railway Group

Dave Sem, Pres.

1907 47th Avenue SW
Seattle, WA 98116

March 16, 2020

City of Anacortes
Anacortes Museum
1305 8th Street
Anacortes, Washington 98221

Dear City of Anacortes:

I am writing in response to the discussion regarding the Thomas G. Thompson, Jr. train, which took place at the City Council meeting on Monday, March 9, 2020.

It is my intent to clarify, as the original donor, the request that the City of Anacortes transfer ownership of the Anacortes Railway equipment to Bret Iwan. It was my understanding that by signing the Memorandum of Understanding dated December 10, 2019, I was giving permission for this transaction, specifically as it pertained to the proposal submitted by Bret Iwan in July 2019. I wish to see complete transfer of ownership, without stipulation, and a portion of the proceeds of the sale used to memorialize my late husband, Thomas G. Thompson, Jr., in a city museum display. I do not wish any other group to operate the train and no longer support a static display of the train in Anacortes.

I do not believe the train has been cared for, or fundraising progress has been made, as I was originally assured would happen when first agreeing to the donation on June 21, 2012. I ask the City to respect my decision and execute a contract for the transfer of ownership in a timely manner.

Sincerely,



Anne Thompson

STATEMENT FROM THE THOMPSON FAMILY

March 16, 2020

City of Anacortes
Anacortes Museum
1305 8th Street
Anacortes, Washington 98221

Dear Anacortes City Council:

I'm writing in response to the discussion regarding the Thomas G. Thompson, Jr. train, which took place at the Anacortes City Council meeting on Monday, March 9, 2020. My name is Headen Thompson and I'm one of Thomas' sons and currently live in Snohomish County. My mother, Anne Thompson, could not attend this meeting due to her age and the current COVID-19 outbreak.

It is my intention here today to clarify, as the son of Anne Thompson, the original donor, and Thomas Thompson, the builder and creator of the Anacortes Railway, our family's desire for the future of the train stored here in Anacortes.

The Thompson family will not be receiving any financial gains or rewards from the proposed sale of this train, which was built by my father. Our family's only wish is to see this train run again, and inspire and delight future generations to the awesome power and beauty of steam railroads that my father saw. The train stored in its current building with a proposed window cut in one wall as a static exhibit, in our opinion, offers little inspiration. We have spoken to Bret Iwan numerous times, have met with him, and have seen his proposal that he has also given to you. We have seen the restoration projects that Bret has completed, and have noted that the craftsmanship and artistry that he possesses very much mirrors our father's skills. We believe Bret and his family not only have the financing, but also have the same vision, love and passion for railroads and steam power that our father had. We believe Bret to be not just a talker and dreamer, but an actual doer. We saw in Bret someone who could make our father's dream come to life, and it's for this reason that we signed the Memorandum of Agreement (MOA) that Bret Lunsford had provided you on December 10, 2019. We want to be very clear that the MOA submitted, which was signed by my mother, Anne Thompson, was solely for the intent of moving forward with this sale to Bret Iwan only. It was never our intent with the MOA to open our father's train to everyone or anyone who wants to buy it or has another proposal for its use.

Much speculation and assumptions have developed around our father's wishes for the train since his passing in 1999. Our father's true vision and wish for the Anacortes Railway was to be cared for, maintained, and operated in the ways that were so important to him. We believe Bret and his family to be capable of meeting our father's criteria and fully support the removal of its original operating location. Our father would not be opposed to the train operating beyond Anacortes with the care and attention that the Iwans have pledged to provide.

In an article published in 1961, our father outlined his plans for a railroad that would run along an abandoned railway line in western Anacortes serving the ferry terminal and Rosario Beach. Without permits, land or even the locomotive, Thomas drafted plans and concepts. His idea was met with much resistance and many questioned his qualifications, much like some have questioned the proposal that Bret developed and has so passionately presented. At the time of donation, the Museum staff assured my mother that adequate housing would be constructed for the safe storage and display of the locomotive and three cars. After eight years, we feel that the original promise has not been fulfilled. Although it is worth noting that current staff member, Bret Lunsford, has been extremely sensitive to our wishes while managing the opinions of the community. However, in following the cyclical progress of the last eight years, along with the lack of specific care required for this extraordinary railway equipment, we felt it necessary to re-involve ourselves in the process and evaluate other options.

We understand the difficulties involved in this venture and the time line that may be required, but also recognize the same drive and spirit that once fueled our father's passion, behind the motivation of Bret's vision. Our desire is to have the City of Anacortes accept Bret's purchase offer and fully transfer ownership from the City, with a portion of the proceeds to be used to memorialize our father and his contributions within Anacortes. We do not approve of other actions or efforts to operate the train within the City of Anacortes and no longer wish to see it as a static exhibit. It is our family's understanding and intent that the MOA dated December 10, 2019 granted the City permission specifically to sell the train to Bret. We very much appreciate the Anacortes City Council's interest and concern in losing the Anacortes Railway, but we urge the Mayor and City Council to respect our revised wishes and provide this statement from the original donor, Anne Thompson, and our family, as further clarification of our collective agreement and support of Bret.

In hearing the desire of the City Council to retain an option for the train's return should it become inoperable under Bret's ownership, we offer this suggestion – the City of Anacortes retains the First Right of Refusal in the event the train be retired from operation and transfer of ownership is desired. Our family, along with Bret Iwan, feel this allows for the necessary investment of operating and restoring the train, and to ensure the train's place in Anacortes history should that time come again.

Respectfully,

A handwritten signature in cursive script that reads "Headen Thompson".

Headen Thompson

Tommy Thompson Train

Anacortes Railway Group



ANACORTES MUSEUM





ANACORTES MUSEUM



Anacortes Railway Group Current Board

Dave Sem President

Mitch Everton Vice President

Diana Jordan -New Secretary

Steve Wilhoit Treasurer

Tom Thompson Advisor

Brooks Middleton Advisor

Richard Curtis Advisor

June 2012

Anacortes Museum Director Steve Oakley is contacted about retrieving the Tommy Thompson train from the Seattle City Light Steam Plant Museum

A photograph of a three-story, light-colored building with a central entrance and two side entrances. The building has a flat roof and a central section with a decorative pediment. The text "ANACORTES MUSEUM" is overlaid in a large, stylized font across the middle of the building. In the foreground, there is a gravel lot with a white pickup truck on the right, a dark pickup truck on the left, and two people standing near the left entrance. A wooden ladder leans against the building in the center. The sky is overcast.

ANACORTES MUSEUM







ANACORTES MUSEUM









ANACORTES MUSEUM























Billy Campbell
Chris Kelly
Enrol Lupien

Thank You



LAKESIDE
INDUSTRIES

Anacortes museum Foundation
anacortesmuseum.org

NO SIDE
SIDE LOAD









ANACORTES MUSEUM









ANACORTES MUSEUM

Promoting and inspiring an understanding and appreciation of the History of Fidalgo and Guemes Islands.

1305 8th STREET, ANACORTES, WA 98221-1833
http://museum.cityofanacortes.org
Phone: (360) 293-1915
Fax: (360) 293-1929

National Historic Landmark
W.T. Preston Snagboat and
Heritage Center, 9th & A Ave.

June 21, 2012

Mrs. Anne Thompson
1904 47th Street
Seattle, WA 98116

Dear Anne,

Thomas G Thompson, Jr.

Thank you for contacting the City of Anacortes to discuss the future of the Tommy Thompson Train.

It is our understanding that:

Thomas G Thompson, Jr.

- you are offering to transfer complete ownership of the Tommy Thompson Train, comprised of one engine and three cars, to the City of Anacortes by way of donation.

The City of Anacortes agrees:

- the "Train" will be cared for and safely stored in Anacortes;
- efforts will be made to raise funds for an eventual display structure;
- all expenses for moving the train to Anacortes will be borne by the City of Anacortes and the Anacortes Museum Foundation; and
- the calliope and music (upon determining that the calliope is in good working order) shall be purchased by the Anacortes Museum Foundation for the sum of \$4000.

Per your wish, the City's intent with the gift of the Train is to establish a static display for the enjoyment of the community.

If you agree to donate the Train based on these provisions, please sign and return one copy of this letter and retain the other for your records.

Thomas G Thompson, Jr.

The Tommy Thompson Train is an iconic piece of Anacortes history and a very generous gift. We look forward to its return to Anacortes.

Sincerely,

H. Dean Maxwell

H. Dean Maxwell, Mayor
City of Anacortes

I agree to the provisions outlined above:

Anne Thompson

Anne Thompson

date



October 24, 2012

Mrs. Anne Thompson
1904 47th Street
Seattle, WA 98116

Dear Anne,

Thank you for transferring ownership of the Tommy Thompson Train, comprised of one engine and three cars, to the City of Anacortes by way of donation.

For the purpose of obtaining insurance on the Train, the Museum contacted several collectors of steam trains and similar equipment to help establish the value of your gift. Based on their feedback we established an insurance value of \$40,000 for the complete train (engine & 3 cars).

While the Train has not been professionally appraised, we do feel comfortable, based on our research, that the above figure is a reasonable estimate of value.

The Tommy Thompson Train is an iconic piece of Anacortes history and a very generous gift. We are grateful it has returned to Anacortes.

Sincerely,

Steve Oakley
Director, Anacortes Museum

2015

1st Anacortes Railway Group forms
and begins the process of trying to
get a running railway for Tommy's
Train in Anacortes





Department of Labor and Industries
Specialty Compliance Services
P.O. Box 44410, Olympia, WA 98504-4410

CERTIFICATE OF INSPECTION

INSPECTION DATE

11/30/2015

EXPIRATION DATE

12/01/2016

SPECIFIC PLANT LOCATION

Moveable

STATE NUMBER

32500-80W

LOCATION OF OBJECT

Anacortes, City Of
6Th & Q Streets
Anacortes, WA 98221

OBJECT INFORMATION

Other #	L-11619
NB #	1374
MANUFACTURER	SEATTLE BOILER WORKS
TYPE	FTBLR
USE	Power
SV SETTING	150
YEAR BUILT	1969
INSPECTOR	Linda M Williamson
INSP. EMPLOYER	State of Washington

Post this certificate in a conspicuous place in the room containing the object. It must be available for viewing. This certificate is not valid unless the invoice has been paid. The Object shall not be operated at a pressure in excess of that shown. Notify the State of Washington, Department of Labor and Industries at 360-902-5272 or 5273 or your insurance carrier 60 days prior to the expiration date. It is a violation of WAC 296-104-701 to operate the object without a valid inspection certificate posted near the object.

Remit To:

BAY VALVE
ENGINEERED FLOW SOLUTIONS

Bay Valve Service, LLC

 4385 South 133rd Street, Seattle, Washington 98168-3284
 Tel (206) 267-3900 (New Product Sales) • Fax (206) 267-0570
 Tel (206) 782-7600 (Service & Repair) • Fax (206) 267-2240
www.bay-valve.com

SALES INVOICE

INVOICE NO: 61899

DATE: 11/13/2015

CUSTOMER: 7214

BILL TO: ONE TIME CASH SALE

SHIP TO: Anacortes Railway

PAGE 1	SHIP VIA WILL CALL	TERMS NET 30	F.O.B ORIGIN
OUR JOB NO. F14131	YOUR P.O. NUMBER PENDING	SHIP DATE 11/13/2015	OUR ORDER NUMBER F14131
ORDER SHIP 1	DESCRIPTION 3/4" KUNKLE #6182EDM01 SET @ 150 PSI	UNIT PRICE 237.00	EXTENDED 237.00

SUBTOTAL: 237.00

9.500

% TAX: 22.52

TOTAL: 259.52

SALES INVOICE

INVOICE NO. 61896
DATE: 11/13/2015

CUSTOMER: 7214

BILL TO: ONE TIME CASH SALE

SHIP TO: Anacortes Railway
Attn: Per Kefgen
(36) 540-5043

PAGE 1	SHIP VIA UPS Ground	TERMS NET 30	F.O.B ORIGIN
OUR JOB NO. S53205	YOUR P.O. NUMBER PENDING	SHIP DATE 11/13/2015	OUR ORDER NUMBER S53205
ORDER SHIP 1 1	DESCRIPTION Repair 3/4" Consolidated 1445, Reset to 145 PSI	UNIT PRICE 250.00	EXTENDED 250.00

BAY VALVE SERVICE INC
4385 S 13RD ST
TUMWILA, WA 98162284
11/13/2015 13:48:20
MID: XXXXXXXXXX0419 TID: XXX0093

CREDIT CARD

VISA SALE

CARD # XXXXXXXXXX0007625
INVOICE 0003
SQ # 0003
Batch #: 000087
Approval Code: 633194
Entry Method: Manual
Mode: Online

SALE AMOUNT \$532.27

I agree to pay above total amount
according to card issuer agreement.
(Merchant Agreement if Credit Voucher)

MERCHANT COPY

SUBTOTAL: 250.00
9.500 % TAX: 23.75
TOTAL: 273.75



October 27 2019

Anacortes American runs front page story announcing potential buyer for Tommy's Train.



Steam pours from the Tommy Thompson train in December 2015 down a stretch of track in Anacortes.

Skagit Valley Herald file photo



ANACORTES — The city of Anacortes is talking to a buyer in California who is interested in purchasing the Tommy Thompson train, a narrow-gauge steam train that ran in downtown Anacortes from 1979-99.

The custom-built train was taken out of commission in 1999 after builder and engineer Tommy Thompson died. In 2000, the train's steam engine and three cars were moved into storage at the Georgetown Steam Plant in Seattle.

In 2012, the Thompson family donated the train to the city, with the intent to feature it as a static exhibit, Anacortes Museum Director Bret Lunsford said in an email.

PROPOSED MOA

- The MOA would provide more flexibility in future plans for the Train.
- The Proposed MOA has been discussed with and approved by the Thompson Family.
- The MOA provides the City may consider proposals to sell the Train if conditions are met:
 - Purchaser can demonstrate skills and knowledge to operate the Train
 - Purchaser can demonstrate plans for a location for the Train as a public attraction
 - Purchaser will commit not to significantly alter the Train
 - Purchaser will maintain and care for the Train
 - Proceeds from any sale will be used to interpret and memorialize the legacy of Thomas G. Thompson Jr. and his Train

MOA condition number one states: Purchaser can demonstrate skills and knowledge to operate the train

Ryan Handel

Owner - Steam Launch "Flyer"

Northwest Steam Society - Vice President

Mt. Rainier Railroad - Train and Engine Crew

Birch Bay Northern Railway - Operations

Puget Sound Antique Tractor and Machinery Association - Steam Team

Anacortes Railway

GCOR

General Code of Operating Rules

First Edition



Anacortes Railway
General Code of Operating Rules
February 28, 2016

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Anacortes Railway

Fireman's Manual

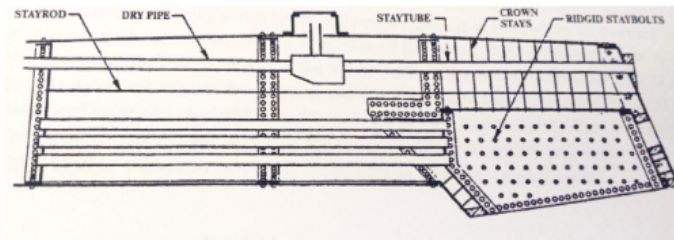


*We're not just running a Railroad,
We are creating a legacy for generations to come.*

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The walls (side sheets) of the firebox must be supported to prevent bulging due to internal pressure. The staybolts do this job, screwed and riveted into the sheets. The outside ends of solid staybolts are usually center drilled about 1.5 inches. These "tell-tale holes" will leak water and steam when a break occurs. The highest part of the boiler is the steam dome. This is where the throttle and auxiliary steam are pulled from. The safety valve is also located on the steam dome. The throttle connects to the dry pipe, which leads to the valves and cylinders.

THE WATER GLASS

A water glass is provided to monitor the boiler water level at all times. At the beginning of each day the (state required) water glass blow down and inspection procedure must be conducted prior to leaving the servicing area. This is achieved by conducting the following operations:

- 1) Shut both the upper and lower shut off valves (be sure to note the water level)
- 2) Open the drain
- 3) Open the lower shut off valve, water should issue from the drain forcefully and appear in the glass
- 4) Shut lower valve, water should cease to issue from the drain and should vacate the glass
- 5) Open the upper valve, steam should forcefully issue from the drain with no water in the glass
- 6) Close the upper valve, steam should cease to issue from the drain
- 7) **Repeat steps 3 through 6 if necessary**
- 8) Close the drain valve
- 9) Open the upper valve, no water should be present in the glass
- 10) Open the lower valve, water should rise in the glass and return to original level

While in service, the water glass should be blown down frequently. Water glasses have been known to give artificially high readings due to siphoning, thus it is the fireman's job to remain vigilant that the water is always maintained at a safe level above the crownsheet. The tri-cocks located on the engineer's side can be used to verify the water level, although training is necessary to prevent inaccurate readings using these valves. At no time should the water ever be out of sight at either the upper or lower limit of the water glass in service. If the water falls out of sight in the glass, The locomotive must be stopped and the fire extinguished immediately to

Anacortes Railway

Rules Exam

Name: _____ Date: _____

Instructors Name: _____

1. Any person involved with the operation of railroad equipment on the Anacortes Railway shall be properly certified or qualified as per the Anacortes Railway qualifying procedures. **True or False**
2. A copy of the "Rules and Standards for Operations" shall be kept in all locomotives, with the Conductor, and with all foremen of crews working on the railroad. **True or False**
3. The use and/or possession of intoxicants or narcotics by any person involved with the operation of railroad equipment is prohibited. **True or False**
4. MOW equipment shall operate on the tracks of the Anacortes Railway without approval from the Superintendent. **True or False**
5. General Orders shall be considered and treated with the same importance as a rule in the "Rules and Standards for Operation. **True or False**
6. The location of the General Order Board will be in the?
 - A. Depot.
 - B. Locomotive.
 - C. Engine House
 - D. None of the above.
7. General Orders are effective only when signed by the Superintendent. **True or False**
8. Any person who is involved with operations shall have a reliable watch synchronized with the Anacortes Railway standard clock in the Engine House. **True or False**
9. Before operating any railroad equipment on the Mainline beyond yard limits, each operator or conductor shall be sure to have permission to do so by getting permission from the Superintendent. **True or False**
10. Passenger trains are superior to work and freight trains. **True or False**
11. Before taking part in the operation of any piece of railroad equipment on the railroad, all employees shall check for and familiarize themselves with all currently issued General Orders. **True or False**
12. The qualified operator of any piece of equipment, when operating that piece of equipment on the railroad

The 2nd requirement of the MOA is Demonstrate plans for a location for the train to run as a public attraction

Phase 1
Train Station/Depot
Enterprises

Phase 2
Create route to T Avenue

Phase 3
Extend route towards V Place

Cortes Automotive
repair shop

R Ave

San Juan Lanes
Bar & Grill

Naung Mai Thai Kitchen

Fidalgo Marina

17.21.110

Basic design standards.

This section was recently amended by Ordinance 3031, codified in July 2019.

- A. *Waterfront Esplanade.* All uses abutting the water in the Cap Sante CM zone shall provide a walkway that will constitute a segment of a continuous, publicly-accessible esplanade; the walkway shall be at least ten feet wide.
- B. *Tommy Thompson Trail.* The trail corridor alignment may be relocated, after public hearing and city council action, so long as it includes at least a seventeen-foot wide continuous right-of-way (ROW) with radii and ballast that can accommodate standard gauge rail service, space for linear park, trail and public or franchised tourist railroad. Re-alignments will be at the cost of property owners requesting the change. The relocated ROW and tracks will remain in city ownership. In order to qualify for an increase in FAR, the following city-adopted standards must be met: the path be at least eight feet wide, be an all weather surface, and be properly drained. If active rail use is present, the path shall be separated from the tracks by a fence or hedge or by a grade separation.

Currently Viewing:
Property Map

Common Maps

Comprehensive Plan/Zoning
Incidents and
Registered Sex Offenders
Property Map
Aerial Images

Map Categories

Districts
Elections
Lost Communities
Planning and Development
Property Assessment and Sales
Public Health
Public Safety
Public Works
Utilities

Build-A-Map

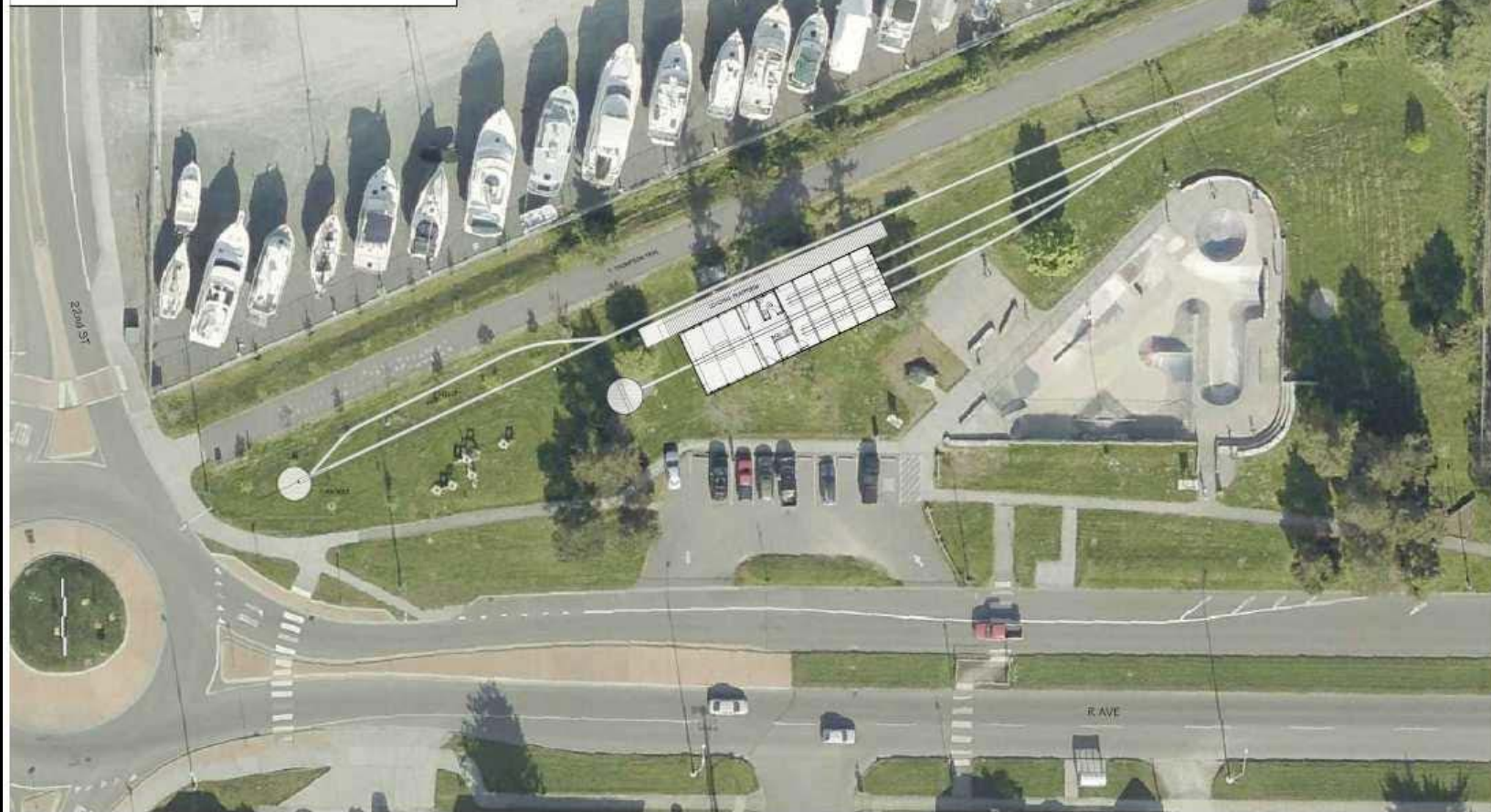
Topographic Basemap

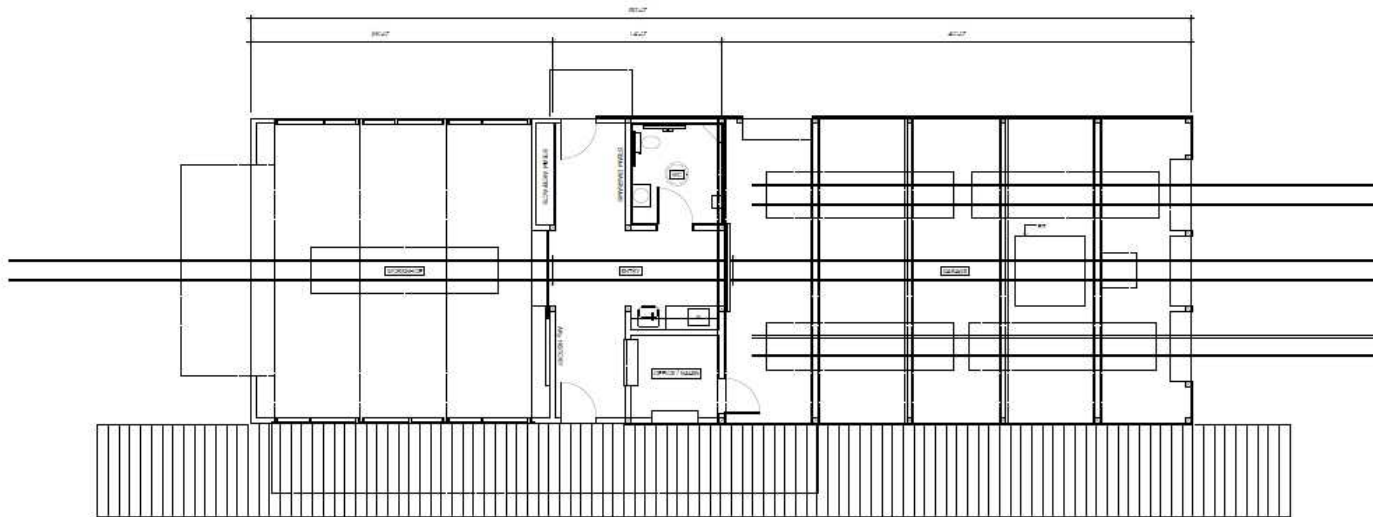
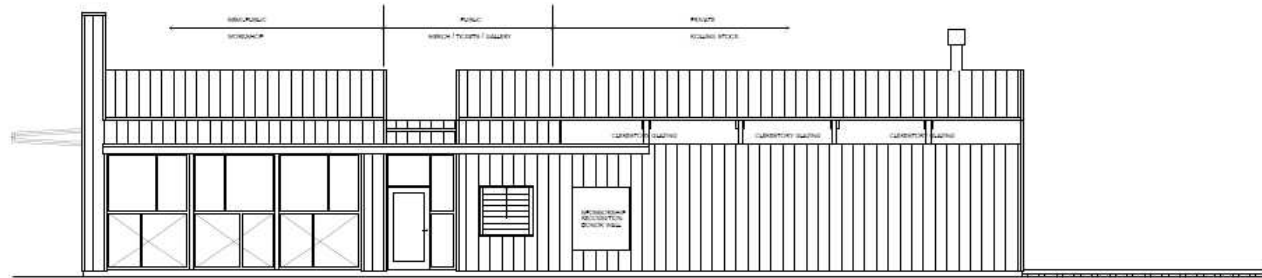
After choosing a map from
above, select the Layer List tab
to see more options.

Legend



ANACORTES RAILWAY
21 MARCH 2010





MOA Requirements 3-5

We will commit to not significantly alter the Train

We will care for and maintain the Train

We will not sell the Train to any parties

Additional progress to date:

Looking into creating an avenue for students to discover steam and be part of the Anacortes Railway

Interest from an Eagle Scout

Enlisted local help to establish a sustainable Board and Funding

Billy Jones Wildcat Railroad

Swantown Railroad



Closing statement

Hunt, Marcia

From: Swetnam, Darcy
Sent: Tuesday, September 8, 2020 4:02 PM
To: City Council
Cc: Holden, Alexandra; Hunt, Marcia; Lunsford, Bret; Hoglund, Steve
Subject: Surplus Process
Attachments: 200908 Museum - Memo on surplus process.pdf

Councilmembers,

In anticipation of tonight's discussion about options for the Thomas G. Thompson, Jr. Train, I've prepared the attached overview of the process for selling surplus assets. I apologize for not sending this sooner, but have been working with the Finance Department to track down some of the procedural questions that may come up tonight. What you'll see is that there are not many formal requirements of the City in selling surplus property, leaving Council a fair bit of latitude in how to proceed. Additionally, we've provided some info on the City's use of surplus auction websites, which is how most City assets are sold. I'll plan on going through this information tonight during our staff introduction and Steve Hoglund and I will be available to answer any questions you have.

Thank you!
Darcy

Darcy J. Swetnam

City Attorney
City of Anacortes
904 6th Street
Post Office Box 547
Anacortes, Washington 98221-0547
darcys@cityofanacortes.org
Phone: (360) 299-1950

THIS EMAIL COMMUNICATION IS PROTECTED FROM PUBLIC DISCLOSURE BY ATTORNEY-CLIENT PRIVILEGE: This email communication was sent in confidence by and between counsel and City of Anacortes public officials and/or employees of the City of Anacortes for the purpose of rendering legal advice and is thus exempt from disclosure under the Washington State Public Records Act or any other public disclosure rules pursuant to RCW 5.60.060(2)(a).

CITY OF ANACORTES - MEMORANDUM

TO: CITY COUNCIL, MAYOR GERE
FROM: DARCY SWETNAM, LEGAL DEPARTMENT
SUBJECT: PROCESS FOR DISPOSAL OF CITY ASSETS
DATE: SEPTEMBER 8, 2020
CC:

The City's receipt of a purchase offer for the Thomas G. Thompson, Jr. Train has raised questions about the City's process for disposing of assets. I've consulted with the Finance Director and various legal authorities to prepare this memo.

Legal Requirements.

The first consideration in determining the surplus process is applicable legal requirements. There are three sources of law for the surplus process: state law, City law, and City policy.

I. State Law

The City's authority to sell assets is recognized under its police powers articulated in RCW 35A.11.010. This section grants the City the power to "purchase, lease, receive, or otherwise acquire real and ***personal property*** of every kind, and use, enjoy, hold, lease, control, ***convey or otherwise dispose of it for the common benefit.***" (emphasis added).

State law provides little guidance in terms of what the local process should be for cities to sell assets. There are specific situations where public hearings are required. RCW 39.33.020 requires a public hearing if the sale is to another government agency and the value exceeds \$50,000. RCW 35.94.040 similarly requires a public hearing if the property was originally purchased for utility purposes and is no longer needed for that purpose, regardless of value. Neither of these statutes mandate a public hearing for a potential sale of the Train.

The Washington State Constitution prohibits the City from gifting public funds in Article 8, Section 7. The City could be in violation of this prohibition if it sells an asset for less than fair market value, thereby conferring benefits on private parties in ways that might disadvantage public interests. This requirement does not require a formal appraisal process, but does require a reasonable evaluation of an asset's value prior to sale.

II. Local Law

Absent clear requirements under State Law, the City has the ability to adopt ordinances requiring certain procedures for surplus items. However, there are no procedural requirements in the Anacortes Municipal Code for selling surplus property.

III. Local Policy

With no formal requirements in the Code, the source of guidance is City policy. The City's Purchasing Policy mentions selling surplus property, and refers to the Fixed Asset Policy, which was adopted on January 19, 2010 by Resolution 1794. The Fixed Asset Policy says that "[a]ll assets transferred to another department, transferred to surplus pending sale, or disposed of, must be approved by at least the Finance Department. The department the asset is moving from will be responsible for initiating the complete documentation." This is the only procedural guidance from policy adopted by Council.

City Practices

In the absence of clear requirements, the City has developed common practices for selling assets. There are two ways that City assets are sold. The first is on public surplus auction websites and the second is by direction action of Council.

The City sells dozens of assets each year through public surplus auction sites. The items sold range from police equipment, to office supplies, to vehicles. This is the primary way that the City disposes of surplus property and each sale is approved by the Finance Director pursuant to the requirements of the Fixed Asset Policy.

The City can leave an auction on a particular item open for up to 42 days and may set a minimum bid amount. The City has the ability at a public auction site to set qualifications for potential bidders, which have to be satisfied before anyone can bid on the item. The challenges of these sales are that they typically don't have the visibility of the public or Council and are susceptible to the availability of bidders. This option does maximize staff time and energy for the many items that get sold each year.

The other way the City disposes of assets is through Council action. Some surplus assets require public hearings prior to sale, like if the asset was purchased for utility purposes and is no longer needed or if the value is over

\$50,000 and it is being sold to another government agency. These sales would involve Council approval after a public hearing.

Asset sales will also be brought to Council when a transaction is more complicated than a simple sale or when more public visibility is desired. For example, the City is entertaining a proposal to sell its sailboats to a third party with the understanding that party would run the City's sailing program. This contract would include more requirements on the parties that simply payment in exchange for an asset and would therefore come to Council rather than passing through a public auction site.

Recommended Process

Staff is recommending that Council start by determining whether it wishes to move forward with the sale of the Train. If not, the City will be required to develop a static display of the Train per the original donation in 2012.

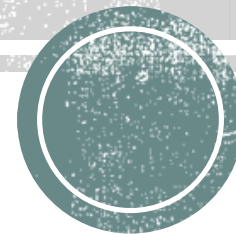
If Council is interested in selling the Train, staff recommend that Council adopt a resolution declaring the Train to be surplus. Staff then recommend that Council act directly on the sale of the Train rather than placing it on a public auction site for two reasons. First, the 2019 MOA includes a number of pre-requisites of potential buyers, which must be established prior to sale. While public auction sites do have the ability to pre-qualify bidders, Council will be better able to evaluate whether any potential purchaser has met both the letter and spirit of the MOA requirements. Second, public auction site sales generally happen without much visibility or any Council involvement. Because of the value of the Train and its interest in the community, a Council process would provide increased transparency and public involvement for any potential sale.

To sell the Train, there is no requirement state or local law or policy that the City hold a public hearing or formal public bidding process. However, Council could decide to use a more formal process than the law requires. Council could then direct staff to prepare a purchase and sale agreement for the Train with a potential purchaser, which will then be brought to Council for approval. Any purchase and sale agreement would have to address payment of consideration equal to fair market value of the asset to avoid gifting public funds.

Staff is happy to answer any questions regarding this process and will be available during the September 8, 2020 discussion to help resolve any procedural questions.

THOMAS G. THOMPSON JR.

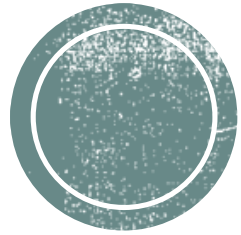
TRAIN



TONIGHT'S DISCUSSION

- Review of Train Status
- Procedural History
- Overview of Surplus Process
- Offer and Proposal before Council
 - Iwan Offer
 - Anacortes Railway Group Proposal





REVIEW OF TRAIN STATUS



ORIGINAL DONATION

- Thomas G. Thompson Jr. Train was donated to the City by Anne Thompson in June of 2012.
- Train had been retired from operation.
- The original donation was made by letter.
- Letter provided:
 - Train to be transported to, cared for, and stored in Anacortes
 - Train to be used to establish a static display for the enjoyment of the community
- The City agreed that “efforts will be made to raise funds for an eventual display structure”



2012 – 2019

- Anacortes Museum Foundation with City staff support worked with the Anacortes Railway Non-Profit group for six years to raise funds to develop a plan to fulfill the agreement with the donor.
- In 2018 the Anacortes Railway Non-Profit group disbanded after exploring options to make the railway operational. Upon disbanding, they sent a letter to the Mayor and City staff indicating that they hoped “another group will step forward to care for and hopefully operate the train, whether that be in Anacortes or another location.”
- In July of 2019, Bret Iwan submitted an Anacortes Railway Purchase Proposal to the City.



CURRENT STATUS OF TRAIN

- Train currently stored in train shed on the Depot property.
- If the City retains ownership, City will move forward with development of static display of Train per the original donation.
- The City has received interest by outside parties to acquire the Train and bring it out of retirement.





PROCEDURAL HISTORY



CHRONOLOGY

- July 16, 2019: The City received purchase proposal offer from Bret Iwan
- December 2, 2019: The City Council adopted a Memorandum of Agreement between the City and the Thompson Family (MOA)
- January 28, 2020: Revised Iwan proposal was sent to Council with a March 30, 2020 expiration date
- February 28, 2020: Council Museum Committee discussed the Iwan proposal and options for the Train
- March 9, 2020: Bret Iwan presented his January 28 proposal to Council, which had an expiration date of March 30, 2020
- March 20, 2020: Bret Iwan sent purchase proposal extension to the City
- June 16, 2020: Addendum 5 to the Iwan proposal was sent to the City extending the deadline for response to September 10, 2020



2019 MOA

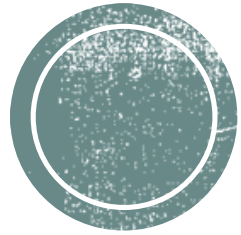
- MOA provided more flexibility in future plans for the Train.
- The MOA was discussed with and approved by the Thompson Family.
- The MOA provides the City may consider proposals to sell the Train if conditions are met:
 - Purchaser can demonstrate skills and knowledge to operate the Train
 - Purchaser can demonstrate plans for a location for the Train as a public attraction
 - Purchaser will commit not to significantly alter the Train
 - Purchaser will maintain and care for the Train
 - Proceeds from any sale will be used to interpret and memorialize the legacy of Thomas G. Thompson Jr. and his Train
- City would include language in any Purchase and Sale Agreement that the Train would revert to City ownership if any of the above-conditions are later violated



ADDITIONAL CONSIDERATIONS

- After initial review of the Iwan proposal by City staff, consensus was reached that the City should consult with the donor of the Train, Anne Thompson
- That consultation led to the 2019 MOA between the City and Anne Thompson
- The Anacortes Museum Advisory Board has reviewed the Iwan Offer and unanimously recommends acceptance of the Iwan Offer
- Two options have evolved for the Train:
 - City retains ownership and the Train gets established as a static display per the 2012 donation; OR
 - The City sells the Train to a third party who can meet the terms of the 2019 MOA to operate the Train
- The City has received only one offer to purchase the Train





OVERVIEW OF SURPLUS PROCESS



SURPLUS PROCESS — LEGAL REQUIREMENTS

State Law

- Power to sell assets is provided to Council by RCW 35A.11.010.
- Assets may not be sold for less than reasonable estimation of fair market value. Article VIII, Section 7 Washington State Constitution. (Note that this prohibition does not require full appraisal, but a reasonable determination.)
- Public hearing is only required if:
 - The Sale is to another government and the value exceeds \$50,000. RCW 39.33.020.
 - The property was originally purchased for utility purposes and is no longer needed for that purpose. RCW 35.94.040.

City Law and Policy

- City law: No provisions in AMC regarding surplus process.
- City policy:
 - Purchasing Policy refers to Fixed Asset Policy
 - Fixed Asset Policy (Resolution 1794):
 - Does not require a specific process
 - Only requirement is that the sale be approved at least by the Finance Department



SURPLUS ASSETS — ESTABLISHED PRACTICE

- The City surpluses dozens of items from the government fund each year, from office equipment to heavy equipment.
- Prior to the adoption of Resolution 1794 in 2010, there was no Council-adopted process for disposal of City assets.
- Resolution 1794 provided that “at least” the Finance Department had to declare the items surplus prior to sale.
- The current policy adopted in Resolution 1794 allows the City the flexibility to efficiently sell small value items without having to bring them all to Council, while still allowing Council to consider larger transactions.



SURPLUS ASSETS — ESTABLISHED PRACTICE

- The main way the City sells assets is through public surplus auction websites. These sites allow the City to set a minimum bid amount and bid timeframes. Each sale on public surplus includes a “buyer’s premium” of 11.5% in addition to the purchase price and regular taxes.
- Public surplus websites are the only form of auction or public bidding the City uses.
- The City has sold items directly without using a public auction website for:
 - Assets required to be sold at a public hearing (e.g. utility assets)
 - Assets that include more complex transactions with the buyer (e.g. assets of sailing program)
- The sale of the Train will include additional requirements beyond a normal auction sale, which are provided in the 2019 MOA with the Thompson family. Because of the additional requirements, uniqueness of the asset, and community interest in the sale, Staff would recommend the sale of the Train be completed by purchase and sale agreement with a perspective Buyer rather than on an auction site



SURPLUS PROCESS – RECOMMENDED PROCESS FOR ANY SALE OF THE TRAIN

- **Step One:** Determine whether Council wants to retain train and establish static display or sell train to party who meets criteria in 2019 MOA.
- **Step Two:** Council adopt a resolution declaring the Train to be surplus.
- **Step Three:** Determine whether to sell Train on a public auction site or through Council action – staff recommend direct Council action.
- **Step Four:** Direct staff to prepare purchase and sale agreement for the Train.
- **Step Five:** Consider and approve purchase and sale agreement.

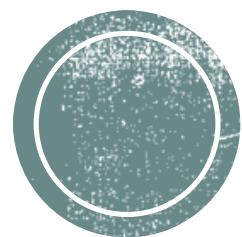
- **NOT REQUIRED:**
 - Public hearing
 - Council could determine additional procedures are desired



QUESTION BEFORE COUNCIL

- Only Council has the authority to make a decision on the City's behalf on any offer to purchase the Train. There is currently only one offer on the table, which requires Council decision. This offer from Bret Iwan expires on September 10, 2020.
- Options available to Council:
 - OPTION ONE: Accept the offer
 - Direct staff to prep a resolution declaring the Train surplus; AND
 - Direct staff to work with the Buyer on a purchase and sale agreement
 - OPTION TWO: Reject the offer:
 - By taking no action; OR
 - Direct staff to prep a letter rejecting the offer
 - OPTION THREE: Request an extension of time on the Iwan offer
 - Direct staff to prep a request for more time
 - May or may not be granted
- Council may, but is not required to take action on any other proposals related to the Train at this time





PROPOSALS BEFORE COUNCIL



Hunt, Marcia

From: Young, Anthony
Sent: Tuesday, September 8, 2020 3:24 PM
To: Hunt, Marcia
Subject: RE: UPDATED: The preliminary Anacortes City Council agenda for September 8, 2020 is now available
Attachments: Professional Appraisal Statement - Tommy Train.jpg

Please forward to Council and Mayor – for agenda packet and record.
Anthony

From: Hunt, Marcia <MarciaH@cityofanacortes.org>
Sent: Tuesday, September 8, 2020 3:22 PM
To: City Council <citycouncil@cityofanacortes.org>
Cc: Management <Management@cityofanacortes.org>; Babarovich, Mitchell <mitchellb@cityofanacortes.org>; Kaufman, Matt <kaufmanm@cityofanacortes.org>
Subject: UPDATED: The preliminary Anacortes City Council agenda for September 8, 2020 is now available

The online [agenda](#) for tonight's meeting has just been updated to include all public comments received by the 3:00 deadline. Thank you.

From: Hunt, Marcia
Sent: Wednesday, September 2, 2020 3:15 PM
To: City Council <citycouncil@cityofanacortes.org>
Cc: Management <Management@cityofanacortes.org>; Babarovich, Mitchell <mitchellb@cityofanacortes.org>; Kaufman, Matt <kaufmanm@cityofanacortes.org>
Subject: The preliminary Anacortes City Council agenda for September 8, 2020 is now available

[View this in your browser](#)

This meeting will be held entirely electronically without a physical location per Proclamation 20-28 et seq. To participate in the meeting, see the instructions posted on the face of the agenda.

City Council

City Council Meeting Agenda... [View in the Agenda Center](#)

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9/8/2020

Attention: Anacortes Mayor and City Council

It has been brought to my attention that the city is considering the sale of the Tommy Thompson Train (engine, caboose, passenger cars, and accessories). The question that was asked of me (a professional appraiser dba APPRAISALINK for the past 20 years): Would an appraisal be necessary in such a sale, or would an appraisal clearly define the value of the item(s) to be sold?

Certainly, an appraisal could, would, and should define a value taking into consideration a comparison of comparables (past sales), recognized historic ties, present condition, quality of past restoration, and intended purpose. An appraisal can also include the possibility of future or past business use or possible generation of income. The essential housing or accommodating efforts required for upkeep and day to day usage could also be addressed.

Every situation that requires an appraisal is different. From experience I can state that it is not unusual protocol for most municipalities to use an appraisal when deaccessioning rare or unusual items. An appraisal is more often needed for items that do not have a Blue Book Value or items that have not been in a public sale where the highest bid would logically determine the value in most cases.

Sincerely,



Mark Allred



Anacortes City Council

Proposed Agenda Items for the Next Eight Weeks Beginning September 14, 2020

Subjects listed below have been tentatively suggested for consideration by the Anacortes City Council on the dates indicated. Items may be added to, removed from or rearranged on this list. Routine business such as approval of minutes and vouchers are not included. The complete Preliminary Agenda for each meeting is published at 3:00 on the Wednesday prior to the meeting. Published Agendas are subject to change and may be updated following the posting period. For additional information on agenda topics, please contact the City Clerk's office at 360-299-1960 to be directed to the sponsoring staff member.

September 14, 2020

- Ordinance 3073: Establishing an Annual Budget Process, Providing for Severability, and Establishing an Effective Date (Discussion/Possible Action)
- Ordinance 3075: Revenue Bond (Action)

September 21, 2020

- Resolutions 2082/2085/2096 Ratifying Proclamation of Emergency and Providing Temporary Procedures to Respond to the COVID-19 Epidemic (Discussion)

September 28, 2020

October 5, 2020

- Closed Record Decision Hearing: CUP-2020-0001 - 1015 18th St. Parking Lot CUP (Action)

October 12, 2020

October 19, 2020

October 26, 2020

November 2, 2020

Upcoming City Council Committee Meetings

The public is welcome to attend City Council Committee Meetings.

- Public Works, Tuesday, Sep 8, 2020, 5:00 PM, CANCELLED
- Finance, Wednesday, Sep 9, 2020, 5:00 PM, Teleconference
- Fiber, Thursday, Sep 10, 2020, 2:30 PM, Teleconference
- Housing Affordability & Community Services, Monday, Sep 14, 2020, 4:00 PM, Teleconference
- Planning, Monday, Sep 14, 2020, 5:00 PM, Teleconference
- Public Works, Monday, Sep 21, 2020, 5:00 PM, Teleconference
- Finance, Wednesday, Sep 23, 2020, 5:00 PM, Teleconference
- Library, Thursday, Sep 24, 2020, 12:30 PM, Teleconference
- Fiber, Thursday, Sep 24, 2020, 2:30 PM, Teleconference
- Planning, Monday, Sep 28, 2020, 5:00 PM, Teleconference
