



Anacortes City Council
Municipal Building Council Chambers
904 6th Street

TUESDAY, September 3, 2019
6:00 p.m.

PRELIMINARY AGENDA

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

1. **Call to Order**
2. **Pledge of Allegiance**
3. **Announcements and Committee Reports**
 - a. Port/City Liaison Committee
 - b. Public Works Committee
 - c. Appointments to the Forest Advisory Board and the Museum Advisory Board
4. **Public Comment**
5. **Consent Agenda (Action)**
 - a. Minutes of August 26, 2019
 - b. Approval of Claims in the amount of: \$368,809.68
 - c. Contract Award: Anacortes Public Library Roof Replacement #19-110-FAC-001
6. **Public Hearings**
7. **Other Business**
 - a. * Sewer Rate Structure Update by FCS Group (Discussion)
 - b. * Challenges and Options to Address Homelessness (Discussion)
8. **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. Citizens wishing to speak will please sign in at the back of the Council Chambers prior to the start of the meeting. The Mayor may limit comments to those who have signed in, and may limit the time allotted to each speaker to facilitate the orderly progress of the meeting.*

The City of Anacortes encourages people with disabilities to participate in public meetings.
For assistance with special needs, please contact the City Clerk at 360-299-1960 in advance of the meeting.



Anacortes City Council

Proposed Agenda Items for the Next Eight Weeks Beginning September 9, 2019

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

September 9, 2019

Special Meeting: 5:30 p.m. All Council Training: Microsoft Surface Books and Office 365 Rollout to Council Members

- Interlocal 281 with Port of Anacortes: Mutual Assistance on Minor Projects (Consent)
- Interlocal 285 with Port of Anacortes: Blanket Temporary Laydown Space Agreement (Consent)
- Municipal Fiber Update (Discussion)

September 16, 2019

- Contract Award: WTP Electrical Switchgear Maintenance #19-145-WTR-001 (Consent)
- Combined Sewer Overflow (CSO) Reduction Study (Discussion/Possible Action)

September 23, 2019

- Ordinance ____: Adopting New AMC Chapter 8.10 Regarding City Parks and the Anacortes Community Forest Lands (Discussion)

October 7, 2019

October 14, 2019

- Mid Biennial Budget Review (Discussion)

October 21, 2019

- Mid Biennial Budget Review (Discussion)

October 28, 2019

November 4, 2019

- Public Hearing: Mid Biennial Budget Review (Discussion)

Upcoming City Council Committee Meetings

The public is welcome to attend City Council Committee Meetings.

- Port/City Liaison, Tuesday, Sep 3, 2019, 8:30 AM, Port of Anacortes
- Public Works, Tuesday, Sep 3, 2019, 5:00 PM, Main Conference Room, City Hall
- Planning, Monday, Sep 9, 2019, 5:00 PM, Main Conference Room, City Hall
- Skagit County Law & Justice Council, Wednesday, Sep 11, 2019, 8:15 AM, Mount Vernon
- Finance, Wednesday, Sep 11, 2019, 5:00 PM, Main Conference Room, City Hall
- Personnel, Friday, Sep 13, 2019, 9:00 AM, Main Conference Room, City Hall
- Public Works, Monday, Sep 16, 2019, 5:00 PM, Main Conference Room, City Hall
- Planning, Monday, Sep 23, 2019, 5:00 PM, Main Conference Room, City Hall
- Finance, Wednesday, Sep 25, 2019, 5:00 PM, Main Conference Room, City Hall



Laurie Gere, Mayor
CITY OF ANACORTES

City Council Memo

TO: Anacortes City Council
FROM: Laurie Gere, Mayor
DATE: August 23, 2019
RE: Appointment to Boards and Commissions and Confirmation

Summary Statement:

The following appointments to City Boards and Commissions are being presented at the regular City Council meeting on September 3, 2019. I appreciate the contributions of these volunteers 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.

Board or Commission Member Appointed by the Mayor Requiring Confirmation by City Council.

JoAnn York-Gilmore is appointed to the Forest Advisory Board. JoAnn is appointed to the position designated by [Resolution 663](#) for a member of the Parks and Recreation Advisory Commission. Her term is effective September 3, 2019 until November 30, 2022.

Ms. York-Gilmore's appointment is supported by the Parks and Recreation Director, Jonn Lunsford. Ms. York-Gilmore has served on the Parks and Recreation Advisory Commission since 2017. She is an Army veteran who graduated from Oregon State University and University of Southern California, respectively. She worked as a Human Resources Manager before retiring 2014. She is an active community member, an avid hiker, quilter, and volunteer with the Simple Gesture program. She would be a great addition to the Board.

Recommended Motion: I move City Council confirm JoAnn York-Gilmore's appointment to the Forest Advisory Board for a term expiring November 30, 2022.

Board or Commission Member Appointed by the Mayor to a Partial Term.

Dana Webb is appointed to a partial term on the Museum Advisory Board. [Anacortes Municipal Code 2.50.030](#) states that upon vacancy, the mayor shall appoint a board member to fill the unexpired portion of the term. Her term is effective September 3, 2019 until December 31, 2021.

Dana Webb's appointment is supported by Museum Director Bret Lunsford. Dana has an interest in history and a desire to give back to her hometown. Dana hopes to do her part to assure that the Museum remains a touchstone for the community. Due to her passion for Anacortes and her academic background in History and Design I am confident she will be successful in this position.

September 3, 2019

The City of Anacortes can be applauded for posting information on a website dedicated to the Guemes Channel Trail (GCT). I have been spent hours over the summer, looking at each phase including all of the "Phase Documents" listed. Fortunately I have had access to multiple other documents obtained through public records requests, so can fill in some blanks and follow different bouncing balls. The volume of information is daunting and demands a commitment of time few people have.

While it is appreciated that "Issues" are listed under some sections of the trail, they are without detail. Assurances were given at a December, 2018 City Council meeting that both sides of the issue would be represented on this GCT site. They are not.

Absent is any criticism of the trail. Yet letters and emails abound, expressing fundamental concerns, especially related to the shoreline, vegetation, and habitat as outlined in the Shoreline Management Plan and Critical Area Ordinance.

Throughout the documents included are examples of **promises made and not kept, too frequently used "contract modifications" and avoidance of certain topics**. But these examples aren't readily obvious, unless one takes time to put the the documents in date order, accesses additional documents, and has some familiarity with the SMP and CAO. I've given examples here, but In the interest of time, I will not read them, but simply submit a copy of this letter to the Council.

Among them:

Thomas Sibley with NOAA (National Oceanic and Atmospheric Administration) Fisheries wrote in October of 2014 about flaws in a document [Biological Assessment] written by a consultant to the City [Ross Widener].

A July 2015 letter from Tim Hyatt with Skagit River System Cooperative expressed his concerns about Phase VII, based on the state of a completed Phase 1.

Martha Aubin has written extensively about problems, Evergreen Islands, Sierra Club, and Ross Barnes, PhD in Earth Science have all written. None of these documents appear.

1:1 replacement of removed trees was to be accomplished for shading. (Dune grass will never achieve the expectation of "no net loss of shoreline ecological function").

Promise made for removal of Himalayan Blackberries and English ivy. Both are still present.

Meandering of the trail was promised to preserve trees. Not a lot seen.

The initial contract for construction of Phase VII was awarded to the lowest bidder on November 17, 2014. Within 3 months the accepted bid was increased by 38% via 3 contract modifications, ending up well over the next 2 lowest bids.

Examples of avoided topics:
Parking for access.

Demonstration that Hwy. 20 spur was ever considered as an alternative.

Costs for things like the "Visioning Workshops".

Money spent on consultants for a trail through SHIP that the City AND the consultants should have known was environmentally unacceptable. That money could have been used elsewhere had the information been shared first with the public.

One must ask how copies of all letters, and emails, applications, meeting minutes, etc. can be included in the documents on the website. In fact, it would be totally overwhelming. By the same token, one also asks how the City can meet its promise of "both sides" being represented? The City website and that of the Anacortes Parks Foundation both present totally positive spins on the trail. The trail has been promoted far and wide, even before completion and even with all the problems clearly documented in City records. Along side the list of trail sections, does there need to be a category for "Opposition" with corresponding copies of documents?

It is upsetting that a promise was made to present both sides, but that promise has not been kept. The opposition needs a voice on the website. Thank you.

Kathleen Lorence-Flanagan
2005 10th St.
Anacortes, WA 98221

Municipal Building Council Chambers
904 Sixth Street

PUBLIC COMMENT SIGN IN SHEET

Please print your name legibly so we can recognize you correctly in the minutes. Thank you!

Topic

Bob Barry
Kathleen Flanagan

Continue on back of sheet as needed

City Council Minutes – August 26, 2019

Mayor Laurie Gere called to order the Anacortes City Council meeting of August 26, 2019 at 6:00 p.m. Councilmembers Anthony Young, Ryan Walters, Brad Adams, Carolyn Moulton and Matt Miller were present. Councilmembers Eric Johnson and Bruce McDougall were absent. The assembly joined in the Pledge of Allegiance.

Mr. Miller moved, seconded by Mr. Adams, to excuse the absence of Mr. Johnson who was ill. The motion carried unanimously by voice vote.

Announcements and Committee Reports

Planning Committee: Mr. Adams reported from the committee meeting earlier in the evening. He described the timeline for the Shoreline Master Program and Critical Areas Ordinance updates including public open houses for both projects expected in October 2019.

Ms. Moulton thanked the community for attending the 6th annual Open Streets event on Sunday and thanked City Staff for its support. She reported the highest attendance in the history of the event.

Ms. Moulton reported from a bike ride on the Guemes Channel Trail earlier in the day that she was impressed by the quality of the trail restoration there. She thanked staff for completing the repairs very economically and thanked the public for its patience while all required permits were obtained to perform the repairs.

Mayor Gere reported that she met with Skagit County Department of Emergency Management earlier in the day regarding tsunami warning systems being installed on both the east and west sides of Anacortes. She said weekly alarm tests would be conducted and that details of the test schedule would be forthcoming.

Public Comment

No one present wished to address the Council on any topic not already on the agenda.

Consent Agenda

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

- a. Minutes of August 19, 2019
- b. Approval of Claims in the amount of: \$262,120.20
- c. Street Fair Application: Jingle Bell Dash
- d. Resolution 2055: Rejecting All Bids for the 2019 Asphalt Overlay Striping Project #19-004-TRN-004
- e. Contract Award: 2019 West 3rd Street Sanitary Sewer Rehabilitation #19-119-SEW-001

The following vouchers/checks were approved for payment:

EFT numbers: 94348 through 94391, total \$252,738.79

Check numbers: 94392 through 94420, total \$135,300.72

Wire transfer numbers: 254714 through 254942, total \$726.48

PUBLIC HEARINGS

Public Hearing: Ordinance 3047: Establishing a residential targeted area for the proposed Anacortes Municipal Code Chapter 3.69 Multifamily Tax Exemption Program

Planning Director Don Measamer introduced proposed Ordinance 3047. He welcomed Skagit County Assessor Dave Thomas and Annette Devoe from the Assessor's office to answer councilmember questions. Mr. Measamer summarized the requirements of the Multifamily Tax Exemption program, referring to his slide presentation which was added to the packet materials for the meeting. Mr. Measamer raised several options for Council to consider including the duration of the program (8 or 12 years), unit size, and inclusion of a sunset clause. He responded to councilmember questions about the appropriate percentage of projects that should be required to be permanent residential housing, status of properties after the term of the program expires, possible incentives for property owners to keep property in the program or disincentives to ceasing to participate, and appropriate size of units included.

Skagit County Assessor Dave Thomas offered to respond to councilmember questions. He confirmed that the program would not affect the city's property tax revenue, it would only shift the property tax burden to the remainder of the property owners, and said the tax impact would be small—for example, less than \$2/year for an average home if a \$2M project were built under the program. Ms. Devoe clarified that affected properties would be exempted from all taxing districts in which they were located. Mr. Thomas responded to councilmember questions about recouping taxes and potential penalties for properties that failed to remain in the program. Ms. Devoe reported that the program had been very successful in Bellingham but that Jefferson County did not yet have any exempted properties under the program. Mr. Measamer indicated he would contact Bellingham and Seattle for more information on the particulars of their program configuration and administration.

Mayor Gere invited members of the audience to comment on this agenda item. No one present wished to address the Council.

Closed Record Decision Hearing: Calwest Inc., Ferry Terminal Road Conditional Use Permit to permit construction of 9-duplexes & preliminary approval of 9-lot short plat

Senior Planner Kevin Cricchio presented an application from Calwest Inc. for Conditional Use Permit CUP-2018-0002 to permit the construction of 9-duplexes (18 dwelling-units total) on a project site off Ferry Terminal Road, South of Charlie's Restaurant, which is located in a portion of Section 22, Township 35 North, Range 01 East, Willamette Meridian. Mr. Cricchio summarized the project chronology, noticing, critical areas review, cultural resource assessment, geologically hazardous areas, tree assessment/preservation plan, traffic impact analysis, SEPA environmental review, public and agency comments received, and applicable zoning, referring to his slide presentation which was added to the packet materials for the meeting. Mr. Cricchio clarified that although the subject property was currently in the Marine Mixed Use Zoning District, the subject applications [CUP & 9-Lot Short Plat] were vested to the underlying zoning district (Commercial Marine (CM)) in effect at the time of application. He reported that the Planning Commission conducted a Pre-Decision Open Record Public Hearing at 5:00 p.m. on July 24, 2019 which was continued to 6:00 p.m. on August 14, 2019 and that following public testimony and deliberation, the Planning Commission voted 5-1 in favor of recommending approval to City Council regarding CUP-2018-0002 and the Preliminary 9-Lot Short Plat request subject to staff's suggested conditions of approval.

Mr. Cricchio and Mr. Measamer responded to councilmember question regarding the traffic impact analysis, the NGPE overlaying the 25-foot non-disturbance and building setback buffer, and surface water and engineering reports addressing same.

The applicant's Project Engineer John Semrau explained the stormwater analysis and responded to councilmember questions regarding same.

Mayor Gere invited parties of record to address the Council.

Wim Houppermans, 3412 K Avenue, board member of Evergreen Islands, called Council's attention to the letter in the record from Tom Glade of Evergreen Islands arguing that the traffic impact analysis was not adequate to permit the project. He also echoed Mr. Glade's comments about tree removal, noting that 51 trees would be cut and only bushes and shrubs would be replanted. Mr. Houppermans suggested that a tree preservation ordinance that would allow that has no meaning. He suggested asking for a plan that showed tree retention and a proper traffic impact study.

No other parties of record wished to address the Council.

Staff responded to councilmember questions about the traffic impact analysis, condominiumization of the short plat, stormwater management, limiting the amount of patio located in the NGPE, and adding language prohibiting any vegetation removal once the revegetation plan for the slope is established.

Mayor Gere again invited parties of record to address the Council.

Mr. Houppermans said that CUPs are usually granted based on some equivalent benefit to the community. He asked what benefit this project was offering to warrant violating city code.

Staff responded to councilmember questions about public access around and through the proposed development.

Mr. Walters moved, seconded by Mr. Miller, approval with inclusion of the additional conditions discussed: to clearly delineate the furthest extent of the encroachments into the NGPE on the final plat, describe in a plat note the activities that will be allowed within the buffer, and require a landscape plan for the NGPE indicating no additional future clearing of shrubs or trees within the NGPE. Mr. Walters added that staff would also correct the erroneous reference to AMC 17.46 that should be to 17.41. Vote: Ayes – Walters, Adams, Moulton, Miller and Young. Motion carried.

OTHER BUSINESS

Donation of Public Art: "New Eyes" by Peregrine O'Gormley

Parks & Recreation Director Jonn Lunsford requested Council acceptance of a donation of the bronze statue New Eyes for public display as described in the packet materials. Mr. Lunsford shared photos of the sculpture which were added to the packet materials for the meeting.

Mr. Walters moved, seconded by Mr. Young, to approve the donation. Vote: Ayes – Adams, Moulton, Miller, Young and Walters. Motion carried.

Resolution 2054: Declaring the intent of the City of Anacortes to adopt legislation to authorize a sales and use tax for affordable and supportive housing consistent with SHB 1406

Mr. Measamer recapped his presentation of Resolution 2054 at the August 19, 2019 City Council regular meeting, referring to his slide presentation which was added to the packet materials for the meeting. Mr. Measamer recommended adopting the resolution of intent, then subsequently exploring additional options available to the city under SHB 1406.

Mayor Gere invited members of the audience to comment on this agenda item. No one present wished to address the Council.

Mr. Measamer read into the record a letter from Anacortes Housing Authority Commissioner Susan Rooks in support of Resolution 2054. Ms. Rooks's letter was added to the packet materials for the meeting.

Ms. Moulton moved, seconded by Mr. Walters, to approve Resolution 2054 declaring the intent of the City of Anacortes to adopt legislation to authorize a sales tax for affordable and supportive housing consistent with substitute House Bill 1406.

Mr. Walters requested that staff present Council with information about potential local projects, when they would be shovel ready, how much funding they would need, whether Skagit County would contribute to the effort, what the sales tax rates would be for a qualifying local tax, and a proforma spreadsheet calculating the revenue generated by a range of tax rates ranging from .05% to .1%. Mr. Measamer said he and the Finance Director would address that request.

Vote: Ayes – Moulton, Miller, Young, Walters and Adams. Motion carried.

Contract Award: Skagit River 42" Water Line Project - Phase 2 #18-070-WTR-002

Contract Award: WTP Second Clearwell Tank Project - Design #19-137-WTR-001

Water System Manager Jeff Marrs requested City Council consent to award the referenced contracts as outlined in the packet materials for the meeting. Mr. Marrs described the design work to be performed under each contract and the need for both projects, referring to his slide presentation which was added to the packet materials for the meeting.

Mr. Walters moved, seconded by Mr. Miller, to approve both contracts as presented. Vote: Ayes – Miller, Young, Walters, Adams and Moulton. Motion carried.

There being no further business, at approximately 8:15 p.m. the Anacortes City Council meeting of August 26, 2019 was adjourned.

The following claims against the City of Anacortes have been preaudited and certified by the Clerk-Treasurer as ready for City Council approval at the September 3, 2019 City Council meeting:
[Download this file in OpenDocument spreadsheet format.](#)

Invoice Doc #	Transaction Date	Invoice #	Vendor Full Name	Description	Total Amount	Approval Queue
255060	3/12/2019	RefundKo	KO, HILDY	REFUND DEPOT DEPOSIT	\$ 500.00	parks1
254559	4/8/2019	27263	DAHL ELECTRIC, INC	STREAMING CURRENT MOTOR WORK D005246	\$ 8,092.54	dwtp
255208	4/30/2019	GIS-9413	GEOGRAPHIC INFORMATION	2019-2020 GIS SUPPORT	\$ 162.75	pw1
254956	5/15/2019	322	AQUA-TERR SYSTEMS INC	VOLUNTEER PARK MASTER PLAN	\$ 500.00	parks1
254957	6/1/2019	358	AQUA-TERR SYSTEMS INC	VOLUNTEER PARK MASTER PLAN	\$ 2,432.04	parks1
255040	6/11/2019	SLX-2019-0010	CITY OF ANACORTES	SHORELINE EXEMPTION PERMIT - WA PARK	\$ 600.00	parks1
255207	6/24/2019	19411.04-2	GRAY & OSBORNE INC	ON-CALL STORMWATER ENGINEERING SERVICES CONSULTANT: SALISH HOTEL	\$ 286.58	plan
255088	7/11/2019	114652	WALTON BEVERAGE COMPANY, INC	CITY HALL BREAK ROOM SUPPLIES	\$ 140.00	finance
255089	7/25/2019	114721	WALTON BEVERAGE COMPANY, INC	CITY HALL BREAK ROOM SUPPLIES	\$ 175.00	finance
255027	7/28/2019	360-299-2484-0726025	FRONTIER COMMUNICATIONS	LIBRARY PHONE 7/28-8/27/19	\$ 56.96	publib
255052	7/29/2019	114-5569458-6613006	SHEN, ERIC	REIMBURSE ACFL MONITORING EQUIPMENT	\$ 97.76	parks1
254952	7/30/2019	2428	SOUND COMPUTING SOLUTIONS, INC	NETWORK ENGINEERING CONSULTANT	\$ 369.58	fiber
254976	7/31/2019	11570901	HACH COMPANY	HARDNESS STANDARD	\$ 79.26	dwtp
254134	7/31/2019	650244	HASA, INC	SODIUM HYPOCHLORITE	\$ 4,115.73	dwtp
255176	7/31/2019	157221	INFOSEND, INC.	JULY 2019 PROCESSING	\$ 3,478.74	finance
255211	7/31/2019	29681	REICHHARDT & EBE ENGINEERING	SHIP HARBOR & SR20 INTERSECTION - 6/25/19-7/19/19	\$ 2,257.72	pw1
254978	7/31/2019	0002256	SALAZAR'S NURSERY	BARK	\$ 49.92	dwtp
254990	7/31/2019	601217-0	SKIDMORE PHARMACY INC.	JULY, LEOFF1 PHARMACY COPAYS	\$ 83.34	hr
254961	7/31/2019	206499	WIDENER & ASSOCIATES	SANITARY SEWER STORAGE STUDY - ENVIRONMENTAL SERVICES - JULY 2019	\$ 1,848.00	pw1
254963	7/31/2019	206498	WIDENER & ASSOCIATES	GUEMES CHANNEL TRAIL - BIOLOGICAL EVALUATION & PERMIT - JULY 2019	\$ 1,969.80	parks1
254964	7/31/2019	206500	WIDENER & ASSOCIATES	SK RIVER 42" WATER LINE - DESIGN ASSISTANCE & PERMITTING - JULY 2019	\$ 6,013.81	pw1
254756	8/1/2019	905703553	BSN SPORTS, LLC	BACKSTOP PADDING - MDD RETURF PROJECT	\$ 5,398.44	parks1
255048	8/1/2019	1731884	MILES SAND & GRAVEL CO.	SAND - ART FESTIVAL	\$ 169.57	parks1
254959	8/1/2019	17703	TRANSPORTATION SOLUTIONS INC	32ND AND M INTERSECTION - DESIGN 6/5/19-7/31/19	\$ 18,430.74	pw1
254977	8/5/2019	11577881	HACH COMPANY	STABLCAL STANDARD X 4	\$ 668.09	dwtp
255274	8/7/2019	89270	BLYTHE PLUMBING & HEATING, INC	HYPO ROOM EXHAUST FAN REPAIR	\$ 303.94	dwtp
254871	8/8/2019	2019-343	LARRY BROWN CONSTRUCTION INC	2019 STORM POND MAINTENANCE	\$ 23,697.70	pw1

Invoice Doc #	Transaction Date	Invoice #	Vendor Full Name	Description	Total Amount	Approval Queue
255031	8/8/2019	5	NORTH COAST ERECTORS	WELDING JOB FOR WATER DEPT	\$ 470.00	wdist
255090	8/8/2019	114792	WALTON BEVERAGE COMPANY, INC	CITY HALL BREAK ROOM SUPPLIES	\$ 87.50	finance
255044	8/9/2019	17913028249	HB JAEGER	GCT STORMWATER MONITORING	\$ 152.99	parks1
255043	8/9/2019	300000000343	PUGET SOUND ENERGY INC	PARKS/CEM/WASH. PARK/FAC/DEPOT 7/6-8/5/19	\$ 3,537.54	parks1
254589	8/12/2019	cpls	DEPARTMENT OF LICENSING	CPLS TO D.O.L. JULY 2019	\$ 234.00	apd
254983	8/12/2019	WABUR214005	FASTENAL COMPANY	NITRILE GLOVES	\$ 51.56	dwtp
255039	8/13/2019	RefundJones	JONES, TERRY	REFND RESIDENT RATE CAMPING	\$ 81.00	parks1
254967	8/13/2019	331 0475600	UNIFIRST CORPORATION	WATER DEPT LAUNDRY	\$ 59.39	wdist
255045	8/14/2019	10162193	BRUTON, EMILY	REFUND CANCELLED CAMPING RESERVATION	\$ 61.00	parks1
255290	8/14/2019	670205050	CASCADE EAR NOSE & THROAT	HEARING AIDS AND FITTING	\$ 2,900.00	hr
254982	8/14/2019	1-583284	DIAMOND RENTALS, INC.	KOHLER STARTER	\$ 265.65	dwtp
254948	8/14/2019	19-30101	EDGE ANALYTICAL, INC	TCR ANALYSIS BOOSTERS	\$ 165.00	dwtp
254970	8/14/2019	19-30097	EDGE ANALYTICAL, INC	BACT ANALYSIS FINISHED	\$ 15.00	dwtp
254986	8/14/2019	237943	ENNIS-FLINT, FLINT TRADING DIVISION	PARKING LINES, HANDICAP SYMBOLS	\$ 11,756.17	dshop
254988	8/14/2019	Civil Service Conf	FOSTER PEPPER PLLC	CIVIL SERVICE REGISTRATION	\$ 220.00	hr
254989	8/15/2019	1518170	DISA GLOBAL SOLUTIONS INC	DISA HEARING CHECKS, FIREFIGHTERS	\$ 175.00	hr
255050	8/15/2019	19-30144	EDGE ANALYTICAL, INC	CRANBERRY LAKE WATER TESTING	\$ 26.00	parks1
255194	8/15/2019	WAANA118486	FASTENAL COMPANY	MAINTENANCE SUPPLIES	\$ 55.07	dwwtp
255296	8/15/2019	quote00322679	KNOWBE4, INC.	CYBER SECURITY AWARENESS TRAINING PROGRAM	\$ 3,791.89	infosys
254954	8/15/2019	50126	KRIEG CONSTRUCTION, INC	CLASS G ASPHALT- WATER DEPT	\$ 3,360.70	wdist
254761	8/15/2019	1380947	POLYDYNE, INC	CLARIFLOC POLYMER	\$ 6,727.77	dwwtp
255200	8/15/2019	1299556	SURETY PEST CONTROL	OPS: MONTHLY PEST MAINTENANCE	\$ 65.22	dshop
254984	8/16/2019	905	COLUMBIA BASIN WATER WORKS INC	METER TESTING, FUEL/TRAVEL	\$ 3,456.53	wdist
254947	8/16/2019	19-29981	EDGE ANALYTICAL, INC	BACT ANALYSIS RAW	\$ 49.00	dwtp
255049	8/16/2019	19-30382	EDGE ANALYTICAL, INC	CRANBERRY LAKE WATER TESTING	\$ 13.00	parks1
255051	8/16/2019	19-29982	EDGE ANALYTICAL, INC	CRANBERRY LAKE WATER TESTING	\$ 13.00	parks1
255137	8/16/2019	652913	HASA, INC	WTP SODIUM HYPOCHLORITE	\$ 4,122.88	dwtp
254867	8/16/2019	Pay App 5	TRINITY CONTRACTORS, INC	2019 ASPHALT OVERLAY - UTILITY AND PEDESTRIAN IMPROVEMENTS	\$ 59,376.00	pw1
254955	8/16/2019	71735B-X	UNDERWOOD & ASSOCIATES, LLC	CITY HALL REMODEL PROJECT - PRE-CONSTRUCTION AND CONSTRUCTION DOCUMENT PHASE	\$ 3,779.37	fiber
255209	8/16/2019	71734B-X	UNDERWOOD & ASSOCIATES, LLC	LIBRARY SPACE CORRECTIONS - DESIGN	\$ 845.00	publib
254875	8/16/2019	25673	US CRANE & HOIST, INC.	2019 WTP ANNUAL CRANE INSPECTIONS	\$ 3,051.56	dwtp
255056	8/17/2019	97839	LAKESIDE INDUSTRIES, INC.	DUMP FEES- WATER DEPT	\$ 89.43	wdist
255059	8/17/2019	97772	LAKESIDE INDUSTRIES, INC.	ROCK & DUMP FEES- WATER DEPT	\$ 376.58	wdist
255205	8/17/2019	20332743	PACWEST MACHINERY, LLC	WASH DOWN PUMP- VEH #859	\$ 494.86	dshop

Invoice Doc #	Transaction Date	Invoice #	Vendor Full Name	Description	Total Amount	Approval Queue
255047	8/18/2019	205	NORTHWEST ENDURANCE EVENTS	CHIP TIMING ART DASH	\$ 1,500.00	parks1
255206	8/19/2019	9405206855	3M COMPANY	SIGN MATERIAL- STREET DEPT	\$ 458.22	dshop
255187	8/19/2019	013480039	GALLS, LLC.	UNIFORM PANT; OFC TREVINO	\$ 74.99	apd
254991	8/19/2019	B10445441	SHI INTERNATIONAL CORP.	ACROBAT PRO DC	\$ 83.82	infosys
255041	8/19/2019	114-8991017	UNITED SITE SERVICES, INC	SPECIAL SERVICE EDWARDS WAY TOILET	\$ 74.69	parks1
254951	8/20/2019	4542963	CARDINAL HEALTH 110, INC.	PHARMACEUTICALS	\$ 10.68	medic
254709	8/20/2019	L042304	CORE & MAIN LP	WATER INVENTORY PARTS	\$ 1,013.74	wdist
255035	8/20/2019	L059690	CORE & MAIN LP	1/2 BRASS UNION	\$ 15.07	wdist
255026	8/20/2019	100747521	DIAMOND, DAVID	DDIAMOND BUILDING CERTIFICATOIN ICC	\$ 90.00	plan
254971	8/20/2019	19-31262	EDGE ANALYTICAL, INC	BACT ANALYSIS FINISHED	\$ 15.00	dwtpt
255053	8/20/2019	126288	FRONTIER FORD	ACTUATOR & SWITCH- VEH #046	\$ 106.11	dshop
255201	8/20/2019	MV218783	MOTOR TRUCKS, INC	CLEANER FOR SOLID WASTE TRUCKS- #90008	\$ 42.50	dshop
255270	8/20/2019	S9409737.001	NORTH COAST ELECTRIC COMPANY	2019 ROCKWELL AUTOMATION TECHCONNECT SUPPORT AGREEMENT	\$ 5,555.36	dwwtp
255028	8/20/2019	164920	OASYS INC	PLOTTER SUPPLIES	\$ 313.53	pw1
255038	8/20/2019	001-443586	PISTON SERVICE OF ANACORTES	SUPPLIES- VEH #510	\$ 27.99	dshop
255191	8/20/2019	001-443631	PISTON SERVICE OF ANACORTES	MINI LAMP- VEH #204	\$ 18.51	dshop
255291	8/20/2019	0056000000008060	PROLIANCE SURGEONS, INC. P.S.	COPAYS, LEOFF1 RETIREE	\$ 23.19	hr
254979	8/20/2019	300000290027	PUGET SOUND ENERGY INC	WTP RESERVOIR & PUMP STATION 7/6-8/5/19	\$ 4,058.83	dwtpt
255139	8/20/2019	895112	SKAGIT COUNTY SOLID WASTE FUND	WTP DUMP RUN 0.28 TON	\$ 28.14	dwtpt
255186	8/20/2019	21404	THE LANGUAGE EXCHANGE INC	INTERPRET FOR VIETNAMESE - APD CASE 19-A04916	\$ 66.44	apd
254980	8/20/2019	331 0476713	UNIFIRST CORPORATION	WATER DEPT LAUNDRY	\$ 59.39	wdist
254981	8/20/2019	331 0475775	UNIFIRST CORPORATION	WTP LAUNDRY SERVICE	\$ 83.56	dwtpt
255178	8/20/2019	9834997839	VERIZON WIRELESS	CITY CELL PHONES 6/29/19-07/28/2019	\$ 10,177.07	finance
255037	8/20/2019	026P3684	WESTERN TRUCK CENTER	STEERING BOX, EXHAUST- VEH #511	\$ 1,690.50	dshop
255036	8/21/2019	August 21, 2019	ANACORTES CHAMBER OF COMMERCE	LTAC CHAMBER VIC TOURISM FACILITY	\$ 15,150.00	plan
255055	8/21/2019	August 21, 2019 Sign	ANACORTES CHAMBER OF COMMERCE	LTAC CHAMBER GATEWAY SIGN	\$ 3,067.75	plan
255032	8/21/2019	31-C19050414:1	BARTIG, ELEANOR	REFUND AMBULANCE OVERPAYMENT	\$ 89.85	finance
255123	8/21/2019	795 700 0000 4	CASCADE NATURAL GAS CORP.	CITY HALL 7/19 TO 8/20/19	\$ 13.00	finance
255124	8/21/2019	260 037 3822 1	CASCADE NATURAL GAS CORP.	611 R AVE THRU 8/20/19	\$ 24.14	parks1
255125	8/21/2019	440 400 0000 0	CASCADE NATURAL GAS CORP.	FIDALGO CENTER 7/19 TO 8/20/19	\$ 65.31	admsrv
255146	8/21/2019	989 800 0000 8	CASCADE NATURAL GAS CORP.	WWTP 7/19-8/20/19	\$ 14.50	dwwtp
255184	8/21/2019	038 200 0000 2	CASCADE NATURAL GAS CORP.	APD 7/19-8/20/19	\$ 248.30	apd
255202	8/21/2019	710 300 0000 5	CASCADE NATURAL GAS CORP.	OPERATIONS: 07/19 - 08/20/19	\$ 79.27	dshop
255279	8/21/2019	912 800 0000 0	CASCADE NATURAL GAS CORP.	CARNEGIE 7/19-8/20/19	\$ 13.83	museum
255280	8/21/2019	199 800 0000 4	CASCADE NATURAL GAS CORP.	MUSEUM 7/19-8/20/19	\$ 13.00	museum

Invoice Doc #	Transaction Date	Invoice #	Vendor Full Name	Description	Total Amount	Approval Queue
255284	8/21/2019	154 700 0000 9	CASCADE NATURAL GAS CORP.	LIBRARY 7/19-8/20/19	\$ 56.92	publib
255034	8/21/2019	31-C19013921:1	DUNHAM, NATHAN	REFUND AMBULANCE OVERPAYMENT	\$ 580.00	finance
255138	8/21/2019	19-31365	EDGE ANALYTICAL, INC	TCR ANALYSIS BOOSTERS	\$ 165.00	dwtpt
255210	8/21/2019	677	POHLI, INC	2019 WTP LAB EQUIPMENT PREVENTATIVE MAINTENANCE - AUG 2019	\$ 1,760.90	dwtpt
255271	8/21/2019	P0001-29	QCC QUALITY CONTROLS CORP.	ON CALL PROFESSIONAL SERVICES AT WWTP JULY 2019	\$ 322.50	dwtpt
255273	8/21/2019	3531	SERENE GUTTER SYSTEMS	OPERATION SHOP GUTTERS REPLACEMENT	\$ 2,905.66	pw1
255192	8/21/2019	6-44 AUG19	SKAGIT COUNTY INVESTIGATIONS	PUB DEF INVEST	\$ 273.90	court
255198	8/21/2019	1177324	SKAGIT PUBLISHING LLC	PUBLISH AA-1931814, POSITION AD FIBER OUTSIDE PLANT COORDINATOR	\$ 778.75	finance
255142	8/21/2019	331 0476875	UNIFIRST CORPORATION	WTP LAUNDRY SERVICE	\$ 83.56	dwtpt
255195	8/22/2019	300-10061409	ALL BATTERY SALES & SERVICE	BEACON LED, DUPLEX WIRE- SHOP	\$ 455.72	dshop
255185	8/22/2019	1991383411	ARAMARK	APD NYLON MATS CLEANED	\$ 16.31	apd
255204	8/22/2019	1991383420	ARAMARK	OPS: MAT CLEANING 8/22/19	\$ 41.63	dshop
255275	8/22/2019	1991383419	ARAMARK	OPS & PARKS LAUNDRY SVC FOR	\$ 63.79	finance
255292	8/22/2019	101412	ASSOCIATION OF WASHINGTON	SEPTEMBER, SUPPLEMENTAL LIFE INSURANCE	\$ 547.10	hr
255093	8/22/2019	19-26632	EDGE ANALYTICAL, INC	EFFLUENT ANNUAL TESTING	\$ 1,369.99	dwwtp
255295	8/22/2019	11427	HOW IT WORKS, INC	ATOWN MAGAZINE SUMMER 2019 ISSUE	\$ 14,234.27	executive
255180	8/22/2019	2019048	HUTCH'S POLYGRAPH SERVICES	PRE EMP POLYGRAPH; RHODES AND NORRIS	\$ 400.00	apd
255189	8/22/2019	001-443842	PISTON SERVICE OF ANACORTES	O-RINGS FOR #511	\$ 63.89	dshop
255281	8/22/2019	385421	PROFORCE LAW ENFORCEMENT	TASER WITH MAG AND HOLSTER (4)	\$ 5,239.34	apd
255179	8/22/2019	8127961605	SHRED-IT USA, LLC	CONTAINER SHREDDING - CITY HALL	\$ 83.08	hr
255183	8/22/2019	8127958835	SHRED-IT USA, LLC	OLD RECORDS DESTROYED - APD	\$ 58.74	apd
255091	8/22/2019	114860	WALTON BEVERAGE COMPANY, INC	WWTP BREAKROOM SUPPLIES	\$ 52.50	dwwtp
255094	8/22/2019	114861	WALTON BEVERAGE COMPANY, INC	CITY HALL BREAK ROOM SUPPLIES	\$ 210.00	finance
255141	8/22/2019	114865	WALTON BEVERAGE COMPANY, INC	WTP BREAKROOM SUPPLIES	\$ 91.50	dwtpt
255188	8/22/2019	114863	WALTON BEVERAGE COMPANY, INC	OPS- BREAK ROOM SUPPLIES	\$ 140.00	dshop
255092	8/22/2019	118612	WASTE TECHNOLOGY SERVICES, INC	DISPOSAL OF HG FILTERS	\$ 688.37	dwwtp
255181	8/23/2019	3796	ANACORTES TOWING, LLC	TOWING; APD CASE 19-A06085	\$ 163.05	apd
255131	8/23/2019	10203162	BLAKE, JANICE	CANCELLATION-WASH PARK SITE B5	\$ 43.00	parks1
255140	8/23/2019	1107684010	FERRELLGAS, LP	WTP PROPANE	\$ 39.15	dwtpt
255282	8/23/2019	013523715	GALLS, LLC.	UNIFORM BOOTS; CORP LEETZ (OFFICER WILL PAY Overage)	\$ 291.26	apd
255122	8/23/2019	164961	OASYS INC	REPAIR PLOTTER	\$ 91.85	pw1
255143	8/23/2019	ContractPadovan	PADOVAN, MARIE	RALLY FOR DOGS INSTRUCTOR	\$ 819.00	pkrec
255182	8/24/2019	00005W5A83349	UNITED PARCEL SERVICE, INC	UPS SHIPPING CHARGES WEEK ENDING 8-24-19	\$ 9.28	apd

Invoice Doc #	Transaction Date	Invoice #	Vendor Full Name	Description	Total Amount	Approval Queue
255298	8/25/2019	8498 30 017 0487207	COMCAST	CITY HALL INTERNET CONNECTION 9/5-10/4/19	\$ 191.15	finance
255197	8/26/2019	1991387195	ARAMARK	LAUNDRY SERVICE FOR WWTP	\$ 79.54	dwwtp
255203	8/26/2019	L068836	CORE & MAIN LP	WATER INVENTORY PARTS	\$ 1,840.72	wdist
255193	8/26/2019	103676	DAVENPORT GROUP, INC.	POWEREDGE	\$ 42,262.56	infosys
255196	8/26/2019	19-29766	EDGE ANALYTICAL, INC	EFFLUENT TESTING	\$ 140.00	dwwtp
255199	8/26/2019	ContractKiser	KISER, SHERRI	CO-ED VOLLEYBALL GYM SUPERVISOR	\$ 315.00	pkrec
255294	8/27/2019	5014602250	CINTAS CORPORATION	FIRST AID SUPPLIES - VARIOUS DEPTS	\$ 478.75	finance
255286	8/27/2019	16958	ENTERPRISE OFFICE SYSTEMS INC	OFFICE SUPPLIES	\$ 67.32	publib
255287	8/27/2019	16938	ENTERPRISE OFFICE SYSTEMS INC	OFFICE SUPPLIES	\$ 153.20	publib
255288	8/27/2019	16734	ENTERPRISE OFFICE SYSTEMS INC	OFFICE SUPPLIES	\$ 178.24	publib
255278	8/27/2019	007K3985	HARRINGTON INDUSTRIAL	PIPING	\$ 222.47	dwwtp
255293	8/27/2019	1949-01	QUANTUM CONSTRUCTION, INC	CITY HALL REMODEL PROJECT - DEMOLITION AND CONSTRUCTION	\$ 30,189.31	pw1
255272	8/27/2019	331 0477978	UNIFIRST CORPORATION	WTP LAUNDRY SERVICE	\$ 83.56	dwwtp
255289	8/27/2019	0542005-001	UNUM LIFE INS CO OF AMERICA	LEOFF LONG-TERM CARE PREMIUM	\$ 1,024.90	hr
255033	9/1/2019	20190901	CHOWANEC, WILLIAM	STA 3 RENT: SEPTEMBER	\$ 2,235.00	medic
254869	9/19/2019	Pay App 3	TRINITY CONTRACTORS, INC	DOWNTOWN SIDEWALKS PHASE 4	\$ 20,938.00	pw1

Total **\$368,809.68**



City Council Contract Agenda Bill

Meeting Date: 9/3/2019

Agenda Item: 5c

Subject: Contract Award - Anacortes Public Library Roof Replacement #19-110-FAC-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 \$75,274.75 to Lifetime Roofing, Inc. to perform the Anacortes Public Library Roof Replacement project. The project provides for the materials, equipment and labor to remove the existing roof and install a single ply roof membrane system on the Anacortes Public Library building. Including all copings, gutters, and flashings. The building is approximately 7,500 square feet.

Background:

1. **History:** The Anacortes Public Library roof was damaged by a windstorm in December 2018. Our insurance Liberty Mutual has made payment for 2 of the 3 roofs. It's crucial to repair all 3 roofs at the same time so that the same material is used and that the warranty for all the rooftops are the same dates. We need to get this done as soon as possible to prevent further damage to the interior of the library.
2. **Key Terms:**
 - Total contract price of \$75,274.75 which includes \$6,024.75 in sales tax.
 - The Contractor will complete all work no later than September 27, 2019.
3. **Competitive Bidding:** In accordance with competitive bid requirements set forth under RCW 35.23.352 the project cost is under the competitive requirements for a single craft project and thus the Project Manager evaluated contractors and chose to contract with Lifetime Roofing, Inc., Inc.

Previous Council/Committee Action: On [7/8/19](#) City Council awarded this contract to Titan Roofing. Subsequently the contractor was not able to obtain bonding for the project and the City terminated the contract for public convenience.

Competing Viewpoints Considered: N/A

Recommended Motion: I move that City Council authorize the Mayor to sign a contract 19-110-FAC-001 with Lifetime Roofing, Inc. in the amount of \$75,274.75 to perform the Anacortes Public Library Roof Replacement project.

Alternative Actions: Cancel the project

Attachments: Contract 19-110-FAC-001

Contractor	Lifetime Roofing, Inc.
Contract Amount	\$75,274.75
Earmarked Funds	\$84,578.00
BARS #	001.713.518.30.48
Budget Amendment Required?	Completed
Revenue Source?	Insurance proceeds and REET
Start Date	Notice to Proceed
End Date	9/27/19



**CONTRACT 19-110-FAC-001
AGREEMENT WITH
LIFETIME ROOFING, INC.**

This Contract is between the City of Anacortes, Washington, a Municipal Corporation (herein after referred to as "City") and Lifetime Roofing, Inc., a private contractor at 15709 Tester Rd, Snohomish, WA 98290 (herein after referred to as "Contractor").

**PROJECT
Anacortes Public Library Roof Replacement**

1. **Scope of Work:** Contractor shall furnish all materials, equipment and labor to complete the Anacortes Public Library Roof Replacement at the Anacortes Public Library, 1220 10th St, Anacortes, WA 98221. Work includes:

- a. Removal of one layer of roofing material and haul to disposal site.
- b. Inspect roof for defects and repair as pre-approved and coordinated with the City Project Manager.
- c. Install new retro fit drain inserts into existing drains.
- d. Install new PVC clad thru-wall overflow drains into existing overflow drain holes.
- e. Install IB vapor barrier sheet to entire roof surface.
- f. Mechanically attach 1/2" fanfold insulation to entire roof surface.
- g. Install IB Roof System's 60mil PVC membrane to manufacturer's specification. Color: White. Run membrane up and over top of walls.
- h. Install all new factory approved vents and pine boots.
- i. Flash all curbed penetrations and wall flashing using PVC membrane and seal with a skirt metal termination.
- j. Install IB Walk Tread material from hatch to HVAC units. 100 liner foot allotted.
- k. Clean up and haul away all job-related debris at the end of every work day.

2. **Contract Price and Payment Terms:** The total contract price is **Seventy-Five Thousand Two Hundred Seventy-Four Dollars and Seventy-Five Cents (\$75,274.75)**, which includes \$6,024.75 in sales tax at an 8.7% rate. This includes all labor and materials for the project. The following payment terms apply:

Line	Qty	Description	Cost
1	1	Anacortes Public Library Roof Replacement project	\$64,250.00
2	1	Minor Changes Allowance	\$5,000.00
Subtotal:			\$69,250.00
8.7% Sales Tax:			\$6,024.75
Total:			\$75,274.75

Line Item 1 is lump sum and payable upon completion. Line Item 2 is payable on a time-and-materials basis. To obtain reimbursement of expenses under Line Item 2, the Contractor must furnish supporting documentation for labor hours and materials charged. Expenses under Minor Changes may include replacement of gutters, downspouts, carpentry, or rot repair which are excluded from the lump sum price under Line Item 1. Work under Line Item 2 must be pre-approved and coordinated with the City Project Manager.

Before any payment is made by the City of Anacortes of sums under this contract, the contractor must provide a copy of the statement of *Intent to Pay Prevailing Wage* approved by the Department of Labor and Industries. Pursuant to RCW Chapter 60.28, a sum of five percent (5%) of the monies earned by the contractor will be retained.

3. **Bonds:** Pursuant to RCW 39.08.010, the Contractor shall provide the City a performance bond and payment bond for the full contract amount to be in effect as detailed in the incorporated General Provisions. The City may at its option release the bonds once all the conditions of RCW 39.08.010-1a have been discharged.

4. **Time of Completion:** The Contractor will complete all work by September 27, 2019.

5. **Job Safety:** Contractor shall comply with all Department Labor & Industries and City of Anacortes safety standards.

6. **Contract Requirements:** Contractor must have a contractor license number, insurance, and City of Anacortes business license. **Prevailing Wage Law Applies.** Forms Needed: 1) Proof of Insurance with Additional Insured Endorsement (see General Provisions); 2) Intent to Pay Prevailing Wage; 3) Affidavit of Wages Paid; 4) Performance Bond; 5) Payment Bond; 6) Certification of Compliance with Wage Payment Statutes.

7. **Contract Documents:** The attached General Provisions are included in this Contract Agreement.

The Owner and Contractor each binds 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.

In Witness Whereof, all portions of the Contract Agreement have been signed or identified by the Owner and Contractor.

Owner:

City of Anacortes

Mayor

Date

Contractor:

LIFETIME ROOFING, INC.

Signature

Printed Name

Date

Contractor License #

1. Delivery. Advance coordination of the work shall be made with the Project Manager Mac Jackson, (360) 299-1961.

2. Subcontracts. The Contractor shall give notice reasonably in advance of placing any subcontract; preferably the Contractor shall identify subcontracts before subcontracted work begins. "Subcontract" means any contract entered into by a Sub-Contractor to furnish supplies or services for performance of the prime Contractor or a Sub-Contractor. 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-Contractor, (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 contract, or
- (3) To relieve the Contractor of any responsibility for performing this Contract.

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

3. Taxes. The City will pay sales and use taxes imposed on goods or services acquired hereunder as required by law. The Contractor must pay all other taxes including, but not limited to: Business and Occupation Tax, taxes based on the Contractor'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.

4. Invoicing. All invoices shall include: Company Name, Invoice Date, Due Date (30 days), Invoice Number, Invoice Period, Project Title, Agreement Number and Price, or Amended Price. The Contractor must invoice **MONTHLY** for quantities delivered during the invoice period. Invoices may be sent by US mail to City of Anacortes, Accounts Payable, PO Box 547, Anacortes, WA 98221, or by email to accountspayable@cityofanacortes.org. Contractors may complete a City furnished ACH/EFT form to receive electronic payments directly to their financial institution. The City shall notify the Contractor within fifteen (15) calendar days from receipt of invoice if there are any objections or disputes with the invoice. The Contractor 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.

5. Withholding Payment. In the event the City determines that the Contractor 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 Contractor 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 Contractor to terminate or damages, provided that the City promptly gives notice in writing to the Contractor 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 Public Works Director set forth in such notice to the Contractor 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 Contractor 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 Public Works Director 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 Contractor, (3) to set off any amount so paid or incurred from amounts due to become due the Contractor. In the event the Contractor obtains relief upon a claim under the Disputes clause, no penalty or damages shall accrue to Contractor by reason of good faith withholding by the City under this clause.

6. Final Payment: Waiver Of Claim The contractor's acceptance of final payment (excluding withheld retainage) shall constitute a waiver of claims, except those previously and properly made and identified by the contractor as unsettled at the time request for final payment is made.

7. Inspection.

A. Of the Work

All materials furnished and work done shall be subject to inspection. The City Project Manager administering the Contract shall at all times have access to the work wherever it is in progress or being performed, and the Contractor shall provide proper facilities for such access and inspection. Such inspection shall not relieve the Contractor of the responsibility of performing the work correctly, utilizing the best labor and materials in strict accordance with the

Specifications of the Contract. All material or work approved and later found to be defective shall be replaced without cost to the City.

B. Project Manager's Authority

The Project Manager shall have power to reject materials or workmanship which do not fulfill the requirements of these Specifications, but in case of dispute the Contractor may appeal to the City Attorney whose decision shall be final. The Contract shall be carried out under the general control of the representative of the City administering the Contract, who may exercise such control over the conduct of the work as may be necessary, in his or her opinion, to safeguard the interest of the City. The Contractor shall comply with any and all orders and instructions given by the representative of the particular Department administering the Contract in accordance with the terms of the Contract. Nothing herein contained, however, shall be taken to relieve the Contractor of his/her obligations or responsibilities under the Contract.

8. Warranty. The Contractor agrees to provide a fifteen (15) year workmanship warranty and shall return to the project and repair or replace all defects in workmanship discovered within the 15 years after Final Acceptance of the Work, including any necessary labor and materials. The Contractor shall start work to remedy any such defects within 7 calendar days of receiving City's written notice of a defect, and shall complete such work within the time stated in the City's notice. In case of an emergency, where damage may result from delay or where loss of services may result, such corrections may be made by the City's own forces or another contractor, in which case the cost of corrections shall be paid by the Contractor. In the event the Contractor does not accomplish corrections within the time specified, the work will be otherwise accomplished and the cost of same shall be paid by the Contractor. When corrections of defects are made, the Contractor shall then be responsible for correcting all defects in workmanship and materials in the corrected work for fifteen (15) years after acceptance of the corrections by City. In addition, the Contractor shall obtain and submit to the City all necessary documentation to secure the Total System labor and materials twenty (20) year warranty from IB Roof Systems, and any other extended manufacturer's warranty and warranty terms. This guarantee is supplemental to and does not limit or affect the requirements that the Contractor's work comply with the requirements of the Contract or any other legal rights or remedies of the City.

9. Defense and Indemnity Agreement. The Contractor shall defend, indemnify and hold the City, its appointed and elective officers, officials, employees and volunteers harmless from any and all claims, injuries, including death at any time resulting there from, damages, losses or suits including attorney fees, to the extent caused by negligent acts, errors or omissions of the Contractor in performance of this Agreement, except for injuries and damages caused by the sole negligence of the City.

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 Contractor and the City, its officers, officials, employees, and volunteers, the Contractor's liability hereunder shall be only to the extent of the Contractor's negligence. It is further specifically and expressly understood that the indemnification provided herein constitutes the Contractor'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 Clause shall survive the expiration or termination of this Agreement.

10. Insurance.

A. Insurance Term: The Contractor shall procure and maintain insurance, as required in this Section, without interruption from commencement of the Contractor's work through the term of the contract and for thirty (30) days after the Physical Completion date, unless otherwise indicated herein.

B. No Limitation: The Contractor's maintenance of insurance, its scope of coverage and limits as required herein shall not be construed to limit the liability of the Contractor 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: The Contractor's required insurance shall be of the types and coverage as stated 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 as least as broad as ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, independent contractors, products-completed operations, stop gap liability, personal injury and advertising injury, and liability assumed under an insured contract. The Commercial General Liability insurance shall be endorsed to provide a per project general aggregate limit using ISO form CG 25 03 05 09 or an equivalent endorsement. There shall be no exclusion for liability arising from explosion, collapse or underground property damage. **The City of Anacortes and its officers, elected officials, employees, agents, and volunteers shall be named as an additional insured**

under the Contractor's Commercial General Liability insurance policy with respect to the work performed for the City using ISO Additional Insured endorsement CG 20 10 10 01 and Additional Insured-Completed Operations endorsement CG 20 37 10 01 or substitute endorsements providing at least as broad coverage.

3. Worker's Compensation coverage as required by the Industrial Insurance laws of the State of Washington.

D. Minimum Amounts of Insurance: The Contractor 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 \$1,000,000 each occurrence, \$2,000,000 general aggregate and \$2,000,000 products-completed operations aggregate limit.

E.Extended Coverage for Completed Operations: The Contractor shall maintain Commercial General Liability completed operations coverage for a period of three years following substantial completion of the work for the benefit of the Public Entity by naming the Public Entity an additional insured using Additional Insured-Completed Operations endorsement CG 20 37 10 01 or an endorsements providing at least as broad coverage.

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

G.Other Insurance Provision: The Contractor'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 Contractor's insurance and shall not contribute with it.

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

I.Verification of Coverage: The Contractor shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsements, evidencing the insurance requirements of the Contractor before commencement of the work. Upon request by the City, the Contractor shall furnish certified copies of all required insurance policies, including endorsements, required in this contract and evidence of all subcontractors' coverage.

J.Subcontractors' Insurance: The Contractor shall cause each and every Subcontractor to provide insurance coverage that complies with all applicable requirements of the Contractor-provided insurance as set forth herein, except the Contractor shall have sole responsibility for determining the limits of coverage required to be obtained by Subcontractors. The Contractor shall ensure that the City is an additional insured on each and every Subcontractor's Commercial General liability insurance policy using an endorsement at least as broad as ISO CG 20 10 10 01 for ongoing operations and CG 20 37 10 01 for completed operations.

K.Notice of Cancellation: The Contractor shall provide the City and all Additional Insureds for this work with written notice of any policy cancellation within two (2) business days of their receipt of such notice.

L.Failure to Maintain Insurance: Failure on the part of the Contractor 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 Contractor 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 any sums so expended to be repaid to the City on demand, or at the sole discretion of the City, offset against funds due the Contractor from the City.

11. Acceptance. Contractor 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 Contractor. These General Provisions supersede all conflicting or additional terms pre-printed on any purchase order, quote, invoice, or otherwise set forth on any release, acknowledgement, confirmation, requisition, work order, shipping instruction, specification and similar document or communication.

12. Registered or Licensed Contractor. The City is prohibited by RCW 39.06.010 from executing an Agreement with a Contractor 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.

13. Discrimination Prohibited. During the performance of this Agreement, the Contractor and subcontractors 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. Contractor agrees to comply with the applicable provisions of State and Federal Equal Employment Opportunity and Nondiscrimination statutes and regulations.

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

15. 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.

16. The City's Right to Terminate Agreement.

A. Termination for Default: If the Contractor 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 Contractor 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 Contractor shall not be entitled to receive any further payments under the Agreement until the Scope of Services under this Agreement 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 Contractor. The Contractor 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 Contractor 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 Contractor shall be entitled to payment for actual work performed at unit Agreement prices for completed items of work through the date of termination. 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.

17. Changes/Additional Work. The City may engage Contractor to perform services in addition to those listed in this Agreement, and Contractor 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 Contractor 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.

18. 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.

19. Covenant Against Contingent Fees. The Contractor warrants that he has not employed or retained any company or person, other than a bona fide employee working solely for the Contractor, 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 Contractor, 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.

20. Disputes

A. General: Differences between the Contractor 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 Contractor 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 City, or (2) the happening of any event or occurrence, unless the Contractor 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 Contractor 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. Contractor 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 Contractor 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 Contractor 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 Contractor arising out of this Agreement, or any obligation hereunder the dispute shall first be referred to the representatives designated by the City and the Contractor 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.

21. Force Majeure. Definition: Except for payment of sums due, neither party shall be liable to the other or deemed in default under this Agreement if and to the extent that such party's performance of this Agreement is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the party affected and could not have been avoided by exercising reasonable diligence. Force majeure shall include acts of God, war, riots, strikes, fire, floods, epidemics, or other similar occurrences. Notification: If either party is delayed by force majeure, said party shall provide written notification within forty-eight (48) hours. The notification shall provide evidence of the force majeure to the satisfaction of the other party. 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 Contractor shall have no recourse against the City.

22. 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.

23. Compliance with Laws. The Contractor 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. Contractor will follow all applicable laws and requirements for excavation and disposal of material.

24. 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.

25. Survival of Contract Termination. The provisions of the following paragraphs, the provisions of the non collusion affidavit, and the liability of the Contractor for default during the term of the Contract shall survive, notwithstanding the termination or invalidity of this Contract for any reason: Taxes; Warranty; The City's Right to Terminate Contract; Governing Law; Defense & Indemnity Agreement; Disputes.

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

CITY:

City of Anacortes
Tiffany Matson
904 6th Street
PO Box 547
Anacortes, WA 98221

CONTRACTOR:

Lifetime Roofing, Inc.
Tim Kelly
15709 Tester Rd
Snohomish, WA 98290

27. Performance and Payment Bonds. The City is required by RCW 39.08.010, with limited exceptions, to obtain both a Performance and a Payment bond for each public works project. The City requires separate Performance and Payment bonds for 100% of the contract amount furnished on bond forms standardized by the City Attorney's office. The bonds must meet the following provisions:

- Be for the full amount of the project, including tax.
- Name City of Anacortes as the obligee.
- List the correct Project Name and Project Number.
- Be signed by both the surety (the Attorney in Fact) and the Contractor.
- Be issued by a surety authorized to do business in the State of Washington (listed on the Insurance Commissioners website) and which meets the AM Best Rating required in the Contract Documents. If no requirement exists, a minimum of AM Best Rating A-7 or better will be required.

Release of Bonds

Bonds will not be released until the project has been completed and finally accepted.

Performance Bonds – Performance Bonds will be released at the end of the warranty period or six months after the date of final acceptance, whichever is later. The City may at its option release the bond once all the conditions of RCW 39.08.010-1a have been discharged.

Payment Bonds – Payment Bonds will be released either 45 days after final acceptance of the project or upon receipt of releases from the Department of Revenue, Department of Employment Security and the Department of Labor and Industries, whichever is later. Release is contingent on the fact that no claims against the bond have been filed prior to the 45 day mark. If claims have been filed against the bond, it will not be released until the claims have been resolved.

28. Retainage. Pursuant to RCW Chapter 60.28, a sum of five percent (5%) of the monies earned by the Contractor will be retained. The Contractor may elect to execute a Retainage Bond. The bond must be furnished on a bond form standardized by the City Attorney's office and issued by a surety currently authorized by the State Insurance Commissioner to do business in Washington State. Retainage will be released **45 days after final acceptance**, provided that the following has occurred:

- 1) All liens placed against the project have been released. For projects over \$35,000, releases from the Department of Labor and Industries, Department of Employment Security and the Department of Revenue will also be required.
- 2) Affidavits of Wages paid for the final correct contract amount are approved and on file for the Contractor and any subcontractors.
- 3) Worker's Compensation Premiums for the Contractor and any subcontractors are current.

29. WASHINGTON STATE PREVAILING WAGES

Washington State Prevailing Wages apply to all Work. The Contractor and any of its Subcontractors are required to pay their laborers and mechanics minimum wage in compliance with Washington State Prevailing Wage Laws. Before any payment is made by the City of Anacortes of any sums under this contract, the contractor and each subcontractor must provide the City with a copy of the statement of *Intent to Pay Prevailing Wages* approved by the Washington State Department of Labor and Industries (L&I). Following contract completion, the City will not release any funds retained, according to the provisions of RCW 60.28.010, until the contractor and each subcontractor has provided the City a copy of the *Affidavit of Wages Paid* approved by L&I. L&I provides the wage forms. Payment by the contractor or subcontractor of any fees are incidental to the project and all costs shall be included in other pay items of the project.

For contracts in excess of \$10,000, the contractor must post in a conspicuous place at the job site, a copy of the statement of *Intent to Pay Prevailing Wages* approved by L&I and the address and phone number of the Industrial Statistician where complaints or inquires may be made. The City will refer any dispute regarding the prevailing rate of wage to L&I for arbitration.

The State of Washington prevailing wage rates applicable for this public works project, which is located in Skagit County, may be found at the following website address of the Department of Labor and Industries: <https://fortress.wa.gov/lni/wagelookup/prvwagelookup.aspx>. The prevailing wage schedule in effect for the work under the contract is July 2, 2019. A copy of the applicable prevailing wage rates are also available for viewing at the office of the Owner, located at 904 6th Street, Anacortes, WA. Upon request, the Owner will mail a hard copy of the applicable prevailing wages for this project.



City of
Anacortes



Sewer Rate Design and Water/Sewer GFCs

Gordon Wilson, Sr. Program Manager

Tage Aaker, Project Manager

September 3, 2019





Introduction

- ◆ **November 2018 sewer revenue requirement forecast**
 - Overall increases of 7% per year were adopted by Council, to meet operating and capital needs with a moderate amount of debt

- ◆ **Scope of this presentation:**
 - Sewer rate design
 - Cost of service analysis to allocate rate burden across customer classes equitably
 - Address issues in how sewer rates are calculated

 - Updated General Facilities Charges (GFCs) for water and sewer

Sewer Cost of Service Analysis



Cost-of-Service Analysis

- ◆ **Cost-of-service analysis identifies how costs should be equitably distributed among customer classes**
- ◆ **Cost allocations are based on**
 - Industry-standard methodologies
 - Unique usage characteristics (use and demands)
 - Unique facility requirements (planning and design criteria)
- ◆ **Cost-of-Service Allocation (COSA) cost shares are compared with existing cost shares; needed shifts are identified**
- ◆ **Key question to answer:**
 - Are we charging customer groups equitably?



Steps in COSA Process

- ◆ **Step 1: Allocate total utility costs to cost pools**

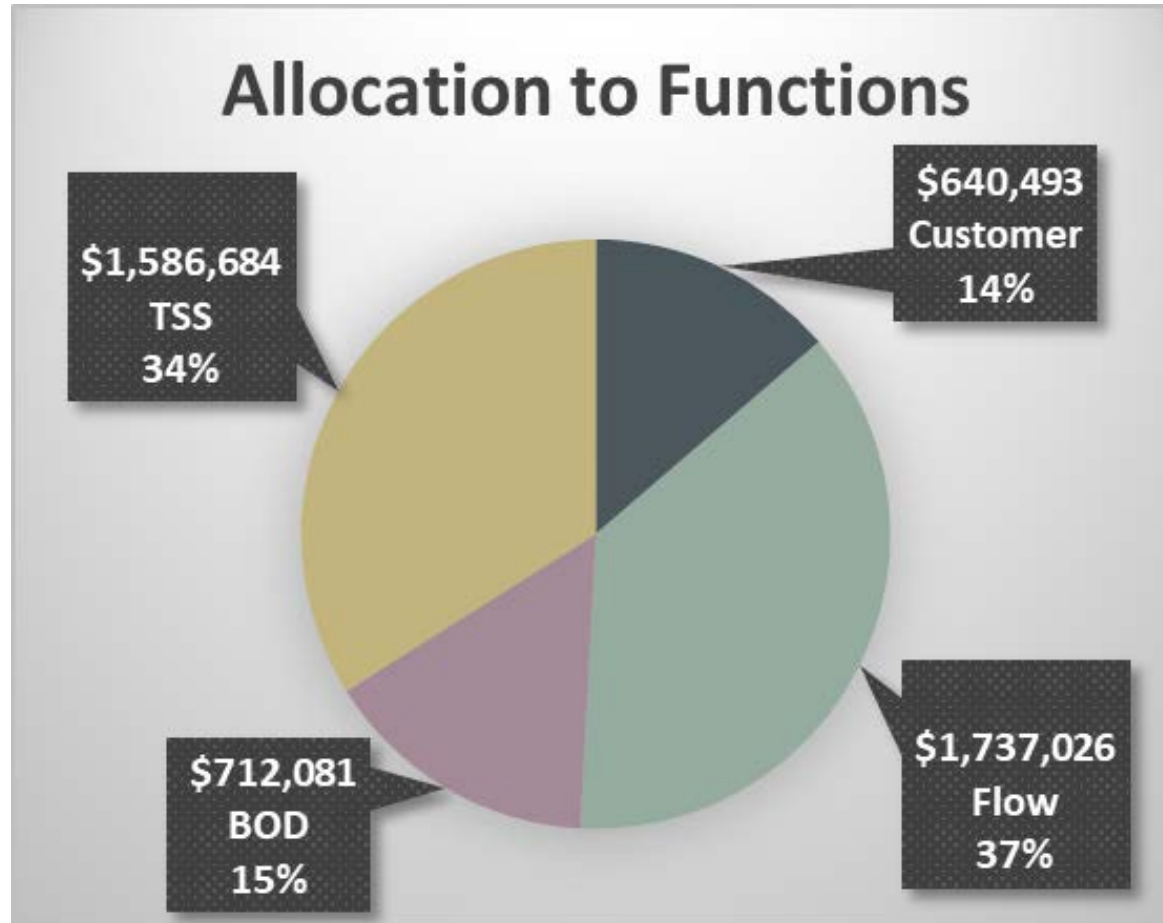
Wastewater System Functions

- ✓ **Customer**
- ✓ **Flow**
- ✓ **BOD**
- ✓ **Total Suspended Solids**

- ◆ **Step 2: Develop allocation factors using class specific information**
- ◆ **Step 3: Allocate costs to customer classes**



Cost Allocation to Wastewater Functions





Allocation to Customer Groups

- ◆ **Comparison of current vs. proposed (COSA) distribution of rate burden**

Customer Type	2018 Actual Collected	2018 Cost of Service	% Difference
Residential	\$3.5 million	\$2.9 million	-16%
Multi-Family + Commercial	\$1.2 million	\$1.7 million	47%
Total	\$4.7 million	\$4.7 million	0%

- ◆ **Results indicate that single family has been subsidizing non-single family**
- ◆ **Shift of rate burden is warranted**



Current Distribution of Rate Burden

- ◆ Why the shift in rate burden to commercial, when their rates are much the same as single family?

Avg. Charge per Cubic Foot		
	Current Rates	After COSA Adjustment
Residential	\$0.100	\$0.084
MF & Commercial	\$0.055	\$0.080

COSA = Cost-of-Service Analysis

- ◆ Commercial generates much higher flows per account, so average charge *per cubic foot* is just over half what residential now pays.

5-year Phase-in for Cost-of-Service Shift

- ◆ For large shifts, a phase-in period is advisable
 - A potential 5-year phase-in plan:

5-year Phase-In for Cost-of-Service Adjustment			
	Across the Board	Cost of Service	Combined Increase
Single Family:			
2020	7.0%	-3.5%	3.5%
2021	7.0%	-3.5%	3.5%
2022	7.0%	-3.5%	3.5%
2023	7.0%	-3.5%	3.5%
2024	7.0%	-3.5%	3.5%
2025	7.0%	0%	7.0%
Non-Single Family:			
2020	7.0%	8.9%	15.9%
2021	7.0%	9.7%	16.7%
2022	7.0%	8.6%	15.6%
2023	7.0%	7.7%	14.7%
2024	7.0%	7.0%	14.0%
2025	7.0%	0%	7.0%

Sewer Rate Design



Rate Design Issues and Questions

- ◆ **Monthly fixed charge for small meters**
- ◆ **Classification of duplex and triplex**
- ◆ **Average Winter Water Use (AWWU) tiers for residential customers**
- ◆ **Whether and how to implement cost-of-service adjustment?**



Fixed Charge for Small Meters

- ◆ **Issue:**

- Smallest two meter sizes pay same fixed charge for water but not sewer

- ◆ **Suggested Solution:**

- For sewer, set the same fixed charge for 3/4" x 3/4" meters (uncommon) and 5/8" x 3/4" meter (most common)
- Same approach as for water rates
- Minor effect on rates, because not many 3/4" x 3/4" meters



Classification of Duplex and Triplex

◆ **Issue:**

- Currently triplex is classified as commercial, but duplex is charged as 2 X single family
- Result: Often duplex pays more than triplex

◆ **Suggested Solution:**

- Create two classes for sewer: single family and non-single family
 - Non-single family would include duplexes
- For non-single family, there would still be wastewater strength classifications (SIC 1, SIC 2, etc.)
- Note: Water has three classes (multi-family is broken out from commercial), but seasonal peaking is not a consideration with sewer rates the way it is for water rates



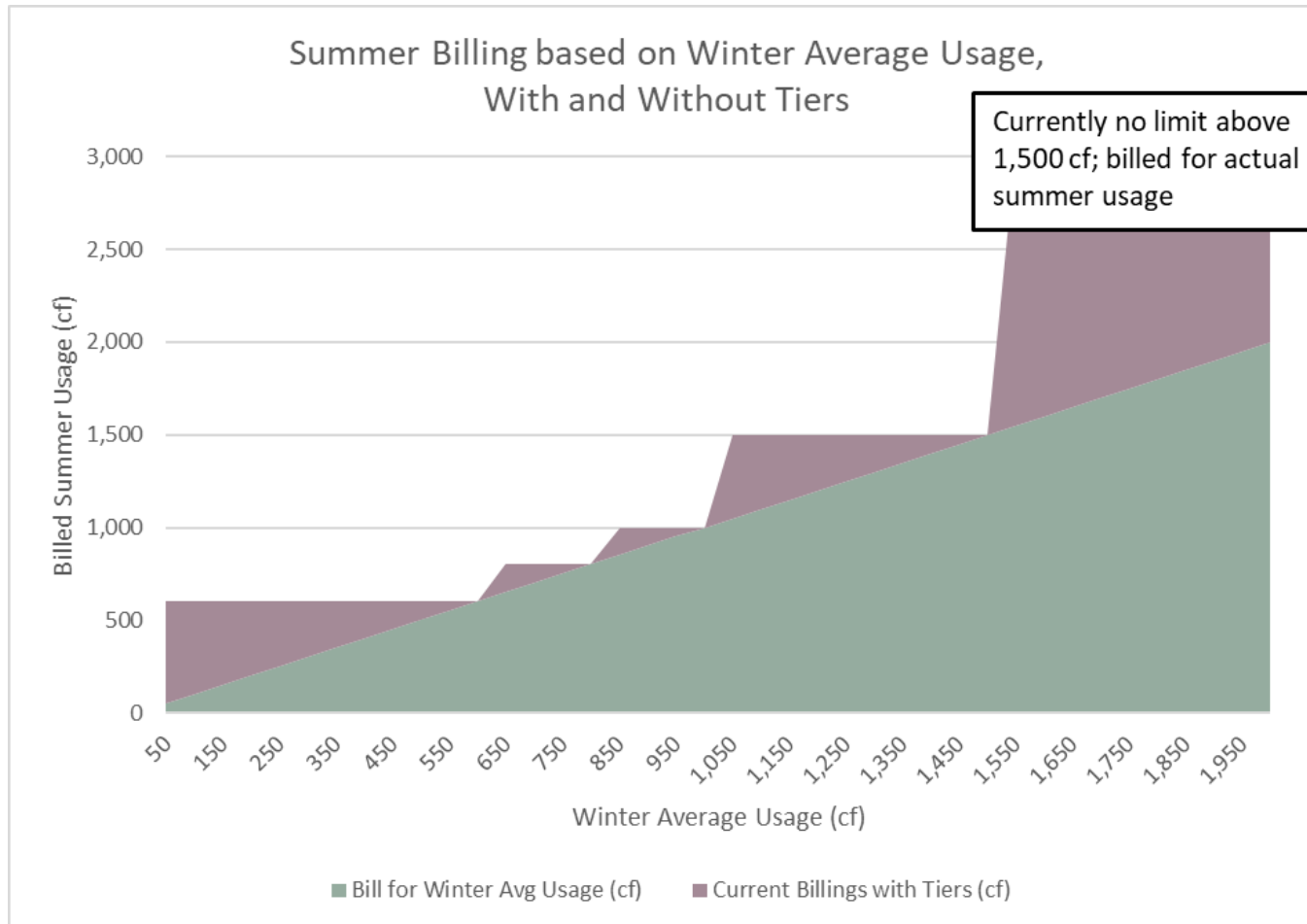
AWWU Tiers for Residential Usage Charges

◆ Issue:

- Average Winter Water Use (AWWU) tiers for residential customers are complicated and hard to explain
- The tiers also lead to a lot of billing for unused water
 - If their AWWU falls within a given tier, the following summer customers are billed for the *upper limit for that tier*, rather than their actual average
 - The top tier has no maximum, so those customers receive sewer charges for *all* of their summer irrigation usage
 - Basing summer sewer charges on winter average is not the problem—it's the tiers
 - Current approach overstates total billed usage by about 10%



AWWU Tiers for Residential Usage Charges



- ◆ Lavender shading represents billings in excess of actual usage



AWWU Tiers for Residential Usage Charges

◆ **Suggested Solution:**

- Convert from tiers to an individual cap
 - Each customer's winter average would create a cap for the following 12 months
 - If actual is less than the cap, bill is based on actual
- This approach is compatible with existing billing system

◆ **Implication:**

- Solving this problem will reduce billed usage by about 10% in 2020
- So there will need to be a one-time 10% adjustment to the stated rates to offset the drop in billed usage
- This adjustment will not mean that the customers' actual bills will be 10% higher, because on average, customers will see 10% less of their usage billed



Whether to Implement Cost-of-Service Shift

- ◆ **Solutions to the previous three rate design issues are assumed in both sets of rate tables shown below**
 - Includes a one-time increase of about 10% in the stated usage rates to account for the reduction of billed single family usage
- ◆ **The key decision for the Council is whether to implement the cost-of-service shift**
 - Across-the-board sewer rate increases are 7% per year
 - Cost-of-service shift would increase non-single family sewer rates by *more than 7%/year* and increase single family sewer rates by *less than 7%/year*
- ◆ **Previously, commercial SIC 1 sewer rates were set to equal residential**
 - If cost-of-service shift, commercial and residential rates will be uncoupled
- ◆ **Even with a five-year phase-in, the impact on non-single family (commercial and multi-family) is considerable**
- ◆ **However, we do recommend the shift, for the sake of customer equity**



Rate Forecast – No Cost-of-Service Shift

Rate Schedule	2019	2020	2021	2022	2023	2024	2020	2021	2022	2023	2024
Annual Rate Increase Goal		7%	7%	7%	7%	7%	<u>Annual Increase to Each Rate</u>				
Monthly Fixed Charge											
Single Family											
0.625	\$38.91	\$41.63	\$44.55	\$47.67	\$51.00	\$54.57	7.0%	7.0%	7.0%	7.0%	7.0%
0.75	\$46.71	\$41.63	\$44.55	\$47.67	\$51.00	\$54.57	-10.9%	7.0%	7.0%	7.0%	7.0%
1	\$54.50	\$58.32	\$62.40	\$66.76	\$71.44	\$76.44	7.0%	7.0%	7.0%	7.0%	7.0%
1.5	\$70.04	\$74.94	\$80.19	\$85.80	\$91.81	\$98.23	7.0%	7.0%	7.0%	7.0%	7.0%
Non-Single Family											
0.625	\$38.91	\$41.63	\$44.55	\$47.67	\$51.00	\$54.57	7.0%	7.0%	7.0%	7.0%	7.0%
0.75	\$46.71	\$41.63	\$44.55	\$47.67	\$51.00	\$54.57	-10.9%	7.0%	7.0%	7.0%	7.0%
1	\$54.50	\$58.32	\$62.40	\$66.76	\$71.44	\$76.44	7.0%	7.0%	7.0%	7.0%	7.0%
1.5	\$70.04	\$74.94	\$80.19	\$85.80	\$91.81	\$98.23	7.0%	7.0%	7.0%	7.0%	7.0%
2	\$112.87	\$120.77	\$129.22	\$138.27	\$147.95	\$158.31	7.0%	7.0%	7.0%	7.0%	7.0%
3	\$428.10	\$458.07	\$490.13	\$524.44	\$561.15	\$600.43	7.0%	7.0%	7.0%	7.0%	7.0%
4	\$544.86	\$583.00	\$623.81	\$667.48	\$714.20	\$764.19	7.0%	7.0%	7.0%	7.0%	7.0%
6	\$817.29	\$874.50	\$935.72	\$1,001.22	\$1,071.30	\$1,146.29	7.0%	7.0%	7.0%	7.0%	7.0%
Usage Charges											
Single Family per CF	\$0.02770	\$0.03277	\$0.03506	\$0.03752	\$0.04014	\$0.04295	18.3%	7.0%	7.0%	7.0%	7.0%
Non-Single Family											
SIC 1 per CF	\$0.02770	\$0.03277	\$0.03506	\$0.03752	\$0.04014	\$0.04295	18.3%	7.0%	7.0%	7.0%	7.0%
SIC 2 per CF	\$0.03459	\$0.04092	\$0.04379	\$0.04685	\$0.05013	\$0.05364	18.3%	7.0%	7.0%	7.0%	7.0%
SIC 3 per CF	\$0.06730	\$0.07966	\$0.08524	\$0.09121	\$0.09759	\$0.10442	18.4%	7.0%	7.0%	7.0%	7.0%
SIC 4 per CF	\$0.01095	\$0.01296	\$0.01387	\$0.01484	\$0.01588	\$0.01699	18.4%	7.0%	7.0%	7.0%	7.0%
SIC 4 per Pound BOD	\$1.45241	\$1.55408	\$1.66286	\$1.77926	\$1.90381	\$2.03708	7.0%	7.0%	7.0%	7.0%	7.0%
SIC 4 per Pound TSS	\$0.88622	\$0.94826	\$1.01463	\$1.08566	\$1.16165	\$1.24297	7.0%	7.0%	7.0%	7.0%	7.0%



Rate Forecast With Cost-of-Service Shift

Rate Schedule	2019	2020	2021	2022	2023	2024	2020	2021	2022	2023	2024
Annual Rate Increase Goal		7%	7%	7%	7%	7%	<u>Annual Increase to Each Rate</u>				
Monthly Fixed Charge											
Single Family											
0.625	\$38.91	\$40.27	\$41.68	\$43.14	\$44.65	\$46.21	3.5%	3.5%	3.5%	3.5%	3.5%
0.75	\$46.71	\$40.27	\$41.68	\$43.14	\$44.65	\$46.21	-13.8%	3.5%	3.5%	3.5%	3.5%
1	\$54.50	\$56.40	\$58.38	\$60.42	\$62.54	\$64.73	3.5%	3.5%	3.5%	3.5%	3.5%
1.5	\$70.04	\$72.51	\$75.05	\$77.68	\$80.40	\$83.21	3.5%	3.5%	3.5%	3.5%	3.5%
Non-Single Family											
0.625	\$38.91	\$45.09	\$52.62	\$60.84	\$69.78	\$79.52	15.9%	16.7%	15.6%	14.7%	14.0%
0.75	\$46.71	\$45.09	\$52.62	\$60.84	\$69.78	\$79.52	-3.5%	16.7%	15.6%	14.7%	14.0%
1	\$54.50	\$63.15	\$73.70	\$85.21	\$97.74	\$111.37	15.9%	16.7%	15.6%	14.7%	14.0%
1.5	\$70.04	\$81.19	\$94.75	\$109.54	\$125.65	\$143.18	15.9%	16.7%	15.6%	14.7%	14.0%
2	\$112.87	\$130.81	\$152.66	\$176.49	\$202.44	\$230.69	15.9%	16.7%	15.6%	14.7%	14.0%
3	\$428.10	\$496.17	\$579.06	\$669.43	\$767.87	\$875.01	15.9%	16.7%	15.6%	14.7%	14.0%
4	\$544.86	\$631.50	\$736.99	\$852.01	\$977.30	\$1,113.66	15.9%	16.7%	15.6%	14.7%	14.0%
6	\$817.29	\$947.25	\$1,105.49	\$1,278.02	\$1,465.96	\$1,670.50	15.9%	16.7%	15.6%	14.7%	14.0%
Usage Charges											
Single Family per CF	\$0.02770	\$0.03178	\$0.03289	\$0.03405	\$0.03524	\$0.03647	14.7%	3.5%	3.5%	3.5%	3.5%
Non-Single Family											
SIC 1 per CF	\$0.02770	\$0.03548	\$0.04141	\$0.04787	\$0.05491	\$0.06257	28.1%	16.7%	15.6%	14.7%	14.0%
SIC 2 per CF	\$0.03459	\$0.04431	\$0.05172	\$0.05979	\$0.06858	\$0.07815	28.1%	16.7%	15.6%	14.7%	14.0%
SIC 3 per CF	\$0.06730	\$0.08626	\$0.10067	\$0.11638	\$0.13350	\$0.15212	28.2%	16.7%	15.6%	14.7%	14.0%
SIC 4 per CF	\$0.01095	\$0.01403	\$0.01638	\$0.01894	\$0.02172	\$0.02475	28.2%	16.7%	15.6%	14.7%	14.0%
SIC 4 per Pound BOD	\$1.45241	\$1.67476	\$1.95453	\$2.25957	\$2.59185	\$2.95348	15.3%	16.7%	15.6%	14.7%	14.0%
SIC 4 per Pound TSS	\$0.88622	\$1.02189	\$1.19259	\$1.37872	\$1.58147	\$1.80212	15.3%	16.7%	15.6%	14.7%	14.0%

General Facilities Charge (GFC) Update – Water and Sewer

- ◆ **GFCs recover from new development a proportionate share of the cost of capital facilities.**
- ◆ **GFCs are one-time charges, not ongoing rates.**
- ◆ **Properties which are already developed do not pay CFCs unless they redevelop to a higher density.**
- ◆ **GFCs are for capital only, in both their calculation and in their use.**
- ◆ **GFCs may include both future and existing cost components.**
- ◆ **GFCs are for general facilities, not “local” facilities.**



General Methodology

Allocable Capital
Cost

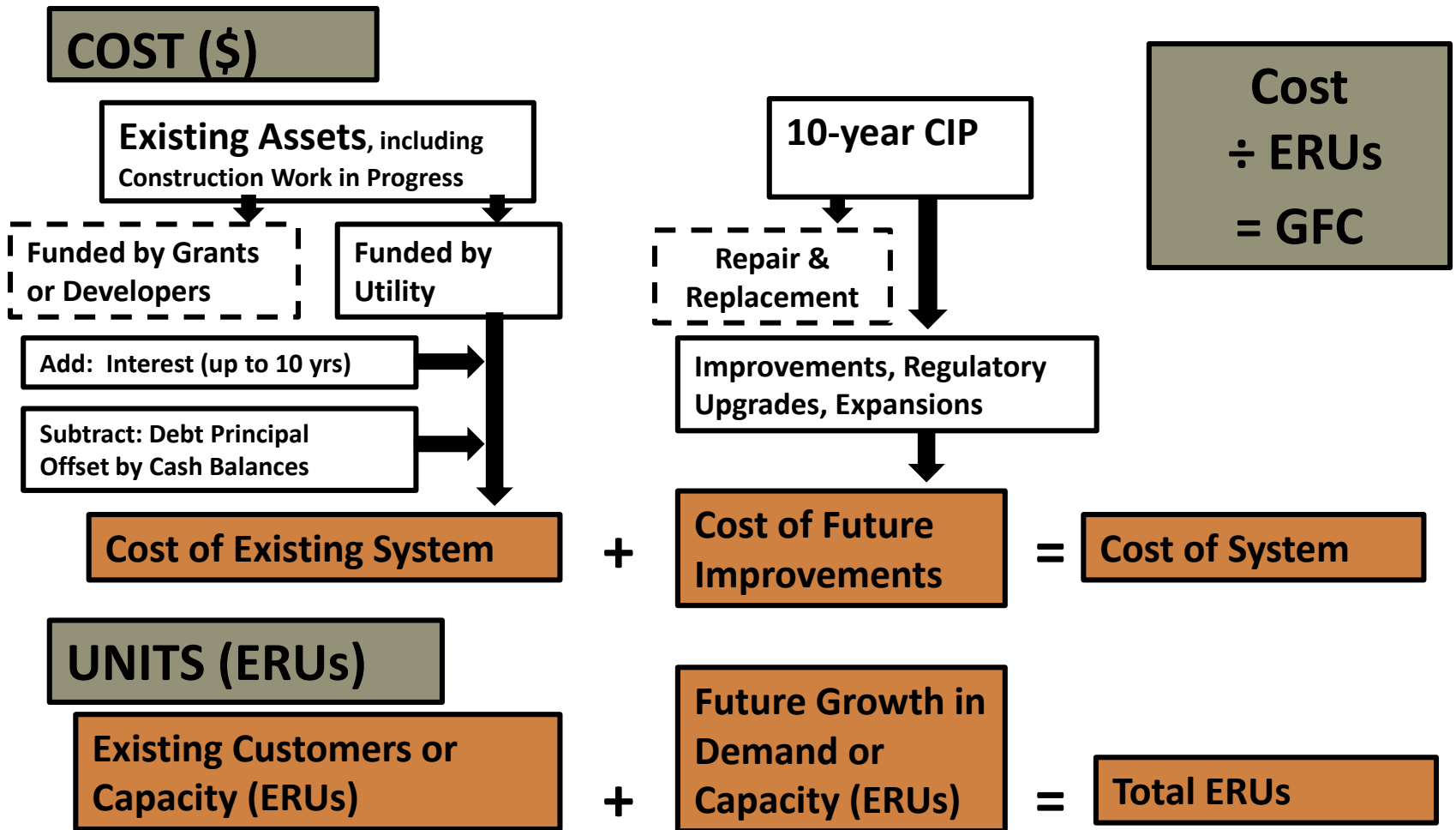
Applicable Customer
Base

=

General Facilities
Charge



GFC Components



Depending on specific method used, costs and units may need to be allocated by function or between used and unused capacity.



Water GFC - Costs

Existing Cost Basis

PLANT-IN-SERVICE

Utility Capital Assets		\$	148,873,122
less: Contributed Capital			(75,044,559)
plus: Interest on Non-Contributed Plant			30,992,943
plus: Construction-Work-in-Progress			3,878,801
2018 Year-end Estimated Cash Balances	\$	2,234,596	
less: Debt Principal Outstanding		(5,731,950)	
less: Net Debt Principal Outstanding		\$	(3,497,354)

TOTAL EXISTING COST BASIS		\$	105,202,953
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Future Cost Basis

CAPITAL IMPROVEMENT PLAN (2019-2024)

Total Citywide Projects	\$	16,169,940
less: Provision for Repair & Replacement	\$	(1,645,622)
Total	\$	14,524,318

TOTAL FUTURE COST BASIS		\$	14,524,318
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Water GFC – Units and Result

Customer Base

Existing Customers	9,907
Future Customers - Growth to Buildout	6,687
<i>Includes Anacortes share of regional supply system (11%)</i>	
Total System Capacity in Meter Capacity Equivalents (MCE)	16,593

Resulting Charge

Charge Components	Cost Basis	MCEs	Charge
Component for Existing Assets	\$ 105,202,953	16,593	\$ 6,340
Component for Future Assets	\$ 14,524,318	16,593	\$ 875
	\$ 119,727,271		\$ 7,215
TOTAL GFC PER MCE			\$7,215
Existing GFC			\$2,787
% Increase/(Decrease) from Existing GFC			158.9%
Increase/(Decrease) (\$) from Existing GFC			\$4,429



Sewer GFC - Costs

Existing Cost Basis		
PLANT-IN-SERVICE		
Utility Capital Assets	\$	59,738,290
less: Contributed Capital		(8,093,254)
plus: Interest on Non-Contributed Plant		26,298,376
plus: Construction-Work-in-Progress		3,810,540
2018 Year-end Estimated Cash Balances	\$	4,987,927
less: Debt Principal Outstanding		-
less: Net Debt Principal Outstanding	\$	-
TOTAL EXISTING COST BASIS	\$	81,753,952
Future Cost Basis without CSO Project		
CAPITAL IMPROVEMENT PLAN (2019-2024)		
Total Citywide Projects	\$	15,105,000
less: Provision for Repair & Replacement	\$	(1,262,165)
Future Capital Costs	\$	13,842,835
TOTAL FUTURE COST BASIS	\$	13,842,835
Future Cost Basis with CSO Project		
CAPITAL IMPROVEMENT PLAN (2019-2024)		
Total Citywide Projects	\$	15,105,000
less: Provision for Repair & Replacement	\$	(1,262,165)
Future Capital Costs Before CSO Project	\$	13,842,835
Combined Sewer Overflow (CSO) Project	\$	25,000,000
Offset: Substitution of Existing CIP Projects		(12,500,000)
Future Capital Costs including CSO Project	\$	26,342,835
TOTAL FUTURE COST BASIS	\$	26,342,835

CSO project would add \$12.5 million to cost basis

If and when it is added to the adopted CIP, it can be added to GFC



Sewer GFC – Units and Results

Customer Base			
From Wastewater Comp Plan:			
Average-day MGD - Existing Service Area		2.02	
Average-day MGD - 2036 Buildout		2.56	
Growth factor to Buildout		1.27	
Existing Customers (assumes 192 gpd per ERU)		8,873	ERUs
Future Customers		2,372	ERUs
System Capacity in Equivalent Residential Units (ERUs)		11,245	

Resulting Charge without CSO Project			
Charge Components	Cost Basis	ERUs	Charge
Component for Existing Assets	\$ 81,753,952	11,245	\$ 7,270
Component for Future Assets	\$ 13,842,835	11,245	\$ 1,231
	\$ 95,596,787		\$ 8,501
TOTAL GFC PER ERU			\$ 8,501
Existing GFC			\$9,091
% Increase/(Decrease) from Existing GFC			-6.5%
Increase/(Decrease) (\$) from Existing GFC			(\$589)

Resulting Charge with CSO Project			
Charge Components	Cost Basis	ERUs	Charge
Component for Existing Assets	\$ 81,753,952	11,245	\$ 7,270
Component for Future Assets	\$ 26,342,835	11,245	\$ 2,343
	\$ 108,096,787		\$ 9,613
TOTAL GFC PER ERU			\$ 9,613
Existing GFC			\$9,091
% Increase/(Decrease) from Existing GFC			5.7%
Increase/(Decrease) (\$) from Existing GFC			\$522

- Without the CSO project, sewer GFC should decrease by \$589 per ERU
- However, if CSO project is added to CIP, sewer GFC should increase by \$522 per ERU



Combined Water & Sewer GFCs

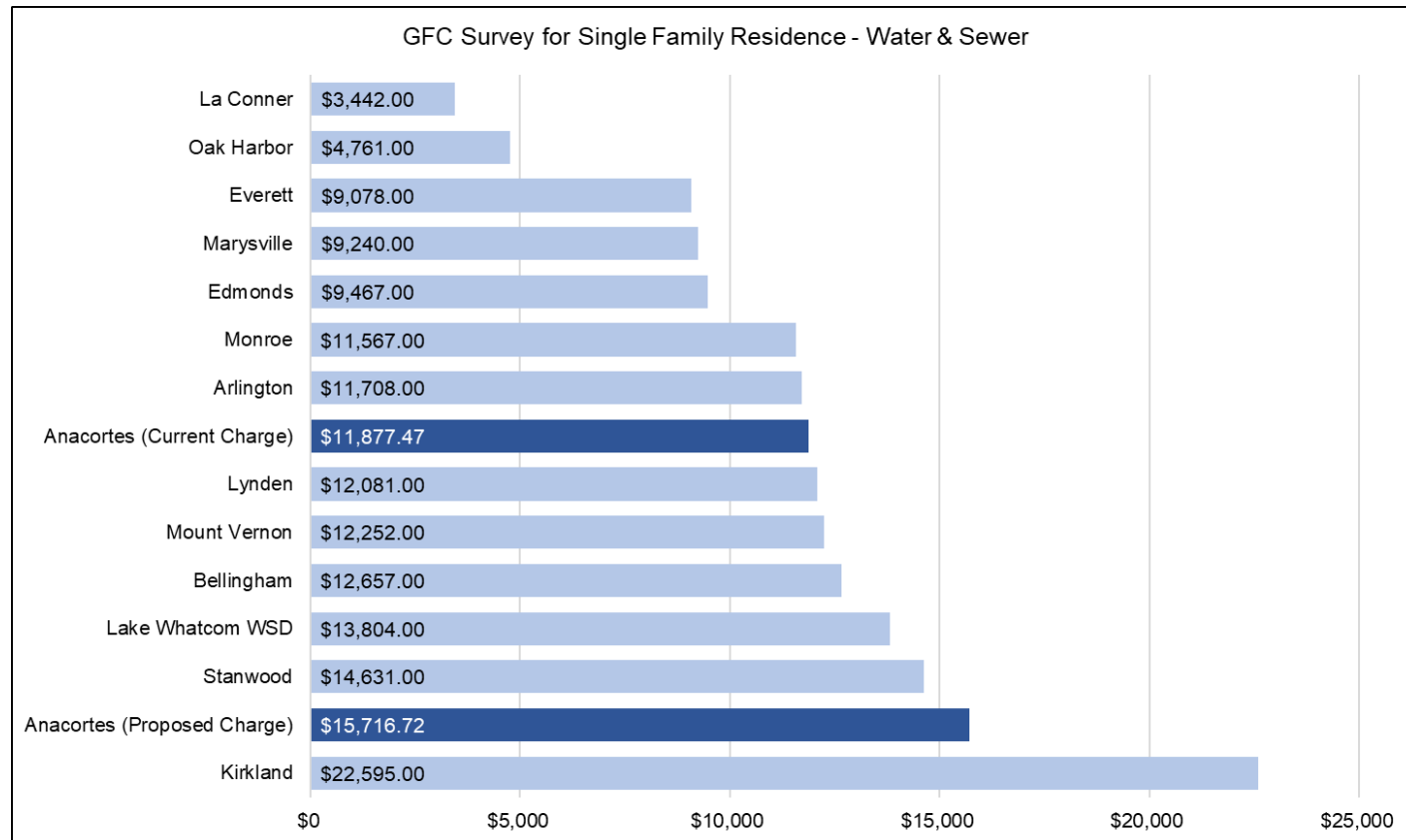
	Current Charge	Revised Charge	Dollar Change	Percent Change
Without Sewer CSO Project:				
Water	\$ 2,787	\$ 7,215	\$ 4,428	159%
Sewer	\$ 9,091	\$ 8,501	\$ (590)	-6%
Total	\$11,877	\$15,716	\$3,839	32%
With Sewer CSO Project:				
Water	\$ 2,787	\$ 7,215	\$ 4,428	159%
Sewer	\$ 9,091	\$ 9,613	\$ 522	6%
Total	\$11,877	\$16,828	\$4,950	42%

◆ Summary:

- Without CSO project, Sewer GFC would decrease by 6%; with CSO project, it would increase by 6%
- Water GFC is currently much too low
- Combined GFC would increase 32-42%, depending on CSO project



Comparative Survey - Combined Water & Sewer GFCs



- ◆ Anacortes would go from the middle to near the top of this group, with or without CSO project
- ◆ Rankings are partly a function of how recently GFCs have been updated



Scaling Up the Water GFCs

- ◆ **Water GFCs are scaled up for larger meter sizes**
- ◆ **However, the current multiples for each larger meter size do not match the meter capacity equivalents recommended by the American Water Works Association (AWWA)**
 - Implied multiples are too small for the larger meters
- ◆ **We suggest that the Meter Capacity Equivalent (MCE) multiples recommended by AWWA be used to scale up GFCs for larger meters**
- ◆ **For sewer, this is not an issue, because meter size is not used to scale up the charge**
 - Instead, number of Equivalent Residential Units (ERUs) is calculated based on the specific characteristics of a development (number of restaurant seats, number of hotel rooms, sq. ft. of office space, etc.)



Scaling Up the GFCs - Water

Meter Size	2019 Existing GFC	Implied Multiples	Updated GFC with Current Multiples	AWWA Multiples Based on 5/8"x3/4"	Updated GFC with AWWA Multiples
Water					
3/4"	\$2,787	1.00	\$7,215	1.00	\$7,215
1"	\$3,762	1.35	\$9,741	2.50	\$18,039
1 1/2'	\$7,525	2.70	\$19,482	5.00	\$36,077
2"	\$12,040	4.32	\$31,171	8.00	\$57,724
3'	\$24,079	8.64	\$62,342	16.00	\$115,448
4"	\$37,624	13.50	\$97,409	25.00	\$180,387
6"	\$75,248	27.00	\$194,818	50.00	\$360,774
8"	\$120,397	43.20	\$311,709	80.00	\$577,239
10"	\$173,071	62.10	\$448,082	115.00	\$829,781

Excluding taxes and fees, rates effective January 2019.
3/4" category includes both 5/8" x 3/4" and 3/4" x 3/4".



Summary of Decisions and Recommendations

Rates:

- ◆ **Combine 3/4" x 3/4" and 5/8" x 3/4" meter classifications**
- ◆ **Move duplex to "non-single family" class**
- ◆ **Eliminate tiers for average winter water usage**
 - Staff will recommend specific alternative, based on billing system
- ◆ **Decide whether to incorporate cost-of-service shift**
 - Uncouple residential from commercial rates
 - Single family is currently subsidizing commercial and multi-family
 - Eliminating the subsidy means shifting the rate burden from single family to non-single family.
 - Five-year phase-in period

General Facility Charges:

- ◆ **Water GFC**
 - From \$2,787 to \$7,215 for lowest meter size
- ◆ **Sewer GFC**
 - From \$9,091 to \$8,501 per ERU
- ◆ **Scale up the Water GFC according to AWWA meter capacity equivalents (MCEs)**

Contact FCS GROUP:
(425) 867-1802
www.fcsgroup.com



Rate Schedule Forecast With 7% Scenario

♦ ATB = Across the Board

— All rates increase by same percentage under this scenario

Rate Schedule Forecast	Actual 2017	Existing 2018	ATB 2019	ATB 2020	ATB 2021	ATB 2022	ATB 2023	ATB 2024
Annual System-Wide Rate Increase			7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
<u>Residential Fixed Charge By Meter Size:</u>								
5/8 x 3/4 - Inch	\$32.77	\$33.75	\$36.11	\$38.64	\$41.35	\$44.24	\$47.34	\$50.65
3/4 - Inch	\$39.34	\$40.52	\$43.36	\$46.39	\$49.64	\$53.11	\$56.83	\$60.81
1 - Inch	\$45.89	\$47.27	\$50.58	\$54.12	\$57.91	\$61.96	\$66.30	\$70.94
1 1/2 - Inch	\$59.00	\$60.77	\$65.02	\$69.58	\$74.45	\$79.66	\$85.23	\$91.20
<u>Monthly Consumption Charge</u>								
SIC 1 consumption per cubic foot	\$0.023325	\$0.024025	\$0.025707	\$0.027506	\$0.029432	\$0.031492	\$0.033696	\$0.036055
<u>Commercial Fixed Charge By Meter Size:</u>								
5/8 x 3/4 - Inch	\$32.77	\$33.75	\$36.11	\$38.64	\$41.35	\$44.24	\$47.34	\$50.65
3/4 - Inch	\$39.34	\$40.52	\$43.36	\$46.39	\$49.64	\$53.11	\$56.83	\$60.81
1 - Inch	\$45.89	\$47.27	\$50.58	\$54.12	\$57.91	\$61.96	\$66.30	\$70.94
1 1/2 - Inch	\$59.00	\$60.77	\$65.02	\$69.58	\$74.45	\$79.66	\$85.23	\$91.20
2 - Inch	\$95.06	\$97.91	\$104.76	\$112.10	\$119.94	\$128.34	\$137.32	\$146.94
3 - Inch	\$360.56	\$371.38	\$397.38	\$425.19	\$454.96	\$486.80	\$520.88	\$557.34
4 - Inch	\$458.90	\$472.67	\$505.76	\$541.16	\$579.04	\$619.57	\$662.94	\$709.35
<u>Monthly Consumption Charge</u>								
SIC 1 consumption per cubic foot	\$0.023325	\$0.024025	\$0.025707	\$0.027506	\$0.029432	\$0.031492	\$0.033696	\$0.036055
SIC 2 consumption per cubic foot	\$0.029131	\$0.030005	\$0.032105	\$0.034353	\$0.036757	\$0.039330	\$0.042084	\$0.045029
SIC 3 consumption per cubic foot	\$0.056705	\$0.058407	\$0.062495	\$0.066870	\$0.071551	\$0.076560	\$0.081919	\$0.087653
SIC 4 consumption per cubic foot	\$0.009226	\$0.009503	\$0.010168	\$0.010880	\$0.011642	\$0.012456	\$0.013328	\$0.014261
SIC 4: BOD per pound	\$1.223262	\$1.259978	\$1.348176	\$1.442549	\$1.543527	\$1.651574	\$1.767184	\$1.890887
SIC 4: TSS per pound	\$0.746397	\$0.768800	\$0.822616	\$0.880199	\$0.941813	\$1.007740	\$1.078282	\$1.153761



City Council Agenda Bill

Meeting Date: 9/3/2019

Agenda Item: 7b

Subject: Challenges and Options to Address Homelessness – Discussion Only

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.
	Contract
	Public Hearing
x	Staff Report

Summary Statement: Staff will present information on homelessness to begin an exploration of available resources and identify policy options for the City to address homelessness.

Background: Staff will begin by providing Council with information on recent 9th Circuit case Martin v. City of Boise and how it impacts local governments' ability to regulate homelessness. Various departments will then present information on specific impacts of homelessness in our community and explain available resources. Staff hopes to set the stage for Council to discuss options for addressing the needs and impacts generated by an increase in homeless individuals in Anacortes.

Previous Council/Committee Action: N/A

Competing Viewpoints Considered: Staff will provide various perspectives throughout the discussion.

Recommended Motion: No recommended motion at this time.

Alternative Actions: No proposed actions at this time.

Additional Reading:

- Link to Martin v. City of Boise (9th Circuit case finding enforcement of Boise's anti-camping ordinance to be an unconstitutional violation of 8th amendment prohibition against cruel and unusual punishment where no alternative shelter space is available for homeless individuals camping in City parks)
 - o https://scholar.google.com/scholar_case?case=17340329580133284185&q=martin+v+city+of+boise&hl=en&as_sdt=6,48
- Link to MRSC page on homelessness:
 - o <http://mrsc.org/Home/Explore-Topics/Planning/Specific-Planning-Subjects-Plan-Elements/Homeless-Housing.aspx>



CITY OF ANACORTES HOMELESSNESS

The City of Anacortes is committed to creating successful partnerships and programs to improve access to suitable housing resources, foster better community health, and quality of life for those of lesser means.



The City Council established the Housing Affordability & Community Services (HA&CS) Committee in January 2016 to tackle the rise of homelessness. The HA&CS Committee brought community leaders and citizens together with the goal of developing a strategic plan and make recommendations on budget allocations to social services.



PARKS

ISSUES ENCOUNTERED

The following concerns have been expressed by both staff and the public:

- Homeless camps and debris have been seen in Parks, ACFL and greenspaces.
- Staff have seen an increase in interactions with people who may be suffering from mental illness or addiction as well as resource damage from unauthorized camping.

CITY EFFORTS

- Work with Family Shelter and other charities through voucher program.
- Provide camping services to homeless individuals and families throughout the year.
- Police assistance in addressing homeless camper problems or vehicle abandonment.
- Services utilized by non-camping homeless.



POLICE

All Anacortes Police officers receive crisis intervention training to more effectively interact with those struggling with mental illness as mental health issues are often associated with those who are homeless.

The APD also partners with the Anacortes Family Shelter to provide motel vouchers for short term lodging for people experiencing homelessness.



LIBRARY

The Library is open 7 days a week and is open to the public. This is an important public space that provides open access to computers, internet, and printers.

Staff have been provided training on empathy, safety, and proactive referrals for homeless patrons including information on bus passes, food vouchers, food banks, hotel vouchers, and local meal programs.

The Library's partnership with the Cold Weather Shelter minimized the harsh impact last winter.



SIMPLE GESTURE

Feeding the hungry in Anacortes one red bag at a time
City facilities with resources include:

- * Police Department
- * Fire Department Station 1
- * Anacortes Public Library
- * Senior Center

In 2019, City Employees donated 377 pounds of food including monetary donations.



Skagit County Point-In-Time Count 2019*

64

(Emergency)
Sheltered Homeless

20

Transitional
Homeless

296

Total County
Homeless
(sheltered & unsheltered)

52 Chronically Homeless Persons

19 Veterans- Emergency Shelter, Transitional Housing, & Unsheltered



City of Anacortes Point-In-Time Count 2019*

23

(Sheltered)
Family Center

16

Winter Shelter

9

Chronically
Homeless Persons

* Conducted January 2019 by Community Action of Skagit County

ANACORTES
SCHOOL
DISTRICT



45

Homeless
Children

40%

Graduation
Rate

Teenagers are not easily identified and suffer the most with hunger and unstable housing, couch surfing, sleeping, and dealing with food insecurities.

***Reported by the Anacortes School District*



SOCIAL SERVICE SUPPORT

The City participates in social service support to aid the poor and infirmed. In 2018, the City adopted municipal code that exempts low income housing projects from paying impact fees. The Anacortes Family Center benefited from this policy change when they applied for a building permit for a twenty unit transitional housing project resulting in cost savings of approximately \$160,000 in reduced impact fees and general facilities waivers. The City also offers a 20% utility bill discount for residents who are within 150% of the federal poverty level. Within these limits, the 2019-2020 biennial budget supports the following social services:

- \$1,500 Anacortes Community Health
- \$10,000 Skagit Community Action Agency
- \$7,500 Skagit County Domestic Violence
- \$10,000 Boys and Girls Club (free use of city hall basement for use)
- \$65,000 Anacortes Housing Authority (CDBG)
- \$36,000 Skagit County to benefit the Meals on Wheels program
- \$46,000 Anacortes Family Center (CDBG)
- \$22,000 County Health department for chemical dependency treatment
- \$66,000 Community Resource Officer cost-share with the Anacortes School District
- \$268,896 Community Senior Center



HOMELESSNESS

CITY OF ANACORTES



DISCUSSION OVERVIEW

- Legal Framework
- Homelessness in Anacortes
- Resources
- Community Solutions

LEGAL FRAMEWORK

Recent Changes



MARTIN V. CITY OF BOISE

- The 9th Circuit found that an agency violates the 8th Amendment's prohibition against cruel and unusual punishment if it enforces anti-camping or sitting/laying ordinances when:
 - the defendant is on public property; and
 - there is no alternative location for them to be (e.g. no home, no shelter space).
- Boise filed a petition for writ of certiorari to review the case.
- The Cert petition supported by communities throughout 9th Circuit.



Photo Source: (Adam Cotterell/Boise State Public Radio via AP, File)

OTHER LEGAL CONSIDERATIONS

- Constitutional issues
 - 8th Amendment
 - 4th Amendment
 - 1st Amendment
- Nuisance Rules
- Liability Concerns



HOMELESSNESS IN ANACORTES

Department Perspectives



HOMELESSNESS BY THE NUMBERS

Community Action of Skagit County 2019 Point in Time Study

In Anacortes Family Center	23
In the cold weather shelter (streets during the day)	16
Total Individuals in Emergency Shelter in Anacortes	39
Individuals unsheltered in Anacortes	9

- Statistics on homelessness are difficult to track.
- There are 296 sheltered and unsheltered homeless individuals in Skagit County.
- The Anacortes School District estimates 45 homeless children in the school district.

POLICE DEPARTMENT

- Our law enforcement officers are on the front lines of the fight against homelessness.
- The most common complaints coming into the Anacortes Police Department (APD) are:
 - Trespassing;
 - Vagrancy;
 - Theft or shoplifting;
 - Suspicious person;
 - Person exhibiting suspicious or odd behavior;
 - Person suffering from mental health issues; or
 - Possible drug activity.



POLICE DEPARTMENT RESOURCES

- The Anacortes Municipal Code outlines the following:
 - Pedestrian Interference: Aggressively begs. “Aggressively begs” means to beg with intent to intimidate another person into giving money or goods (AMC 9.24.050).
 - Prohibited Parking: No person shall stop, stand, or park a vehicle, or allow a vehicle to be parked for use as a temporary or permanent place of abode on city streets or rights-of-way, except as authorized by permit under subsection C herein (AMC 10.12.090).



POLICE DEPARTMENT EFFORTS

The APD works with and partners with many organizations to assist with the following resources:

- Food items are available at APD through a partnership with the Simple Gesture (Red Pantry).
- The Anacortes Family Center provides motel vouchers for people with short term housing needs.
- Skagit Transit bus passes are available through a SKAT grant program.



POLICE DEPARTMENT EFFORTS CONT.

- Generous donations from the public of gift cards (for food and gasoline), quilts, blankets, etc. are available to be given to the needy.
- Anacortes Police Department Officers receive Crisis Intervention Training to learn skills to communicate with those struggling with mental illness.
- Community Service Officer Wolfswinkel is on the board of the Salvation Army, a local service provider.

THE CITY OF ANACORTES LIBRARY

The following concerns have been expressed by both staff at the library and the public:

- Safety at the library.
- There has been an increase in patrons who appear to be homeless.
- Homeless patrons may require more staff time and resources than other library patrons.
- Staff have discovered debris in and around the premises, including clothing, bedding, food, equipment, and drug paraphernalia.
- There is an increased use of library parking lot by individuals staying in their vehicles during both day and night.
- The Library environment has been negatively affected by odors both in inside and outside.

LIBRARY EFFORTS



- The Library is the only public facility open 7 days per week.
- The Library is open to all and free to use. This is an important public space that provides open access to computers, internet, and printers.
- Staff have received training on empathy, safety, and proactive referrals for homeless patrons including information on bus passes, food vouchers, food banks, hotel vouchers, and local meal programs.
- Staff have been provided gloves, grab-it tools, and sacks to clean the interior and grounds surrounding the library to ensure facility is clean and free of debris.
- Food items are available in Library lobby in partnership with a Simple Gesture (Red Pantry).
- Community members drop off donated clothing and food items at the library.
- The Library's partnership with the Cold Weather Shelter minimized the harsh impact of last winter.

PARKS AND RECREATION

The following concerns have been expressed by both staff and the public:

- Homeless camps and debris have been seen in Parks, ACFL and greenspaces. Debris has included clothing, biological hazards, needles and drug paraphernalia .
- Staff have seen an increase in interactions with people who may be suffering from mental illness or substance use disorders.
- Resource damage from unauthorized camping.



PARKS AND RECREATION EFFORTS

Washington Park is a community camp ground which provides camping services to homeless individuals and families throughout the year.

- The Parks and Recreation department:
 - Works with the Anacortes Family Shelter and other charities through the voucher program.
 - Coordinates with the APD when there are issues with campers or vehicle abandonment at Washington Park.
 - Provides services at all parks utilized by non-camping homeless and poor.



PICTURE OF WASHINGTON PARK

ADDITIONAL ISSUES ENCOUNTERED

- The Museum has noticed an increase in individuals sleeping under the WT Preston and boxcar.
- Many exterior outlets have been locked due to overuse.
- Staff citywide have noticed an increase in use of city buildings during transition seasons (fall – winter).
- Staff have found biohazardous waste at various facilities. This has required staff time to clean up.
- Staff at both the Library and the Museum have reconfigured outside of facilities (including landscaping and signage) to minimize camping spaces.



AVAILABLE RESOURCES

What's the picture today?



SHELTER SPACE IN ANACORTES

- The Anacortes Family Center provides:
 - Emergency housing for 90 days with support services.
 - Transitional housing for up to two years with assistance finding permanent housing.
- The Salvation Army's Cold Weather Shelter is Discontinued.



CITY OF ANACORTES EFFORTS

- The creation of the Housing Affordability & Community Services Committee in 2016.
- A Simple Gesture's Red Bag Pantries are located at the:
 - Senior Center
 - Library
 - Police Station
 - Fire Station 1
- Staff contributed 377 pounds of food and \$180 in July 2019
- The continuing distribution of motel vouchers for temporary housing at local motels and Washington Park.

OTHER RESOURCES

- The **Friendship House** (Mt. Vernon) offers separate arrangements for women with children and men.
- The **NW Youth Services** (Mt. Vernon) provides services for youth ages 18-25 with transitional housing and some permanent housing.
- **Community Action of Skagit County** (Mt. Vernon) offers services connecting people with housing, rental assistance, case management, education, and other resources.
- **Didgwalic Wellness Center** (Anacortes) of drug treatment and medical services.
- **Local religious organizations** (Anacortes) offer meals, clothing, and resources.
- **WCIA** and **AWC** host training and provide resources for City staff in addressing homelessness in their community.

COMMUNITY SOLUTIONS

What can Anacortes do?



EXAMPLES FROM OTHER COMMUNITIES



The City of Everett:

- built additional shelter space;
- hired an embedded social worker in the Everett Police Department; and
- hired a Park Ranger to address homelessness in parks



The City of Mount Vernon:

- hired an embedded social worker in the Mount Vernon Police Department;
- hired a Park Ranger to address homeless in parks; and
- Is considering a program to partner with local churches providing safe parking sites for homeless residents between 6 PM and 8 AM.

POTENTIAL OPTIONS FOR ANACORTES

Options for the City of Anacortes to consider pursuing are:

- Looking at options to increase shelter space.
- Exploring the option of portable showers and restrooms.
- Hiring an embedded social worker.
- Hiring a Park Ranger.
- Increasing coordination with community partners
- Building a coalition with other cities.
- Working with religious organizations to provide parking lot space.



BUDGET FOR SOCIAL SERVICES

The total Amount in City's budget for social services is \$532,896.

- This is 1.4% of the total governmental budget.
- This is 0.8% of the all inclusive budget.

SOCIAL SERVICES RECIPIENTS

Recipients of City budgeted funds for social services:

- Anacortes Community Health: \$1,500
- Skagit County Community Action: \$10,000
- Boys and Girls Club: \$10,000
- Meals on Wheels: \$36,000



SOCIAL SERVICES RECIPIENTS CONT.

Recipients of City budgeted funds for social services continued:

- PD budget: SCDV, B&G: \$7,500
- Anacortes Family Center: \$46,000 (CDBG)
- Anacortes Housing Authority: \$65,000 (CDBG)
- Skagit County Health for chemical dependency program: \$22,000

Other budget allocations and consideration supporting social services:

- APD Community Resource Officer: \$66,000
- Community Senior Center: \$268,896
- Free use of City Hall Basement for Boys and Girls Club

LOOKING AHEAD



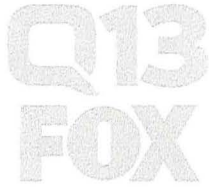
- The Salvation Army will not be providing cold weather shelter in 2019-2020 winter season.
- There are challenges for our enforcement officer.
- Protecting health and safety in public spaces is something we will need to focus on.
- There is a limited budget for staff time, and resources to address the fight against homelessness.



THANK YOU

Arlington's approach to homeless crisis differs from Seattle – and officials say it's working

POSTED 8:00 AM, MARCH 18, 2019, BY BRANDI KRUSE, *UPDATED AT 08:47AM, MARCH 18, 2019*



ARLINGTON, Wash. — Like many cities across Western Washington, Arlington has turned to a **police-embedded social worker program** to help deal with a homelessness crisis that has been fueled, in part, by the opioid epidemic.

The program, versions of which are being used in Seattle, Everett, and across Snohomish County, **pairs social workers with police officers** to offer outreach and services to those **living on the streets.**

But unlike Seattle – the epicenter of the crisis – **Arlington has made it clear that compassion will not come at the expense of prosecution for those unwilling to accept help.**



"As you're probably familiar, a lot of people are OK with the circumstances they're in and they don't want that help," said **Arlington Police Chief Jonathan Ventura**. "Our community has been very clear: that is unacceptable. You cannot be 40 years old, living behind the dumpster at the local grocery store, panhandling for drugs and stealing all the food you need."

While Chief Ventura said officers and the community will step up to help those who are ready to turn their lives around, those who aren't will be prosecuted if they commit crimes within the city. Even relatively minor offenses, such as shoplifting and car prowls, will be charged in Arlington, he said. The same is not true in Seattle, where misdemeanor theft is all but decriminalized for the city's homeless population.

A recent report commissioned by the business community in Seattle highlighted a deeply flawed criminal justice system that allows for so-called "prolific offenders" to cycle in and out of jail with nearly no accountability or, at the very least, access to treatment for the underlying causes of their criminal behavior.

In Arlington, Ventura said the city's combined approach of compassion and enforcement has yielded results.

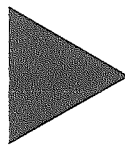
“The outreach team has been out for almost a year, and we’ve seen a correlation in a drop in the number of homeless encampments within the city, a drop in the number of regular contacts that we’re having with people,” he said. “We’ve seen an 11% decrease in shoplifting, and a 15% decrease in theft overall.”

For Arlington Officer Ken Thomas, a veteran of the force who volunteered to work on the outreach team in Arlington, the approach is a welcome change to the broken system he saw for much of his career.

“We’re working to break a cycle of returning to the streets, and arrests, and crimes,” he said. “It’s very positive to find somebody that wants the help and wants to move forward with that. As you work with them you get to know them on a different level. There’s things I know about people on the streets I’ve never known about them.”

Q13 News spent a day out with Arlington’s police-embedded social worker team, part of a coordinated effort across Snohomish County. Watch the team at work, below.

Arlington’s police-embedded social worker team



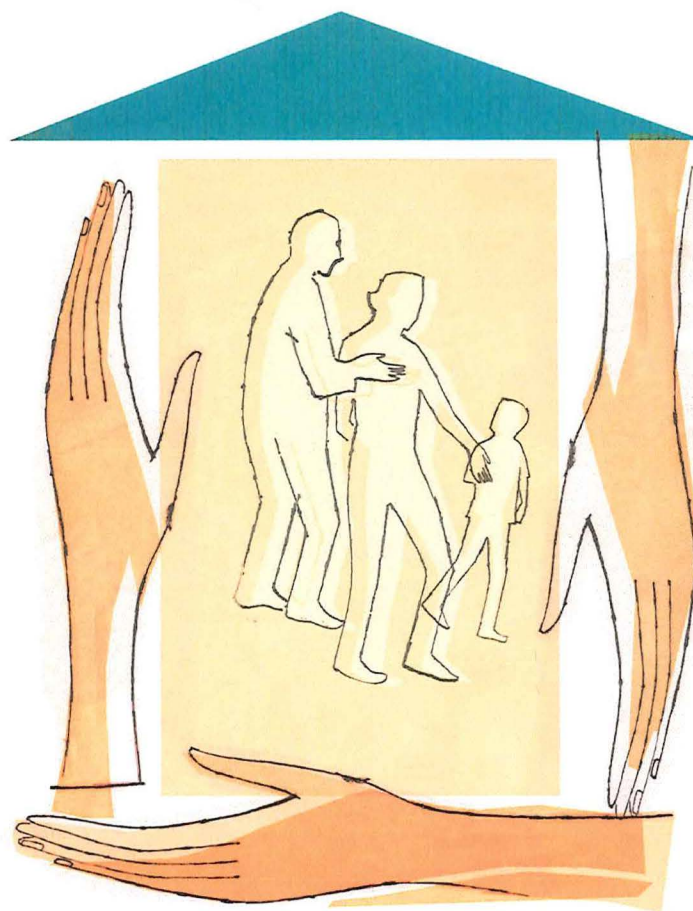
Opinion

TRAFFIC ALERT

Mercer Street is closed from Fairview Avenue N. to Ninth Avenue N. Avoid I-5 Mercer exit.

Real solutions to homelessness, addiction and crime require a balanced approach

April 22, 2019 at 3:28 pm | Updated April 22, 2019 at 4:25 pm



Donna Grethen / Op-Art

By [Steve Strachan](#)

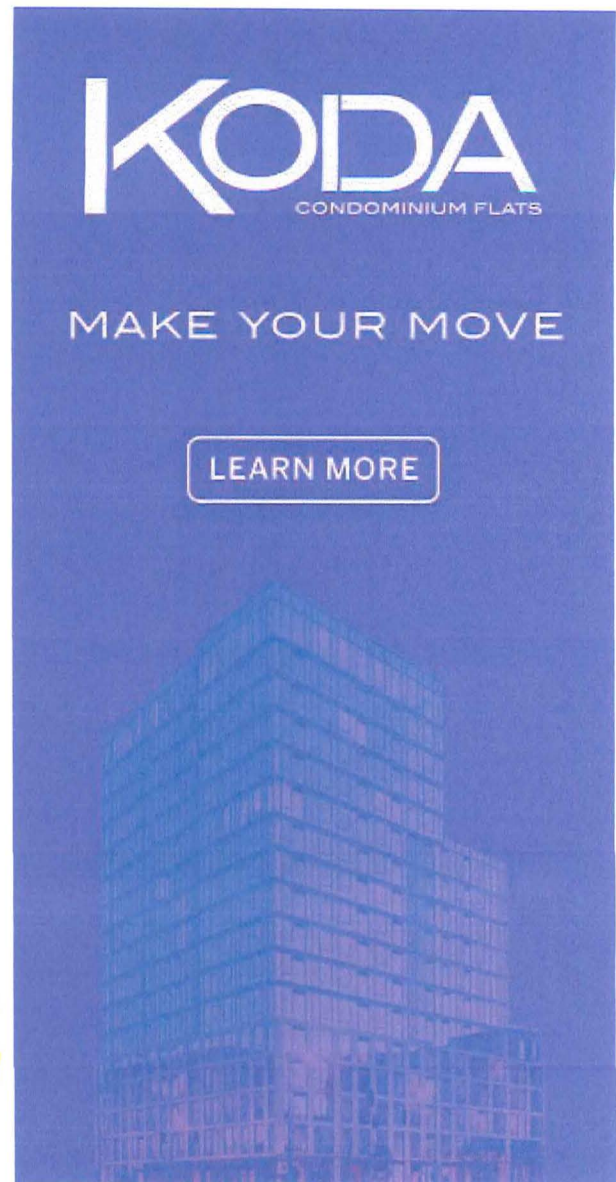
Special to The Times

Homelessness and how to address its social, public health and criminal implications has stirred strong reactions from every corner of our region and unfortunately has led to polarization about how to solve some of the toughest issues our communities face.

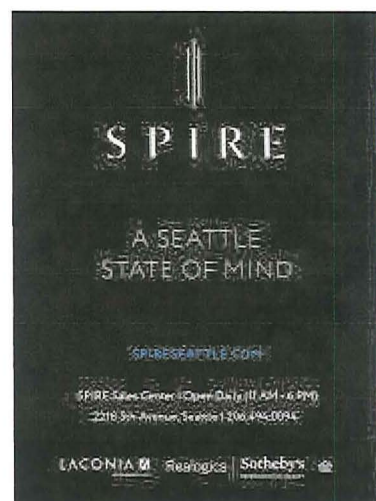
Rather than engage in another round of “I’m right and you’re wrong” we should make constructive change and do something about these problems. A good start would be to recognize there are numerous different pathways that lead to homelessness, and that criminal-justice-based interventions, including the leverage of incarceration for criminal behavior, can and should be a part of our conversation.

A great deal of focus on “let’s help the homeless” versus “let’s lock up those criminals” has led to a perception that any involvement of law enforcement must lead to “criminalizing homelessness” and the obligatory response: “We can’t arrest our way out of this.”

Contrary to a popular and misguided belief, law enforcement has no desire for mass arrests or filling the jails, nor are they ignoring obvious criminal behavior. Law enforcement is at the front line. In many communities in our state, the most compassionate, generous and helpful people working with homeless people are our law-enforcement officers. They work diligently to offer and facilitate services, help people get on track, and in many cases provide money



Later in the day, officers will take reports of theft, car prowls and littering involving homeless persons, both as victims and as suspects. As the day winds down, officers will be faced with vulnerable and sometimes desperate people trying to survive and looking for a place to spend the night and not be robbed or assaulted. The next day, it all starts again.



status quo that allows for continued addiction and the criminal acts required to support that addiction.

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*The Annual Percentage Yield for each CD product is effective as of 03/15/2019 and is subject to change without notice. Each CD product requires a \$500 minimum opening deposit and a penalty will be imposed for early withdrawal.
**The Annual Percentage Yield for the Money Market is effective as of 03/15/2019 and is subject to change without notice. To qualify for this rate, you must (i) hold a minimum opening deposit of \$500 in a money market account, (ii) open or maintain a Savings Certificate account with a minimum \$500 opening deposit, and (iii) maintain a minimum monthly balance of \$500 in both accounts. Rates are compounded monthly and paid on the entire balance in the account. Fees may reduce earnings. The average minimum monthly balance of \$500 is not maintained, then the compounded monthly rate paid on the entire balance in the account. The APY is only available in Sterling Bank & Trust, FSB's Washington Market.

FDIC

Addiction and treatment is not an exact science. It takes repeated attempts at recovery and relapses are frequent. We need to get over our collective resistance to the leverage of criminal sanctions and incarceration as part of getting people into treatment.

Medication-Assisted Treatment (MAT) in jail and pre-arrest Law Enforcement Assisted Diversion (LEAD) are programs that have had demonstrated success.

Unfortunately, because we continue to view the truly homeless, chronic addicts and criminal transients as all the same group, too many jurisdictions have begun uniformly dismissing all charges against everyone in all three groups, because they do not want to “criminalize homelessness.”

A balanced approach provides a more comprehensive and, potentially, more productive response to the crisis. The Legislature must fund more robust mental health services, LEAD grants for areas around our state, and MAT grants for our jails. These programs recognize the need for ongoing monitoring and follow-up, and the need to have the court, law enforcement and possibly jail involved as an immediate consequence when necessary.

Nonprofits, health-care providers and other contractors who provide the government-funded services need to work together instead of competing with each other for public dollars and support. City and county officials have to recognize that talking in terms of broad policies and system changes does not mean much to a family who has to step over needles and garbage in their public parks.

Finally, we need to stop using law enforcement as a political football and recognize that they need support to assist the homeless, get addicts into treatment, and hold criminal transients accountable.



Steve Strachan is executive director of the Washington Association of Sheriffs & Police Chiefs.

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 [View 48 Comments](#)

Recommended in



Anacortes City Council

Proposed Agenda Items for the Next Eight Weeks Beginning September 9, 2019

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

September 9, 2019

Special Meeting: 5:30 p.m. All Council Training: Microsoft Surface Books and Office 365 Rollout to Council Members

- Interlocal 281 with Port of Anacortes: Mutual Assistance on Minor Projects (Consent)
- Interlocal 285 with Port of Anacortes: Blanket Temporary Laydown Space Agreement (Consent)
- Municipal Fiber Update (Discussion)

September 16, 2019

- Contract Award: WTP Electrical Switchgear Maintenance #19-145-WTR-001 (Consent)
- Combined Sewer Overflow (CSO) Reduction Study (Discussion/Possible Action)

September 23, 2019

- Ordinance ____: Adopting New AMC Chapter 8.10 Regarding City Parks and the Anacortes Community Forest Lands (Discussion)

October 7, 2019

October 14, 2019

- Mid Biennial Budget Review (Discussion)

October 21, 2019

- Mid Biennial Budget Review (Discussion)

October 28, 2019

November 4, 2019

- Public Hearing: Mid Biennial Budget Review (Discussion)

Upcoming City Council Committee Meetings

The public is welcome to attend City Council Committee Meetings.

- Port/City Liaison, Tuesday, Sep 3, 2019, 8:30 AM, Port of Anacortes
- Public Works, Tuesday, Sep 3, 2019, 5:00 PM, Main Conference Room, City Hall
- Planning, Monday, Sep 9, 2019, 5:00 PM, Main Conference Room, City Hall
- Skagit County Law & Justice Council, Wednesday, Sep 11, 2019, 8:15 AM, Mount Vernon
- Finance, Wednesday, Sep 11, 2019, 5:00 PM, Main Conference Room, City Hall
- Personnel, Friday, Sep 13, 2019, 9:00 AM, Main Conference Room, City Hall
- Public Works, Monday, Sep 16, 2019, 5:00 PM, Main Conference Room, City Hall
- Planning, Monday, Sep 23, 2019, 5:00 PM, Main Conference Room, City Hall
- Finance, Wednesday, Sep 25, 2019, 5:00 PM, Main Conference Room, City Hall
