

**** Per Governor's emergency [Proclamation 20-28.14](#) issued December 8, 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 3000](#), adopted September 21, 2020, extending the duration of Resolution 2082 through December 31, 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 on [YouTube](#) or on [Channel 10](#).
- Meetings may be viewed after the fact on the [City of Anacortes website](#) or on [Channel 10](#).
- The public may also 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](#). View the quick video example for connecting to the meeting [here](#).



Anacortes City Council
Municipal Building Council Chambers
**** This meeting will be held electronically only ****
December 14, 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. Pride in Service Award: Russ Pittis
 - c. Reappointment: Planning Commission (Action)
 - d. Finance Committee
 - e. Fiber Committee
 - f. Housing Affordability & Community Services Committee
 - g. Planning Committee
3. **Public Comment**
4. **Consent Agenda (Action)**
 - a. Minutes of December 7, 2020
 - b. Approval of Claims in the amount of: \$1,615,138.41
 - c. Contract Modification: Municipal Fiber Network Coordinated Services #19-040-FBR-001
5. **Other Business**
 - a. Contract Award: Hydrothermal Processing of Wastewater Biosolids #20-217-SEW-001 (Discussion/Action)
 - b. Contract Award: Prosecution Services 2021 (Discussion/Possible Action)
 - c. Contract Award: R Avenue Long-Term Improvement Project - Consultant Services #20-127-TRN-001 (Discussion/Possible Action)
 - d. * Resolution 3009: Authorizing Distribution of Tourism Promotion Funds (Discussion/Possible Action)
 - e. * Ordinance 3079: Adding Section 13.56.050 to the AMC regarding Dark Fiber Leases (Discussion/Possible Action)
 - f. Property Agreement to Obtain Easements for Trail Purposes (Discussion/Possible Action)
 - g. Ordinance 3080: 2021-2026 Capital Facilities Plan Update (Discussion/Possible Action)
 - h. Ordinance 3078: Adopting the 2021 Budget (Discussion/Possible Action)
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 December 21, 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.

December 21, 2020

- CDBG and Skagit Community Foundation Grant Award Updates (Discussion)
- Hearing Examiner Report (Discussion)
- Contract Award: Anacortes Parks Foundation #20-215-PRK-001 (Discussion/Possible Action)
- Access Anacortes Fiber Internet Update (Discussion)

December 28, 2020

January 4, 2021

January 11, 2021

January 19, 2021

January 25, 2021

February 1, 2021

- Commercial Avenue Complete Streets Project Phase 1, 11th to 13th Street Alternatives (Discussion/Possible Action)

February 8, 2021

Upcoming City Council Committee Meetings

- Housing Affordability & Community Services, Monday, Dec 14, 2020, 4:00 PM, Teleconference
- Planning, Monday, Dec 14, 2020, 5:00 PM, Teleconference
- Library, Thursday, Dec 17, 2020, 12:30 PM, Teleconference
- Fiber, Thursday, Dec 17, 2020, 2:30 PM, Teleconference
- Public Works, Monday, Dec 21, 2020, 5:00 PM, Teleconference
- Finance, Wednesday, Dec 23, 2020, 5:00 PM, Teleconference
- Planning, Monday, Dec 28, 2020, 5:00 PM, Teleconference
- Public Works, Monday, Jan 4, 2021, 5:00 PM, Teleconference



Laurie Gere, Mayor

CITY OF ANACORTES

904 6th Street Anacortes, WA 98221

Office: 360-299-1950

laurieg@cityofanacortes.org

www.anacorteswa.gov

City Council Memo

TO: Anacortes City Council
FROM: Laurie Gere, Mayor
DATE: December 7, 2020
RE: Reappointment and Confirmation

Summary Statement:

I recommend the following Reappointment to City of Anacortes Planning Commission at the regular City Council meeting on December 14, 2020. I appreciate the contribution of these community members and their willingness to serve our community. If you have any questions or feedback you wish to provide, please contact me prior to the meeting.

Reappointed by the Mayor Requiring Confirmation by City Council

Reappointment

Planning Commission

- Gary Molyneaux Planning Commission (January 1, 2021 - December 31, 2026)

Recommended Motion: I move that Gary Molyneaux be reappointed to the Planning Commission.



DEPARTMENT OF PLANNING, COMMUNITY & ECONOMIC DEVELOPMENT

MEMORANDUM

DATE: December 3, 2020

TO: Mayor Gere and City Council

FROM: Don Measamer, Director
Planning, Community, & Economic Development

SUBJECT: Planning Commission Recommendations

Gary Molyneaux was recently appointed as a Planning Commissioner complete the term vacated by Jeff Mount which was set to expire December 31, 2020. Mr. Molyneaux is willing to continue as a Planning Commissioner for the next 6 years if confirmed. His new term would be complete in December 2026.

Thank you.



Laurie Gere, Mayor

CITY OF ANACORTES

904 6th Street Anacortes, WA 98221

Office: 360-299-1950

laurieg@cityofanacortes.org

www.anacorteswa.gov

December 4, 2020

Gary Molyneaux
3804 Deskin Court,
Anacortes, WA 98221

Dear Mr. Molyneaux:

I am pleased to reappoint you to the Anacortes Planning Commission for a full term effective January 1, 2021 until December 31, 2026. This reappointment requires approval by the City Council. I will publicly announce your reappointment at the City Council meeting on December 14, 2020. You are welcome to attend virtually. Please see the City of Anacortes website on how to virtually attend City Council meetings.

The Planning Commission meets the second and fourth Wednesdays each month at 6pm in the Council Chambers. If you have any questions, please contact Don Measamer, Director of Planning and Community Development at 360-299-1942.

The Open Government Trainings Act requires training for some local government officials in the fundamentals of the Open Public Meetings Act, the Public Records Act, and records retention requirements. The training is available online at <http://www.atg.wa.gov/open-government-training>. As a City of Anacortes Board member, you must complete this training within ninety days of your date of appointment.

Thank you for your willingness to serve the people of the City of Anacortes. The continued success of our city depends on dedicated citizens like you who are willing to volunteer their time and expertise.

My Best,

Laurie Gere, Mayor
City of Anacortes

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

To view the live meeting without participating:

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

To view the recorded meeting after it concludes:

- Visit [Watch Meetings](https://www.anacorteswa.gov/700/Watch-Meetings) on the City of Anacortes website (<https://www.anacorteswa.gov/700/Watch-Meetings>) or
- Watch the meeting Tuesdays and Sundays on [Channel 10](#)

How to Participate in the Meeting

- Click [this link](#) 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

If you are new to Zoom, view video instructions for connecting from your computer, phone or tablet [here](#)!

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. 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](#) 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.

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.

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.

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**.

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

To view the live meeting without participating:

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

To view the recorded meeting after it concludes:

- Visit [Watch Meetings](https://www.anacorteswa.gov/700/Watch-Meetings) on the City of Anacortes website (<https://www.anacorteswa.gov/700/Watch-Meetings>) or
- 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 – December 7, 2020

Mayor Laurie Gere called to order the Anacortes City Council meeting of December 7, 2020 at 6:00 p.m. Councilmembers Jeremy Carter, Anthony Young, Ryan Walters, Carolyn Moulton, Christine Cleland-McGrath and Bruce McDougall all participated in the meeting in absentia via video conference. Councilmember Matt Miller was absent.

Mr. McDougall moved, seconded by Mr. Young, to excuse the absence of Mr. Miller. The motion carried unanimously by voice vote.

Mayor Gere announced the addition of an executive session at the end of the agenda pursuant to RCW 42.30.110(i) to discuss litigation or potential litigation.

Announcements and Committee Reports

COVID-19 Update: Mayor Gere shared current case statistics for Anacortes, Skagit County, Washington State, and the nation. The mayor noted the significant increase in cases in Skagit County over the prior month.

Port/City Liaison Committee: Mayor Gere reported from the brief committee meeting the prior week.

Public Safety Committee: Mr. Carter reported from the committee meeting the prior week. He summarized the topics discussed including Fire Department capital facilities plan items, Police Department lateral transfers, and Police Department firearms training.

Finance Committee: Mr. McDougall reported from the committee meeting the prior week, at which those present discussed Fire Department capital facilities plan items. Mr. Walters added that the committee also agreed on the need for a better cost estimate for constructing a new Fire Station 3.

Mayor Gere reported from the State Auditor's exit conference earlier in the day. The mayor advised that the City had received a clean audit again for 2019 and received compliments from the State Auditor's Office.

Museum Committee: Mayor Gere advised that the regular committee meeting scheduled for the prior Thursday had been rescheduled.

Fiber Committee: Mr. Walters and Mr. McDougall reported from the committee meeting the prior week. They summarized items discussed including the dark fiber lease template that would be coming to full Council for action soon, staffing for the fiber department, and the fiber business plan.

Public Works Committee: Mayor Gere announced that the regular committee meeting scheduled for earlier in the evening had been cancelled.

Public Comment

No members of the public wished to address the Council on any topic not on the agenda.

Consent Agenda

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

- a. Minutes of November 23, 2020
- b. Approval of Claims in the amount of: \$370,960.87
- c. Interlocal Agreement for WTSC Pass Through Grant

The following vouchers/checks were approved for payment:
EFT numbers: 98752 through 98800, total \$183,532.35
Check numbers: 98801 through 98830, total \$177,556.99
Wire transfer numbers: 276635 through 277087, total \$9,856.23

PUBLIC HEARINGS

Public Hearing: Ordinance 3080: 2021-2026 Capital Facilities Plan Update

OTHER BUSINESS

Ordinance 3078: Adopting the 2021 Budget

Finance Director Steve Hoglund summarized the revisions to the draft CFP and draft budget since those documents were last considered by City Council at its November 23, 2020 meeting. Mr. Hoglund's slide presentation was added to the packet materials for the meeting. It included revised versions of both Ordinance 3080 adopting the 2021-2026 CFP and Ordinance 3078 adopting the 2021 budget.

Ms. Moulton asked for additional information about the cost of the proposed 3rd floor breakroom project to enable Council to properly prioritize spending for that item. Mr. Walters said that the Council Finance Committee had suggested reducing the \$200K included in the draft CFP for the March Point Fire Station for 2021 to \$50K to be spent on determining a more accurate cost estimate for that project. No councilmember objected to either of those requests.

Councilmembers discussed at some length the \$1.55M included in the draft CFP for annual pavement maintenance and means of increasing that to \$1.8M, including possibly allocating additional REET or reallocating funding from facilities projects or reallocating funding from elsewhere in the budget.

At approximately 6:45 p.m. Mayor Gere opened the public hearing on Ordinance 3080 adopting the 2021-2026 Capital Facilities Plan Update.

Kate Clark commended Council for finding a way to include \$50K in the 2021 police department budget for a social worker. She requested clarification on whether that amount was for studying such a position or if it would actually be used to purchase social services. She indicated that her group's analysis of 911 calls showed that 9 a.m. to 6 p.m. was the peak time for calls appropriate for involvement of a social worker so that a single position would have a significant impact.

Judy Billings said she was sorry to see that Council had decided to fund \$50K for a social worker. She reported that in Seattle an embedded social worker had been stabbed to death on a call. Ms. Billing said the funds would be better spent on police officers.

No one else wishing to address the Council, at approximately 7:00 p.m. Mayor Gere closed the public hearing on Ordinance 3080.

Mr. Walters proposed adding four additional sections to the text of the budget ordinance, noting that he had distributed those via email to all councilmembers the prior day.

New Section 4. A hiring freeze remains in effect until December 31, 2021, prohibiting any new hire (including new positions or filling vacant positions) that is funded in any part from any City governmental fund without approval by City Council resolution. The Police and Fire Departments, and the position of HR Director, are not subject to this hiring freeze.

New Section 5. No general revenue (e.g., funds derived from sales tax, property tax, utility tax) may be expended as match for the Department of Commerce Electrification of Transportation Systems Program grant.

New Section 6. The City Council Finance Committee is directed to investigate and evaluate options for an interactive data platform with the objective of improving transparency, accountability, and governance by providing the City Council and the public with useful self-service access to the City budget, the City's financial performance, City employee salaries, and a running list of all transactions. The Council Finance Committee must report its findings and recommendation to the City Council by April 30, 2021.

New Section 7. The City Council Housing Affordability & Community Services Committee is directed to work with existing community services providers, city departments, and the public to identify the social services needs of city residents in financial, emotional, or mental health crisis and develop a plan to strengthen and ensure those services or resources are provided by city or third-party providers. The plan must be data-driven and must identify appropriate and sustainable funding sources. The HACS Committee must report its findings and recommendation to the City Council and community by June 30, 2021.

Councilmembers Moulton, McDougall, Cleland-McGrath and Young expressed support of the language proposed by Mr. Walters. No councilmember expressed objection to it.

Mayor Gere indicated that staff would bring revised versions of Ordinances 3080 and 3078 to City Council for consideration and possible action at its December 14, 2020 meeting.

Executive Session

Mayor Gere announced that City Council and the City Attorney would convene in Executive Session per RCW 42.30.110 (i) for approximately 20 minutes to discuss potential litigation or litigation. The mayor advised that the regular meeting would then adjourn with no action having been taken. Councilmembers Jeremy Carter, Ryan Walters, Christine Cleland-McGrath, Carolyn Moulton and Bruce McDougall attended the executive session.

There being no further business, at approximately 8:04 p.m. the Anacortes City Council meeting of December 7, 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 December 14, 2020 City Council meeting:
[Download this file in OpenDocument spreadsheet format.](#)

Invoice Doc #	Transaction Date	Invoice #	Vendor Full Name	Description	Total Amount	Approval Queue
277382	6/26/2020	WAANA126559	FASTENAL COMPANY	MAINTENANCE SUPPLIES	\$ 19.21	dwhtp
277383	8/12/2020	WAANA127734	FASTENAL COMPANY	MAINTENANCE SUPPLIES	\$ 11.86	dwhtp
277251	9/1/2020	1052010	GUARDIAN SECURITY SYSTEMS INC	ALARM MONITORING - CITY HALL 10/1-12/31/2020	\$ 179.53	finance
277252	9/1/2020	1052009	GUARDIAN SECURITY SYSTEMS INC	ALARM MONITORING - WTP 10/1-12/31/2020	\$ 104.16	dwtp
277253	9/1/2020	1052008	GUARDIAN SECURITY SYSTEMS INC	ALARM MONITORING - MUSEUM 10/1-12/31/2020	\$ 179.53	museum
277254	9/1/2020	1052007	GUARDIAN SECURITY SYSTEMS INC	ALARM MONITORING - LIBRARY 10/1-12/31/2020	\$ 179.53	publib
277255	9/1/2020	1052006	GUARDIAN SECURITY SYSTEMS INC	ALARM MONITORING - FIDALGO CENTER 10/1-12/31/2020	\$ 179.53	parks1
277256	9/1/2020	1052005	GUARDIAN SECURITY SYSTEMS INC	ALARM MONITORING - INTERPRETIVE CTR 10/1-12/31/2020	\$ 179.53	museum
277257	9/1/2020	1052004	GUARDIAN SECURITY SYSTEMS INC	ALARM MONITORING - APD 10/1-12/31/2020	\$ 179.53	apd
277258	9/1/2020	1052003	GUARDIAN SECURITY SYSTEMS INC	ALARM MONITORING - WT PRESTON 10/1-12/31/2020	\$ 179.53	museum
277259	9/1/2020	1052001	GUARDIAN SECURITY SYSTEMS INC	ALARM MONITORING - FIRE STATION 1 10/1-12/31/2020	\$ 179.53	medic
277260	9/1/2020	1052002	GUARDIAN SECURITY SYSTEMS INC	CLOUD STORAGE/VIDEO FEED - SHOP 10/1-12/31/2020	\$ 714.82	dshop
277291	9/1/2020	50468	ROBINSON BROTHERS	MUNICIPAL BROADBAND NETWORK - LIBRARY TO MSTs AERIAL AREAS 3, 4, 6	\$ 2,020.42	fiber
277292	9/1/2020	50646	ROBINSON BROTHERS	MUNICIPAL BROADBAND NETWORK - LIBRARY TO MSTs AERIAL AREA 1	\$ 8,568.54	fiber
277095	10/31/2020	417	BOYS & GIRLS CLUBS	OCTOBER - LUNCH PROGRAM SERVICE PROVISION	\$ 40.00	finance
277402	10/31/2020	9587	DALTON, OLMSTED & FUGLEVAND	WWTP OUTFALL PRE-DESIGN - OCTOBER 2020	\$ 17,977.50	pw1
277210	11/1/2020	104352595	RICOH USA, INC	S/N C32029555 CITY HALL COPIER 3RD 11/1-11/30/20	\$ 378.35	finance
277393	11/5/2020	876	AQUA-TERR SYSTEMS INC	VOLUNTEER PARK/SMILEY'S BOTTOM CRITICAL AREAS REPORT/MANAGEMENT PLA	\$ 6,872.51	plan
277369	11/5/2020	61817	KROESENS UNIFORMS COMPANY	COVERALLS - HOLLY (AT SEATTLE STORE)	\$ 60.56	medic
277398	11/6/2020	1200307460	HDR ENGINEERING, INC	WWTP OUTFALL PRE-DESIGN - PHASE 2 - 9/27/20-10/24/20	\$ 62,996.11	pw1
277137	11/10/2020	31673	WESTERN SYSTEMS REFUSE &	HUB & SPINKLE ASSEMBLY- #551	\$ 289.39	dshop

Invoice Doc #	Transaction Date	Invoice #	Vendor Full Name	Description	Total Amount	Approval Queue
277378	11/11/2020	AR178769	ELECTRONIC BUSINESS MACHINES	COPIER MAINTENANCE/COPIES 8/12 - 11/11/20	\$ 87.49	medic
277352	11/11/2020	212018	SCOTT RICHARDS INSURANCE, INC	CONTRACTOR EQUIPMENT INSURANCE RENEWAL	\$ 7,042.00	finance
277370	11/17/2020	2020-2013	ISLAND SASH & DOOR, INC.	CITY HALL 3RD FLOOR SE WINDOWS REPLACEMENT	\$ 32,234.47	pw1
277366	11/17/2020	P0002-38	QCC QUALITY CONTROLS CORP.	ON CALL PROFESSIONAL SERVICES AT WTP: BAS TRAIN 1756-IF16 AI MODULE SUPPLY	\$ 1,911.77	dwtpt
277374	11/17/2020	331 0547578	UNIFIRST CORPORATION	UNIFORM LAUNDRY	\$ 93.99	fiber
277406	11/18/2020	0937780	FERGUSON ENTERPRISES, INC	PIPE FITTINGS	\$ 125.52	dwtpt
277097	11/18/2020	1217455	SKAGIT PUBLISHING LLC	PUBLISH AA-2037830 AA-2038086 AA-2038111 AA-2038116 AA-2038168	\$ 722.68	finance
277389	11/19/2020	00-2019-240 - 13	ALTA PLANNING AND DESIGN, INC	COMMERCIAL AVE CORRIDOR PLAN PHASE 1 - 11TH-13TH ST DESIGN - OCT 2020	\$ 5,450.18	pw1
277362	11/19/2020	1736187	WOOD'S LOGGING SUPPLY	SERVICE REPAIRS- #15910	\$ 462.83	dshop
277391	11/20/2020	206061	CIVICPLUS, INC.	CIVICCLERK / CP MEDIA	\$ 13,652.00	legal
277279	11/20/2020	TRFINV026821	NEWMAN SIGNS, INC	SIGNS- STREET INVENTORY	\$ 3,176.01	dshop
277403	11/20/2020	4013	NW CLEANERS	JANITORIAL SERVICES - NOVEMBER 2020	\$ 4,001.00	pw1
277200	11/20/2020	1498111	POLYDYNE, INC	CLARIFLOC A-3310 (COAG POLY)	\$ 16,112.25	dwtpt
277344	11/20/2020	9867466586	VERIZON WIRELESS	SCADA COMMUNICATION 10/21-11/20/20	\$ 1,121.51	dwtpt
277371	11/22/2020	15965790	MCKESSON MEDICAL-SURGICAL	PHARMACEUTICALS	\$ 21.52	medic
277193	11/24/2020	134	ADVANTAGE WINDOW COVERINGS	CITY HALL USE ITEMS	\$ 6,815.23	pwfac
277385	11/24/2020	14268	ANACORTES CHAMBER OF COMMERCE	ANNUAL DUES CHAMBER	\$ 585.00	executive
277373	11/24/2020	16039421	MCKESSON MEDICAL-SURGICAL	BLOOD PRESSURE MONITORS	\$ 32.84	medic
277375	11/24/2020	16048564	MCKESSON MEDICAL-SURGICAL	PHARMACEUTICALS	\$ 416.73	medic
277356	11/24/2020	212995	SCOTT RICHARDS INSURANCE, INC	ADDING EQUIPMENT (CONTRACTOR EQUIPMENT POLICY)	\$ 1,885.00	finance
277350	11/24/2020	331 0548624	UNIFIRST CORPORATION	WATER CREW LAUNDRY	\$ 50.50	wdist
277377	11/24/2020	331 0548654	UNIFIRST CORPORATION	UNIFORM LAUNDRY	\$ 36.88	fiber
277145	11/25/2020	5348	GREENLITE TRAFIIC LTD	REPAIRS FOR PEDESTRIAN TRAFFIC LIGHT	\$ 276.40	dshop
277415	11/25/2020	20-256538-1	MILLENNIUM	FIBER OPTIC CABLE	\$ 30,668.78	fiber
277294	11/25/2020	1217622	SKAGIT PUBLISHING LLC	PUBLISH AA-2038392	\$ 81.20	finance
277368	11/25/2020	34302	TRAILER BOSS	FIBER DINGO TRAILER PURCHASE	\$ 4,215.12	pw1
277345	11/26/2020	5005953775	FERRELLGAS, LP	NOV PROPANE INVOICE - AUTOGAS ACCOUNT	\$ 176.18	finance
277399	11/26/2020	9867927458	VERIZON WIRELESS	WTP SCADA MODEM 10/27-11/26/20	\$ 519.95	dwtpt
277265	11/28/2020	9867981971	VERIZON WIRELESS	City Cell Phones 10/29-11/28/20	\$ 9,979.23	finance
277099	11/28/2020	360-293-3725-0501135	ZIPLY FIBER	DEPOT PHONE 11/28-12/27/20	\$ 63.01	parks1
277194	11/28/2020	360-299-2484-0726025	ZIPLY FIBER	LIBRARY PHONE 11/28-12/27/20	\$ 57.25	publib

Invoice Doc #	Transaction Date	Invoice #	Vendor Full Name	Description	Total Amount	Approval Queue
277096	11/30/2020	418	BOYS & GIRLS CLUBS	NOV - LUNCH PROGRAM SERVICE PROVISION	\$ 60.00	finance
277283	11/30/2020	305	BUBBA SUDZ CAR WASH, INC.	NOVEMBER CAR WASHES- 4	\$ 36.00	dshop
277372	11/30/2020	FB-1466	CITY OF MOUNT VERNON	DARK FIBER	\$ 350.00	fiber
277409	11/30/2020	2020-21	CURTIS EMERGENCY SERVICES LLC, RICHARD	EMERGENCY MANAGEMENT SERVICES - NOVEMBER 2020	\$ 1,760.00	medic
277288	11/30/2020	Pay App 6	IMCO GENERAL CONSTRUCTION	SKAGIT RIVER RAW WATER PIPELINE AND CLEARWELL PROJECT	\$ 951,197.80	pw1
277132	11/30/2020	MV244521	MOTOR TRUCKS, INC	BELT FAN- #610	\$ 68.24	dshop
277365	11/30/2020	10311803	NAVIA BENEFIT SOLUTIONS, INC	NOVEMBER FLEXIBLE SPENDING PARTICIPANT FEE	\$ 116.20	hr
277397	11/30/2020	IN938469	NOANET	MUNICIPAL FIBER NETWORK COORDINATED SERVICES - NOV 2020	\$ 3,284.73	fiber
277404	11/30/2020	IN938425	NOANET	MUNICIPAL FIBER NETWORK COORDINATED SERVICES - NOV 2020	\$ 1,652.50	fiber
277405	11/30/2020	IN938420	NOANET	MUNICIPAL FIBER NETWORK COORDINATED SERVICES - NOV 2020	\$ 22,687.50	fiber
277407	11/30/2020	IN938419	NOANET	MUNICIPAL FIBER NETWORK COORDINATED SERVICES - NOV 2020	\$ 300.00	fiber
277287	11/30/2020	34142	PACIFIC SECURITY	SECURITY DETAIL NOVEMBER 2020	\$ 525.00	court
277139	11/30/2020	12382035	PAPE MACHINERY INC.	SWITCH- #7923	\$ 48.95	dshop
277146	11/30/2020	9183	PETDATA, INC	PETDATA LICENSING FEES NOVEMBER	\$ 73.80	finance
277088	11/30/2020	300000340004	PUGET SOUND ENERGY INC	STREETLIGHTS 10/29-11/30/2020	\$ 79.82	dshop
277089	11/30/2020	300000325005	PUGET SOUND ENERGY INC	STREET LIGHTS 10/8 - 11/05/2020	\$ 88.31	dshop
277090	11/30/2020	220015149234	PUGET SOUND ENERGY INC	STREETLIGHTS 10/29-11/30/20	\$ 27.92	dshop
277094	11/30/2020	300000290043	PUGET SOUND ENERGY INC	STREET LIGHTS 10/2 - 10/30/20	\$ 17,803.72	dshop
277296	11/30/2020	CL16462	REISNER DISTRIBUTOR INC	VEHICLE FUEL - NOV 2020	\$ 14,499.25	finance
277138	11/30/2020	INV00635647	SMARSH, INC	ARCHIVING PLATFORM 11/1-6/30/21	\$ 222.78	infosys
277349	11/30/2020	2514	TURNER HR SERVICES	PROFESSIONAL SERVUCES NOV 2020	\$ 600.00	hr
277093	11/30/2020	0110113	UTILITIES UNDERGROUND LOCATION	NOVEMBER LOCATE TICKETS	\$ 247.68	dshop
277268	12/1/2020	274153	ANACORTES ANIMAL HOSPITAL	BOARD & DISTRAINER; NOVEMBER 2020	\$ 45.00	apd
276858	12/1/2020	0940736	FERGUSON ENTERPRISES, INC	FASTITE PIPE, SLEEVE- WATER INVENTORY	\$ 9,557.07	wdist
277271	12/1/2020	017069598	GALLS, LLC.	UNIFORM BOOTS; SGT CLIFFORD (OFC PAID Overage)	\$ 313.30	apd
277206	12/1/2020	723856	HASA, INC	SODIUM HYPOCHLORITE	\$ 3,836.39	dwtp
277367	12/1/2020	2020-12	KING, MICHAEL L	REIMBURSEMENT OUT OF POCKET MEDICAL/DENTAL 2020	\$ 564.19	hr
277195	12/1/2020	1000086293	OCLC, INC	CATALOGING, ILL, FIRSTSEARCH/WORLDCAT DISCOVERY (12-1 TO 12-31 2020)	\$ 371.59	publib
277198	12/1/2020	200012505505	PUGET SOUND ENERGY INC	WTP 11/1-11/30/20	\$ 62,669.61	dwtp
277133	12/1/2020	5060911938	RICOH USA, INC	S/N C86150637 CARNEGIE 9/1-11/30/20	\$ 50.86	museum

Invoice Doc #	Transaction Date	Invoice #	Vendor Full Name	Description	Total Amount	Approval Queue
277134	12/1/2020	5060912528	RICOH USA, INC	S/N C86079893 LIBRARY PUBLIC 9/1/20-11/30/20	\$ 59.46	publib
277135	12/1/2020	5060912540	RICOH USA, INC	S/N C86152062 HR COPIES 11/1-11/30/20	\$ 7.55	finance
277136	12/1/2020	5060912827	RICOH USA, INC	S/N C86111493 COURT 9/1-11/30/20	\$ 105.39	finance
277269	12/1/2020	5060912590	RICOH USA, INC	S/N C86138600 APD HALLWAY 9/1-11/30/20	\$ 28.17	apd
277270	12/1/2020	5060911965	RICOH USA, INC	S/N C86138599 APD FRONT OFFICE COPIES 11/1-11/30/20	\$ 30.12	apd
277091	12/1/2020	1302	THE CLEAN TEAM	LTAC 22ND ST. RESTROOM MAINTENANCE	\$ 600.00	plan
277202	12/1/2020	3005623704	THYSSENKRUPP ELEVATOR CORP	CITY HALL ELEVATOR 12/1-02/28/2021	\$ 661.55	finance
277209	12/1/2020	3005622538	THYSSENKRUPP ELEVATOR CORP	LIBRARY ELEVATOR MAINTENANCE 12/1/20-2/28/2021	\$ 661.55	publib
277387	12/1/2020	3005622303	THYSSENKRUPP ELEVATOR CORP	ELEVATOR MAINTENANCE CONTRACT: 12/01 -	\$ 661.55	medic
277357	12/1/2020	GB00100301-12-20	TRANSAMERICA LIFE INS CO	LEOFF LONG-TERM CARE INSURANCE	\$ 634.98	hr
277351	12/1/2020	331 0549705	UNIFIRST CORPORATION	WATER CREW LAUNDRY	\$ 39.26	wdist
277379	12/1/2020	331 0549746	UNIFIRST CORPORATION	UNIFORM LAUNDRY	\$ 8.07	fiber
277205	12/1/2020	48844842	UNIVAR USA INC	CAUSTIC SODA	\$ 3,698.55	dwtp
277355	12/1/2020	0542005-001-7	UNUM LIFE INS CO OF AMERICA	LEOFF LONG-TERM CARE PREMIUM	\$ 1,024.90	hr
277098	12/1/2020	124166	VENTEK INTERNATIONAL	DECEMBER SERVER HOSTING AND CELL CARRIER	\$ 135.00	parks1
277380	12/1/2020	102853701-0008525	WAVE	DARK FIBER & DEDICATED INTERNET ACCESS	\$ 1,796.02	fiber
277354	12/1/2020	012062038	XEROX CORPORATION	XEROX COPIER 10/21-11/21/20	\$ 36.05	publib
277148	12/1/2020	360-293-1900-0122885	ZIPLY FIBER	CITY MAIN PHONE 12/1-12/31/20	\$ 1,252.30	finance
277381	12/1/2020	360-293-0045-0223175	ZIPLY FIBER	STATION BACK-UP LINES 12/1-12/31/20	\$ 155.27	medic
277199	12/2/2020	248 984 6277 5	CASCADE NATURAL GAS CORP.	WTP 10/29-12/1/20	\$ 1,485.30	dwtp
277261	12/2/2020	8498 30 017 0319913	COMCAST	LIBRARY INTERNET ACCESS 12/9/20-01/08/2021	\$ 182.10	fiber
277340	12/2/2020	11610	ENGINEERED PROCESS CONTROL LLC	MAINTENANCE SUPPLIES	\$ 3,847.82	dwwtp
277201	12/2/2020	201575	NAPA	PITMAN ARM, IDLER ARM #142	\$ 356.36	dshop
277196	12/2/2020	200000666863	PUGET SOUND ENERGY INC	LIBRARY 10TH STREET LED 10/31-12/2/20	\$ 9.30	publib
277197	12/2/2020	200000667218	PUGET SOUND ENERGY INC	LIBRARY 10TH & M ST 10/31-12/2/20	\$ 19.90	publib
277101	12/2/2020	3818	REEB, RALPH	CEMETERY LOT BUY BACK GVA-198-L&M	\$ 1,300.00	parks1
277204	12/2/2020	331 0549887	UNIFIRST CORPORATION	WTP LAUNDRY SERVICE	\$ 95.15	dwtp
277410	12/2/2020	434049	USA BLUE BOOK	FLUORIDE STANDARD 1 AND 2, AND FLUORIDE REAGENT TISAB	\$ 117.10	dwtp
277411	12/2/2020	434048	USA BLUE BOOK	BH LAB SUPPLIES	\$ 1,429.61	dwtp
277392	12/3/2020	909	AQUA-TERR SYSTEMS INC	VOLUNTEER PARK/SMILEY'S BOTTOM CRITICAL AREAS REPORT/MANAGEMENT PLA	\$ 10.00	plan

Invoice Doc #	Transaction Date	Invoice #	Vendor Full Name	Description	Total Amount	Approval Queue
277141	12/3/2020	RI104704806	FRANCOTYP-POSTALIA, INC	MAILING MACHINE QUARTERLY RENTAL 12/1-2/28/2021	\$ 130.43	finance
277342	12/3/2020	9735279755	GRAINGER	MAINTENANCE SUPPLIES	\$ 31.19	dwtp
277147	12/3/2020	BondRelease	KREIDER CONSTRUCTION INC.	RELEASE PERFORMANCE BOND 32ND STREET SHORT PLAT	\$ 14,317.50	finance
277339	12/3/2020	1B50048	PLATT ELECTRIC SUPPLY INC	PUMP STATION MAINTENANCE	\$ 571.56	dwtp
277203	12/3/2020	112991	WALTON BEVERAGE COMPANY, INC	WTP BREAKROOM SUPPLIES	\$ 117.25	dwtp
277273	12/3/2020	21002943	WASHINGTON STATE PATROL	BACKGROUND CHECKS; NOVEMBER 2020	\$ 410.75	apd
277274	12/4/2020	5197	ANACORTES TOWING, LLC	TOWING; APD CASE 20-A07736	\$ 163.20	apd
277275	12/4/2020	5196	ANACORTES TOWING, LLC	TOWING; APD CASE 20-A07758	\$ 163.20	apd
277388	12/4/2020	AN 808608	CENTRAL WELDING SUPPLY CO, INC	O2 FOR AMBULANCE	\$ 95.64	medic
277262	12/4/2020	93022712	CHEMTRADE CHEMICALS US LLC	ALUMINUM SULFATE	\$ 5,291.33	dwtp
277207	12/4/2020	cpls	DEPARTMENT OF LICENSING	CPLS TO D.O.L.; NOVEMBER 2020	\$ 924.00	apd
277400	12/4/2020	1200312953	HDR ENGINEERING, INC	SK RIVER RAW WATER PIPELINE/CLEARWELL PROJECT-CONSTRUCTION MNGMNT 10/25-11/24/20	\$ 32,501.41	pw1
277289	12/4/2020	50812	ROBINSON BROTHERS	MUNICIPAL BROADBAND NETWORK - LIBRARY TO MSTs AERIAL AREA 1	\$ 167,993.78	fiber
277263	12/4/2020	S20206585	SUPERIOR SYSTEMS, INC	WIRE MESH SCREEN	\$ 486.08	dwtp
277295	12/4/2020	20202366	SYSTEMS DESIGN WEST, LLC	AMBULANCE SERVICE BILLING 11/2020	\$ 2,996.95	finance
277282	12/5/2020	Payment #5	ANACORTES FAMILY CENTER	CDBG EMERGENCY INCOME PMTS ANACORTES FAMILY CENTER	\$ 8,993.00	plan
277276	12/5/2020	00005W5A83490	UNITED PARCEL SERVICE, INC	UPS SHIPPING CHARGES; WEEK ENDING 12-5-20	\$ 9.47	apd
277290	12/7/2020	EIP #6	ANACORTES FAMILY CENTER	CDBG EMERGENCY INCOME PYMT #6	\$ 1,300.00	plan
277396	12/7/2020	WABUR223315	FASTENAL COMPANY	MAKE-A-CLAMP KIT	\$ 130.78	dwtp
277278	12/7/2020	12/07/2020	FIDALGO CLEANING	APD CLEANING & SUPPLIES	\$ 700.00	apd
277394	12/7/2020	20605.00	GRAY & OSBORNE INC	F4 BASIN MODELING 2020 - 11/8/20-12/5/20	\$ 4,634.93	pw1
277414	12/7/2020	9319080368	GRAYBAR ELECTRIC COMPANY, INC	FIBER OPTIC DROP CABLES	\$ 1,699.78	fiber
277390	12/7/2020	007L4899	HARRINGTON INDUSTRIAL	PUMP MANIFOLD PARTS	\$ 261.93	dwtp
277401	12/7/2020	1200313858	HDR ENGINEERING, INC	SANITARY SEWER STORAGE STUDY - 10/24/20-11/21/20	\$ 4,194.22	pw1
277285	12/7/2020	6-46 DEC20	SKAGIT COUNTY INVESTIGATIONS	PUB DEF INVEST	\$ 82.50	court
277286	12/7/2020	6-45 DEC20	SKAGIT COUNTY INVESTIGATIONS	PUB DEF INVEST	\$ 261.25	court
277211	12/7/2020	December	SKAGIT LAW GROUP PLLC	PROSECUTION SERVICES DEC. 2020	\$ 6,305.00	legal
277417	12/8/2020	L139636	STATE AUDITOR'S OFFICE	ACCOUNTABILITY AUDIT 19-19	\$ 3,220.50	finance

Total **\$1,615,138.41**



City Council Contract Agenda Bill

Meeting Date: 12/14/2020 **Agenda Item:** 4c

Subject: Contract Modification – Municipal Fiber Network Coordinated Services 19-040-FBR-001

Staff Contact: Emily Schuh

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

Action Type: Contract Modification Approval

Summary Statement: City staff seeks City Council consent to issue a contract modification to NoaNet to extend the agreement for an additional year and adjust service prices for the Municipal Fiber Network Coordinated Services. The work includes overseeing the Network Operation Center, off-hours customer service support, and network engineering support.

Background:

1. **Reason for Contract Change:** To extend the agreement for an additional year, and update service prices for the year 2021.
2. **History:** This City Fiber Department proposes contracting with NoaNet as a strategic approach to managing our municipal fiber project which includes overseeing the Network Operation Center and off-hours customer service support. The City will also continue to utilize NoaNet for our network engineering support rather than hiring a direct employee during the implementation of the pilot project.
3. **Key Terms:**
 - The recurring monthly cost increases from \$1,720 to \$2,265 per month, plus costs per hour/unit for other services on an as-needed basis.
 - The City is exercising the option in Article 3 to extend the agreement for one additional year.
4. **Competitive Bidding:** This work is considered a Purchased Service and not subject to formal bidding requirements. The Project Manager evaluated options and selected NoaNet to perform the work.

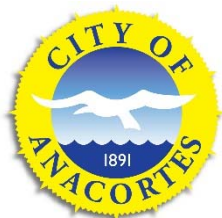
Previous Council/Committee Action: Council awarded contract [19-040-FBR-001](#) at the [4/15/19](#) meeting. [Modification 01](#) to add a \$0.50 fee per active residential customer was fully executed by the Mayor on 3/27/20.

Competing Viewpoints Considered: N/A

Recommended Motion: I move that City Council authorize the Mayor to sign modification 02 for contract 19-040-FBR-001 with NoaNet, to extend the agreement for an additional year and adjust the service prices for the Municipal Fiber Network Coordinated Services.

Alternative Actions: Not approve the contract modification

Attachments: Contract 19-040-FBR-001 Modification 02



**Contract Number 19-040-FBR-001
MODIFICATION 02**

Date 12/14/2020
Page 1 of 1 Page

Project Title Municipal Fiber Network Coordinated Services
Prime Contractor NoaNet

BACKGROUND

This modification is issued in accordance with Article 20. Changes/Additional Work to adjust service prices for the year 2021. In addition, the City of Anacortes is hereby exercising the option detailed in Article 3. Term of Agreement and renewing the agreement for an additional one-year term.

Accordingly, the following change is incorporated under this contract:

Article 2. Fees and Payment Terms. insert the following second paragraph:

“The work as described above is hereby amended per Modification 02. The City shall pay all fees due for services rendered between 01/01/2021-12/31/2021 according to the prices and terms listed in Attachment C.

All other terms of the contract remain unchanged.

CITY OF ANACORTES

NOANET

By _____
Laurie Gere, Mayor

By _____

Date _____

Title _____

Date _____

CITY OF ANACORTES CONTRACT 19-040-FBR-001

Exhibit C

Network Coordinated Services: 2021

	Cost per Hr / Unit	NRC	Count	MRC	Total MRC
Network Operations and Maintenance					
Management Fee			1	\$1,500	\$1,500
Core Node		\$75	4	\$135	\$540
Distribution Node		\$25	3	\$70	\$210
CPE			tbd	\$15	
Environmental			1	\$15	\$15
OSPInsight Management			per device	\$0.50	
Internet					
Internet Access Burlington NNI	\$1.00 / Meg	\$250	measured 95% percentile		
Call Center					
Incoming Call, per minute	\$2		0		
Customer Survey Management, COS			0		
Residential Subscriber, NOC, per unit			per device	\$2.50	
Call Center Subscription	incl in mgmt fee		0		
Smart Hands, On-site Support					
Next Business Day Dispatch, Unit	\$270.00				
4-hour Response Dispatch, Unit	\$375.00				
4-hour Response Dispatch, After Hours, Unit	\$560.00				
Outside Plant Management					
Project Management	\$91.55				
OSP, GIS, and Engineering Support	\$113.09				
Sr. Manager / Engineer	\$161.55				
Director	\$200.00				
Network Engineering Support					
Project Management	\$91.55				
Field Support Technician, M-F 8x5	\$107.70				
Field Support Technician, after hours, holidays	\$161.55				
Sr. Manager / Engineer	\$161.55				
Director	\$200.00				
Sales and Marketing					
Inside Sales Representative	\$91.55				
Account Manager	\$161.55				
Director	\$200.00				
Business Management and Planning					
Administrative Planning	\$91.55				
Consultant	\$161.55				
Director	\$200.00				
Reimbursables					
Airline Flight	At Cost				
Vehicle Rental, per day	\$100.00				
Per Diem, per day	\$60.00				
Mileage, non rental	\$0.60				
Hotel	At Cost				
SUMMARY EXPENSES		tbd			tbd

Roles and Responsibilities		
	City	NoaNet
Core Network Management		
Network/Environmental Monitoring & Maintenance		xx
Physical Plant Engineering and Management	xx	
Network Outage Management		xx
Network Engineering, L2 and L3		xx
Smart Hands Support	xx	xx
Outside Plant Break Fix	xx	
SysLog		xx
Nokia Management System		xx
24x7 Call Center / Tier 2 Support / Trouble Ticketing		xx
Fiber Management		xx
Residential / Access Internet Provisioning		
Administration / Order Taking / Customer Care	xx	
24x7 Call Center and Trouble Ticketing		xx
NBD Customer Repair	xx	
Install ONT	xx	
Install Service Drop	xx	
Network Provisioning		xx
Business Class / Carrier Class Provisioning		
Administration / Order Taking / Customer Care	xx	
24x7 Call Center	xx	
Smart Hands Support	xx	
Call Center and Trouble Ticketing	xx	
Install CPE	xx	
Install Service Drop	xx	
Network and CPE Provisioning		xx



City of Anacortes, WA

Solids Handling Feasibility Study and Engineering Report

December 14, 2020

John Willis, Ph.D., P.E., BCEE,
WEF Fellow
Brown and Caldwell



City's Objectives for Solids Handling

Aging fluid-bed incinerator (FBI)

- Unit is costly to maintain
- Provides no useful products
- Requires supplemental diesel fuel

Options should meet these objectives:

1. Be better than “break even” economically than our FBI
2. Provide effective renewable-energy products
3. Provide reliable, beneficial use of products
(required by WA-Ecology and RCW 70A.226.005)

Other options will be considered, but would be

➔ eliminated if not improving performance on objectives

Agenda

- Biosolids Stabilization Options
 - HTP (Hydrothermal Liquefaction Process) Overview
 - Class-A Digestion
- Engineering Report Scope and City's Decision Pathways

HTP Overview

HTL uses Temperature + Pressure + Water to convert Sludge to Oil and Gas

Like fossil fuels — but in 1 hour



350°C and 3,000 psi

Process developed by PNNL over 30 years



US Department of Energy's Pacific Northwest National Laboratory (PNNL)
in Richland, WA

Products are Converted to Finished Fuels

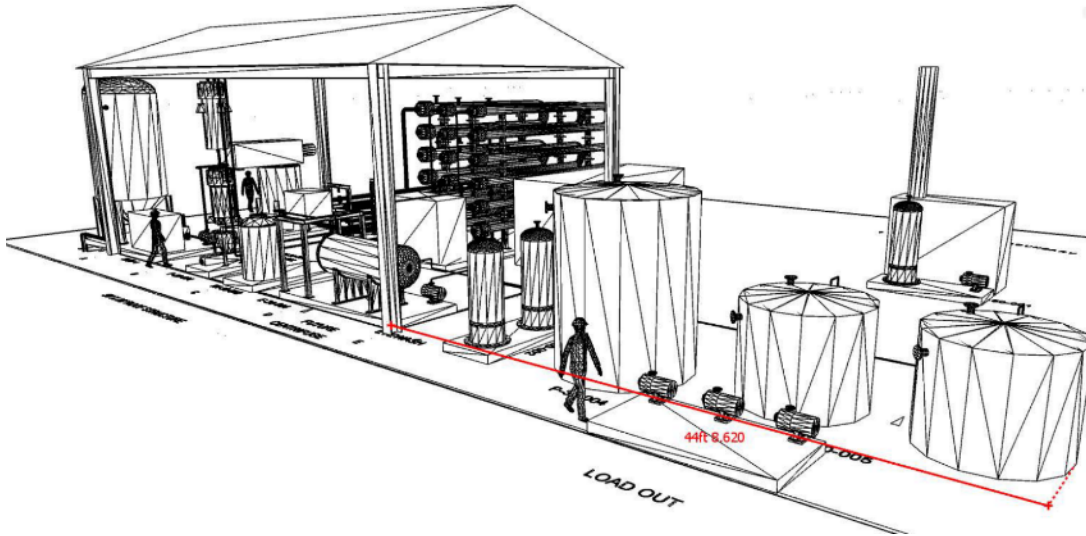


Biocrude is refined for diesel, gasoline, and jet fuel



Biogas can be upgraded to renewable natural gas

Similar Coordinated HTP Projects:



Isometric of HYPOWRS Installation at Martinez, CA

- Water Research Foundation's HYPOWERS Project
 - Central Contra Costa Martinez, CA
 - Sized for 30,000 people

- Metro Vancouver HTP Demonstration
 - Selection and fabrication to begin soon
 - Available onsite in 2022
 - Sized for 30,000 people

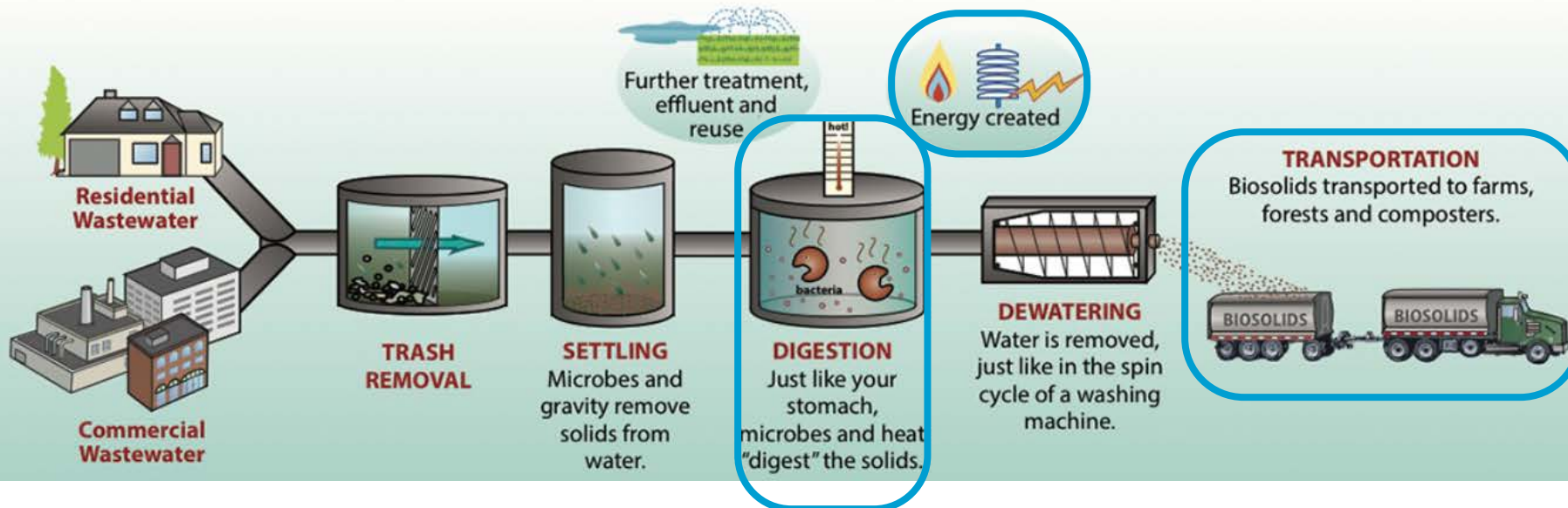
Class-A Digestion Overview



Class-A Digestion leverages Proven Technology enabling Resource Recovery

- Thermophilic digestion ($\sim 135^{\circ}\text{F}$) produces Class-A biosolids (a fertilizer almost like La Connor's compost)
- Produces biogas for renewable energy

WASTEWATER TREATMENT PROCESS - HOW BIOSOLIDS ARE MADE



Class-A Digestion Systems have Proven Track Records

Metro Vancouver, BC
(Annacis Island) – 1998

OWASA (Chapel Hill, NC) – 2000

City of Los Angeles, CA:

- Hyperion – 2003
- Terminal Island – 2005

➔ **Bellingham, WA – ~2025**

Recent emphasis “upgrades”
biogas to renewable CNG for
bus or trash fleets



Class-A TPAD at OWASA – Chapel Hill, NC



Class-A Digestion and Biogas Upgrading at the
SWWRF in St. Petersburg, FL

Engineering Report Scope and City's Decision Pathways



Feasibility Study

- Compare 3 options in WA-Ecology Engineering Report:
 1. Status quo with FBI – calibrated to current costs as site-specific “baseline”
 2. Genifuel HTP
 3. Class-A digestion with biosolids land application
 - Failure to fully meet objectives eliminates other processes
- Assess suitability, product(s) disposition, ammonia impacts, economics, and sustainability for each Option:
 - ➔ with input/review by City and WA-Ecology
- Assess Biocrude to Anacortes refineries?, Parkland Fuel✓ (Vancouver, BC), or Kern Oil✓ (Bakersfield, CA); and Biogas-use options

Preliminary Comparison

Feature	Status Quo FBI	Genifuel HTP	Class-A Digestion
Residuals	~Current	~Current	8x Current
Net Energy	-1 Unit	+10 Units	+6 Units
Performance against Objectives			
Better than Break-Even	—	?	?
Positive Energy Balance	X	✓✓✓	✓✓
Useful Products	X	✓✓✓	✓✓

Decision Pathway (if HTP is attractive)

- Develop Engineering Report and determine if HTP process is of value/interest
 - **preliminary decision**
- Visit/observe commissioning and testing of facilities at Central San (Martinez, CA) and Metro Vancouver (BC)
 - **confirm decision**
- Design site-integration of a chosen solution
- If HTP is selected, contract with Genifuel to acquire Central San system
 - **final decision**
- Construct system upgrades



Current Funding and Funding Opportunities

- DOE HeroX Water Prize:
 - \$40,000 contribution to Engineering Report
 - Eligible for \$250,000 in additional funding in summer-2021
- Low-interest (~0.6%) WA-Ecology loan for Engineering Report
- Future WA-Ecology loans are eligible for Green Reserve which may include:
 - Up to 25% of loan as a “grant” for design
 - Up to 25% of loan as a “grant” for construction



Thank you.
Questions?



City Council Contract Agenda Bill

Meeting Date: 12/14/2020 **Agenda Item:** 5a

Subject: Contract Award – Hydrothermal Processing of Wastewater Biosolids #20-217-SEW-001

Staff Contact: Fred Buckenmeyer

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

Action Type: Contract Award

Summary Statement: City staff seeks City Council consent to award a contract in the amount of \$274,360.00 to Brown and Caldwell to prepare an engineering report and conduct a feasibility study for the HYPOWERS Hydrothermal Processing System to determine suitability as a treatment solution to convert biosolids into a renewable energy source in the production of a biocrude oil and biogas.

Background:

1. **History:** The City signed a letter of intent with HYPOWERS LLC in July to explore acquisition and integration of the Genifuel HYPOWERS system. The system will be relocated to Anacortes WWTP following a demonstration period at the Central Contra Costa Sanitary District. The HYPOWERS system converts municipal sludge into biological crude oil, renewable biogas, and ash through a hydrothermal liquefaction (HTL) followed by a catalytical hydrothermal gasification (CHG) process. The engineering report and feasibility study will take a detailed look at the HYPOWERS system and anaerobic digestion as alternative processes for biosolids treatment compared to continued operation of the existing incinerator. Other alternatives will be given consideration at a high level to determine practicality and ability to provide a comparable treatment solution. The study will also look at the energy inputs and products, the environmental attributes, economics and planning level technical aspects of incorporating the HYPOWERS system as part of the WWTP process. Staff has conducted additional research per City Council direction at the November 9th meeting.
2. **Key Terms:**
 - Contract is on a time-and-materials basis not-to-exceed \$274,360.00.
 - The period of performance under this Agreement is through December 31, 2021.
3. **Competitive Bidding:** Per RCW 39.80 this engineering consultant was selected from the City's MRSC Architectural, Landscape Architectural, and Engineering Service Roster to provide a proposal for this scope of work, after which a price was negotiated.

Previous Council/Committee Action: At the [July 6, 2020](#) meeting, Council authorized the Mayor to sign a Letter of Intent. The project was brought before and discussed with the Public Works Committee on May 4, 2020, May 18, 2020, June 1, 2020, July 20, 2020 and August 7, 2020. At the [November 9, 2020](#) meeting, the contract proposal was presented to Council, the contract was moved forward to another meeting pending further research.

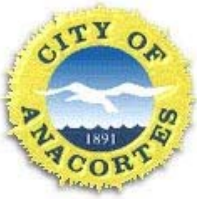
Competing Viewpoints Considered: N/A

Recommended Motion: I move that City Council authorize the Mayor to sign contract 20-217-SEW-001 with Brown and Caldwell in the amount of \$274,360.00 to prepare an engineering report and conduct a feasibility study for the Hydrothermal Processing of Wastewater Biosolids Project.

Alternative Actions: Not award the contract

Attachments: Contract 20-217-SEW-001

Contractor	Brown and Caldwell
Contract Amount	\$274,360.00
Earmarked Funds	\$2,576,330.79
BARS #	440.000.594.35.63
Budget Amendment Required?	No
Start Date	Contract execution
End Date	12/31/21



CONTRACT 20-217-SEW-001

**Between
THE CITY OF ANACORTES
AND
BROWN AND CALDWELL**

**Hydrothermal Processing of Wastewater Biosolids Project –
Engineering Report and Feasibility Study**

This Agreement, hereinafter referred to as "Agreement", made and entered into between the City of Anacortes, hereinafter referred to as the "City", and Brown and Caldwell, hereinafter referred to as the "Consultant";

WHEREAS, the City requires professional services of the Consultant;

NOW, THEREFORE, in consideration of mutual benefits accruing, it is agreed by and between the parties hereto as follows:

1. **Scope of Work.** Under this Agreement, the Consultant will prepare an engineering report and conduct a feasibility study for the HYPOWERS Hydrothermal Processing System to determine suitability as a treatment solution to convert biosolids into a renewable energy source in the production of a biocrude oil and biogas. Specifically, the Consultant shall provide services in accordance with Exhibit A which is attached hereto and incorporated by reference. Work shall be performed under the direction of Becky Fox, who may be reached at (360) 299-1501, or by email at beckyf@cityofanacortes.org.

2. **COVID-19 Safety Requirements Compliance.** The Consultant, and its sub-Consultants of any tier, agree to comply with all current and future COVID-19 proclamations, regulations, requirements and/or related guidance issued by the Office of the Governor of Washington State as it may relate to City of Anacortes projects.

3. **Price.** The services provided under this Agreement shall be provided on a time-and-materials basis not-to-exceed **Two Hundred Seventy-Four Thousand Three Hundred Sixty Dollars (\$274,360.00)**. Payments shall be made in accordance with attached Exhibit A, which is hereby incorporated into this Agreement by reference. Other direct costs and Subconsultant costs shall be invoiced at actual costs.

4. **Period of Performance.** The period of performance is from inception through December 31, 2021.

5. **Subcontracts.** The Consultant shall give notice in advance of placing any subcontract and will identify subcontracts before subcontracted work begins. "Subcontract" means any contract entered into by a sub-consultant to furnish supplies or services for performance of the prime Consultant or a sub-consultant. It includes, but is not limited to, purchase orders, and changes and modifications to purchase orders. The following information shall be included (i) a description of the supplies or services to be subcontracted, (ii) identification of the type of subcontract to be used (iii) identification of the proposed sub-consultant, (iv) proposed subcontract price. Unless consent or approval specifically provides otherwise, consent by the City shall not constitute a determination –

- (1) of the acceptability of any subcontract terms or conditions;
- (2) of the allowability of any cost under this Agreement; or
- (3) to relieve the Consultant of any responsibility for performing this Agreement.

The Consultant shall give immediate written notice, reference Clause Notices, of any action or suit filed and prompt notice of any claim made against the Consultant by any sub-consultant or vendor that, in the opinion of the Consultant, may result in litigation related in any way to this Agreement, with respect to which the Consultant may be entitled to reimbursement from the City.

6. **Taxes.** The City will pay sales and use taxes imposed on goods or services acquired hereunder as required by law. The Consultant must pay all other taxes including, but not limited to: Business and Occupation Tax, taxes based on the Consultant's gross or net income, or personal property to which the City does not hold title. The City is exempt from Federal Excise Tax. Where applicable the City shall furnish a Federal Excise Tax Exemption certificate.

7. **Invoicing.** All invoices shall include a cover page that states: Company Name, Invoice Date, Due Date (30 days), Invoice Number, Invoice Period, Project Manager Name, Agreement Name and Number, Agreement Price, amount requested per invoice and cumulative invoiced amount. Invoices shall include actual hours worked by Period, by Labor Category. The Consultant must invoice at least **MONTHLY** for quantities delivered during the invoice period, and no more frequently than monthly, and allow 30 calendar days from receipt of the invoice for payment. Invoices should be sent by US mail to City of Anacortes, Accounts Payable, PO Box 547, Anacortes, WA 98221, or by email to accountspayable@cityofanacortes.org

The City shall notify the Consultant within fifteen (15) calendar days from receipt of invoice if there are any objections or disputes with the invoice. The Consultant shall then resubmit a new invoice less the disputed amount and payment shall be made within 30 calendar days. Any disputed amounts may be submitted under the Disputes clause contained herein.

8. **Withholding Payment.** In the event the City determines that the Consultant has failed to perform any obligation under this Contract within the times set forth in this Contract, then the City may withhold from amounts otherwise due and payable to Consultant the amount determined by the City as necessary to cure the default, until the Contracting Officer determines that such failure to perform has been cured. Withholding under this clause shall not be deemed a breach entitling Consultant to terminate or damages, provided that the City promptly gives notice in writing to the Consultant of the nature of the default or failure to perform, and in no case more than 8 days after it determines to withhold amounts otherwise due. A determination of the City Attorney set forth in such notice to the Consultant of the action required and/or the amount required to cure any alleged failure to perform shall be deemed conclusive, except to the extent that the Consultant acts within the times and in strict accord with the provisions of the Disputes clause of this Contract. The City may act in accordance with any determination of the City Attorney which has become conclusive under this clause, without prejudice to any other remedy under the Contract, to take all or any of the following actions: (1) cure any failure or default, (2) to pay any amount so required to be paid and to charge the same to the account of the Consultant, (3) to set off any amount so paid or incurred from amounts due to become due the Consultant. In the event the Consultant obtains relief upon a claim under the Disputes clause, no penalty or damages shall accrue to Consultant by reason of good faith withholding by the City under this clause.

9. **Final Payment: Waiver of Claim.** The Consultant's acceptance of final payment shall constitute a waiver of claims, except those previously and properly made and identified by the Consultant as unsettled at the time request for final payment is made.

10. **Ownership and Use of Documents.** All finished and unfinished documents and material prepared by the Consultant with funds paid by the City pursuant to the terms of this Agreement shall become the property of the City and shall be forwarded to the City upon its request. Documents and materials shall include but not be limited to plans, specifications, reports, electronic and non-electronic data, and other design documents prepared by the Consultant. Pursuant to RCW 42.56.70, all information and documents produced under this Agreement may be subject to public disclosure.

11. **Assistance Regarding Patent and Copyright Infringement.** In the event of any claim or suit against City on account of any alleged patent or copyright infringement arising out of the performance of this Contract or out of the use of any material furnished or work or services performed hereunder, Consultant shall defend City against any such suit or claim and hold City harmless from any and all expenses, court costs, and attorney's fees in connection with such claim or suit.

12. **Defense and Indemnity Agreement.** Consultant shall defend, indemnify and hold the Public Entity, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or resulting from the acts, errors or omissions of the Consultant in performance of this Agreement, except for injuries and damages caused by the sole negligence of the Public Entity.

Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Consultant and the Public Entity, its officers, officials, employees, and volunteers, the Consultant's liability, including the duty and cost to defend, hereunder shall be only to the extent of the Consultant's negligence. It is further specifically and expressly understood that the indemnification provided herein constitutes the Consultant's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties. The provisions of this section shall survive the expiration or termination of this Agreement.

13. **General and Professional Liability Insurance.**

A. Insurance Term: The Consultant shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.

B. No Limitation: The Consultant's maintenance of insurance as required by this Agreement shall not be construed to limit the liability of the Consultant to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy available at law or in equity.

C. Minimum Scope of Insurance: Consultant shall obtain insurance of the types and coverages described below:

1. Automobile Liability insurance covering all owned, non-owned, hired and leased vehicles. Coverage shall be at least as broad as Insurance Services Office (ISO) form CA 00 01.
2. Commercial General Liability insurance shall be at least as broad as ISO occurrences form CG 00 01 and shall cover liability arising from premises, operations, stop-gap independent Consultants and personal injury and advertising injury. The City shall be named as an additional insured under the Consultant's Commercial General Liability insurance policy with respect to the work performed for the City using an additional insured endorsement at least as broad as ISO CG 20 26.
3. Worker's Compensation coverage as required by the Industrial Insurance laws of the State of Washington.
4. Professional Liability insurance appropriate to the Consultant's profession.

D. Minimum Amounts of Insurance: Consultant shall maintain the following insurance limits:

1. Automobile Liability insurance with a minimum combined single limit for bodily injury and property damage of \$1,000,000 per accident.
2. Commercial General Liability insurance shall be written with limits no less than \$2,000,000 each occurrence and \$2,000,000 general aggregate.
3. Professional Liability insurance shall be written with limits no less than \$2,000,000 per claim and \$2,000,000 policy aggregate limit.

E. Other Insurance Provision: The Consultant's Automobile Liability and Commercial General Liability insurance policies are to contain, or be endorsed to contain that they shall be primary insurance as respect the City. Any insurance, self-insurance, or self-insured pool coverage maintained by the City shall be excess of the Consultant's insurance and shall not contribute with it.

F. Acceptability of Insurers: Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.

G. Verification of Coverage: The Consultant shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the Consultant before commencement of the work.

H. Notice of Cancellation: The Consultant shall provide the City with written notice of any policy cancellation within two business days of their receipt of such notice.

I. Failure to Maintain Insurance: Failure on the part of the Consultant to maintain the insurance as required shall constitute a material breach of contract, upon which the City may, after giving five business days notice to the Consultant to correct the breach, immediately terminate the contract, or at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, with sums so expended to be repaid to the City on demand, or at the sole discretion of the City, offset against funds due the Consultant from the City.

J. City Full Availability of Consultant Limits: If the Consultant maintains higher insurance limits than the minimums shown above, the City shall be insured for the full available limits of Commercial General and Excess or Umbrella liability maintained by the Consultant, irrespective of whether such limits maintained by the Consultant are greater than those required by this Agreement or whether any certificate of insurance furnished to the City evidences limits of liability lower than those maintained by the Consultant.

14. **Registered or Licensed Consultant.** The City is prohibited from executing an Agreement with a Consultant who is not registered or licensed as required by the laws of the state. In addition, a City of Anacortes business license is required for any business working inside the city limits whose annual value of products, gross proceeds of sales, or gross income of the business in the city is more than \$2,000. Business licenses can be obtained through the State of Washington Department of Revenue (DOR) Business Licensing Service (BLS) at bls.dor.wa.gov.

15. **Inspection.** The Project Manager shall have power to reject instruments of services which fail to comply with the requirements of this Agreement, but in case of dispute the Consultant may appeal to the City Attorney, whose decision shall be final. The Consultant shall comply with any and all orders and instructions given by the representative of the particular Department administering the Agreement in accordance with the terms of the Agreement. Nothing herein contained shall be taken to relieve the Consultant of his/her obligations or responsibilities under the Agreement. However, the Consultant shall be responsible for its own methods and conduct during the period of performance.

16. **Standard of Care.** The Consultant represents that Consultant has the necessary knowledge, skill, and experience to perform the Services required by this Agreement. Consultant and any persons employed by Consultant shall use their best efforts to perform the Work in a professional manner consistent with sound practices, in accordance with the usually and customary professional care required for services of the type described in the Scope of Work herein. The City's remedy shall be the re-performance of the Service or an equitable adjustment in the monies paid for the Professional Services, at the City's discretion.

17. **Discrimination Prohibited.** During the performance of this Agreement, the Consultant and subConsultants shall not discriminate in violation of any applicable federal, state and/or local law or regulation on the basis of age, sex, race, creed, religion, color, national origin, marital status, disability, honorably discharged veteran or military status, pregnancy, sexual orientation, gender identity, or any other classification protected under federal, state, or local law. This provision shall include but not be limited to the following: employment, upgrading, demotion, transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, selection for training, and the provision of services under this Agreement. Consultant agrees to comply with the applicable provisions of State and Federal Equal Employment Opportunity and Nondiscrimination statutes and regulations.

18. **Consultant is an Independent Consultant.** The parties intend that an independent Consultant relationship will be created by this Agreement. No agent, employee or representative of the Consultant shall be deemed to be an agent, employee or representative of the City for any purpose. Consultant shall be solely responsible for all acts of its agents, employees, representatives and subConsultants during the performance of this Agreement.

19. **Acceptance.** Consultant acknowledges and agrees that these General Provisions are incorporated in, and are a part of, each purchase order or other agreement relating to the provision of goods and/or related services by Consultant. These General Provisions supersede all conflicting or additional terms pre-printed on any purchase order, quote, or otherwise set forth on any release, acknowledgement, confirmation, requisition, work order, shipping instruction, specification and similar document or communication.

20. **No Third Party Beneficiary Rights.** This Agreement is not intended to and shall not be construed to give any Third Party any interest or rights (including, without limitation, any Third Party beneficiary rights) with respect to or in connection with any agreement or provision contained herein or contemplated hereby, except as otherwise expressly provided for in this Agreement.

21. **The City's Right to Terminate Agreement.**

A. **Termination for Default:** If the Consultant defaults by failing to perform any of the obligations of the Agreement or becomes insolvent or is declared bankrupt or commits any act of bankruptcy or insolvency or makes an assignment for the benefit of creditors, the City may, by depositing written notice to the Consultant in the U.S. mail, postage prepaid, terminate the Agreement, and at the City's option, obtain performance of the work elsewhere. If the Agreement is terminated for default, the Consultant shall not be entitled to receive any further payments under the Agreement until all work called for has been fully performed. Any extra cost or damage to the City resulting from such default(s) shall be deducted from any money due or coming due to the Consultant. The Consultant shall bear any extra expenses incurred by the City in completing the work, including all increased costs for completing the work, and all damage sustained, or which may be sustained by the City by reason of such default. If a notice of termination for default has been issued and it is later determined for any reason that the Consultant was not in default, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to the Termination for Public Convenience paragraph hereof.

B. **Termination for Public Convenience:** The City may terminate the Agreement in whole or in part whenever the City determines, in its sole discretion that such termination is in the best interests of the City. Whenever the Agreement is terminated in accordance with this paragraph, the Consultant shall be entitled to payment for actual work performed at unit Agreement prices for completed items of work. An equitable adjustment in the Agreement price for partially completed items of work will be made, but such adjustment shall not include provision for loss of anticipated profit on deleted or uncompleted work. Termination of this Agreement by the City at any time during the term, whether for default or convenience, shall not constitute a breach of Agreement by the City.

22. **Changes/Additional Work.** The City may engage Consultant to perform services in addition to those listed in this Agreement, and Consultant will be entitled to additional compensation for authorized additional services or materials. The City shall not be liable for additional compensation until and unless any and all additional work and compensation is approved in advance in writing and signed by both parties to this Agreement. If conditions are encountered which are not anticipated in the Scope of Services, the City understands that a revision to the Scope of Services and fees may be required. Provided, however, that nothing in this paragraph shall be

interpreted to obligate the Consultant to render or the City to pay for services rendered in excess of the Scope of Services unless or until a modification to this Agreement is approved in writing by both parties.

23. **Non-waiver.** Waiver by the City of any provision of this Agreement or any time limitation provided for in this Agreement shall not constitute a waiver of any other provision.

24. **Non-assignable.** The services to be provided by the Consultant shall not be assigned or subcontracted without the express written consent of the City.

25. **Covenant Against Contingent Fees.** The Consultant warrants that he has not employed or retained any company or person, other than a bona fide employee working solely for the Consultant, to solicit or secure this Agreement, and that he has not paid or agreed to pay any company or person, other than a bona fide employee working solely for the Consultant, any fee, commission, percentage, brokerage fee, gifts, or any other consideration contingent upon or resulting from the award of making of this Agreement. For breach or violation of this warranty, the City shall have the right to annul this Agreement without liability or, in its discretion to deduct from the Agreement price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift, or contingent fee.

26. **Disputes**

A. **General:** Differences between the Consultant and the City, arising under and by virtue of this Agreement shall be brought to the attention of the City at the earliest possible time in order that such matters may be settled or other appropriate action promptly taken. The provisions of this Clause shall survive the expiration or termination of this Agreement.

B. **Notice of Potential Claims:** The Consultant shall not be entitled to additional compensation which otherwise may be payable, or to extension of time for (1) any act or failure to act by the Contracting Agent or the City, or (2) the happening of any event or occurrence, unless the Consultant has given the City a written Notice of Potential Claim within 10 days of the commencement of the act, failure, or event giving rise to the claim, and before final payment by the City. The written Notice of Potential Claim shall set forth the reasons for which the Consultant believes additional compensation or extension of time is due, the nature of the cost involved, and insofar as possible, the amount of the potential claim. Consultant shall keep full and complete daily records of the Work performed, labor and all costs and additional time claimed to be additional.

C. **Detailed Claim:** The Consultant shall not be entitled to claim any such additional compensation, or extension of time, unless within 30 days of the accomplishment of the portion of the work from which the claim arose, and before final payment by the City, the Consultant has given the City a detailed written statement of each element of cost or other compensation requested and of all elements of additional time required, and copies of any supporting documents evidencing the amount or the extension of time claimed to be due.

D. **Dispute Resolution:** In the event of a dispute between the City and the Consultant arising of this Agreement, or any obligation hereunder the dispute shall first be referred to the representatives designated by the City and the Consultant to have oversight over the administration of this Agreement. Said representatives shall meet within thirty (30) calendar days of receipt of detailed claim, and the parties shall make a good faith effort to achieve a resolution of the dispute.

In the event the parties are unable to resolve the dispute under the procedure set forth above, then the parties hereby agree that the matter shall be referred to mediation. The parties shall mutually agree upon a mediator to assist them in resolving their differences. Any expenses incidental to mediation shall be borne equally by the parties. If either party is dissatisfied with the outcome of the mediation, that party may then pursue any available judicial remedies.

27. **Force Majeure.** Neither party shall be liable to the other or deemed in breach or default for any failure or delay in performance under this Agreement during the time and to the extent its performance is prevented by reasons of Force Majeure. For the purposes of this Agreement, Force Majeure means an occurrence that is beyond the reasonable control of and without fault or negligence of the party claiming force majeure and which, by exercise of due diligence of such party, could not have been prevented or overcome. Force Majeure shall include natural disasters, including fire, flood, earthquake, windstorm, avalanche, mudslide, and other similar events; acts of war or civil unrest when an emergency has been declared by appropriate governmental officials; acts of civil or military authority; freight embargoes; epidemics; quarantine restrictions; labor strikes; boycotts; terrorist acts; riots; insurrections; explosions; and nuclear accidents. A party claiming suspension or termination of its obligations due to force majeure shall give the other party prompt written notice, but no more than two (2) working days after the event, of the impediment and its effect on the ability to perform; failure to provide such notice shall preclude recovery under this provision. Such delay shall cease as soon as practicable and written notification of same shall be provided. The time of completion shall be extended by Agreement modification for a

period of time equal to the time that the results or effects of such delay prevented the delayed party from performing in accordance with this Agreement. Rights Reserved: The City reserves the right to cancel the Agreement and/or purchase materials, equipment or services from the best available source during the time of force majeure, and Consultant shall have no recourse against the City

28. **Compliance with Laws.** The Consultant in the performance of this Agreement shall comply with all applicable Federal, State or local laws and ordinances, including regulations for licensing, certification and operation of facilities, programs and accreditation, and licensing of individuals, and any other standards or criteria as described in the Agreement to assure quality of services. The Consultant specifically agrees to pay any applicable business and occupation (B&O) taxes, which may be due on account of this Agreement.

29. **Severability.** If any term or condition of this Agreement or the application thereof to any person(s) or circumstances is held invalid, such invalidity shall not affect other terms, conditions or applications which can be given effect without the invalid term, condition or application. To this end, the terms and conditions of this Agreement are declared severable.

30. **Survival of Agreement Termination.** The articles relating to Defense and Indemnity, Taxes, Ownership and Use of Documents, Assistance Regarding Patent and Copyright Infringement, The City's Right to Terminate Agreement, Governing Law, and Disputes, shall survive completion of the services, payment in full of the compensation and termination of this Agreement.

31. **Governing Law.** This Agreement shall be governed by and construed under the laws of the State of Washington. Any action brought under the Agreement or relating to the Project shall be brought in the Superior Court of the State of Washington in Skagit County Washington.

32. **Notices.** Receipt of any notice shall be deemed effective three days after deposit of written notice in the U.S. mails, with proper postage and properly addressed. Notices shall be sent to the following address:

CITY:	CONSULTANT:
City of Anacortes	Brown and Caldwell
Tiffany Matson	Tadd Giesbrecht
904 6 th Street	701 Pike Street
PO Box 547	Seattle, WA 98101
Anacortes, WA 98221	

The parties acknowledge that there has been an opportunity to negotiate the terms and conditions of this Agreement and agree to each bind itself, its partners, successors, assigns, and legal representatives to the other party hereto, in respect of all covenants, agreements, and obligations contained in the Contract Documents. Each of the persons signing below on behalf of any party hereby represents and warrants that s/he or it is signing with full and complete authority to bind the party on whose behalf of whom s/he or it is signing, to each and every term of this Agreement.

CITY OF ANACORTES

BROWN AND CALDWELL

By _____
Laurie Gere, Mayor

Date _____

Title

Date

Anacortes WWTP Engineering Report

Project Goals and Background

The City of Anacortes (City) has signed a Letter of Understanding (attached as Exhibit A) with Genifuel Corporation to evaluate and potentially purchase and install the demonstration equipment from the HYPOWERS project at the City's Wastewater Treatment Plant (WWTP). HYPOWERS is the project name for a hydrothermal liquefaction (HTL) demonstration project for the conversion of municipal sludge to biological crude oil, renewable biogas, and HTL inerts. The demonstration will be located at the Central Contra Costa (also called "Central San" and located in Martinez, CA). That demonstration equipment would be refurbished, have redundant equipment added for reliability, be transported to, and then integrated into the WWTP's solids-handling process. Brown and Caldwell (BC) has been hired to evaluate the feasibility of the site adaptation with the context of economics and sustainability.

The City currently owns and operates a fluidized bed incinerator (FBI) that is costly and maintenance-intensive and has had recent issues with source testing. Maintenance of the FBI is the baseline assumption and past maintenance costs and identified future remedial needs will be considered in this study. Additionally, while the WWTP does not currently have either effluent ammonia or total-nitrogen limits in its operating permit, it is anticipated that such limits may be added in the future. As the HTL process and its related aqueous-phase-treatment process catalytic hydrothermal gasification (CHG; collectively referred to as Hydrothermal Processing or HTP) produce a high-ammonia-concentration sidestream, some consideration as to how that load would be treated both under current and potential future limits is warranted. These and other considerations will be approached with the goal of enhancing the life-cycle economics of the WWTP's solids-handling processes.

Energy Inputs and Products. The HYPOWERS demonstration equipment is heated electrically. This is thought to be advantageous to the City from cost, maintenance, and greenhouse-gas (GHG) perspectives.

HTL produces biological crude oil (biocrude) that can be refined into renewable diesel (~56% of total fuel-product energy) and naphtha (at ~19%). Genifuel is working to secure biocrude off-take agreements with two interested refineries (Parkland Fuel in Vancouver, BC-Canada and Kern Oil in California) to accept and process biocrude into finished fuels. Marathon Anacortes Refinery and Shell's Puget Sound Refinery should also be contacted, at a minimum, during the study to determine their willingness to accept and process the biocrude.

CHG also produces biogas (~25% of total fuel product energy). The gas output can be used the same as digester biogas and can be upgraded into renewable natural gas (RNG) that can be used to fuel compressed natural gas (CNG) vehicles or for injection into a natural gas pipeline.

Environmental Attributes. Renewable fuels used in vehicles are eligible for renewable attributes that can provide significant revenue well in excess of the value of the produced fuels themselves. The United States Environmental Protection Agency's (EPA's) Renewable Fuel Standard (RFS) provides the framework for Renewable Identification Numbers (RINs) that can be sold either with the renewable fuel or separately in refiner contracts. If the feedstocks are more than 75% cellulosic content (as EPA has determined municipal sewage sludge to be) and achieve a better-than-60% reduction on life cycle GHG relative to petroleum-derived gasoline or diesel, then the RINs qualify as D3/D7 or "cellulosic". D3 RINs have historically been worth 2.5 to 4 times the

value of D5 or “advanced” RINs (that only achieve a better-than-50% GHG reduction). Initial models show that the oil from the system will qualify for D3 RINs, and final certification will be obtained during the demonstration of the system at Central San.

Engineering Report. To satisfy Department of Ecology planning requirements for making substantive changes to the facility, the feasibility study will be conducted in the context of an Engineering Report, as described in the Washington Administrative Code (WAC) 173-240-060. However, based on discussions with Ecology as part of developing this scope, not every single element of WAC 173-240-060 will need to be provided since we are primarily assessing the biosolids system. The Engineering Report will need to focus on elements that either aren’t current in other City planning documents or are necessary to advance the biosolids evaluations. Specifically, updates to wastewater flows and loading projections, alternatives evaluation process, evaluation of liquid stream impacts and necessary permitting. In order to meet the requirements, the Engineering Report will need to assess more than one alternative compared to status quo.

Scope of Services

The following scope of services identifies the major tasks that will be performed in this project:

- Phase 1 – Project Management
- Phase 2 – Data Request and Review
- Phase 3 – Initial Assessment of FBI Capital and Operational Needs.
- Phase 4 – Development of Overall Planning Context and Baseline and Planning Baseline Scenarios.
- Phase 5 – Update Flows/Loads Projections
- Phase 6 – Development of HTP Scenario and Sub-Scenario Models
- Phase 7 –Engineering Report
- Phase 8 – Meetings and Workshops
- Phase 9 – SRF Application Support
- Phase 10 – Unanticipated Services

General Assumptions for SOW

The following are general assumptions used for development of this scope of work and the associated budget.

- City will identify a City project representative who will work closely with BC throughout the project as noted herein. This representative will assist with the data collection and discussions so that BC can better understand ongoing operations and challenges and how the provided data should be interpreted.
- The City will identify appropriate staff and make staff available for questions, data collection, and deliverable review.
- The City will provide timely review of all product deliverables and decision on issues critical to project schedule and direction.

Phase 1. Project Management

Objective and Approach: Provide management, and coordination of work associated with this project, including schedules, budgets, technical quality, meetings, deliverables, progress reports, invoices, and management of subconsultants (if required for potential future amendments).

Activities:

- Communication and coordination with City staff as necessary.
- Respond to client comments and supervise appropriate revisions and adjustments to BC work products consistent with established scope and budget limitations.
- Prepare monthly invoices, including summary reporting and backup materials.
- Develop and maintain Project Management Plan, QA/QC Plan, Health and Safety Plan, and schedule.
- Prepare meeting agendas and meeting minutes.

City Responsibilities:

- Designate City staff as project representatives.
- Assign appropriate reviewers to the project and compile and provide a single consolidated, coordinated, legible, and internally consistent copy of written review comments to BC for all draft documents and work products.

Deliverables:

- Project invoices and monthly progress reports.
- Meeting agendas and meeting minutes not identified in other tasks, as needed.

Phase 2. Data Request and Review

Objective and Approach: To gather and review data necessary for completion of later phases of the work. The list below summarizes the data sets and reference documents requested by BC from the City to develop baseline models that will be calibrated to the City's actual operation and costs and to provide a more complete understanding of the WWTP's features and facilities. These items can be transmitted to BC before the project starts. The list of requested items includes:

- The following data sets are requested (ideally in Microsoft Excel) for five full City Fiscal Years up to the most recent, fully completed fiscal year:
 - WWTP annual budgets and annual performance against those budgets. For categories with multiple tracked elements, please include the budget breakdowns to the lowest available levels. As an example, please do not only provide the costs of "chemicals"; but instead include subcategories like caustic soda, methanol, polymer, and the like; and in the case of polymer, if thickening, dewatering, and other uses are tracked separately, please include each use parsed separately within the budget tracking summary.
 - All WWTP operational data summarized by either daily totals or daily averages and laboratory data.
 - Example seasonal (at quarter-annual intervals) electric and natural gas bills.
 - WWTP total power consumption and on a by-process-area or by-motor-control-center basis.
 - Biogas-fueled engine generator operation (hours, output) and maintenance costs for the engine, gas treatment, and any ancillary systems.
 - Records of hauled liquid-waste receipts, any associated data collected or input into electronic databases, and revenue from those receipts.
 - Any GHG-emissions inventories or estimates for the WWTP's operation. If none exist, BC will use protocol- or literature-based emissions factors for existing processes and the most current HYPOWERS estimates for HTL process units.
 - Historical plant data on raw influent flows and BOD, TSS, and nutrient loads from the previous 5 years.
- Most recent design drawings for the solids-handling processes.

- Identifying the most recent versions of any related solids or energy planning documents along with any comments or concerns with their accuracy or completeness.
- Current contract and most recent three months of bills for any contracted solids-, biosolids-, or ash-handling/-hauling/-disposition related services. This includes maintenance contracts for solids-related equipment or on-site energy-generation devices.
- Results of last three most-recent FBI emissions-compliance tests.
- Identification of any capital or major-maintenance projects in the solids handling process.
- An overview of the staff committed to operations and/or maintenance of the solids-handling processes on an annual-average basis; this will likely require a discussion with staff who understands the normal operation and efforts required to maintain system functionality and can assist in developing a basis for estimating such investments.

Assumptions:

- The data request above may be amended with additional requests if additional data is determined to be necessary to later tasks.
- City to provide the requested data within 10 business days of the request or notice to proceed, whichever occurs later.
- Electrical costs and savings rates (demand and consumption) used in the feasibility analysis will be forecast based on high-level review of available data and Stakeholder input.
- BC will not independently verify the accuracy of the supplied data but will rely upon it with the assumption it is generally accurate. If any key data is inaccurate, necessary assumptions and variables may also be adversely impacted along with the overall accuracy of the study.
- Because the entirety of the requested data is voluminous, BC intends to search provided sources for background data and to improve our understanding of the City's operation. BC does not intend to, nor should BC be expected to, review and/or use every detail of every reference provided.

City Responsibilities:

- Compile and provide requested data.

Deliverables:

- None

Phase 3. Initial Assessment of FBI Capital and Operational Needs.

Objective and Approach: This phase will assess the existing condition of the FBI train and document historical operating and maintenance costs. The solids thickening and dewatering equipment will also be considered in this assessment to document capital needs for those processes regardless of whether incineration or some other process is employed. This phase will include the following tasks:

- Review of existing as-built drawings or shop drawings to establish system configuration and vintage. Drawings shall cover solids thickening, dewatering, transfer pumping, incinerator, air pollution controls, energy recovery, and ash handling equipment.
- Compile historical operating and maintenance costs for the thickening, dewatering, and FBI train. Establish an annual cost for operating the solids unit processes and identify any expected capital needs to replace equipment at the end of service life.
- Review incineration emissions test results and identify capital improvements to meet regulated levels if needed.

- Conduct desktop condition assessment. Interview plant operations and maintenance staff to identify issues. Where no issues are identified rely on industry experience to determine equipment service life.
- Develop replacement schedule and costs for next 10 years for key pieces of equipment identified in the condition assessment.

Assumptions:

- City will provide as-built drawings or shop drawings reflecting the existing configuration. Records shall indicate make and model of equipment.
- City will provide historical maintenance and operating costs for the solids handling unit processes.
- City will provide emissions test results from last three years, or a minimum of three tests.
- City will provide operations and maintenance staff for condition assessment interviews.
- Due to travel limitations resulting from the current pandemic BC has assumed the condition assessment will be completed remotely, relying on staff interviews and industry experience.

Deliverables:

- Draft summary of condition assessment and cost requirements in tabular form.
- Present draft summaries and cost requirements in Workshop 1.

Phase 4. Development of Overall Planning Context and Baseline and Planning Baseline Scenarios.

Objective and Approach: This phase will establish the parameters and baseline condition to create the framework for subsequent phases and effort and will build on the data review from Phase 2. The following elements will be developed in close coordination with the City:

- Lifecycle/term of the analysis, real and net discount rates, projected growth to be accommodated at various stages during the lifecycle, and peaking factors for various time-scale-based solids production rates that must be accommodated relative to average solids production, among other parameters needed for planning.
- The Baseline Scenario that is calibrated to an average for one fiscal year of process and economic data for operation of thickening, dewatering, incineration, exhaust controls, residuals disposition, and any ancillary activities to gain an understanding of operations and fiscal outlay (capital, operational, and maintenance) during that same period.
- The Planning Baseline Scenario which is the Baseline mass and energy process model with currently needed capital investments (from Phase 3) added. The impacts, benefits, and/or costs/savings that building those improvements will also be incorporated. The Planning Baseline serves as the primary scenario against which alternatives are compared.

Assumptions:

- City will provide a suitable reference report that will inform BC as to how you have previously done master planning (with growth/capacity needs, peaking factors, discount rates among other factors) for this analysis. BC will not develop growth projections for this study but will rely on other existing studies for this information.
- GHG emissions are the only non-economic criterion to be included in this effort; such estimates for HTL and CHG will be based on the most recent HYPOWERS products.
- This current project is a high-level screening effort. Any identified recommendation will need to be further vetted and analyzed to confirm estimates and reduce the number of assumptions and variables that may affect the accuracy of this initial effort.

- Scenario economics will be based on a 30-year present worth (cost) with two major capital-cost investments: the first to be implemented now in today's dollars and a second major capital upgrade/rehabilitation project occurring halfway through the planning cycle.

City Responsibilities:

- Provide background information, as requested in the assumptions above.
- Provide review of draft summaries distributed prior to Workshop 2.
- Identify appropriate staff to participate and provide feedback to in Workshop 2.

Deliverables:

- Draft Planning Context Summary in tabular format; to be distributed prior to Workshop 2.
- Draft Summaries of the Baseline process performance, capital and operating costs, and any other identified metrics in tabular format; to be distributed prior to Workshop 2.

Phase 5. Updated Flows/Loads Projections

Objective and Approach: To update and finalize flow demand and solids production projections that form the basis of design.

The Consultant will review existing population projections and develop wastewater flow and load (BOD, TSS) projections in 5-year increments for a 20-year planning period (2021-2041). These projections will be evaluated with respect to appropriate daily/seasonal peaking factors.

Assumptions:

- Recent population projections from the City Comprehensive Plan will be used to develop the flows and loads. This scope does not include developing revised population projections.
- Projections will be developed using per capita flows and loads developed as part of the 2015 Sewer Comprehensive Plan.

City Responsibilities:

- Provide updated population projections, including planned City service area boundaries
- Provide any comprehensive planning documentation that could affect the WWTP service area (e.g., industrial input)
- Compile WWTP sludge quantity data for the last two years of record

Deliverables:

- Draft and final flows and loads TM

Phase 6. Development of HTP Scenario and Sub-Scenario Models

Objective and Approach: BC will create two scenarios for comparing to the status quo condition – a base HYPOWERS HTL scenario and an anaerobic digestion scenario. Additionally, up to 3 variations (sub-scenarios) will also be developed for the HTL scenario. The intent of this effort is to develop information suitable for a comparative evaluation in order to select a preferred alternative.

The Base HTL scenario and anaerobic digestion scenarios are envisioned to:

- Reuse and/or rehabilitate (as needed) the existing thickening and dewatering systems for onsite-generated sludges.
- New processes located on-site
- Anaerobic digestion assumptions:
 - Boiler for heating digesters using biogas

- Excess biogas injected back into local gas utility pipeline
- Class A biosolids cake produced at WWTP (no further off-site processing will be evaluated)
- Return of digested solids filtrate recycle to liquid treatment train; with an estimate as to the increased average concentrations and total mass increases to Anacortes WWTP effluent ammonia and TN. Discussion of sidestream treatment technologies to control nitrogen will be included in this analysis, but a full evaluation of options for sidestream nitrogen control is not included.
- HTL assumptions:
 - Incorporate collection, storage and delivery of the biocrude to a designated refinery, based on third party conversations (as outlined in the assumptions for this task) with the refineries, for conversion to renewable fuels.
 - Upgrade CHG biogas to RNG, for either injection to the local NG pipeline or compression and tube-trailer conveyance to a fleet for use as CNG transportation fuel.
 - Use of a consensus-based disposition of HTL inerts, either as a soil amendment or by landfilling; based largely on current HTL inerts handling practices and available (or new by City) analysis of existing FBI ash composition.
 - Return of aqueous-phase CHG discharge to the liquid treatment train; with an estimate as to the increased average concentrations and total mass increases to Anacortes WWTP effluent ammonia and TN. Discussion of sidestream treatment technologies to control nitrogen will be included in this analysis, but a full evaluation of options for sidestream nitrogen control is not included.
 - Use an consensus-identified, best-guess approach to generating revenue from the biocrude; produced renewable diesel, naphtha, and RNG fuels; and/or environmental attributes [RINs, carbon credits, low-carbon-fuel-standard (or “LCFS”; a California-based program that may be duplicated in Washington State) credits and/or GHG offsets].

Sub-scenarios are envisioned to differ slightly from the Base HTL Scenario. Variations might include combinations of the following:

1. Addition of a new cake-receiving station so that dewatered sludges from neighboring WWTPs could be received and processed on site, using any remaining HTL unit capacity.
2. Use of an alternative refinery location with different hauling, biocrude, and potentially product fuel disposition assumptions, costs and revenues.
3. Alternative disposition of biogas – most likely for onsite fuel use. Such an alternative will either use the biogas upgrading for treatment or direct use of raw biogas (potentially in a flare for wasting).
4. Eliminate CHG. Genifuel will be consulted as to whether such a change would reduce the delivered equipment cost. Elimination of CHG would further mean that aqueous-phase ammonia and carbonaceous oxygen demand (COD) would be returned to the WWTP’s mainstream treatment; no biogas would be produced under this variation.

After Workshop 2, process and economic models will be developed for the HTL scenario and 3 Sub-scenarios that are identified during Workshop 2, and the Anaerobic Digestion scenario. A limited, rough process model will be developed to simulate the average operation of scenario(s) within the identified planning context and at current-estimated operating costs. BC will apply available capital costs estimates from other past City reports or construction costs from other BC projects with adjustments for ENR cost by year and geography. The modelled process and economic performance estimates for these scenarios will be presented at Workshop 3.

Assumptions:

- BC will contact local refineries to determine their willingness to accept generated biocrude for further processing. If multiple refineries are interested, we will assume that hauling will be to the furthest location (Vancouver, BC) for alternatives analysis.

- Phone calls with third parties such as potential biocrude refiners, RNG/CNG fleets, the local natural-gas-infrastructure utility, Ecology air permitting, and others to gather information will consist of up to 30 BC Staff hours.
- Capital cost estimates in this evaluation are unclassified (per AACE) and should not be used for capital improvements planning due to lack of verification and the limited accuracy of the methods described. It is envisioned that the capital costs will be relevant between scenarios for the comparative purposes of this Study. Once a recommendation is identified at the conclusion of this project, the City is encouraged to further evaluate the scope and cost of that recommendation, with a focus on reducing the number of unknowns and assumptions from this evaluation and refining the results. This may include performing a basis of design report, preliminary design, construction cost estimate, and implementation plan for any recommended scenario and its project elements as a future task. And it may be further recommended that those follow-on efforts be delayed until after the HYPOWERS unit is operational and the City understands the operation and has adjusted the scope for the Anacortes installation to account for any associated needs/scope improvements. Those further-refined construction cost estimates should be checked within the operational and life-cycle cost estimates herein, in comparison with the Planning Baseline to help validate any updated recommendation.
- Under Sub-Scenario Element 1, it is envisioned that City would identify and initially contact neighbors to identify interest. It is also envisioned that such an agreement would only allow for processing of solids that could be treated by HTL and that the neighbor would be responsible for alternative disposition of sludge in excess of HTL capacity under peak-day sludge generation at either the Anacortes WWTP or the neighbor's WWTP.
- Some elements that could be incorporated into Sub-Scenarios are specifically excluded from this scope to exclude the engineering costs to develop associated capital scopes, process-operation, capital and operational cost, and GHG emissions models. These elements, if of interest to the City, can either be incorporated into and accounted for prior to authorization of this Task Order or added by amendment from either contingency funds or from a separate Task Order. The excluded elements specifically include:
 - Any alternative aqueous-phase treatment except for CHG. Metro Vancouver is investigating anaerobic digestion for conversion of aqueous-phase residual COD to biogas for use instead of CHG. Development of a digestion-based system is specifically excluded.
 - Evaluation of Sidestream-treatment beyond aqueous-phase CHG is excluded. Excluded options could include anammox-based systems, reconfiguration of mainstream process tankage to better handle recycled ammonia or COD loads, or anything beyond locating this new recycle discharge into the mainstream process.
 - New thickening or dewatering processes or buildings other than replacement in place with similar equipment.
- Energy and environmental attribute economics will rely on estimated operating costs and revenue or savings. These estimates will attempt to model “today’s values” (which are subject to change and uncertainty). Values used are based upon certain assumptions that will be discussed with City Stakeholders and workshop attendees. Many of these are variable and are affected by either estimated current or otherwise-assumed quantities and values for items that include cost of electricity and natural gas, O&M costs, methods of implementation, and renewable attribute pricing.
- Forecast revenue from upgraded RNG for vehicle fuel use will be based on identified assumptions and stated discounts on full value and/or estimated brokerage fees. As these values have been extremely volatile over the past 5 years it is certain that the values will change before City implements anything. For this reason, sensitivity analysis will be conducted during Workshop 3 as the best means to inform attendees of the significance and potential impact on the estimates.

City Responsibilities:

- City will evaluate the potential impact of the project (both incurred capital cost/debt and a limited portion of forecast operational savings) on sewer rates in order to assist Ecology State Revolving Fund (SRF) assess the suitability of the Preferred Alternative Project for principal forgiveness.

Deliverables

- A Draft HTP Scenario mass and energy balance flowsheet. Flowsheet will be distributed to attendees at least 2 working days prior to Workshop 2.
- Draft tabular summaries of the Planning Baseline's and each Scenario estimated/assumed construction scope and cost, operation, operating costs, and GHG emissions; to be distributed at least 4 working days prior to Workshop 3.

Phase 7. Engineering Report

A draft Engineering Report (Report) in accordance with WAC 173-240-060 will be produced summarizing the process conducted and with brief tabular overviews of each evaluated scenario. The Recommended Alternative will be described in more detail with benefits, unknowns, risks and any challenges (as compared to the Baseline and Planning Baseline) clearly identified. The Report also will present recommended next steps and thresholds that might encourage reconsidering or further refining the Recommended Alternative. The Draft Report will be submitted for review in advance of the final review / closeout meeting and the final Report issued after addressing any written comments as reconciled during that meeting.

City Responsibilities:

- City to provide consolidated comments on the Draft Report within 10 business days of receipt and at least three business days prior to Closeout Meeting.
- Submit the Report to Ecology for review

Deliverables:

- Draft Report before the Closeout Meeting in Microsoft Word format for City Stakeholder review.
- Final Report after the Closeout Meeting. One stamped and wet-signed copy of the report will be generated for transmittal to the City and one electronic copy (in pdf format) will be transmitted for the City.

Phase 8. Meetings and Workshops

The following workshop style and review meetings will be held to support the work completed in other Phases.

- A. Workshop 1.** Workshop 1 will include focus on requirements to maintain the WWTP's thickening, dewatering, FBI, FBI-Exhaust treatment, ash handling, and any supporting facilities in service over the identified planning life cycle. A summary of the HTL process and supporting systems, RINs, and other new concepts will also be introduced at this time. Workshop 1 will be completed as part of Phase 4
- B. Workshop 2.** Workshop 2 will be completed at the start of Phase 5 and will include the following activities:
 - i. Summary of initial discussions with potential biocrude refineries and other contacted third parties.
 - ii. Overview of potential administrative structures for renewable fuels and environmental attributes.
 - iii. Overview of renewable identification numbers (RINs); options for marketing RNG; market implications to RIN generation/value; and ongoing verification requirements.
 - iv. Review of Baseline, Planning Baseline, and planning context. Feedback will be collected on these scenarios to adjust the baseline models where needed.

- v. Review HTP Scenario Flowsheet and Identify Sub-Scenario Flowsheets. The 6 to 8 distributed flowsheets for Alternative Scenarios of BC's creation will be reviewed with emphasis on how they differ from other parallel or baseline scenarios. These scenarios will be reviewed and modified as needed and 0 to 4 other scenarios may be identified for modelling and later evaluation in head-to-head testing during Workshop 2. Under any case, the total number of Alternative Scenarios is envisioned to be less than 10.

C. Workshop 3. Workshop 3 will be completed at the end of Phase 5. The following topics will be discussed/reviewed in a workshop setting:

- i. Comparison of HTP Scenario and Sub-Scenarios with Planning Baseline. This discussion will review the scope of facilities needed and the operation of the facilities for each scenario, including the Planning Baseline.
- ii. Comparison of Scenario Economics/Performance and Live Sensitivity Analysis. Interactive bar graphs will allow the current unit costs and other assumptions to be changed to test the implications of and sensitivities to any attendee-based questions.
- iii. Selection of Preferred Alternative. As the last topic of workshop 3, attendees will select the Preferred Alternative. The benefits of that Alternative will be identified and compared to the Baseline and Planning Baseline; helping to formalize a justification for that recommendation.

D. Ecology Meetings. Two meetings with Ecology will be conducted to present the draft Report and edits, as required. In addition, one conference call with Ecology is included to coordinate on the project during the planning process.

E. Closeout Meeting. A close-out meeting will be held at least three business days after City comments on the Draft Report have been received by BC. The purpose of the meeting will be to confirm the Report's conclusions, discuss any comments prior to its finalization, and identify any next steps.

Assumptions

- It is assumed all meetings will be held virtually unless otherwise requested by the City. No travel has been budgeted or planned for any of these meetings.

Phase 9. SRF Funding Assistance

Consultant will assist the City with acceptance and management of FY 2021 Ecology Water Quality Combined Funding grant/loans applied for in October 2020. In addition, we will assist the City in preparing for and completing a FY 2022 Ecology Water Quality Combined Funding grant/loan application for wastewater planning. City Staff or Project Engineers will provide financial, customer and background data, and the project scope, budget and schedule, to assist with the application.

Additional services may be provided on a time and materials basis including (1) identifying other eligible funding programs, (2) identifying funding program pre-requisites to develop a capital program financing plan and funding strategy and (3) other services

Schedule

Services will be provided over approximately 8 months including time to allow City to review deliverables. The actual schedule will be subject to City data collection and review periods and additional authorized tasks from the scope allowance.

Budget

Compensation for services will be made _____. BC estimates that the cost for services described shall not exceed \$ XXXXX. BC will not exceed the overall work amount authorized without prior written approval from the City. If the BC team believes the cost will exceed the estimate, we will notify City. The notification will include the revised cost estimate and the revised time for completion. A detailed budget breakdown by phase of work is provided in Exhibit B.

Exhibit A. Letter of Understanding

Please see the signed Letter of Understanding on the following page.

Exhibit B. Project Budget

Anacortes, City of (WA) – Anacortes WWTP Engineering Report																			
		Kelly, Richard T	Yan, Diane F	Finzel, Britnee	Giesbrecht, Tadd C	Klittich, Kenneth D	Le, Trung	Winchell, Lloyd J	Willis, John	Gish, Casey C	Shapiro, Daniel N	Pare, Wendy M	Wilson, Joanna B			Jane Lindsey			
Phase	Phase Description	PM	PA											Total Labor Hours	Total Labor Effort	Cost	Total Sub Cost	Total Expense Cost	Total Effort
101	Project Management	\$226.05	\$87.17	\$124.03	\$303.10	\$218.37	\$133.86	\$180.77	\$337.92	\$132.77	\$114.69	\$109.22	\$73.50	145	23,328	0	0	0	23,328
102	Data Request and Review	2	0	12	0	14	12	0	8	24	0	0	0	72	12,494	0	0	0	12,494
103	Assess of FBI Capital & Operations	8	0	0	0	0	0	116	4	0	8	0	0	136	25,047	0	0	0	25,047
104	Dev Plan Ctxt Plan Baseline Scene	4	0	0	0	0	80	24	36	0	0	0	0	144	28,116	0	0	0	28,116
105	Updated Flows/Loads Projections	12	0	30	4	0	0	0	0	0	0	4	0	50	8,083	0	0	0	8,083
106	Develop of HTP Scene and Sub Models	18	0	48	0	100	254	12	158	0	40	0	0	630	126,007	0	0	0	126,007
107	Engineering Report	28	4	40	0	8	8	8	8	56	0	8	0	168	26,915	0	0	0	26,915
108	Meetings and Workshops	17	0	0	5	0	2	0	12	0	0	0	0	36	9,681	0	0	0	9,681
109	SRF Assistance	8	0	20	0	0	0	0	0	0	0	0	0	28	4,289	10,400	10,400	10,400	14,689
GRAND TOTAL		158	21	212	9	122	356	160	226	80	48	12	5	1,409	263,960	10,400	10,400	10,400	274,360
Hours and Dollars are rounded to nearest whole number. To display decimals, change the format of the cells.																			

HYPOWERS LLC

This Letter of Intent is addressed to the City of Anacortes Wastewater Treatment Plant, and summarizes the intent of the City and HYPOWERS LLC (“Parties”) to work together toward a future purchase and installation of a Hydrothermal Processing System at the City’s treatment plant.

DESCRIPTION OF HYPOWERS

HYPOWERS is a project funded by the US Department of Energy (DOE), the California Energy Commission (CEC), and other members of the project team. The project team includes Central Contra Costa Sanitary District (Central San), DOE, CEC, Pacific Northwest National Laboratory (PNNL), Southern California Gas Company, Genifuel Corporation, Brown and Caldwell, Merrick & Company, MicroBio Engineering (Cal Poly), and Metro Vancouver. The purpose of the project is to demonstrate that Hydrothermal Processing can substantially eliminate the need for management and removal of wastewater solids while operating reliably and cost-effectively in wastewater treatment plants.

TRANSACTION

The Parties intend to work together to accomplish the following:

1. Develop a feasibility assessment in conjunction with the Washington State Revolving Fund to determine if Hydrothermal Processing will meet the future objectives of the City
2. Monitor the ongoing HYPOWERS project to observe the process, equipment, and overall system performance
3. Work with the Washington State Revolving fund to obtain funding for the purchase of the system
4. Purchase and relocate the System at the end of HYPOWERS if the foregoing are successful

DESCRIPTION AND CAPACITIES

- Equipment Description: Hydrothermal Processing System (“System”)
- Purpose of System: To convert wastewater sludge to Biocrude Oil, Biogas similar to digester gas, or both together
- Capacity of System: 10 wet metric tons per day of sludge @ 20% solids, with turn-up capability for short-term surges
- Nominal Population which can be served: 30,000
- Approximate oil production per day for population of 17,000: 3 Barrels Per Day
- Approximate Dimensions of System: 50’L x 30’W x 20’H

ADDITIONAL DESCRIPTIVE MATERIALS

The following materials are included as an Attachment to this Letter:

- A rendering of the likely layout and appearance of the System
- A photograph of a currently operational system
- A process description for the operation of the System

HYPOWERS LLC

SCHEDULE AND PLAN FOR HYPOWERS

The HYPOWERS project is structured in two Phases: Phase 1 is already complete, and prepared the engineering, business, and regulatory plans and preliminary approvals, while Phase 2 will construct and operate the system. Phase 2 is expected to start by year end 2020. The duration of Phase 2 is 30 months, followed by six months to return the system to the factory, refurbish it, and ship it to Anacortes, for a total of three years from the start of Phase 2. This would place the delivery to Anacortes at year end 2023. The refurb step will incorporate all changes and improvements identified during Phase 2, as well as restoring any components requiring maintenance. In addition, certain critical components will be upgraded to incorporate redundancy not required for the demonstration at Central San, but recommended for long-term operation at Anacortes.

PURCHASE PRICE

The current cost estimate for the System is \$6.5 million, with another \$0.5 million for refurb. The proposed price to Anacortes is \$5.2 million, which is a 20% reduction from the total of \$7.0 million. In addition, the Washington State Revolving Fund has indicated that the project may qualify for at least a 25% forgiveness of principal, which would reduce the final capital cost to \$3.9 million or less. The final cost to Anacortes will be established with the participation of the SRF and will be included in an eventual Purchase Agreement. This price does not include site work at Anacortes for site preparation, civil works, and integration with the existing facilities.

DELIVERY OF EQUIPMENT

The System is skid-mounted and will be delivered to the Anacortes Wastewater Treatment Plant by truck. It is currently estimated that five truck trips will be required for each transfer of the system and its eventual delivery to your site. The System will be tested and refurbished at the factory, disconnected, then reconnected and commissioned at site as part of the Purchase Price.

WARRANTIES

The System will be warranted to meet its specifications and individual equipment items will be warranted according to the manufacturer's equipment warranties.

EXPENSES

The Parties shall be responsible for each of their own costs and expenses associated with the negotiation and execution of this Letter, as well as the Purchase Agreement, which will be drafted at a later date.

TERMINATION

This Letter shall automatically be terminated upon one of the following:

- Execution of Purchase Agreement
- Mutual written agreement between Anacortes and HYPOWERS
- Expiration of Letter on December 31, 2023.

GOVERNING LAWS

This Letter, as well as all matters described herein shall be governed by, and construed in accordance with, the laws of the State of Washington. No section of this Letter shall conflict with existing laws and principles of the State.

HYPOWERS LLC

NON-BINDING AGREEMENT

This Letter is intended only as a reflection of the intention of both Parties. Neither this letter nor its acceptance shall constitute nor create a legally binding or enforceable contract on either Party, except the areas regarding Expenses, Termination, and Governing Law. No obligation regarding a Transaction shall be deemed existing between the Parties and any of their respective affiliates, unless and until the Purchase Agreement shall have been executed and delivered.

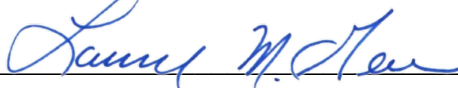
MISCELLANEOUS

This Letter outlines the understanding between Anacortes and HYPOWERS. It supersedes all previous agreements, verbal or written, if any. This letter may only be amended, supplemented, or otherwise modified in writing and only when signed by the parties or any of their duly authorized representatives.

If the parties agree to the terms and conditions outlined in this Letter, please sign this Letter of Intent, which may be done in counterparts and will be valid as of the last date below.

Agreed to and accepted by:

For City of Anacortes:

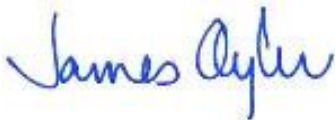
Signed: 

Printed Name: Laurie Gere, Mayor

Date: July 13, 2020

For HYPOWERS LLC:

Signed:



Printed Name: James Oyler

Date: 23 June 2020

HYPOWERS LLC

ATTACHMENT

Exhibit 1: System Layout

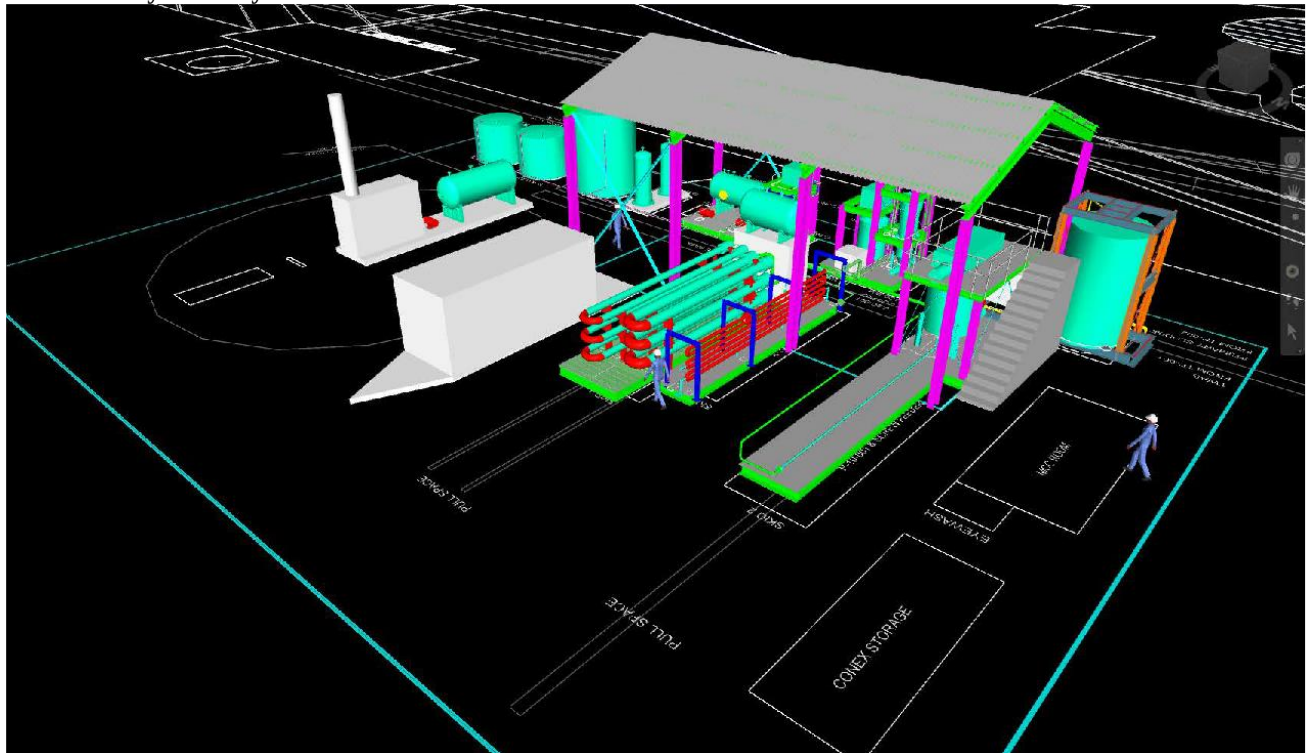
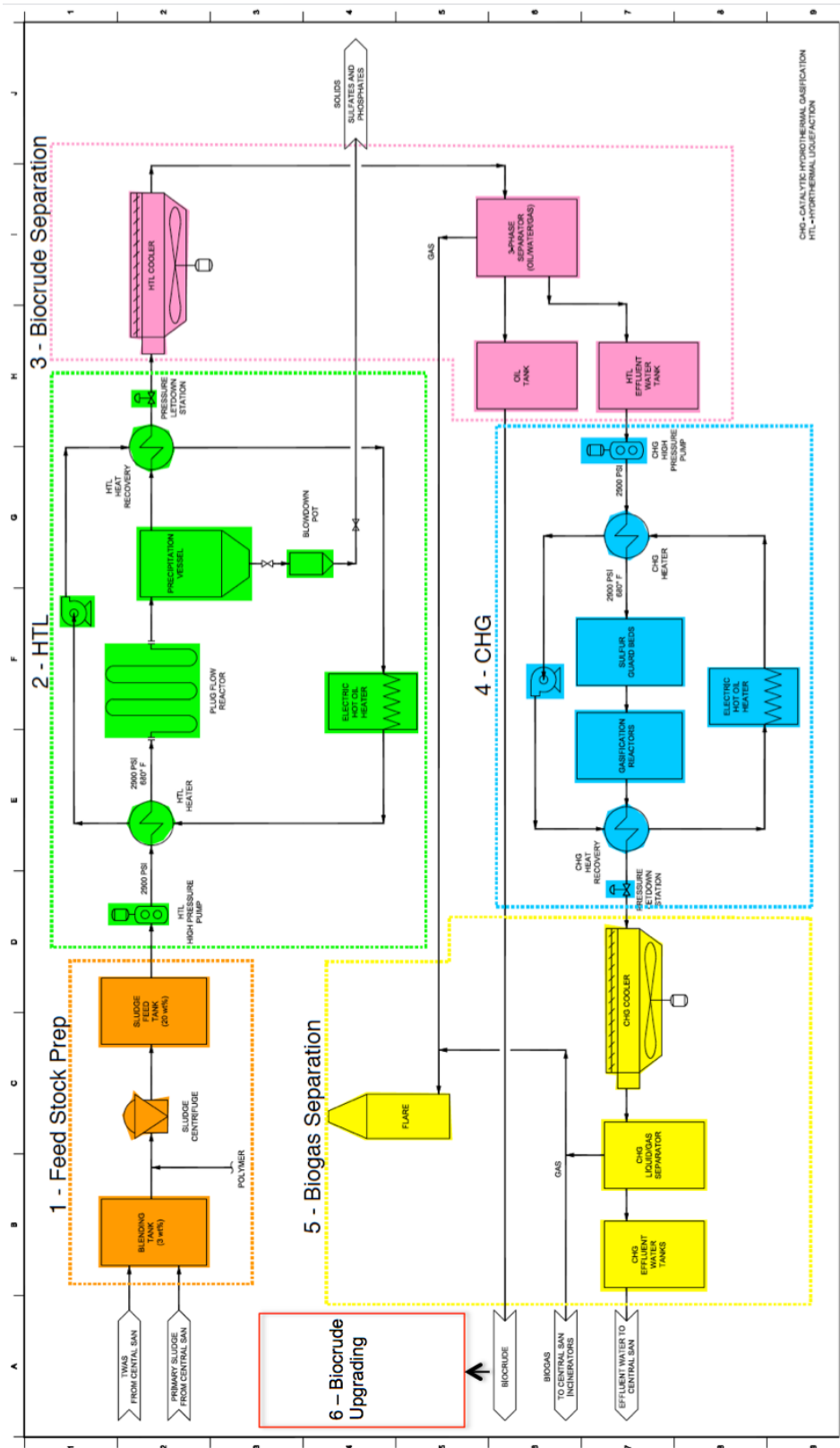


Exhibit 2: Currently Operational System (Smaller than HYPOWERS System)



HYPOWERS LLC

Exhibit 3: Process Diagram of HYPOWERS System





City Council Agenda Bill

Meeting Date: 12/14/2020 **Agenda Item:** 5b

Subject: 2021 Prosecutor Contract

Staff Contact: Darcy Swetnam

Approved for Submittal to Council by	
x	Laurie Gere, Mayor
x	Steve Hoglund, Finance Director
x	Darcy Swetnam, City Attorney

Action Type	
	Ordinance No.
	Code Revision?
	Resolution No.
x	Contract 21-007-LEG-001
	Public Hearing
	Staff Report

Summary Statement: The current contract with City Prosecutor, Craig Cammock, expires on December 31, 2020. A new contract provides for services for 2021.

Background: Craig Cammock has provided Prosecution Services to the City and support to the Anacortes Police Department since 2011.

Budget Impact	
Amount Budgeted	
Budget Account (BARS)	
Proposed Expenditure	
Budget Amendment Required?	
Revenue Source	

Proposed Contract	
Contractor	Craig Cammock
Amount	\$6430 per month
Start Date	1/1/2021
End Date	12/31/2021

Previous Council/Committee Action: N/A

Competing Viewpoints Considered: N/A

Recommended Motion: I move to authorize Mayor Gere to execute Contract 21-007-LEG-001 between the City and Craig Cammock to provide prosecution services to the City for 2021.

Attachments (listed in order presented): Proposed contract 21-007-LEG-001

**2021 CONTRACT FOR
CITY OF ANACORTES PROSECUTOR SERVICES**

THIS AGREEMENT is made and entered into as of this ____ day of _____, 2020, by and between the CITY OF ANACORTES, acting by and through its City Attorney, hereinafter referred to as the "City," and Craig Cammock hereinafter referred to as the "Prosecutor."

WHEREAS the City has need of legal services for the provision of a competent attorney to effectively prosecute those people charged by the City with misdemeanors in the Anacortes Municipal Court including appeals at all appellate levels; and

WHEREAS the Prosecutor has expertise in this area of practice, and is able to provide advice and representation;

NOW, THEREFORE, it is hereby agreed as follows:

1. Legal Services: The Prosecutor agrees to provide legal services to prosecute persons charged with misdemeanors, contested civil infractions, and represent the City in additional municipal matters including dangerous dog cases filed in the Anacortes Municipal Court using the lawyer's best professional judgment. The Prosecutor agrees to provide consultation services legal matters related to criminal justice on a limited basis. Services will be provided in a professional, skilled manner consistent with the standards set forth in the Washington Rules of Professional Conduct, ABA standards for prosecutors, case law, and applicable court rules defining the duties of counsel and special obligations of prosecutors in criminal cases. The Prosecutor shall represent the City through all levels of appeals in criminal matters.
2. Service: The Prosecutor will make every effort to expedite such legal matters promptly and efficiently according to the highest legal and ethical standards.
3. Term: Services to be provided pursuant to this agreement shall commence on January 1, 2021 and terminate on December 31, 2021; PROVIDED, HOWEVER, that the term of this agreement may be extended upon the mutual agreement of the parties.
 - A. The City may terminate its contract with a Prosecutor for convenience on sixty (60) days' notice or on thirty (30) days' notice only for violation of the terms of the contract, violation of the Rules of Professional Conduct (including initiation of disciplinary proceedings by the Washington State Bar Association), or for failure to comply with the City's Standards for Prosecution Services. A termination for cause shall be effective immediately only where the nature of the cause for termination presents an immediate threat of harm or liability to the City or a Defendant.

B. The Prosecutor will not terminate its contract with the City unless the Prosecutor is unable to carry out the terms of the contract. If the Prosecutor determines that it is not able to carry out the terms of the contract, it shall provide the City with not less than ninety (90) days' written notice so that the City may obtain another Prosecutor.

C. The Prosecutor shall have the right to renegotiate or terminate this contract, which termination shall be subject to the 90 days' notice provided in Section 3(B) above, in the event that the Anacortes Municipal Court adds an additional docket(s) to the current practice of two dockets per month and/or in the event that the Prosecutor's workload increases materially due directly or indirectly to the implementation of public defender caseload standards.

4. Fees: The City shall pay the Prosecutor as sole compensation for the services performed under this agreement the sum of \$6430.00 per month. The maximum compensation associated with this agreement shall not exceed \$6430.00 per month without further prior written authorization by the City.
5. Services are Personal: The legal services described herein shall be provided by Craig Cammock. The City has entered into this agreement based upon the skills and qualifications of the attorney named above, who will provide the services described herein.
6. Substitute Counsel: It is the intent that the Prosecutor shall contract with other attorneys as substitute counsel to provide services when the Prosecutor is precluded from doing so as a result of a conflict of interest, or other disability. The Prosecutor's contract with substitute counsel should include all of the terms included in the contract between the City and the Prosecutor, excluding only payment terms. The Prosecutor shall compensate substitute counsel out of the Prosecutor's own funds. Substitute counsel shall be subject to the City's consent as to individuals assigned. Due to the increased filings, lengthening dockets and possible addition of an additional monthly docket, Craig Cammock shall have the right, at Craig Cammock's sole expense, to contract with Pat Eason and/or Julie Walters, to handle a portion of the workload. Craig Cammock shall remain primarily responsible for all obligations herein.
7. Insurance: The Prosecutor shall have and maintain a professional liability policy with limits of \$1,000,000 per claim and \$1,000,000 aggregate, and which shall protect the City from liability for counsel's legal malpractice or other negligence.

The deductible for such insurance policy shall not exceed \$2,000 if such insurance policy is written so that defense costs are inside the policy limits.

The insurance policy must be maintained in full force and effect, uninterrupted, and at no expense to the City, throughout the entire term of the contract and three years following the termination of the contract. It is the intent of the City that prior acts coverage not be lost through the term of the agreement with the City, including any additional contract terms. The carrier shall be subject to the approval of the City.

8. Management: The City will provide the Prosecutor staff for case-reporting and management. The City will also provide the Prosecutor with office space, telecommunications, and a computer to facilitate prosecution.
9. Billing Procedures: Billings should be submitted on a monthly basis by the 20th day of the month. Each billing statement should set forth for each date services were performed and a brief summary of the services provided including the amount of time spent working in the capacity of Prosecutor.

Payment shall be made through the City's ordinary payment process, and shall be considered timely if made within 30 days of receipt of a properly completed invoice.

All payments shall be subject to adjustment for any amounts, upon audit or otherwise, determined to have been improperly invoiced. In no event shall the total of the City's payment pursuant to this Agreement exceed the amount set forth hereinabove.

10. Interaction with City:

A. The City Attorney's Office shall be responsible for managing this contract on behalf of the City.

B. The Prosecutor will keep City well informed of all prosecution activities pursuant to this Agreement. The Prosecutor, at such times and in such form as the City may require, shall furnish the City with periodic reports pertaining to the work and services undertaken pursuant to this agreement.

11. Independent Contractor Status: The Prosecutor shall at all times perform its duties and responsibilities and carry out all services as an independent contractor.

The Prosecutor, at its sole expense, shall obtain and keep in force any and all necessary licenses, permits, and tax certificates. The Prosecutor shall maintain a professional liability policy with policy limits as set forth in section 7 to protect the Prosecutor and the City from losses and claims which may arise out of or result from performance of duties related to this Agreement, including Worker's Compensation and professional liability insurance.

The Prosecutor shall obtain a business license under the Anacortes Municipal Code.

12. Indemnification: The Prosecutor shall indemnify and hold harmless the City, its officials, officers, agents, employees, volunteers, and representatives from, and shall process and defend at its sole expense, any and all claims, demands, damages, suits at law or at equity, liabilities, losses, judgments, liens, expenses, and cost arising out of or occasioned by the grossly negligent performance, grossly negligent acts, and/or omissions by the Prosecutor and its employees relative to any activity and/or services covered hereunder. In the event of recovery due to the aforementioned circumstances, the Prosecutor shall pay any judgment or lien arising therefrom, including any and all costs as part thereof.

The City hereby shall defend, indemnify, and hold the Prosecutor harmless from any and all claims, demands, damages, lawsuits, liabilities, and losses, arising out of the good faith prosecution of defendants, except to the extent that such claims arise out of intentional, malicious or grossly negligent acts of Prosecutor. It is the intent of the parties that this clause shall extend to the indemnification of claims brought under 42 U.S.C. 1983.

13. Non-discrimination: The Prosecutor agrees to take all necessary and affirmative steps to ensure compliance with all federal, state and City laws and policies regarding non-discrimination and equal employment opportunities. The Prosecutor shall not discriminate in any employment action or in the representation of any client because of race, creed, color, national origin, marital status, sex, age, or the presence of any sensory, mental or physical handicap.

In the event of non-compliance by the Prosecutor with any of the non-discrimination provisions of this agreement, the City will have the right, at its option, to cancel the agreement in whole or in part by written notice. If the agreement is canceled after partial performance, the City will be obligated to pay only for that portion of the total work authorized under this agreement that is satisfactorily completed.

14. Conflict of Interest: In addition to Rule of Professional Conduct 1.7, the Prosecutor shall comply with all federal and state conflict of interest laws, statutes and regulations as they shall apply to all parties and beneficiaries under this agreement.
15. Complete Agreement: This agreement contains the complete and integrated understanding and agreement between the parties and supersedes any understanding, agreement or negotiation whether oral or written not set forth herein.
16. Modification of Agreement: This agreement may be modified by a writing explicitly identified as a modification or amendment of this agreement that is signed by authorized representatives of the City and the Prosecutor.

17. Notices:

A. Notices to the City of Anacortes shall be sent to the following address:

City of Anacortes
Attn. City Attorney
PO Box 547
904 6th Street
Anacortes, WA 98221

B. Notices to the Prosecutor shall be sent to the following address:

Craig Cammock
Skagit Law Group, PLLC
PO Box 336
227 Freeway Dr., Suite B
Mount Vernon, WA 98273

18. Venue. It is agreed that venue for any lawsuit arising out of this agreement shall be Skagit County.

IN WITNESS WHEREOF the parties hereto have executed this agreement as of the day and year first written above.

CITY OF ANACORTES

PROSECUTOR

By _____
Laurie M. Gere
Mayor

By _____
Craig Cammock

Approved as to Form:

Attest:

Darcy James Swetnam, WSBA 40530
City Attorney

Steve Hoglund, Finance Director



City Council Agenda Bill

Meeting Date: 12/14/2020 **Agenda Item:** 5d

Subject: Resolution No. 3009 Authorizing Execution of the Tourism Promotion

Fund Contracts by and between the City of Anacortes and Recipient Agencies

Staff Contact: Don Measamer

Approved for Submittal to Council by	
	Laurie Gere, Mayor
x	Steve Hoglund, Finance Director
x	Don Measamer, PCED Director

Action Type	
	Ordinance No.
	Code Revision?
X	Resolution No. 3009

Summary Statement: The City received and approved 20 applications for the 2021 Lodging Tax funding to advertise, publicize, or distribute information or undertake other activities specifically authorized by RCW 67.28.180 to attract visitors to Anacortes.

Background: The Revised Code of Washington (RCW) 67.28.180 provides authority for cities to adopt a lodging tax of up to 4% of lodging charges made by hotels and motels in order to attract visitors for both overnight stays and day trips. The Lodging Tax Advisory Committee reviewed the requests during their meetings of November 5, 12, 19 and December 2, 2020, and determined the final recommendations on December 2, 2020.

2020 funding was not entirely spent due to the coronavirus pandemic and subsequent social distancing mandates. LTAC approved 19 events last year for a total of \$335,415. At least 15 events either did not use any funding at all or used a small portion to cover expenses already incurred prior to the social distancing mandates. This left approximately \$66,178 in unspent funds which will be available for events in 2021. There may be a bit more funding available, but until the final statements are submitted, this is an estimate.

The City received 3 new requests for 2021 – the Race Week Pacific Northwest, a 5 day multi-class sailing event scheduled June 21 through June 25, 2021. The Anacortes Arts Festival requested funding for the annual August Arts Festival to help with the shortfalls due to the pandemic to help meet their advertising expenses. The Chamber of Commerce request for standing interactive kiosk project was approved and will provide guests and community members access to local business information, maps, itineraries, accommodations, restaurants, etc. The information can be printed to provide the information for later review.

Budget Impact	
Projected total fund available for 2021	\$ 379,646
Carryover unspent in 2020	+ 66,178
Total Projected Funds Available	\$ 445,824
Proposed Event Funding	\$407,355
Projected Capital Funding	\$6,500
Total Proposed Expenditure	\$413,855
Recommended Capital Set aside:	\$31,969
2020 Year End Cash Reserve Balance:	\$1,045,624
Budget Account (BARS)	135.240.557.30.41

Previous Council/Committee Action: LTAC recommends approval of contracts for each project listed in the attached Resolution 3009 for 2021 tourism funding.

Competing Viewpoints Considered: All proposals were reviewed by the LTAC and forwarded to City Council as recommended.

Recommended Motion: I move to approve Resolution No. 3009 Authorizing Execution of the Tourism Promotion Fund Contracts by and Between the City of Anacortes and Recipient Agencies.

Alternative Actions: Deny Resolution 3009 and extend the timeframe for approval of the contracts.

Attachments (listed in order presented): Resolution No. 3009, 2021 Funding Application Spreadsheet, and applications from Anacortes Chamber projects Visitor Information Center and Experience Anacortes (contracts over \$30,000).

RESOLUTION NO. 3009

**A RESOLUTION AUTHORIZING EXECUTION OF TOURISM PROMOTION FUND CONTRACTS BY AND BETWEEN
THE CITY OF ANACORTES AND RECIPIENT AGENCIES**

WHEREAS, the local lodging tax advisory committee selected candidates from amongst the applicants applying for use of revenues as authorized in RCW 67.28.180, and

WHEREAS, the below listed agencies have been selected by the City through a competitive selection process to undertake a total of 20 projects designed to advertise, publicize, or distribute information or undertake activities specifically authorized by RCW 67.28.1816 for the purpose of attracting visitors to the City of Anacortes; and

WHEREAS, the municipality may choose only recipients from the list of candidates and recommended amounts provided by the local lodging tax advisory committee as authorized in RCW 67.28.1816.

WHEREAS, the City of Anacortes wishes to contract with these agencies for the provision of these services and is willing to provide certain monies to these agencies, which monies have been collected or will be collected as part of the Motel/Hotel Tax;

NOW, THEREFORE IT IS HEREBY RESOLVED BY THE ANACORTES CITY COUNCIL to authorize the distribution of tourism promotion funds to the following listed agencies, as the official act and deed of the City of Anacortes:

	Project	Grant Recipient	2021 Request	APPROVED
1	98221 Studio Tour	Anacortes Arts Commission	\$ 7,000	\$ 7,000
2	Arts Fest Annual Arts Fest	Anacortes Arts Festival	\$ 20,000	\$ 20,000
3	Arts Fest Art in Anacortes	Anacortes Arts Festival	\$ 10,000	\$ 10,000
4	Arts Fest Creative District	Anacortes Arts Festival	\$ 6,500	\$ 6,500
5	Anacortes Farmers Market	Anacortes Farmers Market	\$ 10,000	\$ 10,000
6	Anacortes Music Project	Anacortes Music Project	\$ 10,500	\$ 10,500
7	City Anacortes 4th of July Fireworks	COA Parks Department	\$ 10,000	\$ 10,000
8	City Parks Public Restroom Maintenance	City of Anacortes	\$ 30,000	\$ 30,000
9	Anacortes Waterfront Marketing Video	Anacortes Waterfront Alliance	\$ 2,000	\$ 2,000
10	Chamber Experience Anacortes	Anacortes Chamber of Commerce	\$ 181,355	\$ 181,355

11	Chamber Visitor Information Center	Anacortes Chamber of Commerce	\$ 62,600	\$ 62,600
12	Majestic Car Show	Majestic Car Show	\$ 1,300	\$ 1,300
13	Port Rock the Dock	Port of Anacortes	\$ 4,000	\$ 4,000
14	Port Summer Concert Series	Port of Anacortes	\$ 8,000	\$ 8,000
15	Shipwreck Day	Fidalgo Island Rotary	\$ 4,000	\$ 4,000
16	Tulip Festival Brochure	Skagit Valley Tulip Festival	\$ 2,400	\$ 2,400
17	Race Week Pacific Northwest (PNW)	Whidbey Island Race Week LLC	\$ 25,000	\$ 25,000
18	Museum Brochure Production/Distribution	Anacortes Museum Foundation	\$ 4,000	\$ 4,000
19	Museum Bill Mitchell's Mural Project	Anacortes Museum Foundation	\$ 8,700	\$ 8,700
20	Chamber VIC Interactive Kiosk	Chamber of Commerce	\$ 6,500	\$ 6,500
	TOTALS		\$ 413,855	\$ 413,855

PASSED and **APPROVED** on this 14th day of December 2020.

CITY OF ANACORTES

By _____
Laurie Gere, Mayor

ATTEST:

Steven Hoglund, City Clerk

APPROVED AS TO FORM:

Darcy Swetnam, WSBA #40530
City Attorney

**LTAC
2021 FUNDING**

	Project	2020 Award	2021 Request	APPROVED		Funds not used in 2020	
1	98221 Studio Tour	\$ 5,000	\$ 7,000	\$ 7,000	new request although did not request any reimbursements for 2020	5000	
2	Arts Fest Annual Arts Fest	\$ -	\$ 20,000	\$ 20,000			
3	Arts Fest Art in Anacortes	\$ 10,000	\$ 10,000	\$ 10,000	carried over from 2020	10000	
4	Arts Fest Creative District	\$ 6,500	\$ 6,500	\$ 6,500	carried over from 2020	6500	
5	Anacortes Farmers Market	\$ 10,000	\$ 10,000	\$ 10,000	new request		
6	Anacortes Music Project	\$ 10,000	\$ 10,500	\$ 10,500	new request	4,000	Plan to submit payment request for approx. \$6K
7	City Anacortes 4th of July Fireworks	\$ 10,000	\$ 10,000	\$10,000	Requested 20K; approved for 10K - request carried over from 2020	10000	
8	City Parks Public Restroom Maintenance	\$ 15,000	\$ 30,000	\$30,000	Depot restroom added to existing 2 public restrooms plus repair costs		
9	Anacortes Waterfront Marketing Video	\$ 2,000	\$ 2,000	\$ 2,000	carried over from 2020	2000	

**LTAC
2021 FUNDING**

	Project	2020 Award	2021 Request	APPROVED		Funds not used in 2020	
10	Chamber Experience Anacortes	\$ 170,000	\$ 181,355	\$ 181,355	new request		
11	Chamber Visitor Information Center	\$ 62,600	\$ 62,600	\$ 62,600	new request		
12	Majestic Car Show	\$ 1,300	\$ 1,300	\$ 1,300	new request	750	
13	Port Rock the Dock	\$ 4,000	\$ 4,000	\$ 4,000	carried over from 2020	4000	
14	Port Summer Concert Series	\$ 8,000	\$ 8,000	\$ 8,000	carried over from 2020	8000	
15	Shipwreck Day	\$ 1,500	\$ 4,000	\$ 4,000	new request	813	
16	Tulip Festival Brochure	\$ 2,400	\$ 2,400	\$ 2,400	new request		
17	Race Week Pacific Northwest (PNW)		\$ 25,000	\$ 25,000	new request		
18	Museum Brochure Production/Distribution	\$ 4,000	\$ 4,000	\$ 4,000	carried over from 2020	4000	
19	Museum Bill Mitchell's Mural Project	\$ 8,700	\$ 8,700	\$ 8,700	carried over from 2020	8700	
20	Chamber VIC Interactive Kiosk		\$ 6,500	\$ 6,500	CAPITAL PROJECT		
	TOTALS	\$ 331,000	\$ 413,855	\$ 413,855			
	Fidalgo Island Quilters	\$ 2,415	\$ -		The Quilters quit	2415	
		Unused 2020 funding				\$ 66,178	

Application

Project Detail

Project name	Anacortes Visitor Center
Date(s) of project	2021
Amount of funding requested	\$70,928  Correct amount is \$62600. See budget
Type of qualifying project	☒ Tourism Promotion/Marketing ☐ Operation of a Special Event/Festival designed to attract tourists ☒ Operation of a Tourism Promotion Agency ☐ Operation of a Tourism-Related Facility owned or operated or non-profit organization ☐ Operation and/or Capital Costs of a Tourism-Related Facility owned by a municipality

Applicant Detail

Applicant name	Click here to enter text.
Type of applicant	☐ Individual ☒ Non-profit corporation ☐ Public agency ☐ Other: enter text.
Federal tax ID #	91-0534761
Contact name	Sandy Swartos
Mailing address	819 Commercial Ave, Suite F, Anacortes, WA 98221
Email address	sswartos@anacortes.org
Phone	360-293-7911

Project Questionnaire

Describe your project.

The Anacortes Chamber of Commerce requests \$70,928 to fund continued quality services at the Visitors Information Center (VIC), to support and expand tourism promotion efforts for Anacortes and Fidalgo Island. Specific items funded under this request: development/maintenance of marketing collateral, administrative oversight of an extensive volunteer network, maintenance of public restrooms, office space, postage, utilities, and office supplies. The VIC benefits the City and local business by increasing awareness and enhancing visitor traffic. We also manage the \$2,200 to assist the official town crier with expenses.

Describe with specificity what aspects of your project you would spend the requested funds on.

The Anacortes Chamber of Commerce requests \$70,928 to fund continued quality services at the Visitors Information Center (VIC), to support and expand tourism promotion efforts for Anacortes and Fidalgo Island. Specific items funded under this request: development/maintenance of marketing collateral, administrative oversight of an extensive volunteer network, maintenance of public restrooms, office space, postage, utilities, and office supplies. The VIC benefits the City and local business by increasing awareness and enhancing visitor traffic. We also manage the \$2,200 to assist the official town crier with expenses.

Promotion

Describe how you will promote your project to attract tourists.

Our goal at the Visitor Information Center is to give guests to Anacortes the best experience possible once they arrive in Anacortes as well as to assist them as they plan their arrival.

Describe how you will promote lodging establishments, restaurants, and businesses located in Anacortes.

Our experienced volunteers strive to meet all of our guest's needs. Providing them with information that will hopefully extend their stay on Fidalgo Island.

Budget

Describe the overall budget for your project.

See attached

What percentage of that budget are you requesting from the city?

39%

What would you cut from your proposed project if your application is not fully funded?

Our experienced volunteers strive to meet all of our guest's needs. Providing them with information that will hopefully extend their stay on Fidalgo Island.

Tourism-Impact Estimate

Provide the following estimates of the number of visitors to Anacortes as a direct result of your project. For recurring events, provide actual data from prior years. Leave blank if prior year data is not available.

	Estimate	Actuals		
	2021	2020 to date	2019	2018
Overall attendance	75,000	32,000	76,400	70,000
Number of people traveling more than 50 miles or more one way from their place of residence or business for the day or staying overnight	60,000	25,000	58,000	50,000
Number of people traveling from another country or state outside of their place of residence or their business	Enter ###.	Enter ###.	Enter ###.	Enter ###.
Number of people staying in PAID accommodations (e.g., hotel, motel, bed-and-breakfast) in Anacortes	41,000	15,000	40,000	40,000
Number of paid lodging room nights resulting from your project (e.g., 25 rooms on Friday and 50 rooms on Saturday = 75 room nights)	39,000	15,000	38,000	37,500

Describe methods you will use to track tourists for the purpose of mandatory reporting.

Volunteers in the VIC keep track of each guest and caller by means of a computer based survey system

Describe the prior success of your project in attracting tourists.

We are the Anacortes Visitor Information Center

Describe your target tourist audience (location, demographics, etc.)

Guests to Anacortes and those thinking about visiting or moving in the future.

Attachments

Prior recipients for similar proposals must attach examples of ads, promotional materials, reports, or other materials they have generated with prior allocations of lodging tax funds.

List the titles of any attachments you have included with this application:

2020 Visitor Information Center Operation Detail

Certification

- I am an authorized agent of the organization applying for funding.
- If awarded, my organization intends to enter into a Municipal Services Contract with the City; provide liability insurance for the duration of the contract naming the City as additional insured and in an amount determined by the City; and file for a permit to use City property, if applicable.
- I understand that the City will only reimburse those costs actually incurred by the Applicant and only after the service is rendered, paid for if provided by a third party, and a signed Request for Reimbursement form (or other form acceptable to the City) has been submitted to the City, including copies of invoices and payment documentation.
- I understand that the Applicant will be required to submit a report in a format determined by the City.
- I understand that all project activities must be identified in promotional and other business materials as having been funded by the City of Anacortes.
- I understand that once submitted, this application is a public record. The City may post part or all of it on the City website or provide it in response to public records request.

Signature

Click here to enter text.

TYPE NAME IN PLACE OF SIGNATURE IF SUBMITTING ELECTRONICALLY



Printed name

Sandy Swartos

Title

Interim President/CEO

Organization

Anacortes Chamber of Commerce

2021 VISITOR INFORMATION CENTER OPERATION DETAIL

DESCRIPTION		CITY - 2% VIC	CHAMBER MATCH	INKIND	TOTAL
Administration/Management/Guest Services		\$34,035			\$34,035
VIC Volunteer Hours (4488 hours @ \$18.94/hour*)				\$85,003	\$85,003
Bookkeeping Hours	\$800				
Rent 1260 sqft center and 319 restrooms @ \$1.50	\$28,422				
Management	\$4,813		\$25,000		\$25,000
Advertising		\$4,808			\$4,808
Quilt Walk/Lions Club/Oyster Run/Experience Anacortes					
Design/Copy		\$6,551			\$6,551
Experience Anacortes/Calendar Rack Cards/Coper Clicks					
Equipment Rental		\$1,200			\$1,200
Copier/Postage Machine					
Facility/Public Restroom		\$3,542			\$3,542
Janitorial Services/Supplies/Repair/Maintenance					
Office Supplies		\$3,580			\$3,580
Postage		\$684			\$684
Visitor and Relocation Packet requests.					
Utilities		\$4,000			\$4,000
Puget Sound Energy/Comcast - Phone and Internet/					
Crystal Springs/ ADT Service					
Volunteer Acknowledgements		\$1,200			\$1,200
Bi-annual gatherings/funerals/misc.					
Volunteer Meetings		\$800			\$800
Town Crier		\$2,200			\$2,200
Totals		\$62,600	\$25,000	\$85,003	\$172,603
*according to calculations derived from www.handsonnetwork.org/tools/volunteercalculator					

Application

Project Detail

Project name	Experience Anacortes (previously the International Ferry & Anacortes Marketing Program)
Date(s) of project	January 1, 2020 to December 31, 2020
Amount of funding requested	\$181,355.30
Type of qualifying project	☒ Tourism Promotion/Marketing ☐ Operation of a Special Event/Festival designed to attract tourists ☐ Operation of a Tourism Promotion Agency ☐ Operation of a Tourism-Related Facility owned or operated or non-profit organization ☐ Operation and/or Capital Costs of a Tourism-Related Facility owned by a municipality

Applicant Detail

Applicant name	Anacortes Chamber of Commerce
Type of applicant	☐ Individual ☒ Non-profit corporation ☐ Public agency ☐ Other: enter text.
Federal tax ID #	91-0534761
Contact name	Christy Lyman
Mailing address	819 Commercial Avenue, Suite F, Anacortes, WA 98221
Email address	clyman@anacortes.org
Phone	(360) 293-7911

Project Questionnaire

Describe your project.

The Anacortes Chamber of Commerce, acting at the community's Destination Marketing Organization (DMO) – Experience Anacortes – seeks funding to continue the work in promoting both the city and the island, to the traveling public. Our plans for 2021 will fold in portions of the City/Port Maritime and Tourism Strategic Plans and will work in conjunction with promotions being done by the new Skagit TPA and Washington State Tourism. We will continue to expand on the strong relationships we have built with partners over the past several years and will work on expanding promotions through digital advertising.

Additionally, in response to the COVID-19 pandemic the chamber (in partnership with the City of Anacortes) will be expanding the anacortes.org website to include an integrated Support-Local online shopping platform that will allow our small businesses the ability to list items for sale together as a neighborhood shopping experience. With the goal to boost our local economy and the small businesses that do not have websites or e-commerce abilities to sell their merchandise, book appointments, or get more exposure through our established website.

Describe with specificity what aspects of your project you would spend the requested funds on.

Please see the attached budget for an itemized plan of proposed spending avenues.

Promotion

Describe how you will promote your project to attract tourists.

We focus on guests (the traveling public) coming from beyond 50 miles, and we showcase the wide range of activities that Fidalgo Island has to offer – food, shopping, nature exploration, and event attendance. Our main goal is to showcase the island as a destination in and of itself, encouraging people to stay here and enjoy Anacortes as a vacation destination. We also focus on travelers coming through Anacortes to use the Washington State Ferry system, promoting the reservation system as an opportunity to explore Anacortes before heading out.

Describe how you will promote lodging establishments, restaurants, and businesses located in Anacortes.

We will promote businesses, restaurants, and lodging establishments by continuing to drive traffic to the Anacortes.org website – we include the URL in all our advertising which is focused on year-round events and experiences. We redirect our digital ad links to specific landing pages, best suited for each audience, and track the campaign using custom parameters built through a Google Analytics tool.

Budget

Describe the overall budget for your project.

Our total budget with city funding, chamber match and in-kind value is \$512,938.02

What percentage of that budget are you requesting from the city?

35.4%

What would you cut from your proposed project if your application is not fully funded?

This would be determined by the Marketing and Promotions Division during our November/December planning meeting.

Tourism-Impact Estimate

Provide the following estimates of the number of visitors to Anacortes as a direct result of your project. For recurring events, provide actual data from prior years. Leave blank if prior year data is not available.

	Estimate	Actuals		
	2021	2019	2018	2017
Overall attendance	70,000	72000	70000	65000
Number of people traveling more than 50 miles or more one way from their place of residence or business for the day or staying overnight	60,000	58,000	53,000	50,000
Number of people traveling from another country or state outside of their place of residence or their business				
Number of people staying in PAID accommodations (e.g., hotel, motel, bed-and-breakfast) in Anacortes	40,000	40,000	40,000	37,500
Number of paid lodging room nights resulting from your project (e.g., 25 rooms on Friday and 50 rooms on Saturday = 75 room nights)	38,000	38,000	37,5000	35,000

Describe methods you will use to track tourists for the purpose of mandatory reporting.

Google Analytics provides real-time tracking of our web-based promotions and allows us to see website visitors' behaviors while they interact with our content. Social Media is steadily climbing, and we are using Facebook & Instagram Insights to see where our potential guests live and where they interact with us from. We also gather data during the point-of-sale for ticketed events like Bier on the Pier and Spring Wine Festival, such as location, how they heard about the event, and how much money they spent at establishments while in town. When possible at other events, such as the Boat and Yacht Show, we are partnering with those event coordinators get data from guests who are willing to voluntarily share it with us.

Describe the prior success of your project in attracting tourists.

Since 2008, the City of Anacortes has been tracking steady growth in hotel/motel tax and sales tax revenue (especially during the summer months). We have also seen an increase in the number of pre-sales for ticketed events with both Bier on the Pier and Spring Wine Festival selling out before the event.

Describe your target tourist audience (location, demographics, etc.)

We are targeting the affluent traveler and families who can spend two or more nights away from their home. We focus on prospective guests within British Columbia and Washington State as well as US cities based on Google Analytics data. We continue to expand our reach internationally with some of our best-established partners like the Cascade Loop, Experience WA, and Scenic WA. We have seen success when working with travel writers and plan to continue bringing in people that we meet at travel shows and conferences.

There has been an upward trend of travel in the under-40, “millennial” crowd and we are making concerted efforts to craft messages that speak to them, through their preferred means (mostly digital/social). To stay aligned with DMO best practices for 2021 we are expanding our digital media content, including sponsored articles in My Northwest and Northwest Travel Magazine; Connected TV Commercials, and developing a podcast with our DMO partners through Scenic WA.

Additionally, we target outdoor adventurers to visit the island and responsibly explore the forests, waterfront, and incredible natural resources that surround us (we emphasize making Anacortes their home-base for Skagit County travel!).

Attachments

Prior recipients for similar proposals must attach examples of ads, promotional materials, reports, or other materials they have generated with prior allocations of lodging tax funds.

List the titles of any attachments you have included with this application:

2021 Experience Anacortes Marketing – Budget
2021 Experience Anacortes Marketing – Success Evaluation
2021 Experience Anacortes Marketing – Project Timeline
2021 Experience Anacortes Marketing – Ad Examples

Certification

- I am an authorized agent of the organization applying for funding.
- If awarded, my organization intends to enter into a Municipal Services Contract with the City; provide liability insurance for the duration of the contract naming the City as additional insured and in an amount determined by the City; and file for a permit to use City property, if applicable.
- I understand that the City will only reimburse those costs actually incurred by the Applicant and only after the service is rendered, paid for if provided by a third party, and a signed Request for Reimbursement form (or other form acceptable to the City) has been submitted to the City, including copies of invoices and payment documentation.
- I understand that the Applicant will be required to submit a report in a format determined by the City.
- I understand that all project activities must be identified in promotional and other business materials as having been funded by the City of Anacortes.
- I understand that once submitted, this application is a public record. The City may post part or all of it on the City website or provide it in response to public records request.

Signature	Christy Lyman TYPE NAME IN PLACE OF SIGNATURE IF SUBMITTING ELECTRONICALLY
Printed name	Christy Lyman
Title	Tourism Director
Organization	Anacortes Chamber of Commerce



2021 EXPERIENCE ANACORTES MARKETING BUDGET PROPOSAL

DESCRIPTION	CITY - 2% Int.	CHAMBER MATCH	INKIND	TOTAL
Administration				\$ 71,300.00
General Administration	\$ 15,000.00	\$ 53,000.00		
Bookkeeping		\$ 2,750.00		
Copier equipment rental		\$ 350.00		
Office Supplies		\$ 200.00		
Brand Marketing				\$ 290,317.30
Commerical/Digital/Print/Billboard/Writers/Partnerships	\$ 105,423.30		\$ 48,000.00	
Maritime Strategic Plan	\$ 7,894.00		\$ 9,000.00	
Washington State Ferry "Go Somewhere" Poster (T4Media)			\$ 120,000.00	
Event Marketing				\$ 109,299.00
Anacortes Boat & Yacht Show (NMTA)	\$ 5,000.00		\$ 74,799.00	
SWF, WWF, BOP, CC	\$ 21,000.00		\$ 6,000.00	
Survey - Research			\$ 2,500.00	
Website, Technology & Graphic Design				\$ 22,096.72
Experience Anacortes App	\$ 4,788.00			
Design, development, updates, upkeep (labor)	\$ 1,000.00	\$ 7,500.00		
M&P Division Volunteer Hours			\$ 1,500.00	
Adobe Creative Suite, URL costs, web hosting, email marke		\$ 1,308.72		
Suppport-Local Website Integration	\$ 6,000.00			
Distribution				\$ 10,000.00
Certified Folder	\$ 10,000.00			
Brochure Printing	\$ -			
Photography				\$ 9,925.00
Various Photographers	\$ 5,250.00		\$ 4,675.00	
Totals	\$ 181,355.30	\$ 65,108.72	\$ 266,474.00	\$ 512,938.02



2020 EXPERIENCE ANACORTES MARKETING TIMELINE

DESCRIPTION	1st Q (winter)	2nd Q (spring)	3rd Q (summer)	4th Q (fall)
Print Advertising	destination + events	destination + events		destination + events
Web/Google Advertising	destination	destination + events		destination + events
In/Kind Ferry Screen Advertising	on-going	on-going	on-going	on-going
Radio Advertising	podcast (testing)	events	podcast (testing)	events
Brochure Distribution	on-going	on-going	on-going	on-going
Anacortes Scene	on-going -- emailed once every six to eight weeks			



2020 EXPERIENCE ANACORTES MARKETING SUCCESS EVALUATION

DESCRIPTION

1st Q (winter)

2nd Q (spring)

3rd Q (summer)

4th Q (fall)

Print Advertising

We create & track custom landing pages based on media insertions (a custom redirect for a certain magazine, or issue focus) with the in-house maintained website.

Web/Google Advertising

We track number of visitors and click-thru-rate on a year over year basis; review the percentages of returning vs new guests; testing of slight variations on either text or design of digital advertisements. We have also begun to track and compare advertisers using a custom URL builder that ties back into our analytics package. Plans for future advertising is to remarket to web visitors, in attempts to bring them back (currently researching best practices for DMOs)

Radio Advertising

Radio is used primarily for events; we track based on guest-reported feedback (see event marketing below).

Brochure Distribution

Updating images and content included in brochure, plus adding more social media and app links.

Surrounding Media Outreach

We host and feed travel writers and regional bloggers, with the expectation of coverage about their experience. We track referrals from websites and how many articles are printed in travel/special interest magazines. We definitely have room to grow this in 2021.

Event Marketing

We continue to track our methods of reaching event attendees with surveys taken at the point of sale for events that are ticketed, and after the event with a satisfaction survey. Since 2018, we have included asking about their spending beyond simply attending the festival; this helps us better understand which demographic provides a what level of ROI.

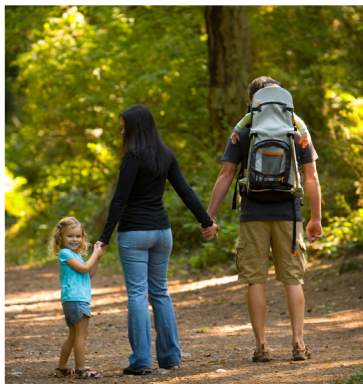
Anacortes Scene

Email open rate is holding steady at about 30%, (up from 29% last year) and click throughs have increased from 15.5% to 18.5%. We will be using more Call to Action buttons. Using a pop-over form on the website's homepage, we have been able to increase our subscriber count at about 2000 per year since 2017.

experience
ANACORTESTM
your island getaway



Discover the beauty of Anacortes, the crown jewel of Fidalgo Island. Explore our beaches, marinas, lakes and forestlands, or stroll through the fine boutiques and cafés in our vintage downtown. Enjoy live music, community theatre, festivals, and more!



anacortes.org



SHOP



PLAY



EAT



STAY

experience
ANACORTESTM
your island getaway

Discover the beauty of Anacortes, the crown jewel of Fidalgo Island. Explore our beaches, marinas, lakes and forestlands, or stroll through the fine boutiques and cafés in our vintage downtown. Enjoy live music, community theatre, festivals and more! Plan a romantic weekend getaway, or bring the whole family.

Download the Experience Anacortes App & plan your trip today!



Download on the
App Store



ANDROID APP ON
Google play

Click anacortes.org or call (360) 293-3832 to learn more.

ANACORTES COASTAL CHRISTMAS TREE LIGHTING CEREMONY

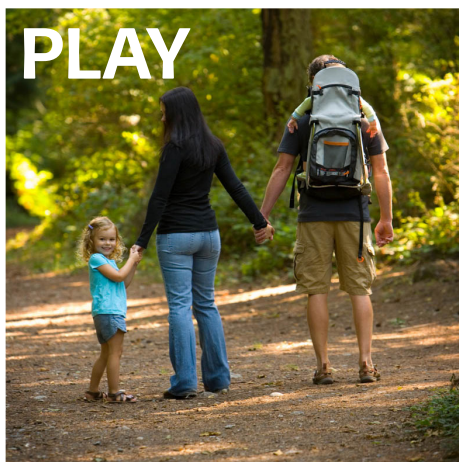
DECEMBER 6, AT 6PM

JINGLE ALL THE WAY
TO THE CHAMBER OF
COMMERCE FOR LIVE
MUSIC, HOT COCOA,
& SANTA CLAUS!



(360) 293-7911
anacortes.org

experience
ANACORTES™
your island getaway



SHOP

PLAY

EAT

STAY

click anacortes.org

or call (360) 293-3832



City Council Agenda Bill

Meeting Date: 12/14/2020 **Agenda Item:** 5e

Agenda Item Title: Ordinance 3079: Dark Fiber Leases

Staff Contact(s): Emily Schuh, Jim Lemberg, Darcy Swetnam

Approved for Submittal to Council by	
x	Laurie Gere, Mayor
	Steve Hoglund, Finance Director
x	Darcy Swetnam, City Attorney

Action Type	
x	Ordinance No. 3079
	Code Revision?
	Resolution No.
	Contract
	Public Hearing
	Staff Report

Item Summary: Ordinance 3079 amends the Anacortes Municipal Code to adopt rules and policy regarding the City's ability to enter into dark fiber leases. This ordinance amends existing code regarding contracting authority for dark fiber leases and adds new section 13.56.050. The intent of the ordinance is to clarify under what circumstances and limitations the City may lease out portions of its network to customers asking for unlit, dark fiber connections.

Budget Impact	
Amount Budgeted	N/A
Budget Account (BARS)	
Proposed Expenditure	
Budget Amendment Required?	
Revenue Source	

Previous Action: Council first considered this matter at the [November 16, 2020](#) City Council meeting. The Council fiber committee considered the ordinance at its October 8, November 5, November 19, and December 3 meetings.

Recommended Motion: I move to adopt Ordinance 3079, an ordinance adding section 13.56.050 and amending subsection 1.30.080(A) of the Anacortes Municipal Code to establish and limit the City's use of dark fiber leases.

Alternative Actions: Send ordinance back to committee, decline to adopt

Attachments (listed in order presented): Final draft of Ordinance 3079

Ordinance No. 3079
An Ordinance Adding Section 13.56.050 and Amending Subsection 1.30.080 to
the Anacortes Municipal Code to Establish and Limit the City's Use of Dark
Fiber Leases

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 the City Council desires to promote the health, safety, and welfare of the community in the use and provision of telecommunication facilities and services while providing for the equitable distribution among telecommunication subscribers of the costs of construction, expansion, replacement, maintenance, and operation of telecommunication facilities and services; and

Whereas the City Council desires to adopt regulations outlining the limitations on how dark fiber within the City's municipal fiber network can be used to provide municipal fiber network services for the Anacortes community.

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

Section 1. A new section 13.56.050 is added to the Anacortes Municipal Code to read as shown in Attachment A.

Section 2. Sub-section 1.30.080(A)(1)(a) is amended to read as follows:

a. 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:

- i. The lease is for no more than eight strands per each lessee;
- ii. The lease term is for no more than five years;
- iii. The requested lease will not interfere with the city's ability to provide residential and commercial fiber service to all potential subscribers;
- iv. The lease is on a form approved by the City Attorney.
- v. The lease is consistent with the requirements of Section 13.56.050 of the Anacortes Municipal Code.

Section 3. 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

Attachment A

New Section 13.56.050 Dark Fiber Leases.

- A. The primary purpose of the City's municipal fiber network infrastructure is to provide communication services to end users within its service area. The City's fiber service area is the entirety of Fidalgo Island.
- B. The City may enter into leases for the provision of dark fiber services subject to the following restrictions:
 - 1. The City may not lease substantial portions of the network.
 - 2. The City may only enter into agreements for dark fiber service that provide:
 - a. Connectivity for parties that do not provide communication services within the City's service area; or
 - b. Connectivity between an outside communications service provider's point of network presence and:
 - i. Another of that outside service provider's points of network presence, or
 - ii. That outside service provider's local customer, or
 - iii. Another outside communications service provider's point of network presence;
 - 3. The City may only enter into dark fiber leases using excess network capacity not necessary for the City's current or planned provision of residential and commercial fiber services. Network capacity will be determined by the Director of the Department overseeing Fiber in his or her sole discretion.
- C. The City may not enter into any lease for dark fiber services that is inconsistent with this section.
- D. Any dark fiber lease entered into pursuant to this Section must comply with Chapter 1.30 AMC.



City Council Agenda Bill

Meeting Date: 12/14/2020 **Agenda Item:** 5f

Agenda Item Title: Property Agreement to Obtain Easements for Trail Purposes

Staff Contact(s): Bob Vaux, Darcy Swetnam, Jonn Lunsford

Approved for Submittal to Council by	
x	Laurie Gere, Mayor
x	Steve Hoglund, Finance Director
x	Darcy Swetnam, City Attorney

Action Type	
	Ordinance No.
	Code Revision?
	Resolution No.
x	Contract
	Public Hearing
	Staff Report

Item Summary: This agreement has been negotiated with two property owners in Anacortes along the Guemes Channel, which requires the City to initiate the vacation process for several areas of City right-of-way in exchange for easements which could be used in the future for a trail. This property agreement is merely the first step in the process to carry out this negotiated arrangement with the property owners. Upon execution of the attached property agreement, the City will pursue the process of vacating several unopened pieces of City right-of-way not currently being used for any City right-of-way purposes, nor anticipated to be needed in the future. Once the vacations are granted, the property owners agree to grant the City easements along the Guemes Channel along the old railway bed for trail purposes. City staff have worked closely with these property owners for a period of years to address their concerns about future trail construction and negotiate a fair and balanced agreement. City staff are recommending approval of this agreement as written, which has already been signed by both property owners.

Budget Impact	
Amount Budgeted	
Budget Account (BARS)	
Proposed Expenditure	
Budget Amendment Required?	
Revenue Source	

Previous Action: None

Recommended Motion: I move we authorize Mayor Gere to execute the Property Agreement between the City of Anacortes and Property Owners for

Alternative Actions: Decline to approve.

Attachments (listed in order presented): Property Agreement

**Property Agreement
between the
City of Anacortes
and
Property Owners.**

This Property Agreement ("Agreement") is entered into effective as of the last signature date by the undersigned parties below, by and between the City of Anacortes ("City"), a Washington municipal corporation, and Property Owners ("Wynn Family Trust, Ortman Family LLC, Anacortes 1 LLC, Anacortes 2 LLC, and Anacortes 3 LLC).

RECITALS

- A. The City is in the process of constructing a paved public trail along the Guemes Channel waterfront ("Trail") with a goal of connecting downtown Anacortes to Washington Park.
- B. The City desires to construct the Trail within the legally described boundaries of the Wynn and Ortman Properties described below. The City would like to obtain easements for the Trail.
- C. The Ortman Family, through Anacortes 1, LLC conveyed to the City of Anacortes an easement across the Ortman Properties, recorded on August 2, 2010, under Skagit County Auditor's File Number 201007230112 as a gift and for the construction, operation, maintenance, and repair of the Trail, which is legally described in Exhibit C, which is hereby incorporated by reference. .
- D. The City possesses certain portions of dedicated public right-of-way which are currently not used for streets, including B Avenue and 11th Street.
- E. The Ortman Family desires to add a portion of currently unvacated 11th Street and a portion of unvacated B Avenue to their properties at 1116 B Avenue, 2405 11th Street, 2401 11th Street, and 1114 B Avenue, all in Anacortes, Washington.
- F. The Wynn Family Trust desires to add a portion of currently unvacated 11th Street to its property at 2402 11th Street, Anacortes, Washington.
- G. The Properties that are the subject of this Agreement are as follows:
 - a. Ortman Properties:
 - i. Anacortes 1 LLC owns Skagit County Parcel P31488, legally described in Exhibit A, which is hereby incorporated by reference, hereinafter referred to as "Anacortes 1 Property".
 - ii. Anacortes 2 LLC owns Skagit County Parcel P56381, legally described in Exhibit A, hereinafter referred to as "Anacortes 2 Property".

- iii. Anacortes 3 LLC owns Skagit County Parcel P56380, legally described in Exhibit A, hereinafter referred to as "Anacortes 3 Property".
 - iv. Ortman Family LLC owns Skagit County Parcels P56382, P131777, and P31535, legally described in Exhibit A, hereinafter referred to as "Ortman Family LLC Properties".
 - v. The six parcels referenced above are hereby collectively referred to as "Ortman Property".
 - b. Wynn Property: The Wynn Family Trust owns Skagit County Parcels P31489, P 31538, and P56379, legally described in Exhibit A, hereinafter referred to as "Wynn Property".
- H. The Parties wish to work cooperatively to transfer ownership of various pieces of real property to keep the Parties whole and allow construction of the Trail.

AGREEMENTS

NOW, THEREFORE, for good, valuable, and fair consideration, the adequacy and receipt of which are hereby acknowledged, the parties hereby Agree as follows.

- I. Purpose: The purpose of this Property Agreement is to allow the Parties to transfer certain interests in real property so that each Party achieves a desired adjustment to their real property interests and boundaries while allowing the City to proceed with construction of the Guemes Channel Trail.
- II. City Obligations
 - A. Vacation. Within ten (10) days following execution of this Agreement, the City will initiate and begin processing a Petition to vacate 5 separate portions of City right-of-way, legally described and depicted in Exhibit B, which is hereby incorporated by reference. Said vacation petition(s) must comply with all requirements of the Revised Code of Washington, the Anacortes Municipal Code, and the Anacortes Public Works and Planning Departments. The City cannot guarantee the outcome of vacation proceedings.
 - B. Insurance. The City will ensure any City property interest conveyed via easement to the City, including the Trail, during and after construction, is covered by the City's general liability coverage through Washington Cities Insurance Authority.

III. Wynn Obligations

- A. Easement. In exchange for approximately 4,125 square feet of vacated right-of-way, within ten (10) days of City approval of the vacation, the Trustee of the Wynn Family Trust will convey on a form substantially similar to Exhibit D or by format approved by the City Attorney, an express easement over and across their property for construction and maintenance of the Guemes Channel Trail. The easement area to be conveyed is legally described on attached Exhibit C.

IV. Ortman Obligations

- A. Easement. In exchange for approximately 4,906 square feet of vacated right-of-way, the Ortman Family has conveyed to the City of Anacortes an easement for the construction, operation, maintenance, and repair of the Trail. The easement area is legally described on attached Exhibit C.
- B. Vacation. The Ortman Family hereby agrees not to oppose any future Petitions to vacate the portion of 11th Street described as Vacation #2 in favor of the Wynn Family Trust.

VII. Additional Terms

- A. Indemnification. The City agrees to indemnify, defend, and hold harmless the other Parties, their officers, agents, and employees from and against any and all claims, losses, actions or judgments for damages or injury to persons or property arising out of or in connection with the acts and/or performances or activities of the City, its agents, employees, representatives, or agents pursuant to this Agreements, except to the extent caused by the negligence of the other Party.
- B. Cooperation. The Parties will reasonably cooperate with each other to implement the terms of this Agreement, including but not limited to, executing documents and taking other action reasonably necessary to implement the terms of this Agreement.
- C. Captions or Interpretations. Paragraph titles or captions are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Agreement or any provision.
- D. Modification or Amendment. This Agreement may not be changed, altered, or modified, except in writing and signed by the Parties.
- E. Severability. In the event any term or condition of this Agreement or application thereof to any person or circumstance is held invalid, such

invalidity shall not affect other terms, conditions or applications of this Agreement which can be given effect without the invalid term, condition or application. To this end, the terms and conditions of this Agreement are declared severable.

- F. Entire Agreement. This Agreement constitutes the entire agreement between the Parties relating to the transactions contemplated hereby. The Parties acknowledge they have not relied on any promise, representation or warranty, whether express or implied, not contained in this Agreement.
- G. No Partnership or Joint Venture. No partnership and/or joint venture exists between the Parties, and no partnership and/or joint venture is created by and between the Parties by virtue of this Agreement. No agent, employee, contractor, subcontractor, consultant, volunteer, or other representative of the parties shall be deemed an agent, employee, contractor, subcontractor, consultant, volunteer, or other representative of the other party.
- H. Choice of Law/ Venue. Any dispute under this Agreement or related to this Agreement shall be decided in accordance with the laws of the State of Washington. Venue for any court proceeding arising under or related to this Agreement shall be in Skagit County Superior Court.
- I. Binding Effect; No Assignments. This Agreement will be binding upon and inure to the benefit of the Parties and their respective heirs, trustees, executors, administrators, and successors. The Parties represent, covenant, and warrant they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action, or rights herein released and discharged in this Agreement.
- J. Counterparts. This Agreement may be executed in counterparts, and when each party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one Agreement, which shall be binding upon and effective as to all Parties.

V. Signatures

The Parties hereto have executed this Property Agreement on the dates shown below.

Laurie Gere, Mayor
City of Anacortes

Date

Hugh Thomas Wynn
Hugh Thomas Wynn, Trustee
Wynn Family Trust

Nov 7, 2020
Date

Sylvia Wynn
Sylvia Wynn, Trustee
Wynn Family Trust

Nov 7, 2020
Date

M.E. L
Name, Title
Ortman Family LLC

Nov. 13, 2020
Date

M.E. L
Name, Title
Anacortes 1 LLC

Nov. 13, 2020
Date

M.E. L
Name, Title
Anacortes 2 LLC

Nov. 13, 2020
Date

M.E. L
Name, Title
Anacortes 3 LLC

Nov. 13, 2020
Date

EXHIBIT A
Property Descriptions:

Wynn Family Trust Property:

That portion of the Burlington Northern Railroad designated as reserve right-of-way for the Seattle and Northern Railroad as shown on the plat "MAP OF THE CITY OF ANACORTES, SKAGIT COUNTY, WASHINGTON", as per plat recorded in Volume 2 of Plats, page 4, records of Skagit county, Washington.

TOGETHER WITH a portion of Tract 14 of Plate No. 8 of the tide and shorelands of Section 13, Township 35 North, Range 1 East, W.M., Anacortes Harbor, all being more particularly described as follows:

Beginning at the intersection of 11th Street and "B" Avenue of said plat:

Thence North 0°33'35" East along the Northerly projection of the centerline of "B" Avenue, a distance of 217.06 feet to the true point of beginning being an intersection with a curve having a radius point bearing North 20°46'49" West, a radial distance of 985.37 feet;

Thence Southwesterly along the arc of said curve to the right through a central angle of 2°58'54", an arc distance of 51.28 feet; thence South 72°12'05" West, a distance of 13.20 feet to the beginning of a curve to the left having a radius of 925.36 feet; thence along the arc of said curve through a central angle of 5°04'10", an arc distance of 81.88 feet; thence North 8°56'58" West, a distance of 70.47 feet; thence North 62°14'00" East, a distance of 169.11 feet to the interaction with the Northerly projection of the centerline of "B" Avenue;

Thence South 0°33'35" West, a distance of 98.99 feet to the true point of beginning.

Situate in the County of Skagit, State of Washington.

All of Block 242, "MAP OF THE CITY OF ANACORTES", as per plat recorded in Volume 2 of Plats, page 4, records of Skagit County, Washington, TOGETHER WITH that portion of the West Half of vacated "B" Avenue lying between the North line of Eleventh Street and the Northwesternly boundary of said Block 242 extended Northeasterly, TOGETHER WITH portions of those certain strips, parcels, or tracts of land in Government Lot 5 of Section 13, Township 35 North, Range 1 East, W.M., shown and designated on the said map of the City of Anacortes as "SEATTLE AND NORTHERN RAILWAY COMPANY'S STATION GROUND", and as "RESERVED RIGHT OF WAY FOR THE SEATTLE AND NORTHERN RAILWAY, according to a certain paper in writing in escrow with John P. Hoyt, dated May 28, 1889", described as follows:

Beginning at the intersection of the centerline of "B" Avenue and Eleventh Street as shown on said Plat; thence North 0°27'11" East along the centerline of "B" Avenue a distance of 40.00 feet to the South line of said Block 242 extended Easterly, and the true point of beginning; thence North 0°37'11" East a distance of 177.32 feet to a point

on curve which lies 30 feet Southerly (and radially) from the centerline of the railroad, as now located and constructed, the radius point of said curve being North 20°49'23" West a distance of 985.37 feet from the above described "point on curve"; thence Westerly, on a curve to the right, through a central angle of 3°01'23", an arc distance of 52.01 feet; thence South 72°12'05" West, parallel with and 30 feet distance (southeastern) from the center of said railroad a distance of 13.19 feet to the beginning of a curve to the left having a radius of 925.37 feet; thence along said curve to the left through a central angle of 5°04'10", an arc distance of 81.88 feet, said point being 30 feet southerly (as measured radially) from the centerline of the railroad; thence South 9°13'41" East a distance of 128.45 feet to the point on curve on the original railroad right of way line, said curve having a radius of 7,789.44 feet the radius point of said curve being North 24°48'57" West a distance of 7,789.44 feet from the above described "point on curve"; thence Northeasterly on said curve to the left, through a central angle of 0°00'22", an arc distance of 0.82 feet, to the westerly corner of Block 242; thence South 89°24'09" East along the South line of Block 242 and said South line extended, a distance of 115.13 feet to the true point of beginning;

SUBJECT TO easement for underground truck and/or lateral sewers in favor of the City of Anacortes, a municipal corporation, recorded November 15, 1961, under Auditor's No. 614521, affecting the East eight feet (8') of the West Half of B Avenue produced northerly from the North line of 11th Street to Great Northern Railroad right of way.

Ortman Properties

Ortman Family LLC, is the owner of real property legally described as:

Lots 7 through 10, Block 243, MAP OF THE CIYT OF ANACORTES, according to the Plat thereof recorded in Volume 2 of Plats, pages 4 through 7, records of Skagit County, Washington.

Together with that portion of vacated 11th Street which would attached by operation of law in accordance with City of Anacortes Ordinance No 2824.

Anacortes 1, LLC is the owner of real property legally described as follows:

That portion of those certain strips, parcels or tracts of land in Section 24 and Government Lot 5 of Section 13, Township 35 North, Range 1 East of the Willamette meridian, shown and designated on the original Plat of the City of Anacortes as "Seattle and Northern Railway Company's Station Ground," and as "Reserved right-of-way for company's right-of-way for the Seattle and Northern Railway, according to a certain paper in writing in escrow with John P. Hoyt, dated May 28, 1889," described as follows:

Commencing at the intersection of the centerline of "B" Avenue and Eleventh Street; thence North 0°37'11" East along the centerline of "B" Avenue a distance of 40.00 feet to the South line of Block 242 extended Easterly;

Thence North 0°37'11" East a distance of 177.32 feet to a point on a curve which lies 30 feet Southerly (and radially) from the centerline of the railroad, as now located and constructed, the radius point of said curve being North 20°49'23" West a distance of 985.37 feet from the above described "point on curve";

Thence Westerly, on a curve to the right, through a central angle of 3°01'28", an arc distance of 52.01 feet;

Thence South 72°12'05" West, parallel with the 30 feet distant (Southeasterly) from the center of said Railroad a distance of 13.19 feet at the beginning of a curve to the left having a radius of 925.37 feet;

Thence along said curve to the left through a central angle of 5°04'10", an arc distance of 81.88 feet, said point being 30 feet Southerly (as measured radially) from the centerline of the railroad, said point also being the true point of beginning;

Thence South 9°13'41" East a distance of 128.45 feet to the point on curve on the original Railroad right-of-way line, said curve having a radius of 7,789.44 feet, the radius point of said curve being North 24°48'57" West a distance of 7,789.44 feet from the above described "point on curve";

Thence Southwesterly along said curve to the right having a radius of 7,789.44 feet, through a central angle of 1°48'44", an arc distance of 246.37 feet to the Northwestern corner of Lot 10, Block 243, City of Anacortes, according to plat thereof recorded in Volume 2 of Plats, page 4, records of Skagit county, Washington, and the Easterly margin of "A" Avenue, according to said plat;

Thence North 0°37'11" East, along the Northerly extension of said Easterly margin of "A" Avenue, 115.00 feet to a point on a line that is parallel with and 30 feet distant Southeasterly from the centerline of said Railroad (as measured at right angles);

Thence North 58°51'30" East, along said parallel line 98.64 feet to a point of curvature in said parallel line;

Thence along the arc of said curve to the right having a radius of 925.37 feet, through a central angle of 8°16'25" an arc distance of 133.63 feet to the true point of beginning.

Together with that portion of vacated 11th Street, which would attach by operation of law in accordance with City of Anacortes Ordinance No. 2824.

Anacortes 2, LLC, is the owner of real property legally described as follows:

The West half of Lot 3 and all of Lots 4, 5, and 6, Block 243, City of Anacortes, according to the Plat recorded in Volume 2 of Plats, pages 4 through 7, records of Skagit County, Washington.

Together with that portion of vacated 11th Street which would attach by operation of law in accordance with City of Anacortes Ordinance No. 2824.

Anacortes 3, LLC, is the owner of real property legally described as follows:

Lots 1 and 2 and the East half of Lot 3, Block 243, City of Anacortes, according to the Plat recorded in Volume 2 of Plats, pages 4 through 7, records of Skagit County, Washington.

EXHIBIT B
Vacation Descriptions:

**LEGAL DESCRIPTION VACATION #1
TO P31488 ANACORTES 1 LLC**

That portion of Government Lot 5, Section 13, Township 35 North, Range 01 East of the Willamette Meridian, described as follows:

The West 14.05 feet of the North 1/2 of 11th lying southerly of the SEATTLE & NORTHERN RAILWAY COMPANY'S STATION GROUND and Westerly of a line projected South that is Southwest of the Southwest corner of Block 242, Plat of "MAP OF THE CITY OF ANACORTES", per plat recorded in Volume 2 of Plats, pages 4 through 7, inclusive, records of Skagit County, Washington, said line being 1.01 feet southwest on a curve to the right with the center point of a radius bearing North 24°53'07" West, 7789.44 feet and a central angle of 0°00'27".

**LEGAL DESCRIPTION VACATION #2
TO P56379 WYNN FAMILY TRUST**

That portion of Government Lot 5, Section 13, Township 35 North, Range 01 East of the Willamette Meridian, described as follows:

The North 1/2 of 11th Street lying southerly of the SEATTLE & NORTHERN RAILWAY COMPANY'S STATION GROUND and Block 242, Plat of "MAP OF THE CITY OF ANACORTES", per plat recorded in Volume 2 of Plats, pages 4 through 7, inclusive, records of Skagit County, Washington and Easterly of a line projected South that is Southwest of the Southwest corner of said Block 242, said line being 1.01 feet southwest on a curve to the right with the center point of a radius bearing North 24°53'07" West, 7789.44 feet and a central angle of 0°00'27", and Westerly of a line beginning in the Southeast corner of vacated "B" Avenue according to Vacation Ordinance 684; thence South 0°33'28" East, 6.00 feet; thence South 41°59'48" West, 45.35 feet to the center line of 11th Street.

**LEGAL DESCRIPTION VACATION #3 & #4
TO P56380 ANACORTES 3 LLC**

That portion of Section 24, Township 35 North, Range 01 East of the Willamette Meridian, described as follows:

That portion of the South ½ of 11th Street adjacent to and lying north of Lots 1 & 2 and the East ½ of Lot 3, Block 243, Plat of "MAP OF THE CITY OF ANACORTES", per plat recorded in Volume 2 of Plats, pages 4 through 7, inclusive, records of Skagit County, Washington and the West 10 feet of "B" Avenue within the 11th Street right-of-way.

ALSO the West 10 feet of "B" Avenue adjacent to and abutting the north 70 feet of Lot 1 of said Block 243.

**LEGAL DESCRIPTION VACATION #5
TO P56382 Ortman Family LLC**

That portion of Section 24, Township 35 North, Range 01 East of the Willamette Meridian, described as follows:

West 10 feet of the South 30 feet of "B" Avenue adjacent to and abutting Lot 1 of, Block 243, Plat of "MAP OF THE CITY OF ANACORTES", per plat recorded in Volume 2 of Plats, pages 4 through 7, inclusive, records of Skagit County, Washington .

EXHIBIT C
Easement Descriptions:

Ortman Easement

That portion of the Burlington Northern Railroad designated as reserve right-of-way for the Seattle and Northern Railroad as shown on the Plat "Map of the City of Anacortes, Skagit County, Washington", as per plat recorded in Volume 2 of Plats, page 4, records of Skagit County Washington;

TOGETHER WITH a portion of Tract 14 of Plate No.8 of the Tide and Shorelands of Section 13, Township 35 North, Range 1 East, W.M., Anacortes Harbor, all being more particularly described as follows:

Beginning at the Southwest corner of Block 243 of said Plat; then North 0 degrees 33'46" east along a projection of the West edge of said Block, a distance of 308.10 feet to the true point of beginning; thence North 0 degrees 33'46" East, a distance of 102.32 feet; thence North 70 degrees 44'00" East, a distance of 130.63 feet; thence North 62 degrees 14'00" East, a distance of 77.28 feet; thence South 8 degrees 56'58" East, a distance of 70.47 feet to an intersection with a curve having a radius point bearing South 22 degrees 52'05" East, a radian distance of 925.36 feet; thence Westerly along the arc of said curve to the left through a central angle of 8 degrees 16'25", an arc distance of 133.62 feet; thence South 58 degrees 51'30" West a distance of 98.98 feet to the true point of beginning.

EXCEPT the South 13.5' thereof.

Wynn Easement:

PORTION OF PARCEL P56379:

That portion of the Burlington Northern Railroad designated as reserve right-of-way for the Seattle and Northern Railroad as shown on the "MAP OF THE CITY OF ANACORTES, SKAGIT COUNTY, WASHINGTON", as per plat recorded in Volume 2 of Plats, page 4, records of Skagit County, Washington.

TOGETHER WITH a portion of Tract 14 of Plate No. 8 of the tide and shoreline of Section 13, Township 35 North, Range 1 East, W.M., Anacortes Harbor, all being more particularly described as follows:

Beginning at the intersection of 11th Street and "B" Avenue of said Plat:

Thence north $0^{\circ}33'35''$ East along the Northerly projection of the centerline of "B" Avenue, a distance of 217.06 feet to the true point of beginning being an intersection with a curve having a radius point bearing North $20^{\circ}46'49''$ West, a radial distance of 985.37 feet:

Thence Southwesterly along the arc of said curve to the right through a central angle of $2^{\circ}58'54''$, an arc distance of 51.28 feet;

Thence South $72^{\circ}12'05''$ West, a distance of 13.20 feet to the beginning of a curve to the left having a radius of 925.36 feet;

Thence along the arc of said curve through a central angle of 5° an arc distance of 81.88 feet;

Thence North $8^{\circ}56'58''$ West, a distance of 70.47 feet;

Thence North $62^{\circ}14'00''$ East, a distance of 169.11 feet to the intersection with the Northerly projection of the centerline of "B" Avenue;

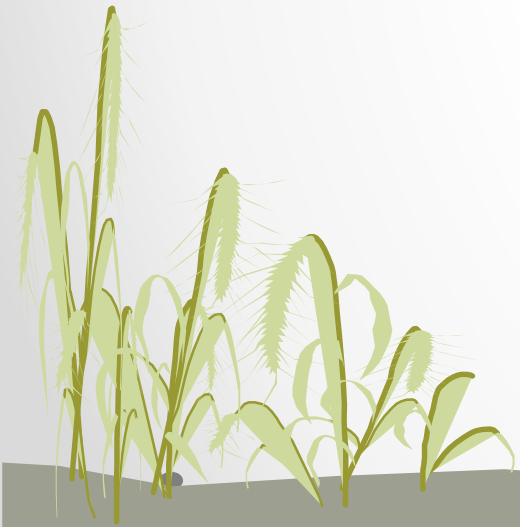
Thence South $0^{\circ}33'35''$ West, a distance of 98.99 feet to the true point of beginning.

EXCEPT the South 10 feet there of.

Situate in the County of Skagit, State of Washington.

Property Agreement for Trail Easements

December 14, 2020



Terms of the Agreement

- Parties

- City of Anacortes
- Wynn Family Trust by Trustees Tom and Sylvia Wynn
- Ortman Family LLCs

- Consideration

- The City will initiate a process to vacate portions of 11th Street and B Avenue
- If approved, the Wynn family will convey an easement to the City along the Guemes Channel for trail purposes
- The Ortman family has already vacated an easement along the Guemes Channel for the trail

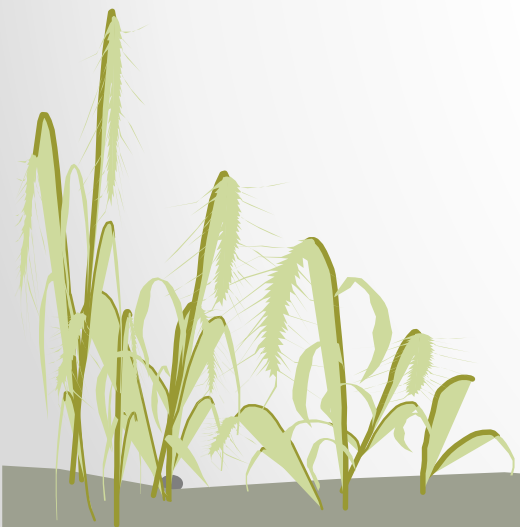
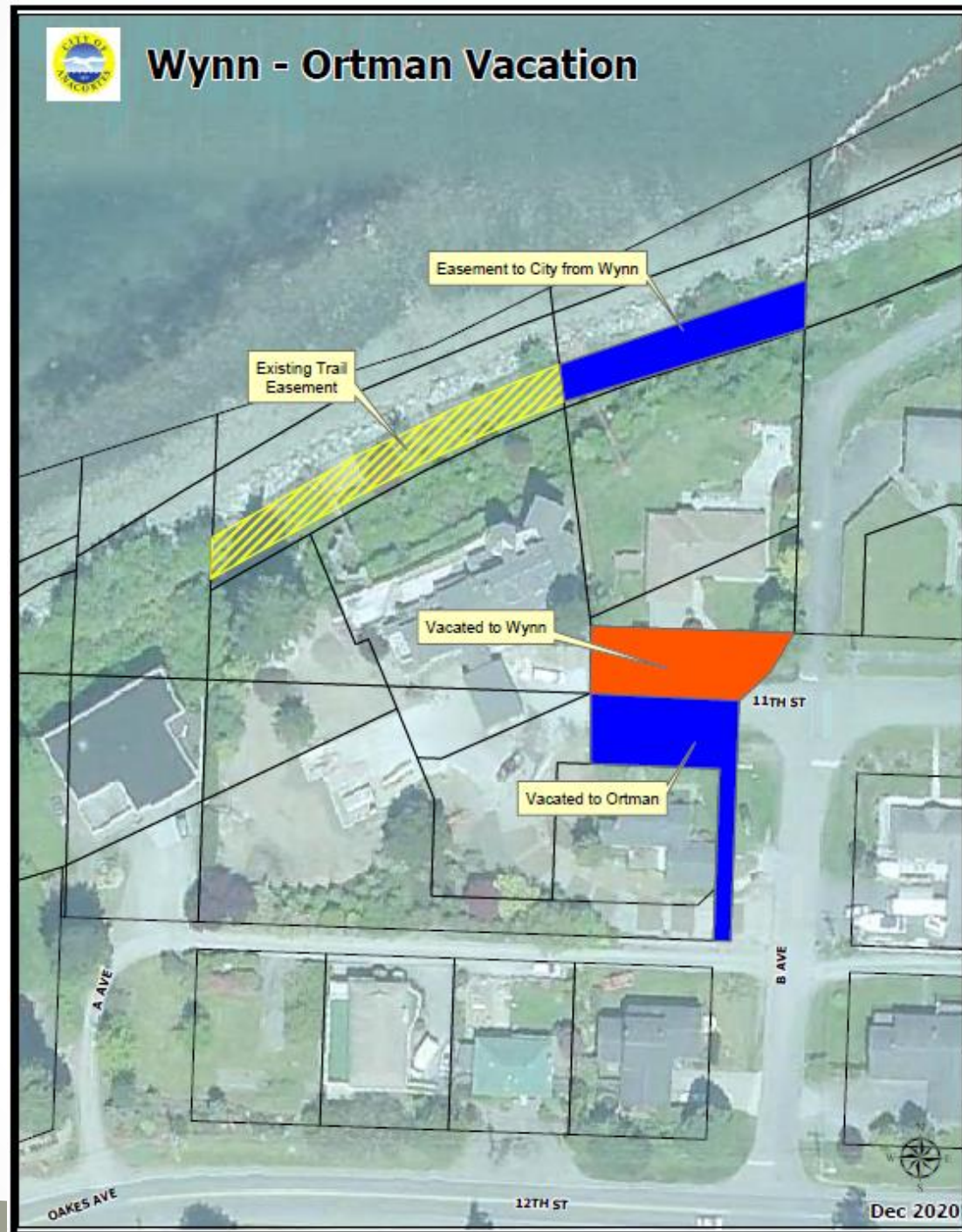
- Additional Info

- The City has been discussing concerns and process with the Parties for over 2 years
- City is not bound to grant vacation, but will not secure easement unless vacation is granted





Wynn - Ortman Vacation



Steps to Carry Out Agreement

- Contract Approval (12/14?)
- City initiates vacation w/in 10 days of execution of Agreement
- City processes vacation petition
- If City grants vacation, Wynn Family Trust executes Easement to the City w/in 10 days of vacation



ORDINANCE NO. 3080

AN ORDINANCE ADOPTING THE CAPITAL FACILITIES PLAN (CFP)
FOR THE 6-YEAR PERIOD 2021-2026

Section 1. The Growth Management Act mandates development of a capital facilities element consisting of a six-year financing plan [RCW 36.70a.070-(3)].

Section 2. The 2021-2026 Capital Facilities Plan, as established by the City council and made available for distribution to the general public through the Office of the City Clerk-Treasurer, is hereby adopted, a copy of which is hereto adopted by reference.

Section 3. The City of Anacortes Comprehensive Plan is hereby amended adopting the 2021-2026 Capital Facilities Plan. Adoption of the 2021-2026 Capital Facilities Plan will replace the 2019-2024 Capital Facilities Plan.

Section 4. The total estimated expenditures/revenues for each major category and the aggregate total for all such categories combined are summarized and set forth as follows:

General Government	\$6,756,639
Parks	\$16,125,000
Fiber	\$12,155,000
Fire/EMS	\$7,306,921
Waste Water	\$41,807,000
Solid Waste	\$265,000
Storm	\$2,081,000
Transportation	\$37,177,850
Water	\$23,326,000
Total	\$147,000,410

Section 5. The City Clerk-Treasurer of the City of Anacortes is hereby authorized to transmit a complete copy of the final CFP, as herein above adopted by reference, to appropriate authorized agencies.

Section 6. Effective date. This Ordinance shall take effect from and after five (5) days after its passage and publication, as required by law.

PASSED AND APPROVED this 14th day of December, 2020

CITY OF ANACORTES, WASHINGTON

BY: _____
Laurie Gere, Mayor

ATTEST:

Steven D. Hoglund, City Clerk

Darcy J. Swetnam, WSBA # 40530
City Attorney

APPROVED AS TO FORM:

The City of Anacortes 2021 Annual Budget

- 2021 Budget Status to date:
 - October 5 – Mayor’s Budget Message
 - October 19 – Public Hearing on Revenue Sources
 - October 19 – Review of Governmental Budget
 - October 26 – Review of Public Works Budget
 - November 2 – Public hearing on budget opened
 - November 9 – Public hearing on budget continued
 - November 16 – Budget discussion continued
 - November 16 – Public hearing closed
 - November 23 – Property Tax, CFP introduced, cont’d budget discussion
 - December 7 – CFP public hearing closed, CFP and budget discussion
 - December 14 – CFP and Budget Ordinances considered
- Budget material available on City website:
 - <https://www.anacorteswa.gov/827/Budget>
 - <https://www.anacorteswa.gov/175/Capital-Facilities-Plan-CFP>

The City of Anacortes 2021 Annual Budget

- Changes to draft budget reviewed on December 7:
 - Removed \$30,000 for EV charger match
 - Revised Fire Station 3 study to \$100,000
 - With associated change to Impact Fee funding
 - Verified Engineering could accommodate an amendment to the Overlay Budget by April to complete the additional work within the budget year.
 - E.g. the \$1.55M overlay budget could be adopted in December, and in April if economy appears sound, perform a CFP/Budget amendment to add \$300K to the Overlay budget.

The City of Anacortes 2021 Annual Budget

- Changes to draft budget reviewed on December 7:
 - Estimates of Facilities projects:

<u>Library</u>		<u>Fire Dept</u>	
Fire Suppression Fiber	20,000	Station 1 Interior Paint	43,000
Fire Suppression Server	20,000	Station 2 Flooring	10,000
Generator noise attenuator	64,000	Station 3 Flooring	10,000
<u>Museum Roof</u>		<u>Ops</u>	
	100,000	Community Workshop	23,000
<u>Public Safety</u>		Facility Gutters	25,000
Panic Buttons	10,000		
Security Fencing	25,000	<u>Service Contracts:</u>	27,000
		Janitorial	29,000
<u>City Hall</u>		HVAC	
Public Restroom ADA Upgrades	15,000		
Breakroom ADA Upgrades	10,000	<u>Unexpected repairs</u>	100,000
			<u>531,000</u>

The City of Anacortes 2021 Annual Budget

New proposed Budget Ordinance 3078

Revises:

- General Fund to remove \$30K EV grant match; and revise Station 3 study to \$100K.
- Revises Impact Fees for Fire Station 3 study.
- Proposes to leave the overlay budget at \$1.55M with the option to amend early 2nd quarter 2021 depending on economy.
- Adds new Ordinance Sections 4, 5, 6, and 7, in reference to:
 - Section 4: Hiring Freeze.
 - Section 5: No General fund support for EV charging station grant match.
 - Section 6: CFC review of City budget public platforms.
 - Section 7: HACS review of community social services needs.

The City of Anacortes 2021 Annual Budget

Proposed
2021 Budget:
Ordinance
3078

	Revenues / Expenditures
General Fund	19,571,726
Parks	2,027,757
Cemetery	229,537
Library	1,493,393
Road Maint	2,663,901
Road Const	1,732,744
TBD Pass Thru	1,130,103
Wa Park	273,439
Parks Const	700,000
Affordable Housing	565,052
EMS	3,926,301
Impact Fees	575,000
ACFL	54,899
Lodging Tax	413,988
REET	1,832,500
Water	20,975,693
Sewer	7,566,472
Storm	1,659,421
Solid Waste	4,744,561
ERR	2,636,980
Fire Pension	44,931
	74,818,398

The City of Anacortes 2021-2026 CFP

Proposed Capital
Facilities Plan:
Ordinance 3080

General Government	\$6,756,639
Parks	\$16,125,000
Fiber	\$12,155,000
Fire/EMS	\$7,306,921
Waste Water	\$41,807,000
Solid Waste	\$265,000
Storm	\$2,081,000
Transportation	\$37,177,850
Water	\$23,326,000
Total	\$147,000,410

ORDINANCE NO. 3078

AN ORDINANCE ADOPTING THE BUDGET FOR ALL MUNICIPAL PURPOSES
AND USES FOR THE YEAR 2021

Section 1. The 2021 Budget for the City of Anacortes, Washington as established by the City Council and made available for distribution to the general public through the office of the City Clerk-Treasurer, is hereby adopted by reference.

Section 2. The total estimated revenues and appropriations for each budgeted fund and the aggregate total for all such funds combined is itemized below. Estimated revenues and expenditures include overhead accruals to the General fund from the utility funds as authorized by state law. As the City of Anacortes utilizes the Mayor in a fulltime capacity overseeing all funds including the utility funds, such accruals provide for inclusion of the Mayor's office to recover associated costs. All revenues and expenditures for all budgeted funds are summarized and set forth as follows:

Fund		2021 Revenues / Expenditures
001	General Fund	19,571,726
101	Parks and Recreation	2,027,757
102	Cemetery	229,537
103	Library	1,493,393
104	Road Maintenance	2,663,901
105	Road Construction	1,732,444
106	Anacortes TBD #1	1,130,103
107	Washington Park	273,439
108	Parks Construction	700,000
109	Affordable Housing	565,052
110	Ambulance Service	3,926,301
112	Impact Fees	575,000
113	ACFL Management	54,899
135	Lodging Tax	413,988
335	Real Estate Excise Tax	1,832,500
401	Water	20,975,693
440	Sewer	7,566,472
445	Storm	1,659,421
450	Solid Waste	4,744,561
501	Equipment Rental	2,636,980
611	Firemen's Pension	44,931
	Total	74,818,398

Section 3. The City Clerk-Treasurer of the City of Anacortes is hereby authorized to transmit a complete copy of the final budget, as herein above adopted by reference, to the

Division of Municipal Corporations in the Office of the State Auditor, to the Association of Washington Cities, and to the Municipal Research & Services Center of Washington.

Section 4. A hiring freeze remains in effect until December 31, 2021, prohibiting any new hire (including new positions or filling vacant positions) that is funded in any part from any City governmental fund without approval by City Council resolution. The Police and Fire Departments, and the position of HR Director, are not subject to this hiring freeze.

Section 5. No general revenue (e.g., funds derived from sales tax, property tax, utility tax) may be expended as match for the Department of Commerce Electrification of Transportation Systems Program grant.

Section 6. The City Council Finance Committee is directed to investigate and evaluate options for an interactive data platform with the objective of improving transparency, accountability, and governance by providing the City Council and the public with useful self service access to the City budget, the City's financial performance, City employee salaries, and a running list of all transactions. The Council Finance Committee must report its findings and recommendation to the City Council by April 30, 2021.

Section 7. The City Council Housing Affordability & Community Services Committee is directed to work with existing community services providers, city departments, and the public to identify the social services needs of city residents in financial, emotional, or mental health crisis and develop a plan to strengthen and ensure those services or resources are provided by city or third-party providers. The plan must be data-driven and must identify appropriate and sustainable funding sources. The HACS Committee must report its findings and recommendation to the City Council and community by June 30, 2021.

Effective date. This Ordinance shall take effect from and after five (5) days after its passage and publication, as required by law.

PASSED AND APPROVED this 14th day of December, 2020

CITY OF ANACORTES, WASHINGTON

By: _____
Laurie Gere, Mayor

ATTEST

Steven D. Hoglund, City Clerk

APPROVED AS TO FORM

Darcy J. Swetnam, WSBA # 40530
City Attorney

The City of Anacortes 2021 Annual Budget

- 2021 Budget Status to date:
 - October 5 – Mayor’s Budget Message
 - October 19 – Public Hearing on Revenue Sources
 - October 19 – Review of Governmental Budget
 - October 26 – Review of Public Works Budget
 - November 2 – Public hearing on budget opened
 - November 9 – Public hearing on budget continued
 - November 16 – Budget discussion continued
 - November 16 – Public hearing closed
 - November 23 – Property Tax, CFP introduced, cont’d budget discussion
 - December 7 – CFP public hearing closed, CFP and budget discussion
 - December 14 – CFP and Budget Ordinances considered
- Budget material available on City website:
 - <https://www.anacorteswa.gov/827/Budget>
 - <https://www.anacorteswa.gov/175/Capital-Facilities-Plan-CFP>

The City of Anacortes 2021 Annual Budget

- Changes to draft budget reviewed on December 7:
 - Removed \$30,000 for EV charger match
 - Revised Fire Station 3 study to \$100,000
 - With associated change to Impact Fee funding
 - Verified Engineering could accommodate an amendment to the Overlay Budget by April to complete the additional work within the budget year.
 - E.g. the \$1.55M overlay budget could be adopted in December, and in April if economy appears sound, perform a CFP/Budget amendment to add \$300K to the Overlay budget.

The City of Anacortes 2021 Annual Budget

- Changes to draft budget reviewed on December 7:
 - Estimates of Facilities projects:

<u>Library</u>		<u>Fire Dept</u>	
Fire Suppression Fiber	20,000	Station 1 Interior Paint	43,000
Fire Suppression Server	20,000	Station 2 Flooring	10,000
Generator noise attenuator	64,000	Station 3 Flooring	10,000
<u>Museum Roof</u>		<u>Ops</u>	
	100,000	Community Workshop	23,000
<u>Public Safety</u>		Facility Gutters	25,000
Panic Buttons	10,000		
Security Fencing	25,000	<u>Service Contracts:</u>	27,000
		Janitorial	29,000
<u>City Hall</u>		HVAC	
Public Restroom ADA Upgrades	15,000		
Breakroom ADA Upgrades	10,000	<u>Unexpected repairs</u>	100,000
			<u>531,000</u>

The City of Anacortes 2021 Annual Budget

New proposed Budget Ordinance 3078

Revises:

- General Fund to remove \$30K EV grant match; and revise Station 3 study to \$100K.
- Revises Impact Fees for Fire Station 3 study.
- Proposes to leave the overlay budget at \$1.55M with the option to amend early 2nd quarter 2021 depending on economy.
- Adds new Ordinance Sections 4, 5, 6, and 7, in reference to:
 - Section 4: Hiring Freeze.
 - Section 5: No General fund support for EV charging station grant match.
 - Section 6: CFC review of City budget public platforms.
 - Section 7: HACS review of community social services needs.

The City of Anacortes 2021 Annual Budget

Proposed
2021 Budget:
Ordinance
3078

	Revenues / Expenditures
General Fund	19,571,726
Parks	2,027,757
Cemetery	229,537
Library	1,493,393
Road Maint	2,663,901
Road Const	1,732,744
TBD Pass Thru	1,130,103
Wa Park	273,439
Parks Const	700,000
Affordable Housing	565,052
EMS	3,926,301
Impact Fees	575,000
ACFL	54,899
Lodging Tax	413,988
REET	1,832,500
Water	20,975,693
Sewer	7,566,472
Storm	1,659,421
Solid Waste	4,744,561
ERR	2,636,980
Fire Pension	44,931
	74,818,398

The City of Anacortes 2021-2026 CFP

Proposed Capital
Facilities Plan:
Ordinance 3080

General Government	\$6,756,639
Parks	\$16,125,000
Fiber	\$12,155,000
Fire/EMS	\$7,306,921
Waste Water	\$41,807,000
Solid Waste	\$265,000
Storm	\$2,081,000
Transportation	\$37,177,850
Water	\$23,326,000
Total	\$147,000,410



Anacortes City Council

Proposed Agenda Items for the Next Eight Weeks Beginning December 21, 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.

December 21, 2020

- CDBG and Skagit Community Foundation Grant Award Updates (Discussion)
- Hearing Examiner Report (Discussion)
- Contract Award: Anacortes Parks Foundation #20-215-PRK-001 (Discussion/Possible Action)
- Access Anacortes Fiber Internet Update (Discussion)

December 28, 2020

January 4, 2021

January 11, 2021

January 19, 2021

January 25, 2021

February 1, 2021

- Commercial Avenue Complete Streets Project Phase 1, 11th to 13th Street Alternatives (Discussion/Possible Action)

February 8, 2021

Upcoming City Council Committee Meetings

- Housing Affordability & Community Services, Monday, Dec 14, 2020, 4:00 PM, Teleconference
- Planning, Monday, Dec 14, 2020, 5:00 PM, Teleconference
- Library, Thursday, Dec 17, 2020, 12:30 PM, Teleconference
- Fiber, Thursday, Dec 17, 2020, 2:30 PM, Teleconference
- Public Works, Monday, Dec 21, 2020, 5:00 PM, Teleconference
- Finance, Wednesday, Dec 23, 2020, 5:00 PM, Teleconference
- Planning, Monday, Dec 28, 2020, 5:00 PM, Teleconference
- Public Works, Monday, Jan 4, 2021, 5:00 PM, Teleconference
