



Anacortes City Council
Municipal Building Council Chambers
904 6th Street

November 18, 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. Skagit County Law & Justice Council
 - b. Public Works Committee
4. **Public Comment**
5. **Consent Agenda (Action)**
 - a. Minutes of November 12, 2019
 - b. Approval of Claims in the amount of: \$363,883.76
6. **Public Hearings**
7. **Other Business**
 - a. * Waste Management Recycling Update (Discussion)
 - b. * Solid Waste Collection Schedule Review (Discussion)
 - c. * Resolution 2062: Updating Unified Fee Schedule for Updated Sewer Rates (Discussion/Possible Action)
 - d. * Resolution 2065: Updating Unified Fee Schedule for Updated General Facilities Charges (GFCs) for Water and Sewer (Discussion/Possible Action)
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 November 25, 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.

November 19, 2019

Special Joint Meeting with Fidalgo Pool and Fitness Center Board of Commissioners, 6:00 p.m.

November 25, 2019

- Contract Award: 2020-2022 Cartegraph Solutions and Subscription Agreement #20-005-ENG-001 (Consent)
- Contract Award: Municipal Broadband Network – Library to MSTs #19-175-FBR-002 (Consent)
- Ordinance 3052: Updating AMC Chapter 12.50, Street and Alley Vacation (Discussion)

December 2, 2019

- Public Hearing: Interim Ordinance 3054 Declaring an Emergency and Adopting a Moratorium on the Acceptance of Certain Land Use Applications in the R4 Zone (Discussion/Possible Action)
- Contract Award: Ship Harbor and SR20 Spur Intersection Improvements Project #16-025-TRN-003 (Action)
- Memorandum of Understanding: Fidalgo Island Water System (Discussion/Possible Action)

December 9, 2019

- Anacortes Fiber Internet Update (Discussion)

December 16, 2019

December 23, 2019

January 6, 2020

January 13, 2020

January 21, 2020

Upcoming City Council Committee Meetings

The public is welcome to attend City Council Committee Meetings.

- Public Works, Monday, Nov 18, 2019, 5:00 PM, Main Conference Room, City Hall
- Finance, Wednesday, Nov 20, 2019, 5:00 PM, Main Conference Room, City Hall
- Parks & Recreation, Thursday, Nov 21, 2019, 6:00 PM, Main Conference Room, City Hall
- Planning, Monday, Nov 25, 2019, 5:00 PM, Main Conference Room, City Hall
- Finance, Wednesday, Nov 27, 2019, 5:00 PM, Main Conference Room, City Hall
- Public Works, Monday, Dec 2, 2019, 5:00 PM, Main Conference Room, City Hall
- Public Safety, Tuesday, Dec 3, 2019, 10:00 AM, Main Conference Room, City Hall
- Port/City Liaison, Tuesday, Dec 3, 2019, 8:30 AM, Third Floor Conference Room, City Hall
- Planning, Monday, Dec 9, 2019, 5:00 PM, Main Conference Room, City Hall

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!

Continue on back of sheet as needed

City Council Minutes – November 12, 2019

Mayor Laurie Gere called to order the Anacortes City Council meeting of November 12, 2019 at 6:00 p.m. Councilmembers Anthony Young, Ryan Walters, Brad Adams and Carolyn Moulton were present. Councilmember Bruce McDougall participated in the meeting via telephone. Councilmembers Eric Johnson and Matt Miller were absent.

The assembly joined in the Pledge of Allegiance.

Announcements and Committee Reports

There were no announcements or committee reports.

Public Comment

Mike Pearl said he spoke as a member of a group of citizens that had many concerns about the 65-foot-tall apartment building proposed for 18th Street and O Avenue. Mr. Pearl responded to a recent letter to the editor of the *Anacortes American* from former city councilmember Cynthia Richardson regarding public notification about the project and the development regulations update under which the project application was filed. Mr. Pearl contended that there had been a secretive process regarding the project. He said his concern was the public awareness program compared to who want and need and deserve the information.

Rene Janzen, 713 34th Street, addressed the 5-story building proposed for 18th Street and O Avenue. Mr. Janzen shared copies of a height impact flier he was distributing in the community and asking citizens to use to share opinions with councilmembers. He asked councilmembers to let him know in the subsequent few weeks if they were receiving comment. Mr. Janzen reiterated his comments at previous meetings, objecting not to 5-story buildings or to affordable housing but to its placement in the proposed neighborhood and the impacts on parking and traffic. Mr. Janzen also discussed the likely rents in the proposed building and said they were not affordable according to established definitions.

Consent Agenda

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

- a. Minutes of October 30, 2019 and November 4, 2019
- b. Approval of Claims in the amount of: \$257,273.15
- c. Resolution 2063: Setting the City's Year 2020 Property Tax Regular Levy Increase

The following vouchers/checks were approved for payment:

EFT numbers: 95206 through 95257, total \$122,068.64

Check numbers: 95258 through 95294, total \$57,526.59

Wire transfer numbers: 258505 through 258770, total \$13,665.79

PUBLIC HEARINGS

Continued Public Hearing: Ordinance 3058: 2019/2020 Budget Mid-biennial Review and Modification

Mr. Hoglund recapped his prior slide presentation regarding the mid-biennial budget review which had first been presented on October 14, 2019, including changes to both projected revenues and expenditures by department for 2020. Mr. Hoglund also reminded Council of staff's proposal to automatically roll unspent funds from the first year of a biennial budget into the second year of the biennium, and to reduce the budget for the second year by the amount of any overspending in the first year (exclusive of payroll). Mr. Walters reported that

the Finance Committee was generally supportive of that approach but suggested formulating the mid-biennial adjustments as policies and adopting them as such. He also urged beginning development of the 2021-2022 biennial budget early in 2020 as a zero based budget. Mr. Adams asked staff to report back on whether biennial budgeting had proven beneficial or if the city should consider reverting to annual budgets.

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

Mr. Adams moved, seconded by Ms. Moulton, to adopt Ordinance 3058 authorizing the 2019/2020 Mid Biennial Review budget changes. Vote: Ayes – Young, Walters, Adams, Moulton and McDougall. Motion carried.

OTHER BUSINESS

Ordinance 3052: Updating AMC Chapter 12.50, Street and Alley Vacation

City Attorney Darcy Swetnam introduced Ordinance 3052 for first reading. Ms. Swetnam summarized the reasons for the chapter rewrite and reviewed the proposed new code, referring to her slide presentation which was added to the packet materials for the meeting. Ms. Swetnam responded to councilmember questions and encouraged continued input from the council and public. She offered to bring back a revised edition of the ordinance for consideration at the November 25, 2019 meeting.

Mayor Gere invited members of the audience to comment on this agenda item.

Brian Wetcher, 814 26th Street, noted that vacations adjacent to the ACFL had traditionally resulted in the city's half of the vacated property being incorporated into and managed as part of the ACFL. Mr. Wetcher also noted the large number of unvacated plats inside the ACFL. He asked how the proposed new code would affect those situations.

Ms. Swetnam responded to Mr. Wetcher that the ordinance as drafted would grant the 50% of a vacated property adjacent to city owned property to the city, not specifically to any subcomponent thereof.

No one else present wished to address Council on this topic.

Mayor Gere concluded that the ordinance would come back for additional consideration at the November 25, 2019 City Council meeting.

Anacortes Fiber Internet Update

Municipal Broadband Business Manager Jim Lemberg presented his regular monthly update on the municipal fiber network, referring to his slide presentation which was added to the packet materials for the meeting. He reported the customer sign up rate, presented financials, summarized the network installation status, outlined several regional connection developments, and introduced a proposed snowbird policy. Mr. Lemberg responded to councilmember questions on various aspects of his presentation. Mr. Walters requested staff to provide more information on snowbird policies of competing providers.

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

Memorandum of Understanding: Fidalgo Island Water System

Public Works Director Fred Buckenmeyer presented for a first read a proposed MOU regarding transferring the South Fidalgo Island Water System from Skagit County PUD to the City of Anacortes water utility. Mr. Buckenmeyer's slide presentation was added to the packet materials for the meeting. He responded to numerous

questions from the Council and Mayor Gere regarding the state of the PUD infrastructure, the structure of the agreement, and the expected benefits to Fidalgo Island customers and the regional water system from the proposed change. Mr. Walters and Ms. Moulton requested that staff provide specific additional and updated documents to the Public Works Committee and to full Council prior to its next consideration of the MOU. Mr. Buckenmeyer clarified that the proposed MOU would allow staff from both agencies to continue to work out the details of the transfer, which would be formally effected by a separate subsequent agreement that would come before Council for action.

Mayor Gere invited members of the audience to comment on this agenda item.

Brian Wetcher, 814 26th Street, urged Council to write into the MOU that existing service levels would be maintained and not expanded. He said this would avoid future pressure to expand service to allow for spot development and higher densities outside the Urban Growth Area.

Jim Irving, 4308 Orchard Avenue, supported the proposed acquisition but encouraged the city to look carefully at the condition of the existing piping. He noted the large cost to replace failing pipe, as well as other equipment such as pump station controls that might not be compatible with current Anacortes systems.

Mr. Buckenmeyer responded to Mr. Wetcher, noting that sewer rather than water is what controls growth in rural south Fidalgo Island. He also responded to Mr. Irving, noting that Anacortes had hired two separate engineering firms evaluate the PUD system and they had concluded that it was in reasonably good condition.

Mayor Gere said that this item would come back to Council for further consideration in the near future.

There being no further business, at approximately 7:30 p.m. the Anacortes City Council meeting of November 12, 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 November 18, 2019 City Council meeting:
[Download this file in OpenDocument spreadsheet format.](#)

Invoice Doc #	Transaction Date	Invoice #	Vendor Full Name	Description	Total Amount	Approval Queue
259008	5/27/2019	505	SPORTSITES, INC.	ANNUAL SUBSCRIPTION FEE -- 5/1/2019 - 4/30/2020	\$ 5,000.00	parks1
259202	9/11/2019	1949-02	QUANTUM CONSTRUCTION, INC	CITY HALL REMODEL PROJECT - DEMOLITION AND CONSTRUCTION	\$ 21,435.31	pw1
258567	10/2/2019	SKVYSaref	SKAGIT VALLEY SOCCER	SKAGIT VALLEY YOUTH SOCCER REFEREE FOR	\$ 1,179.73	pkrec
259196	10/4/2019	17970	FLOORING CONNECTIONS	LIBRARY MAIN FLOOR CARPET DESIGN & INSTALLATION	\$ 26,439.30	pw1
258981	10/18/2019	042604	USA BLUE BOOK	CA610 PUMP TUBING SET	\$ 86.75	dwtp
258982	10/18/2019	042555	USA BLUE BOOK	SAMPLE CELLS, LAB DETERGENT	\$ 819.18	dwtp
258983	10/18/2019	042556	USA BLUE BOOK	SAFETY GLOVES	\$ 327.84	dwtp
259006	10/24/2019	5001169432	THYSSENKRUPP ELEVATOR CORP	FIRE STATION 1 ELEVATOR REPAIRS	\$ 1,537.89	pwfac
259168	10/25/2019	10-25-19	ECONOWASH LAUNDRY & DRY	OCTOBER UNIFORMS - JK	\$ 38.59	medic
258991	10/25/2019	1-90269243883	JOHNSON CONTROLS	HVAC REPAIR	\$ 206.58	dwtp
259207	10/28/2019	233400	CLEAR SOLUTIONS, INC	ACRYLIC DISPLAYS	\$ 429.35	publib
259201	10/28/2019	360-299-2484-0726025	FRONTIER COMMUNICATIONS	LIBRARY PHONE 10/28-11/27/2019	\$ 57.32	publib
258990	10/28/2019	11699528	HACH COMPANY	TURP REPAIR	\$ 826.39	dwtp
258970	10/28/2019	800346	NAPA	CAB LIGHTS- VEH #512	\$ 86.76	dshop
259002	10/28/2019	1310604	SURETY PEST CONTROL	RODENT CONTROL FOR WA PARK	\$ 70.66	pwfac
259229	10/29/2019	5005219562	FERRELLGAS, LP	OCTOBER PROPANE INVOICE - AUTOGAS ACCOUNT	\$ 335.49	finance
258500	10/30/2019	2729396	FOSTER GARVEY PC	KOFFEL PROPERTY CONDEMNATION #104	\$ 944.10	legal
258543	10/30/2019	17913046312	HB JAEGER	8 CONCRETE X CI CAULDER COUPLING	\$ 999.22	shopcc
258894	10/30/2019	316358	LEFEBER TURF FARM, LLC	HYDRO-SEEDING	\$ 800.00	dwtp
259209	10/30/2019	801239	MISTER T'S AWARDS &	NAME TAG - MORGAN, LIBRARY	\$ 21.70	hr
259192	10/31/2019	281864	A WORKSAFE SERVICE INC	PRE-EMPLOYMENT DRUG TESTS, FAIRALL, HARRIS	\$ 110.00	hr
259005	10/31/2019	S3732418.001	BUILDERS' HARDWARE & SUPPLY	PAD LOCKS FOR ENGINEERING	\$ 245.58	pwfac
258752	10/31/2019	92765986	CHEMTRADE CHEMICALS US LLC	ALUMINUM SULFATE	\$ 4,939.49	dwtp
258879	10/31/2019	93724865	ESRI INC	ARCGIS MAINTENANCE, LICENSE	\$ 22,283.50	pw1
259166	10/31/2019	332788	L.N. CURTIS & SONS	10 PAILS CLASS A FOAM	\$ 967.43	medic
259007	10/31/2019	3092283211	LEXISNEXIS	LEGAL RESEARCH SERVICES OCT. 2019	\$ 324.42	legal
258896	10/31/2019	IN933290	NOANET	MUNICIPAL FIBER NETWORK COORDINATED SERVICES - OCT 2019	\$ 1,725.00	fiber
258900	10/31/2019	IN933291	NOANET	MUNICIPAL FIBER NETWORK COORDINATED SERVICES - PHASE 4 - OCT 2019	\$ 1,560.00	fiber

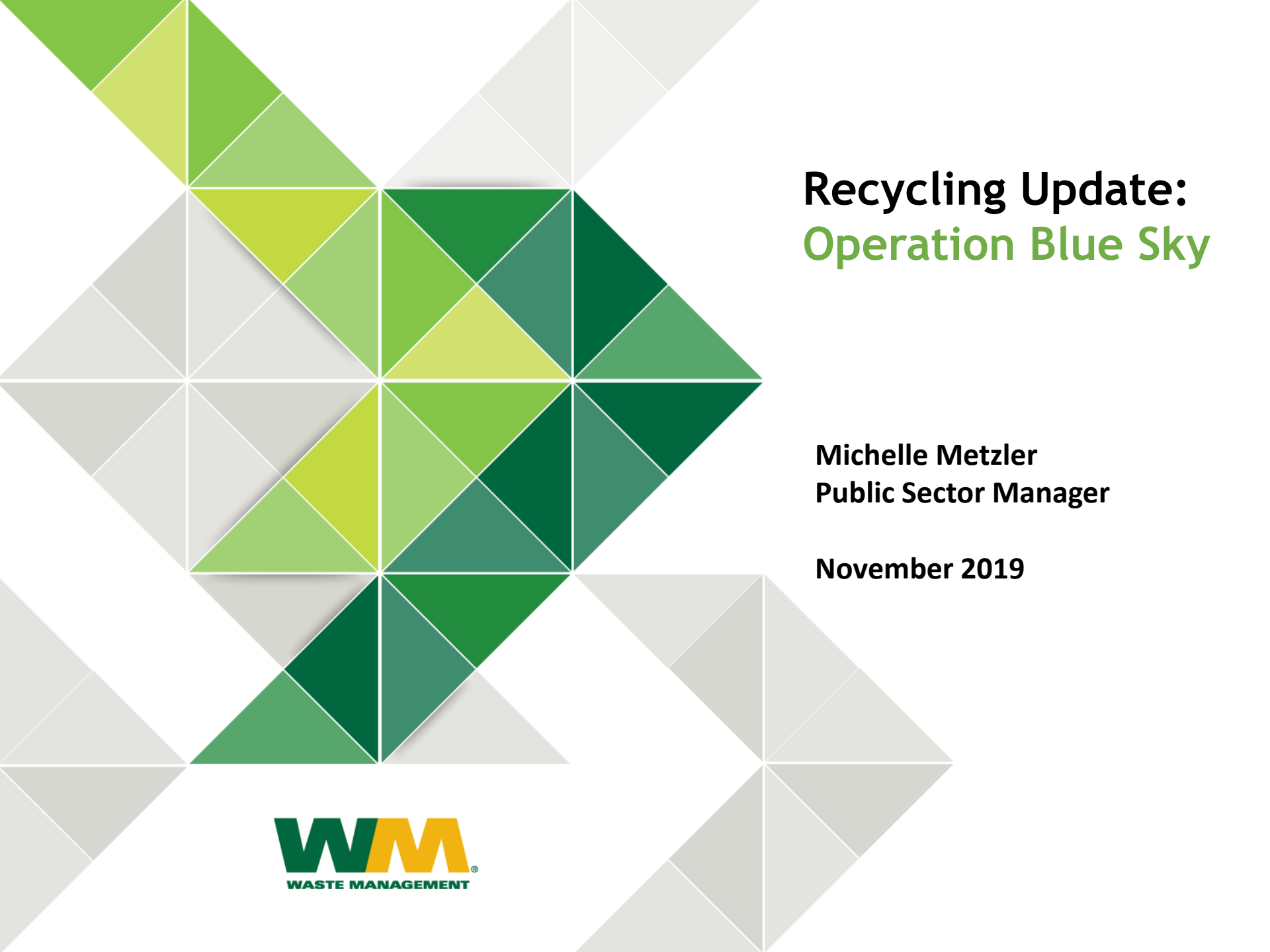
Invoice Doc #	Transaction Date	Invoice #	Vendor Full Name	Description	Total Amount	Approval Queue
258901	10/31/2019	IN933286	NOANET	MUNICIPAL FIBER NETWORK COORDINATED SERVICES - ENGINEERING SUPPORT OCT 2019	\$ 1,650.00	fiber
259176	10/31/2019	0000690788	OCLC, INC	CATALOGING, ILL, FIRSTSEARCH/WORLDCAT DISCOVERY	\$ 371.59	publib
259167	10/31/2019	19575	ORCA INFORMATION, INC	BACKGROUND CHECKS, SULLIVAN, UMBLE, SCHMIDT, OLSON	\$ 204.00	hr
259187	10/31/2019	8059	PETDATA, INC	PETDATA LICENSING FEES OCTOBER	\$ 57.40	finance
259195	10/31/2019	200000666863	PUGET SOUND ENERGY INC	LIBRARY 10TH STREET LED 10/2 TO 10/31/2019	\$ 6.59	publib
259199	10/31/2019	200000667218	PUGET SOUND ENERGY INC	LIBRARY 10TH & M ST 10/2 TO 10/31/2019	\$ 20.62	publib
258759	10/31/2019	P0002-29	QCC QUALITY CONTROLS CORP.	ON CALL PROFESSIONAL SERVICES AT WTP - OFFISTE OIT PROGRAMMING, TROUBLESHOOTING	\$ 1,682.50	dwwtp
258877	10/31/2019	1359	SKAGIT CONSERVATION DISTRICT	NPDES II OUTREACH & EDUCATION - OCTOBER 2019	\$ 1,555.42	pw1
259206	10/31/2019	601218	SKIDMORE PHARMACY INC.	LEOFF1 RETIREE, PHARMACY COPAY	\$ 1.22	hr
259208	10/31/2019	601217	SKIDMORE PHARMACY INC.	LEOFF1 PHARMACY COPAYS, OLEARY	\$ 28.64	hr
258993	10/31/2019	386000156	US BANK NA - CUSTODY TREAS DIV	INVESTMENT FEES 10/1/2019-10/31/2019	\$ 63.00	finance
258881	10/31/2019	206623	WIDENER & ASSOCIATES	SANITARY SEWER STORAGE STUDY - ENVIRONMENTAL SERVICES - OCTOBER 2019	\$ 1,232.00	pw1
258882	10/31/2019	206622	WIDENER & ASSOCIATES	GUEMES CHANNEL TRAIL - BIOLOGICAL EVALUATION & PERMIT - OCT 2019	\$ 325.50	pw1
258883	10/31/2019	206621	WIDENER & ASSOCIATES	GUEMES CHANNEL TRAIL - COMPLIANCE REVIEWS - OCTOBER 2019	\$ 1,232.00	pw1
258884	10/31/2019	206624	WIDENER & ASSOCIATES	SK RIVER 42" WATER LINE - DESIGN ASSISTANCE & PERMITTING - OCT 2019	\$ 1,363.20	pw1
258886	11/1/2019	360-293-1900-0122885	FRONTIER COMMUNICATIONS	CITY MAIN PHONE 11/1-11/30/2019	\$ 1,231.41	finance
259198	11/1/2019	421	PRECISION TREE SERVICE, INC	HAZARDOUS TREE REMOVAL AT 2007 12TH ST	\$ 4,348.00	parks1
258971	11/1/2019	300000325005	PUGET SOUND ENERGY INC	STREET LIGHTS: 09/07- 10/07/2019	\$ 80.37	dshop
258972	11/1/2019	300000006951	PUGET SOUND ENERGY INC	STREET LIGHTS: 09/28- 10/29/19	\$ 116.33	dshop
258973	11/1/2019	300000340004	PUGET SOUND ENERGY INC	STREET LIGHTS: 09/28- 10/29/19	\$ 65.34	dshop
259179	11/1/2019	3004925614	THYSSENKRUPP ELEVATOR CORP	LIBRARY ELEVATOR PHONE MONITORING (11-1-2019 TO 1-31-2020)	\$ 52.85	publib
259200	11/1/2019	GB00100301	TRANSAMERICA LIFE INS CO	NOVEMBER, LEOFF LONG-TERM CARE INSURANCE	\$ 523.07	hr
259164	11/4/2019	4763285	CARDINAL HEALTH 110, INC.	PHARMACEUTICALS	\$ 113.99	medic
258660	11/4/2019	5298	DEPARTMENT OF ECOLOGY	OPERATOR CERTIFICATION RENEWAL	\$ 64.00	dwwtp
258878	11/4/2019	1200226469	HDR ENGINEERING, INC	WTP SECOND CLEARWELL TANK PROJECT - DESIGN - 9/29/19-10/26/19	\$ 44,263.36	pw1

Invoice Doc #	Transaction Date	Invoice #	Vendor Full Name	Description	Total Amount	Approval Queue
258880	11/4/2019	1200226471	HDR ENGINEERING, INC	SKAGIT RIVER 42" WATER LINE PROJECT - PHASE 2 - 9/29/19-10/26/19	\$ 39,145.00	pw1
259188	11/4/2019	954450	LIFE ASSIST, INC	EXAM GLOVES	\$ 243.60	medic
259172	11/4/2019	68152171	MCKESSON MEDICAL-SURGICAL	PHARMACEUTICAL	\$ 67.12	medic
258876	11/4/2019	2019-1901	RACICOT, LAURIE	MUNICIPAL FIBER LOGO AND BRANDING DESIGN - 9/23/19-11/4/19	\$ 2,520.00	fiber
258582	11/4/2019	November	SKAGIT LAW GROUP PLLC	PROSECUTING ATTORNEY SERVICES NOV. 2019	\$ 6,120.00	legal
258978	11/4/2019	1187553	SKAGIT PUBLISHING LLC	PUBLISH SVH-1962748 SVH-1962760	\$ 193.44	finance
259203	11/4/2019	1307873	SURETY PEST CONTROL	LIBRARY PEST CONTROL 10-30-2019	\$ 66.31	publib
258657	11/4/2019	89222	WHITNEY EQUIPMENT CO INC	PS21 IMPELLER KIT	\$ 2,751.38	dwwtp
259165	11/5/2019	4767628	CARDINAL HEALTH 110, INC.	PHARMACEUTICALS	\$ 255.64	medic
258898	11/5/2019	489310	DMH INDUSTRIAL ELECTRIC, INC	MOTOR REBUILD	\$ 933.30	dwtp
258888	11/5/2019	19-42047	EDGE ANALYTICAL, INC	BACT ANALYSIS FINISHED	\$ 15.00	dwtp
258889	11/5/2019	19-41104	EDGE ANALYTICAL, INC	BACT ANALYSIS RAW	\$ 49.00	dwtp
258890	11/5/2019	19-42082	EDGE ANALYTICAL, INC	TCR ANALYSIS BOOSTERS	\$ 165.00	dwtp
259193	11/5/2019	121028	FASTENAL COMPANY	BATTERIES, FLASHLIGHT, WORK GLOVES	\$ 274.67	medic
259182	11/5/2019	0813558	FERGUSON ENTERPRISES, INC	1.5-2 OMNI T2 C2 REG ONLY 100CF	\$ 374.85	wdist
259169	11/5/2019	8652489-1	JUDD & BLACK	WASHER & DRYER (29-3)	\$ 1,807.57	medic
258811	11/5/2019	191565	T-SHIRTS BY DESIGN	T-SHIRTS FOR GIRLS YTH BASKETBALL	\$ 1,119.07	pkrec
258875	11/5/2019	3712	VALLEY CABINETS & MORE INC	CUSTOM MANUFACTURED GONDOLA	\$ 3,891.46	publib
259170	11/5/2019	u0114483	VANDERYACHT PROPANE, INC.	REFILL TEMPORARY ACCOMMODATION HEATING	\$ 52.55	medic
259039	11/6/2019	1991489749	ARAMARK	STA 3 MAT/MOP SERVICE: 11/6	\$ 21.74	medic
259163	11/6/2019	1991491753	ARAMARK	STA 1 MAT/MOP SERVICE: 11/7	\$ 21.74	medic
258891	11/6/2019	19-41940	EDGE ANALYTICAL, INC	FLUORIDE ANALYSIS BLUE HERON	\$ 26.00	dwtp
258892	11/6/2019	19-41892	EDGE ANALYTICAL, INC	NITRATE ANALYSIS FINISHED	\$ 26.00	dwtp
258893	11/6/2019	19-41935	EDGE ANALYTICAL, INC	BACT ANALYSIS RAW	\$ 49.00	dwtp
258874	11/6/2019	812-6561	GCR TIRES & SERVICES	TIRES- VEH #512	\$ 395.43	dshop
258819	11/6/2019	RefundHellam	HELLAM, JEFFREY	CUSTOMER CANCEL BEFORE REVIEW	\$ 662.35	bldg
258895	11/6/2019	168278	OASYS INC	PLOTTER CHARGE BASE AND CONTRACT 11/9-12/8/19	\$ 98.48	pw1
258969	11/6/2019	001-450556	PISTON SERVICE OF ANACORTES	BATTERY- VEH #008	\$ 126.04	dshop
259186	11/6/2019	726	SKAGIT COUNTY PUBLIC HEALTH	3RD QTR CITY SHARE OF LIQUOR TAX	\$ 5,957.96	finance
259009	11/6/2019	1188421	SKAGIT PUBLISHING LLC	PUBLISH AA-1962738 AA-1962867	\$ 158.34	finance
259191	11/6/2019	191574	T-SHIRTS BY DESIGN	POLO/SWEATSHIRT	\$ 30.44	medic
258897	11/6/2019	331 0488998	UNIFIRST CORPORATION	WTP LAUNDRY SERVICE	\$ 160.50	dwtp
258868	11/6/2019	114-9405617	UNITED SITE SERVICES, INC	WP - LOOP 1 - OCTOBER 2019	\$ 133.38	parks1
258869	11/6/2019	114-9405618	UNITED SITE SERVICES, INC	ACE OF HEARTS DOG PARK - OCTOBER 2019	\$ 63.86	parks1
258870	11/6/2019	114-9405679	UNITED SITE SERVICES, INC	GUEMES CHANNEL TRAIL - OCTOBER 2019	\$ 94.22	parks1

Invoice Doc #	Transaction Date	Invoice #	Vendor Full Name	Description	Total Amount	Approval Queue
258871	11/6/2019	114-9404860	UNITED SITE SERVICES, INC	6300 SUNSET AVENUE - NOV 1-4, 2019	\$ 22.07	parks1
258872	11/6/2019	114-9405716	UNITED SITE SERVICES, INC	6300 SUNSET AVENUE - OCTOBER 2019	\$ 165.46	parks1
258873	11/6/2019	114-9405651	UNITED SITE SERVICES, INC	WASH PARK - LOOP 2 - OCTOBER 2019	\$ 133.24	parks1
258899	11/6/2019	48396132	UNIVAR USA INC	CAUSTIC	\$ 4,702.42	dwtp
258996	11/6/2019	I20002853	WASHINGTON STATE PATROL	BACKGROUND CHECKS; OCTOBER 2019	\$ 132.50	apd
259194	11/6/2019	I20002323	WASHINGTON STATE PATROL	SR CENTER BACKGROUND CHECKS	\$ 22.00	finance
258975	11/7/2019	1991491763	ARAMARK	OPS: MAT CLEANING 11/07/19	\$ 34.96	dshop
259162	11/7/2019	1991491754	ARAMARK	STA 2 MOP/MAT SERVICE: 11/7	\$ 21.74	medic
259001	11/7/2019	269838A	BAY CITY SUPPLY	FACILITY SUPPLIES	\$ 127.18	pwfac
259003	11/7/2019	317079	DOORMAN COMMERCIAL, LLC	LIBRARY LOBBY WOMEN'S BATH ROOM ADA BUTTON REPAIR	\$ 550.08	pwfac
258997	11/7/2019	812-6583	GCR TIRES & SERVICES	TIRES FOR STOCK	\$ 292.71	dshop
258998	11/7/2019	812-6581	GCR TIRES & SERVICES	TIRES TO STOCK SHOP	\$ 558.96	dshop
258980	11/7/2019	001-450646	PISTON SERVICE OF ANACORTES	AIR FILTER PANEL- VEH #152	\$ 12.68	dshop
258887	11/7/2019	200012505505	PUGET SOUND ENERGY INC	WTP 10/1-10/31/19	\$ 65,565.13	dwtp
258979	11/7/2019	111312	WALTON BEVERAGE COMPANY, INC	BREAKROOM SUPPLIES	\$ 89.50	dwtp
258995	11/8/2019	1991491757	ARAMARK	APD NYLON MATS CLEANED	\$ 16.31	apd
258989	11/8/2019	0188-505762	CONSOLIDATED ELECTRICAL	NETWORK PROJECT	\$ 21.29	dwwtp
258986	11/8/2019	WAANA121025	FASTENAL COMPANY	MAINTENANCE SUPPLIES	\$ 11.62	dwwtp
258987	11/8/2019	X540163	PLATT ELECTRIC SUPPLY INC	NETWORK PROJECT	\$ 41.61	dwwtp
258988	11/8/2019	X5410165	PLATT ELECTRIC SUPPLY INC	NETWORK PROJECT	\$ 509.13	dwwtp
259173	11/11/2019	3931	ANACORTES TOWING, LLC	TOWING; APD CASE 19-A08298	\$ 163.05	apd
259000	11/11/2019	269838	BAY CITY SUPPLY	FACILITY SUPPLIES	\$ 683.61	pwfac
259171	11/11/2019	01101119	FIDALGO CLEANING	APD CLEANING & SUPPLIES	\$ 700.00	apd
259205	11/11/2019	2019-1438	THE WATERSHED COMPANY	PERIODIC REVIEW OF SHORELINE MASTER PROGRAM - OCTOBER 2019	\$ 7,220.97	plan
259185	11/11/2019	191608	T-SHIRTS BY DESIGN	LOGOS ADDED TO SAFETY VESTS	\$ 45.65	wdist
259183	11/11/2019	114-9422748	UNITED SITE SERVICES, INC	WASH PARK - LOOP 2 - 11/1 THRU 11/08	\$ 18.99	parks1
259184	11/11/2019	114-9422754	UNITED SITE SERVICES, INC	6300 SUNSET AVE-11/1/2019-11/08/2019	\$ 18.99	parks1
259175	11/12/2019	0513391	EBSCO INFORMATION SERVICES	NEWSPAPER SUBSCRIPTION 1-2020 TO 12-2020	\$ 377.72	publib
259180	11/12/2019	18017	ENTERPRISE OFFICE SYSTEMS INC	OFFICE SUPPLIES	\$ 28.24	publib
259181	11/12/2019	17979	ENTERPRISE OFFICE SYSTEMS INC	OFFICE SUPPLIES	\$ 26.92	publib
259213	11/12/2019	101010283	GHA TECHNOLOGIES INC	NETWORK TRANCEIVER MODULE	\$ 261.50	fiber
259212	11/12/2019	9313057447	GRAYBAR ELECTRIC COMPANY, INC	NETWORK CORE SUPPORT SHELF	\$ 276.17	fiber
259177	11/12/2019	42524729	INGRAM LIBRARY SERVICES, LLC	BOOKS ADULT	\$ 18.90	publib
259178	11/12/2019	42544924	INGRAM LIBRARY SERVICES, LLC	ADULT BOOKS	\$ 1,378.96	publib
259210	11/12/2019	42524730	INGRAM LIBRARY SERVICES, LLC	JUVENILE BOOKS	\$ 843.23	publib
259197	11/12/2019	ContractLakeside	LAKESIDE INDUSTRIES, INC.	RAY AULD DRIVE PAVING	\$ 54,773.25	pw1
259190	11/12/2019	954455	LIFE ASSIST, INC	DOSING CHART	\$ 30.75	medic

Invoice Doc #	Transaction Date	Invoice #	Vendor Full Name	Description	Total Amount	Approval Queue
259174	11/12/2019	7594439x	NATIONAL FIRE PROTECTION	ANNUAL SUBSCRIPTION RENEWAL TO 11/30/20	\$ 1,345.50	medic
259189	11/12/2019	10218350	NAVIA BENEFIT SOLUTIONS, INC	OCTOBER, NAVIA PARTICIPANT FEE	\$ 120.35	hr

Total **\$363,883.76**



Recycling Update: Operation Blue Sky

Michelle Metzler
Public Sector Manager

November 2019



China's Operation Blue Sky

Resetting the Recycling Industry

Changing Economics

- Costs to prepare materials for market have increased
- Value of recyclables have decreased

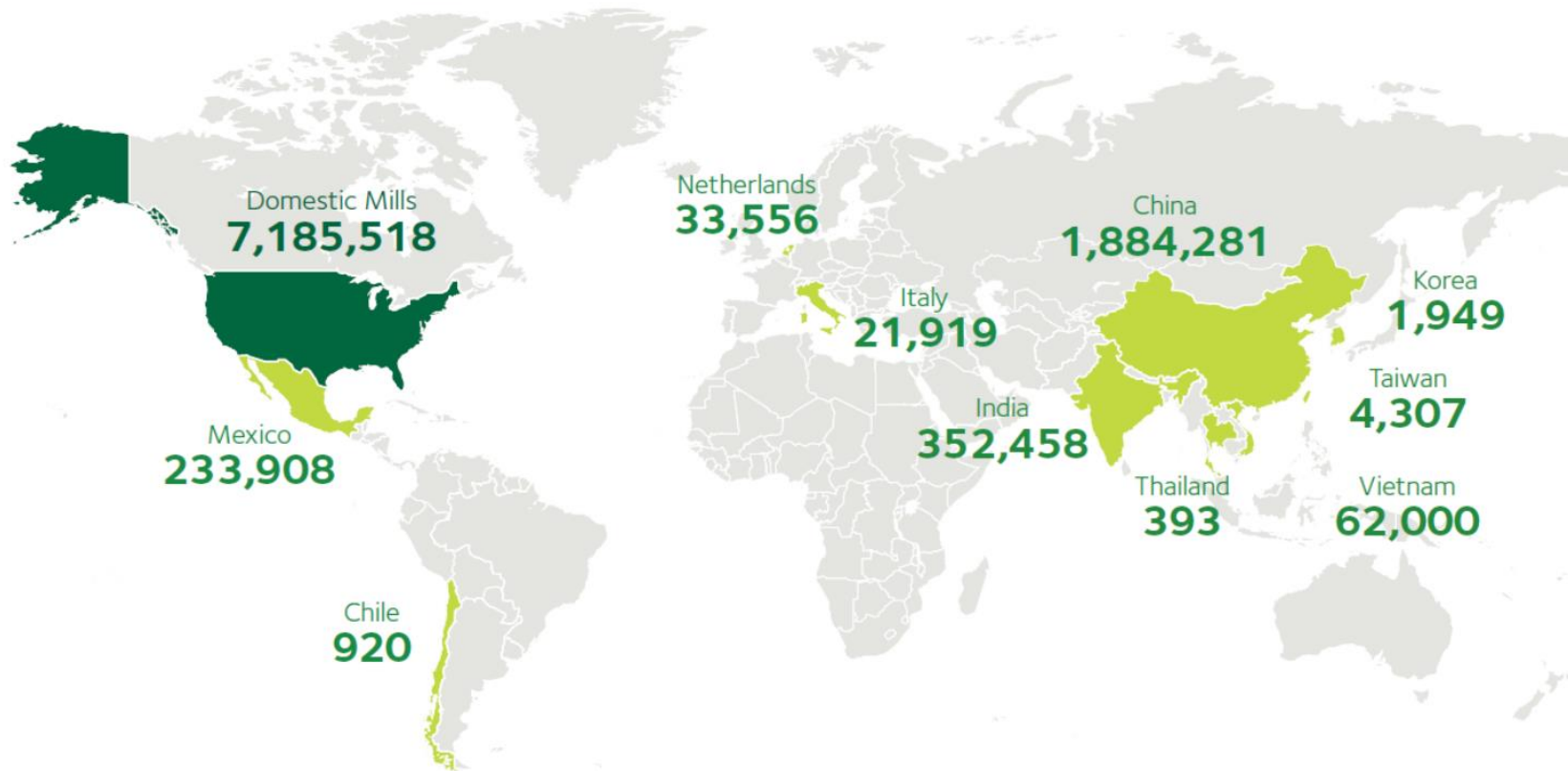
Elevated Quality Standards

- Less tolerance for contamination from markets
- Tighter standards on allowable materials in bales of recyclables



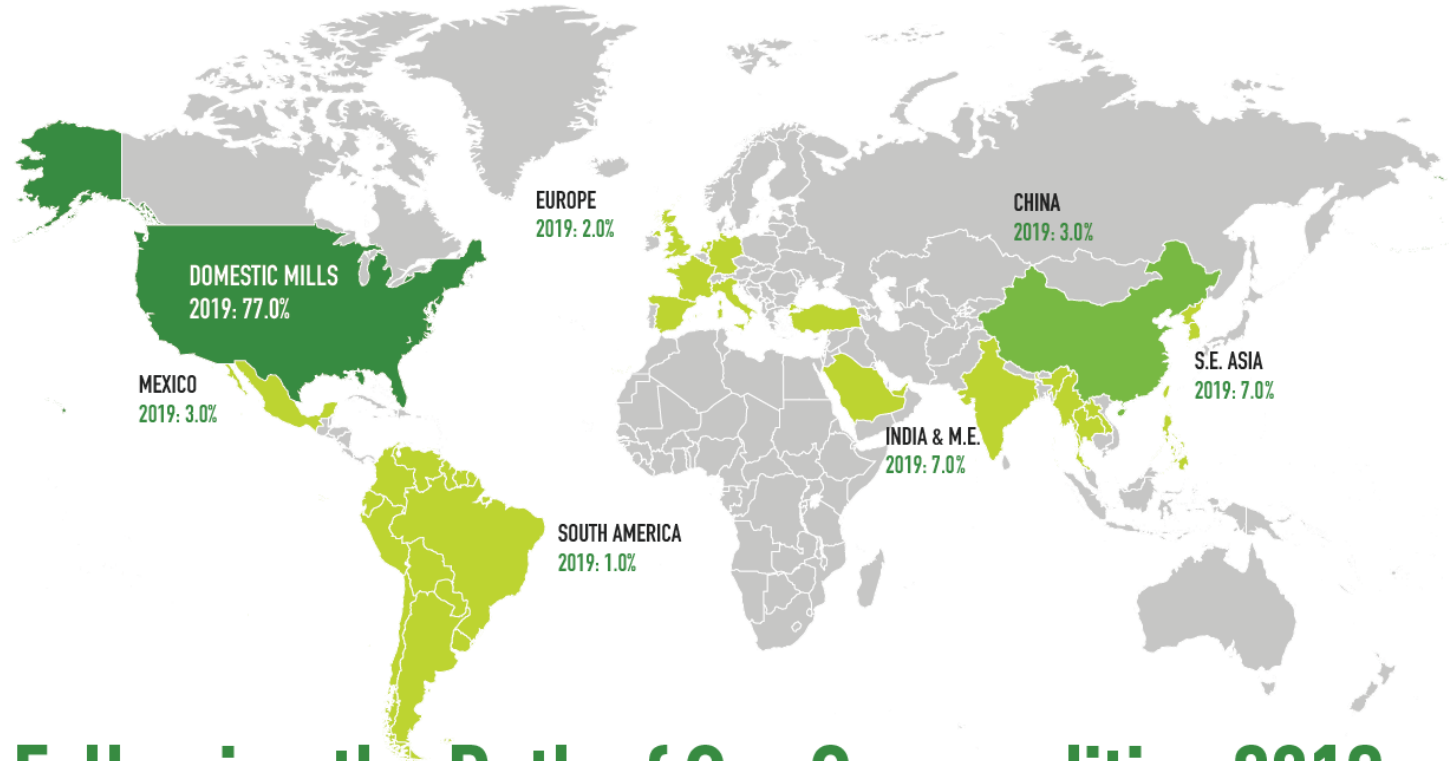
Why China is so Important to Recycling?

In 2017 WM shipped 27% of its material to markets around the world



WM Exports Materials Around the World

EIGHTY PERCENT MATERIALS SOLD IN NORTH AMERICA.



Following the Path of Our Commodities 2019

WM moves material with lower commodity prices and with higher transportation cost

Resetting the Industry – WM Requests

✓ Rate Relief Recovery

Calculating Rate Increase Request

- Increased processing costs at recycling center
- Decline in commodity pricing
- WUTC approved process and rates

Extraordinary Rate Increases Approved

- Burlington
- Stanwood
- Granite Falls
- Arlington
- Darrington
- Skagit & Snohomish Counties (WUTC)



Resetting the Industry - WM Requests

✓ Rate Relief Recovery

City of Anacortes Rates

Service Level		Current Rate	Recycling Relief (processing & commodity)	New Rate
Residential	Recycling Cart	\$9.23	\$0.95	\$10.18
Multifamily	Recycling Cart	\$9.23	\$0.95	\$10.18
	Recycling 1 Yard	\$22.19	\$1.90 (per yard)	\$24.09

Service Level		Current Rate	Recycling Relief (processing only)	New Rate
Residential	Recycling Cart	\$9.23	\$0.56	\$9.79
Multifamily	Recycling Cart	\$9.23	\$0.56	\$9.79
	Recycling 1 Yard	\$22.19	\$1.12 (per yard)	\$23.31

Resetting the Industry - WM Requests

✓ Recycling List Changes

- Remove items with limited markets or items that are now considered a contaminate in bales
- Mixed Paper: cups, cartons
- Metal: Scrap metal, aerosol cans
- Plastic: cups, plant pots

RECYCLING

Place rinsed and empty items in blue recycling cart. Do not bag.

No plastic bags!

Clean paper and cardboard

Flattened cardboard (limit 2x2 ft), newspapers, inserts, magazines, catalogs, phonebooks, paperback books, mail (window envelopes OK), paper bags, and food boxes.



Clean paper food containers

Clean paper cups, milk and juice cartons, juice boxes, and frozen food boxes. (rinse clean, no caps)



Clean glass bottles and jars

All colors and sizes. (rinse clean, no caps or lids; labels OK)



Clean metal

Aluminum and tin cans, empty aerosol cans, scrap metal (must not be sharp or greasy) and small metal appliances (limit 2x2x2 ft, 35 lbs). Please rinse and empty cans.



Clean plastic containers

Plastic bottles, cups, jars, jugs, plastic planter pots and tubs. (empty and rinse)



Resetting the Recycling Industry

The New Normal

International Recycling Markets

- Markets have been impacted for nearly two years and are not likely to improve
- Lower commodity prices and higher quality standards are the new normal

Local Recycling Programs

- Cities need to partner with haulers to create sustainable recycling systems
 - Increase costs to recycle
 - Focus on recycling quality



Thank you for your partnership
and supporting a sustainable
recycling system.

Questions?



City Council Agenda Bill

Meeting Date: 11/18/2019

Agenda Item: 7a

Subject: Waste Management's Request for Recycling Increase

Staff Contact: Fred Buckenmeyer, Public Works Director

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

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

Summary Statement: Waste Management requested an increase in residential recycling rates at the December 3, 2018 Council meeting. They are presenting a new Letter of Understanding changing the language to revisit the rate increase request in two years. Questions from that meeting are addressed in the attachments.

Background: Due to the new material bans and 0.5% contamination limits, Waste Management has requested an increase of \$0.95 per resident recycling increase. They also proposed removing items from the recyclables list.

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

Proposed Contract	
Contractor	
Amount	
Start Date	
End Date	

Previous Council/Committee Action: On March 16, 2015, City Council approved the [Residential Recyclables and Residential Organics Collection 2015-2025 Contract](#). City Council approved an [amendment](#) to the contract on [April 25, 2016](#). Council was presented with Waste Management's request to increase residential recycling rates on [December 3, 2018](#) and was updated on that request on [August 5, 2019](#).

Competing Viewpoints Considered: n/a

Recommended Motion: Discussion Only

Alternative Actions:

Attachments (listed in order presented): Response to Council's Requests, Waste Management's Extraordinary Increase Request LOU, Attachment C New Recycling List, and Waste Management's Rate Increase Fact Sheet

**SECOND AMENDMENT TO THE
RESIDENTIAL RECYCLABLES AND RESIDENTIAL ORGANICS
COLLECTION AGREEMENT
BETWEEN THE CITY OF ANACORTES, WASHINGTON
AND
WASTE MANAGEMENT OF WASHINGTON, INC.**

THIS SECOND AMENDMENT TO THE RESIDENTIAL RECYCLABLES AND RESIDENTIAL COLLECTION AGREEMENT BETWEEN THE CITY OF ANACORTES, WASHINGTON AND WASTE MANAGEMENT OF WASHINGTON, INC. (this "Amendment") is dated _____ by the City of Anacortes, Washington, a municipal corporation (the "City"), and Waste Management of Washington, Inc. ("Contractor"). Each of City and Contractor may hereafter be referred to as a "Party" or together as the "Parties."

RECITALS

- A.** The City and Contractor entered into an Agreement dated May 14, 2015 to provide residential recyclables and residential organics collection within the City of Anacortes (the "Agreement");
- B.** The Parties executed a First Amendment on or about June 6, 2016; and
- C.** The Parties now desire to further revise and amend the Agreement to address the effects of recycling markets.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, the receipt and sufficiency of which are hereby acknowledged, the Parties mutually agree as follows:

- 1. Attachment C.** Attachment C, Recyclables List, is hereby updated and amended as attached.
- 2. Full Force and Effect.** Except as otherwise provided in this Second Amendment, all other terms and provisions of the Agreement shall remain in full force and effect.

**CITY OF ANACORTES,
WASHINGTON**

By: _____
Name: _____
Title: _____

**WASTE MANAGEMENT OF
WASHINGTON, INC.**

By: _____
Name: _____
Title: _____

Attachment C
Recyclables List

MATERIAL TYPE	DESCRIPTION	PREPARATION INSTRUCTIONS	EXCLUSIONS
Glass	Food or beverage containers	Remove lids; empty of all food or liquids. Labels do not need to be removed.	Leaded glass: windows, mirrors, baking dishes, storage dishes, ceramic, plates, glassware, storage/canning jars.
Paper	- Office paper, copy paper, construction paper - Newspaper and paper inserts - Magazines and paper inserts - Catalogs - Cardboard - Mail and paper inserts - Envelopes - Paper bags - Cereal, cookie and cracker boxes - Paper towel tubes - Toilet paper tubes - Tissue boxes - Non-foil wrapping paper - Kraft paper bags or boxes	Remove plastic bags (exterior or interior), plastic packaging, metal, electronics, magnets, twine, straws, lids and any food or liquids. Must be dry. Plastic windows in paper envelopes okay.	Shredded paper; paper envelopes with bubble wrap liners, insulation liners or envelopes made from plastic (Tyvek); laminated paper, stickers, labels, photos, carbon paper, receipts, paper affixed to magnets; wax or poly-coated cups, cartons, or aseptic containers; pet food bags; mixed material bags; wet or soiled paper; paper with large amounts of paint or glue.
Cardboard	- Cardboard boxes - Cardboard packaging - Cardboard beverage 'flats' or nursery 'flats'	Flatten all cardboard. Remove all interior packaging, block foam, packing peanuts and exterior plastic wrap. Do not bundle with tape or twine. External tape okay. Oversized cardboard can be placed next to	Waxed cardboard, wet cardboard

		card/container. Must be dry.	
Metal	• Tin, aluminum and steel food or beverage containers	Remove all exterior packaging; remove lids; empty of all food or liquids. Labels do not need to be removed.	Aluminum foil and trays; sharp or greasy metal; batteries; propane tanks, microwaves; electrical cords; cell phones; car snow chains. Empty aerosol cans, Metal appliances
Plastic	• PET/PETE bottles (#1 plastic) • HDPE bottles/jugs (#2 plastic) • Dairy tubs, e.g. butter, yogurt, cottage cheese (#5 plastic)	Plastic bottles with plastic screw-on lids are okay <u>if</u> lids are screwed back on, remove all other lids; remove straws; empty of all food, liquids or other debris. Labels do not need to be removed.	#3, #4, #6 & #7 plastics, plastic bags, plastic cups, plastic film; plastic bottles that contained HHW listed materials; deli, bakery and produce clamshell containers; loose lids – any size; plant trays; PVC; large rigid plastic (outdoor furniture, laundry baskets, swimming pools, toys, etc.); hoses; landscaping/sprinkler tubing.

Contractor reserves the right, upon notice to the City, to reclassify Recyclables as non-Recyclables for such period of time that the cost to process, transport and market such materials exceeds its then-current value and/or there is no commercially viable market for such material.

**THIRD AMENDMENT TO THE
RESIDENTIAL RECYCLABLES AND RESIDENTIAL ORGANICS
COLLECTION AGREEMENT
BETWEEN THE CITY OF ANACORTES, WASHINGTON
AND
WASTE MANAGEMENT OF WASHINGTON, INC.**

THIS THIRD AMENDMENT TO THE RESIDENTIAL RECYCLABLES AND RESIDENTIAL COLLECTION AGREEMENT BETWEEN THE CITY OF ANACORTES, WASHINGTON AND WASTE MANAGEMENT OF WASHINGTON, INC. (this "Amendment") is dated _____ by the City of Anacortes, Washington, a municipal corporation (the "City"), and Waste Management of Washington, Inc. ("Contractor"). Each of City and Contractor may hereafter be referred to as a "Party" or together as the "Parties."

RECITALS

- A.** The City and Contractor entered into an Agreement dated May 14, 2015 to provide residential recyclables and residential organics collection within the City of Anacortes (the "Agreement");
- B.** The Parties executed a First Amendment on or about June 6, 2016;
- C.** The Parties executed a Second Amendment on or **about xxx, 2019**; and
- D.** The Parties now desire to further revise and amend the Agreement to address the effects of recycling markets on recyclables collection rates.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, the receipt and sufficiency of which are hereby acknowledged, the Parties mutually agree as follows:

1. Attachment B. Attachment B, Contractor Rates, is hereby updated and amended as attached effective **xxx, 2019**, to compensate WM for increased costs of recycling as a result of uncontrollable global recycling market changes. On or about **xxxx, 2021**, the Contractor shall review its calculations and existing global recycling market conditions, and the Parties shall meet and confer to determine any further adjustments (increase or decrease).

2. Full Force and Effect. Except as otherwise provided in this Third Amendment, all other terms and provisions of the Agreement shall remain in full force and effect.

**CITY OF ANACORTES,
WASHINGTON**

By: _____
Name: _____
Title: _____

**WASTE MANAGEMENT OF
WASHINGTON, INC.**

By: _____
Name: _____
Title: _____

Attachment B
Contractor Rates

	Service Level	Service Fee
Weekly Residential Service	Recycling Cart Service	\$10.18
	Subscription Weekly Organics Cart Service	\$11.52
	Additional Organics Cart	\$4.13
	Organics Extra (Residential) - 32 gallon increments	\$3.25
	Cart Cleaning (per cart per event)	\$10.87
	Return Trip Fee (Recycling/Organics)	\$7.93
Weekly Commercial Service	Subscription Weekly Food Scrap Cart Service	\$16.44
	Return Trip Fee (Food Scrap)	\$7.93
	Food Scrap Extra (Commercial) - 32 gallon increments	\$4.67
	Food Scrap Extra Lift (On Service day)	\$4.67
	Food Scrap Extra Service (Not on Service day)	\$9.02
Multifamily Service	Recycling Cart Service	\$10.18
	Recycling 1 Yard Service	\$24.09
	Recycling 2 Yard Service	\$48.18
	Recycling 3 Yard Service	\$72.27
	Recycling 4 Yard Service	\$96.36
	Recycling 6 Yard Service	\$144.55
	Return Trip Fee (Recycling)	\$7.93
Event Services		Cost/Day
	Set of (2) 96-gal Carts, per event day	\$9.49
Hourly Rates	Service	Cost/Day
	Rear/Side-load packer + driver	\$120.34
	Front-load packer + driver	\$120.34
	Drop-box Truck + driver	\$120.34
	Additional Labor (per person)	\$60.16

Attachment B
CONTRACT RATES
City of Anacortes Rate Sheet

3.65%
January 1, 2019

Recycling Relief

Recycling Relief
January 1, 2019

	Service Level	Total Service Fee	Total Service Fee	Total Service Fee
Weekly Residential Service	Recycling Cart Service	\$9.23	\$0.95	\$10.18
	Subscription Weekly Organics Cart Service	\$11.52		\$11.52
	Additional Organics Cart	\$4.13		\$4.13
	Organics Extra (Residential) - 32 gallon increments	\$3.25		\$3.25
	Cart Cleaning (per cart per event)	\$10.87		\$10.87
	Return Trip Fee (Recycling/Organics)	\$7.93		\$7.93
Weekly Commercial Service	Subscription Weekly Food Scrap Cart Service	\$16.44		\$16.44
	Return Trip Fee (Food Scrap)	\$7.93		\$7.93
	Food Scrap Extra (Commercial) - 32 gallon increments	\$4.67		\$4.67
	Food Scrap Extra Lift (On Service day)	\$4.67		\$4.67
	Food Scrap Extra Service (Not on Service day)	\$9.02		\$9.02
Multifamily Service	Recycling Cart Service	\$9.23	\$0.95	\$10.18
	Recycling 1 Yard Service	\$22.19	\$1.90	\$24.09
	Recycling 2 Yard Service	\$44.38	\$3.80	\$48.18
	Recycling 3 Yard Service	\$66.57	\$5.70	\$72.27
	Recycling 4 Yard Service	\$88.76	\$7.60	\$96.36
	Recycling 6 Yard Service	\$133.15	\$11.40	\$144.55
	Return Trip Fee (Recycling)	\$7.93		\$7.93
Event Services		Cost/Day		Cost/Day
	Set of (2) 96-gal Carts, per event day	\$9.49		\$9.49
Hourly Rates	Service	Cost/Day		Cost/Day
	Rear/Side-load packer + driver	\$120.34		\$120.34
	Front-load packer + driver	\$120.34		\$120.34
	Drop-box Truck + driver	\$120.34		\$120.34
	Additional Labor (per person)	\$60.16		\$60.16

Attachment C Recyclables List

MATERIAL TYPE	DESCRIPTION	PREPARATION INSTRUCTIONS	EXCLUSIONS
Glass	Food or beverage containers	Remove lids; empty of all food or liquids. Labels do not need to be removed.	Leaded glass: windows, mirrors, baking dishes, storage dishes, ceramic, plates, glassware, storage/canning jars.
Paper	- Office paper, copy paper, construction paper - Newspaper and paper inserts - Magazines and paper inserts - Catalogs - Cardboard - Mail and paper inserts - Envelopes - Paper bags - Cereal, cookie and cracker boxes Frozen food boxes Juice boxes Milk, juice and ice cream cartons Aseptic containers —e.g. soup, broth, soy milk, almond milk - Paper towel tubes - Toilet paper tubes - Tissue boxes - Non-foil wrapping paper - Kraft paper bags or boxes Hot or cold cups	Remove plastic bags (exterior or interior), plastic packaging, metal, electronics, magnets, twine, straws, lids and any food or liquids. Must be dry. Plastic windows in paper envelopes okay.	Shredded paper; paper envelopes with bubble wrap liners, insulation liners or envelopes made from plastic (Tyvek); laminated paper, stickers, labels, photos, carbon paper, receipts, paper affixed to magnets; wax-coated cups; pet food bags; mixed material bags; wet or soiled paper; paper with large amounts of paint or glue.
Cardboard	- Cardboard boxes - Cardboard packaging	Flatten all cardboard. Remove all interior packaging, block	Waxed cardboard.

	• Cardboard beverage 'flats' or nursery 'flats'	foam, packing peanuts and exterior plastic wrap. Do not bundle with tape or twine. External tape okay. Oversized cardboard can be placed next to card/container. Must be dry.	
Metal	• Tin, aluminum and steel food or beverage containers • Empty aerosol cans • Scrap metal (limit: 2'x2'x2', 35 lbs.) • Metal appliances, cord removed	Remove all exterior packaging; remove lids; empty of all food or liquids. Labels do not need to be removed.	Aluminum foil and trays; sharp or greasy metal; batteries; microwaves; electrical cords; cell phones; car snow chains.
Plastic	• Food and beverage containers • PET/PETE bottles • HDPE bottles/jugs • Dairy tubs, e.g. butter, yogurt, cottage cheese • Cups • Rigid plant pots • 5-gallon buckets	Plastic bottles with plastic screw-on lids are okay if lids are screwed back on, remove all other lids; remove straws; empty of all food, liquids or other debris. Labels do not need to be removed.	Plastic bags, plastic film; plastic bottles that contained HHW listed materials; deli, bakery and produce clamshell containers; loose lids – any size; plant trays; PVC; large rigid plastic (outdoor furniture, laundry baskets, swimming pools, toys, etc.); hoses; landscaping/sprinkler tubing.

China Sword Impact - Residential

Municipality: **Anacortes**

WM MRF Used: **Cascade Recycling Center (CRC)**

1. Increased MRF Processing Costs

Explanatory Notes

a	Previous WUTC Processing Cost per Ton	\$	71.19	Based on previous WUTC tariff for CRC
b	Current WUTC Processing Cost per Ton	\$	92.86	Per May 2018 WUTC tariff for CRC
c	Increased Cost per Ton	\$	21.67	[b - a]
d	Annual Residential Recycling Tons		2,033	2017 actual resi recycling tons
e	Total Increased Processing Cost - Residential	\$	44,055	[c x d]
f	Total Residential Accounts		6,596	Total accounts as of 4/30/2018
g	Monthly Rate Increase per Residential Account	\$	0.56	[e / f / 12]

2. Change in Commodity Values

h	Q4-2017 Average Commodity Value per Ton	\$	66.91	Per Q4-2017 reported CRC commodity values
i	Q1-2018 Average Commodity Value per Ton	\$	51.88	Per Q1-2018 reported CRC commodity values
j	Revenue Loss per Ton	\$	15.03	[h - i]
k	Annual Residential Recycling Tons		2,033	2017 actual resi recycling tons
l	Total Commodity Value Decrease	\$	30,556	[j x k]
m	Total Residential Accounts		6,596	Total accounts as of 4/30/2018
n	Monthly Rate Increase per Residential Account	\$	0.39	[l / m / 12]

3. Total Monthly Adjustment Requested*	\$ 0.95	[g + n]
---	----------------	-----------

*Excludes any other adjustments that may be necessary due to contract requirements.

Waste Management Extraordinary Recycling Requests for the City of Anacortes

Rate Increase

Because of sudden and sustained international changes to recycling markets, there have been significant cost increases for WM in providing recycling service to the City of Anacortes. Due to stricter quality standards from markets, WM's costs to sort recyclables and prepare them for market have increased. There has also been a dramatic decrease in the value of recyclables including paper and plastic products.

The rate increase will cover WM's increased costs of processing recyclables and the drop in commodity values. For example, up until January 1, 2018, China was recycling approximately half of the world's paper. After January 1, China closed their doors to imports of recycled paper, requiring recyclers around the world to seek out new markets overnight. As a result of the competition among recyclers to have their paper processed, recycling markets are now requiring unprecedented bale quality. To meet these new requirements, WM has slowed sort lines at our recycling facility and added employees to sort lines so that recyclables meet higher quality standards. The dramatic decrease in recyclable commodity values has undermined our ability to continuing processing recyclables at our current rates.

The rate increase is not permanent. WM and the city will review the rates in two years to determine if a rate adjustment is warranted.

Recycling List Changes

Markets around the world are demanding cleaner bales of materials and have narrowed the list of accepted materials in bales. Items like milk cartons and paper cups used to be accepted in bales of paper but are now considered a contaminant. Refining our list of recyclable materials will ensure that WM has outlets for recyclables now and in the future. This also ensures that all items on our accepted list are truly recyclable, helping to sustain public trust and transparency in the recycling system.

Local Government Response

All areas serviced by WM in Skagit County, other than Anacortes, have accepted a rate increase and changed the accepted recycling list. Unincorporated Skagit County residential rates were increased in Spring of 2018 and Burlington rates were increased in February of 2019. Mount Vernon and Sedro Woolley have newer contracts with WM that take into account higher rates to process recycling.



City of Anacortes



Financial Review of Every Other Week (EOW) Solid Waste Collection

Matt Hobson, Project Manager
November 18, 2019





Agenda

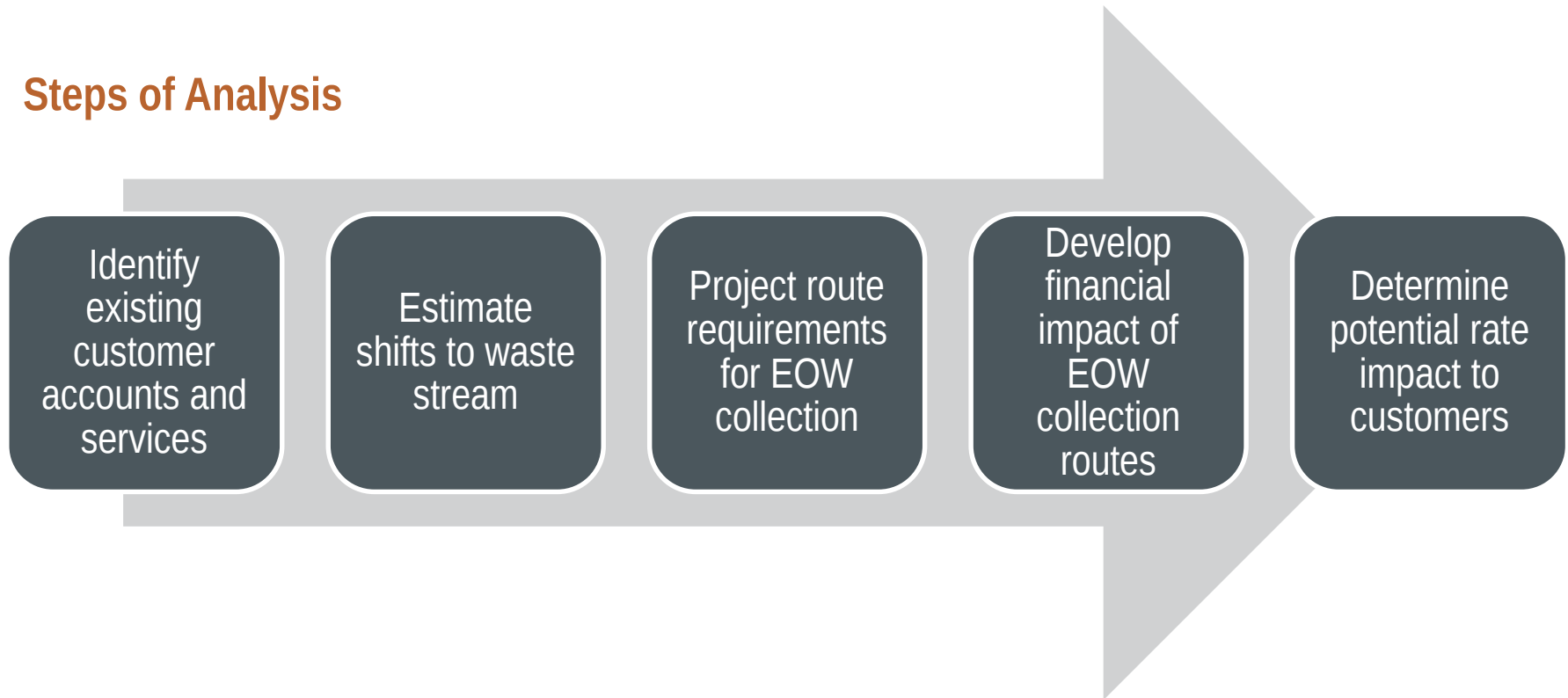
- ◆ **Scope and background**
- ◆ **Existing service**
- ◆ **Every other week (EOW) collection service**
 - Customer impacts and waste generation
 - Direct operating costs
 - Scenarios considered
 - Estimated financial impacts
- ◆ **Other considerations**



Scope of Work

Question: What are the potential impacts of transitioning residential customers to every other week collection of solid waste?

Steps of Analysis





Background

- ◆ **Relatively few cities offer EOW collection as the standard service for garbage collection**
- ◆ **Examples of cities with EOW service: Olympia (WA), Port Angeles (WA), Renton (WA), Tacoma (WA), and Portland (OR)**

Potential benefits of EOW service

Financial savings
Operational efficiencies
Increased recycling & composting
Greenhouse gas reduction

Potential costs of EOW service

Reduced service level
Customer outreach and education
Changes to service contracts
Purchase of larger containers

Key Question: Do the financial savings of EOW collection outweigh the reduced service level?



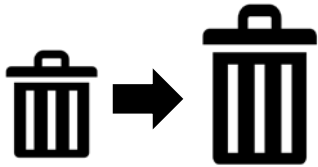
Existing Residential Service

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	  				1	2
3	4   	5	6	7	8	9
10	11   	12	13	14	15	16
17	18   	19	20	21	22	23
24	25   	26	27	28 Thanksgiving	29	30

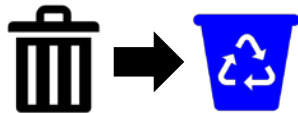


EOW Collection: Customer Response

- ◆ How might customers respond to EOW garbage service?



- Increased container size



- Waste diversion: more recycling



- More customers subscribe to compost service



Direct Residential Solid Waste Costs

Cost Category	Components
Equipment costs	Fuel, repair & maintenance, truck replacement
Personnel costs	Crew salaries and benefits
Supply costs	Outreach and education materials
Cart costs	Upsized garbage carts, new compost carts
Disposal costs	Skagit County disposal rate and solid waste tonnage
Recycling costs	Rate revenue less Waste Management contract rate
Compost costs	Rate revenue less Waste Management contract rate



Scenarios Considered

Waste Stream	Scenario A: Pessimistic	Scenario B: Expected*	Scenario C: Optimistic
Garbage 	100% of customers increase can size	5-11% of customers increase can size	-----
Recycling 	-----	+4% diverted tons	+4% diverted tons
Compost 	-----	-----	+1,950 new customers (80% subscription rate)

*Scenario B is based on the results of the 2013 City of Seattle Public Utilities (SPU) "One Less Truck Pilot Project" that implemented EOW garbage collection for approximately 800 households over a 6-month pilot period.



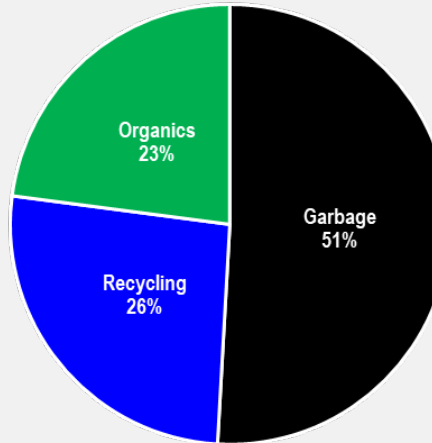
\$10.21

Monthly Direct Cost
per Customer

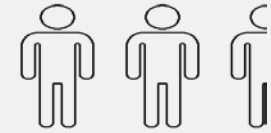
\$894,400

Total Direct Costs

Distribution of Annual Tonnage



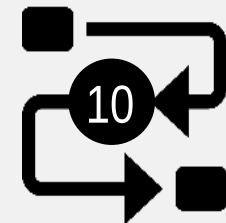
7,937
garbage
containers



2.5 crews



2.5 trucks



10 routes per week



Scenario A: Pessimistic

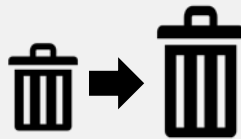
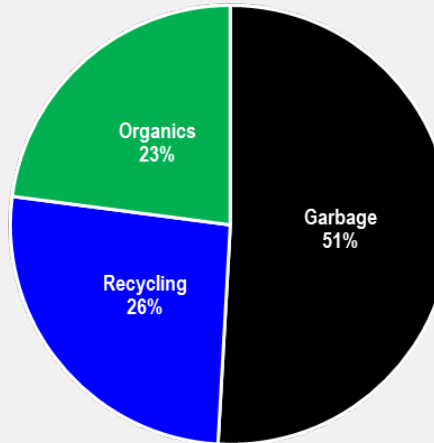
\$9.96

Monthly Direct Cost
per Customer

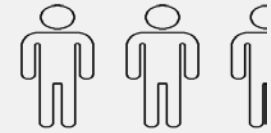
\$872,200

Total Direct Costs

Distribution of Annual Tonnage



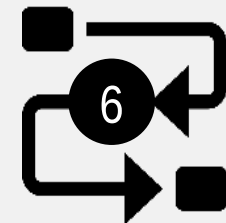
7,297
customers
upsize
garbage cart



2.5 crews



2.5 trucks



6 routes per week



Scenario B: Expected

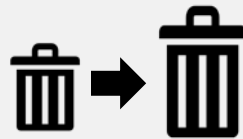
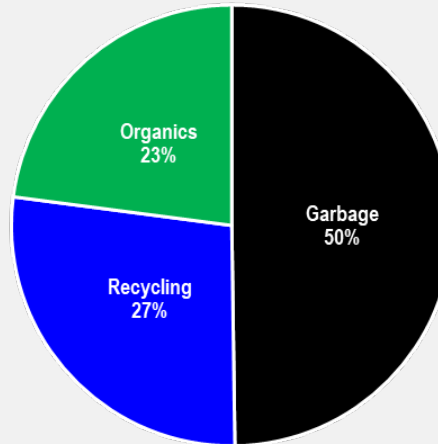
\$9.66

Monthly Direct Cost
per Customer

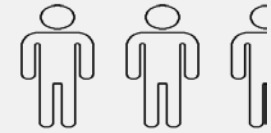
\$845,800

Total Direct Costs

Distribution of Annual Tonnage



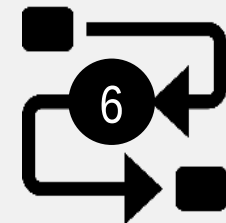
736
customers
upsized
garbage cart



2.5 crews



2.5 trucks



6 routes per week



Scenario C: Optimistic

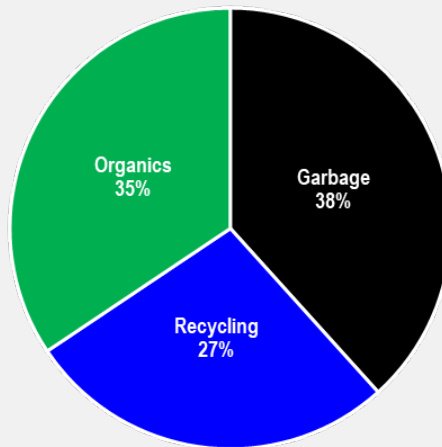
\$6.98

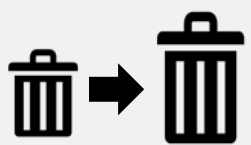
Monthly Direct Cost
per Customer

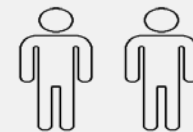
\$610,800

Total Direct Costs

Distribution of Annual Tonnage



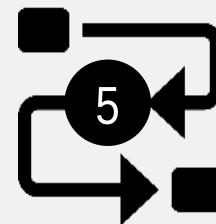
 0
customers
upsize
garbage cart



2.0 crews



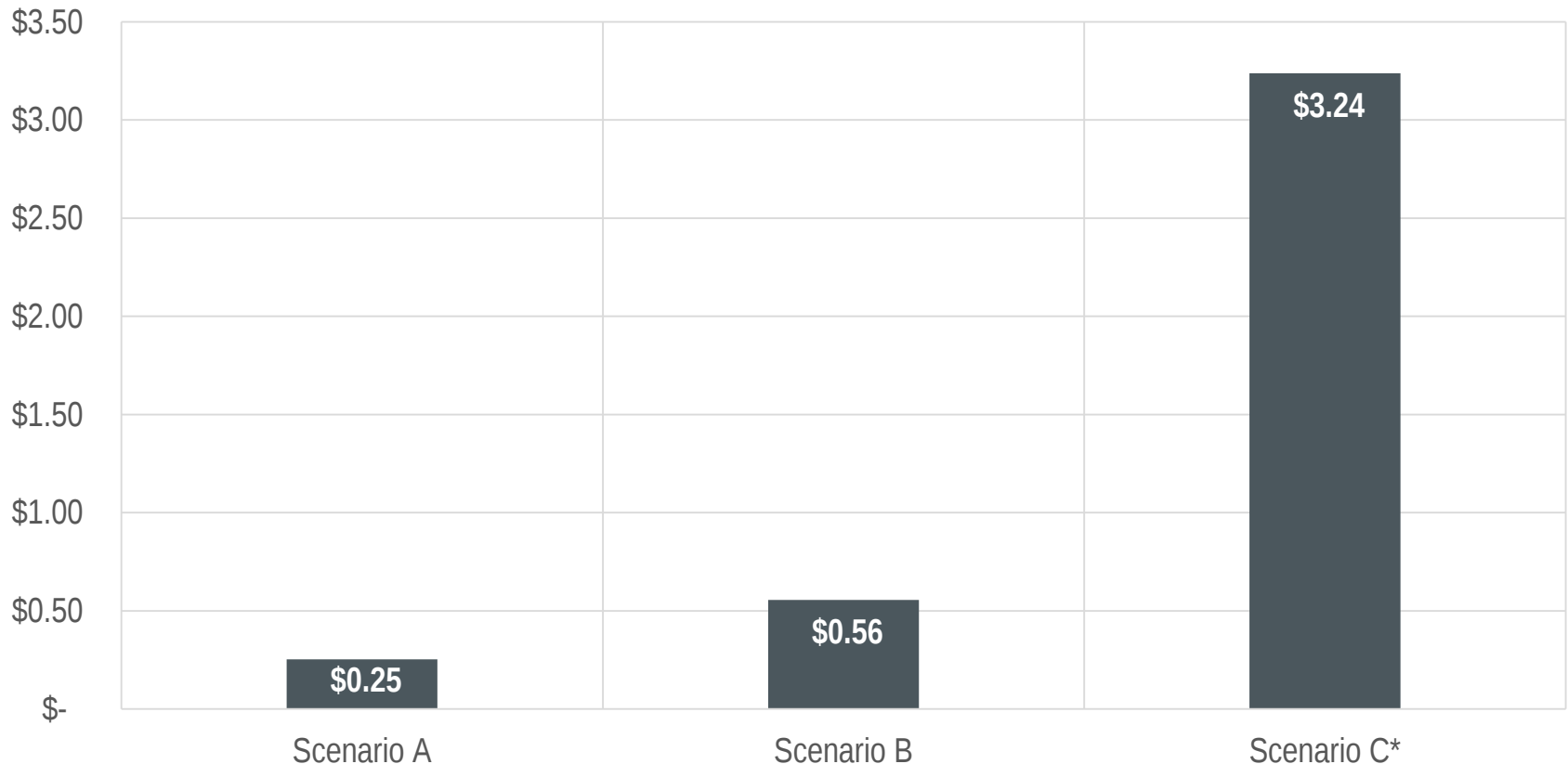
2.0 trucks



5 routes per week



EOW Garbage Collection: Estimated Monthly Cost Savings per Customer



*Note: Represents monthly cost savings per customer for garbage service; this scenario assumes that 1,950 customers would subscribe to organics service. These customers would also pay an organics service rate (\$13.76 per month as of January 1, 2019).



Existing Residential Service

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	  				1	2
3	4   	5	6	7	8	9
10	11   	12	13	14	15	16
17	18   	19	20	21	22	23
24	25   	26	27	28 Thanksgiving	29	30



Every-Other-Week Residential Service

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	  				1	2
3	4  	5	6	7	8	9
10	11   	12	13	14	15	16
17	18  	19	20	21	22	23
24	25   	26	27	28 Thanksgiving	29	30



What about Holidays? Next Day Pick-up

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	  				1	2
3	4  	5	6	7	8	9
10	11 Veterans' Day	12   	13	14	15	16
17	18  	19	20	21	22	23
24	25   	26	27	28 Thanksgiving	29	30



What about Holidays? Skip it

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	  				1	2
3	4  	5	6	7	8	9
10	11 Veterans' Day	12  	13	14	15	16
17	18  	19	20	21	22	23
24	25   	26	27	28 Thanksgiving	29	30



Other Considerations

- ◆ **Skagit County Code 12.16.150 (4):** Garbage shall be removed from the premises at least once every fourteen days or more often if a nuisance develops.
- ◆ **Reports from other communities with EOW collection suggest that odor and pest issues are uncommon**
- ◆ **Customer outreach material includes tips to minimize odors**
 - Use plastic bags to contain garbage
 - Keep garbage lid closed
 - Dispose of food waste in organics container (weekly service)



Summary

- ◆ **We expect monthly cost savings of \$0.25 to \$0.56 per customer from EOW collection service**
 - Economies of scale realized from EOW collection more pronounced in larger service areas; City serves all residential customers with two trucks
 - Projected EOW garbage scenarios require same trucks and crews as existing service level
 - Significant increases to organics collection service, waste stream diversion, and customer outreach necessary to reduce equipment needs
- ◆ **We would also expect a rate increase to customers that subscribe to organics service as a result of EOW garbage collection**
- ◆ **Modeled financial results relatively consistent with City of Seattle 2013 pilot project results**

Matt Hobson

Project Manager

matthewh@fcsgroup.com

Contact FCS GROUP:

(425) 867-1802 ext 241

www.fcsgroup.com



Unified Fee Schedule Update

November 18, 2019

- **SEWER RATE UPDATE**

Timeline to date

- ▶ November of 2018 FCS presented to Council results of cash flow analysis, and based on that recommendation, Council authorized Sewer Utility rate increases of 7% annually from 2019 – 2024.
- ▶ Sewer Utility Cost of Service study was then performed, and the winter water use average application reviewed.

Timeline to date

- ▶ The results of the latest study was presented to Council by FCS at the September 3rd, 2019 Council meeting.
- ▶ Council continued discussion on October 7th and October 21st.

Sewer rate update

- ▶ The Cost of Service analysis showed commercial accounts generate higher flows per account, and therefore should have higher rates than residential accounts.
- ▶ To correct this, the recommendation was made to modify the rate increases for years 2020 – 2025, from 7% across the board, to 3.5% residential, and roughly 15% commercial.
- ▶ CFC requested a Multifamily category be added to be consistent with the Water utility.

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 update

		2020 Sewer Rates w/out change			2020 Sewer Rates with change		
Meter Size (Inches)		Residential	Commercial		Residential	Commercial	Multi-Family
5/8 × ¾ & ¾		\$ 41.63	\$ 41.63		\$ 40.27	\$ 45.09	\$ 45.09
	1	\$ 58.32	\$ 58.32		\$ 56.40	\$ 63.15	\$ 63.15
	1½	\$ 74.94	\$ 74.94		\$ 72.51	\$ 81.19	\$ 81.19
	2		\$ 120.77			\$ 130.81	\$ 130.81
	3		\$ 458.07			\$ 496.17	\$ 496.17
	4		\$ 583.00			\$ 631.50	\$ 631.50
	6		\$ 874.50			\$ 947.25	\$ 947.25

Sewer rate update

- Assuming rate update is adopted

	2020 Base Rates	
Service	Residential	Commercial
Water	\$ 20.29	\$ 30.48
Sewer	\$ 40.27	\$ 45.09
Storm	\$ 11.29	\$ 11.29
Refuse	\$ 9.21	
Recycling	\$ 11.50	
	\$ 92.56	\$ 86.86

Recommendations implemented

- ▶ Resolution 2062 adopts new Sewer rates and updates the Unified Fee Schedule accordingly
 - ▶ The Sewer rate was updated to include a multifamily classification.
 - ▶ The unified fee schedule includes language to help us remember the classification change.



City Council Agenda Bill

Meeting Date: 11/18/2019

Agenda Item: 7c

Subject: Update of the sanitary sewer rates to reflect cost of service

Staff Contact: Steve Hoglund, Fred Buckenmeyer

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

Action Type	
	Ordinance No.
	Code Revision?
x	Resolution No. 2062
	Contract
	Public Hearing
	Staff Report

Summary Statement: This is continued discussion from the September 3, 2019, October 7, 2019 and October 21, 2019 City Council meetings regarding updating the City's sanitary sewer rates.

Background: A cost of service analysis was performed on sewer rates.

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

Proposed Contract	
Contractor	
Amount	
Start Date	
End Date	

Previous Council/Committee Action: Previously discussed at [September 3, 2019](#) City Council meeting, October 1, 2019 Finance Committee meeting, [October 7, 2019](#) City Council meeting and [October 21, 2019](#) City Council meeting.

Competing Viewpoints Considered: Sewer rates should not be adjusted.

Recommended Motion: I move to adopt Resolution 2062.

Alternative Actions: Leave sanitary sewer rates unchanged.

Attachments (listed in order presented): PowerPoint presentation, draft Resolution 2062



Unified Fee Schedule Update

November 18, 2019

- **SEWER RATE UPDATE**

Timeline to date

- ▶ November of 2018 FCS presented to Council results of cash flow analysis, and based on that recommendation, Council authorized Sewer Utility rate increases of 7% annually from 2019 – 2024.
- ▶ Sewer Utility Cost of Service study was then performed, and the winter water use average application reviewed.
- ▶ The results of the latest study was presented to Council by FCS at the September 3rd, 2019 Council meeting.
- ▶ Council continued discussion on October 7th and October 21st.

Sewer rate update

- ▶ The Cost of Service analysis showed commercial accounts generate higher flows per account, and therefore should have higher rates than residential accounts.
- ▶ To correct this, the recommendation was made to modify the rate increases for years 2020 – 2025, from 7% across the board, to 3.5% residential, and roughly 15% commercial.
- ▶ CFC requested a Multifamily category be added to be consistent with the Water utility.

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 update

	2020 Sewer Rates w/out change			2020 Sewer Rates with change		
Meter Size (Inches)	Residential	Commercial		Residential	Commercial	Multi-Family
5/8 × 3/4 & 3/4	\$ 39.75	\$ 39.75		\$ 40.27	\$ 45.09	\$ 45.09
1	\$ 55.67	\$ 55.67		\$ 56.40	\$ 63.15	\$ 63.15
1½	\$ 71.55	\$ 71.55		\$ 72.51	\$ 81.19	\$ 81.19
2		\$ 115.30			\$ 130.81	\$ 130.81
3		\$ 437.32			\$ 496.17	\$ 496.17
4		\$ 556.60			\$ 631.50	\$ 631.50
6		\$ 834.90			\$ 947.25	\$ 947.25

Recommendations implemented

- ▶ Resolution 2062 adopts new Sewer rates and updates the Unified Fee Schedule accordingly
 - ▶ The Sewer rate was updated to include a multifamily classification.
 - ▶ The unified fee schedule includes language to help us remember the classification change.

RESOLUTION NO. 2062

A RESOLUTION UPDATING THE UNIFIED FEE SCHEDULE TO UPDATE SANITARY SEWER RATES

WHEREAS, the City Council authorized FCS Group to conduct a sanitary sewer rate cost of service study; and

WHEREAS, the City Council desires to adopt by resolution into the Unified Fee Schedule a revised schedule of fees that allocate the rate burden across customer classes equitably; and

WHEREAS, the City would like to collect fees to cover all costs incurred,

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Anacortes, Washington, that:

Section 1. The Unified Fee Schedule currently in effect will be updated to include new sewer rates as follows:

Meter Size (Inches)	Residential	Commercial	Multi-Family
5/8 × ¾ & ¾	\$ 40.27	\$ 45.09	\$ 45.09
1	\$ 56.40	\$ 63.15	\$ 63.15
1½	\$ 72.51	\$ 81.19	\$ 81.19
2		\$ 130.81	\$ 130.81
3		\$ 496.17	\$ 496.17
4		\$ 631.50	\$ 631.50
6		\$ 947.25	\$ 947.25

Section 2. This resolution shall take effect for utility charges incurred on and after January 1, 2020.

PASSED and APPROVED on this 18st day of November, 2019.

AYES____

NAYS____

ABSENT____

CITY OF ANACORTES:

BY: _____
LAURIE M. GERE, MAYOR

ATTEST:

APPROVED AS TO FORM:

Steven D. Hoglund
City Clerk Treasurer

Darcy J. Swetnam, WSBA # 40530
City Attorney



Unified Fee Schedule Update

November 18, 2019

- **WATER AND SEWER GFC'S**

History

- ▶ GFC – General Facility Charge
 - ▶ New construction
 - ▶ Capacity Increase
- ▶ Funds used for capital projects
 - ▶ Water Treatment Plant Upgrade
 - ▶ Transmission Line Capacity Increase
- ▶ Regular utility rates makeup the remainder of our revenue
 - ▶ What is not collected from new development is paid for by all current users of our water and sewer system.

Timeline to date

- ▶ FCS group completed a General Facility Charges rate study in both the Water and Sewer utilities.
- ▶ The results of the latest study was presented to Council by FCS at the September 3rd, 2019 Council meeting.
- ▶ Council continued discussion on October 7th and October 21st.

Water and Sewer GFC update

- ▶ Last GFC update was in 2005.
- ▶ The water treatment plant was built since then, that alone adding \$70 million to infrastructure.
- ▶ Updated GFC calculations showed the current Water GFC is severely under, but Sewer is slightly over.

GFC Proportions

- ▶ Residential housing in Anacortes is at an all time high.
- ▶ The water and sewer GFCs, combined, are roughly 3% of the cost of a new house.
- ▶ The combined change in the GFC is only about 6/10th of a percent of the cost of a new house.
- ▶ Someone choosing to buy or build a new house in Anacortes will likely not change their decision based on this GFC increase.

Proposed Rates

2020 GFC Rates without update

► Water \$ 4,346

► Sewer \$10,510

\$14,856

Water: \$3,823

2020 GFC Rates with update

► Water \$ 8,169

► Sewer \$ 9,141

\$17,310

Sewer: \$1,369

Total Increase: \$2,454

Impact to customers

New Construction ► Redfin.com

ADDRESS	PRICE	BEDS	BATHS	SQUARE FEET	LOT SIZE	\$/SQUARE FEET	STATUS
2410 L Ave	\$ 639,900	4	3	3,115	6,136	\$ 205	Active
1419 Latitude Cir	\$ 1,273,000	4	2.75	3,291	7,937	\$ 387	Active
1412 14th St	\$ 515,000	3	1.75	1,705	5,003	\$ 302	Pending
4936 Channel Marker Ter	\$ 598,500	3	2.25	2,190	6,000	\$ 273	Pending
1602 Latitude Cir	\$ 819,900	4	2.5	2,967	7,781	\$ 276	Pending
3312 Q Ave	\$ 320,500	1	1	793	2,313	\$ 404	Active
2406 L Ave	\$ 599,900	4	2.5	2,469	6,750	\$ 243	Pending
120 Haddon Rd	\$ 538,950	3	2.5	1,918	7,802	\$ 281	Active
116 Haddon Rd	\$ 663,950	3	2.5	2,750	7,501	\$ 241	Pending
1604 Latitude Cir	\$ 819,900	4	2.5	2,967	7,500	\$ 276	Pending
1506 Latitude Cir	\$ 889,900	4	3	2,936	8,054	\$ 303	Active
4408 Orchard Ave	\$ 969,000	3	2.75	3,313	15,076	\$ 292	Active
Average	\$ 720,700	3.3	2.4	2,535	7,321	\$ 284	



1412 14th St
Anacortes, WA 98221

Status: Pending

\$515,000
Listed at Price

3
Beds

1.75
Baths

1,705 Sq. Ft.
\$302 / Sq. Ft.

Redfin Estimate: \$515,171 On Redfin: 24 days

Overview

Property Details

Property History

Schools

Tour Insights

Public Facts

Redfin Estimate

N

PENDING



Sale Pending

The seller has accepted the offer. The property is now pending sale.

Listing provided courtesy of RE/MAX Gateway.

* NEW CONSTRUCTION * 1705 sq ft Single level home with 2 car detached garage located close to all the fabulous amenities Anacortes has to offer. This 3 bed, 2 bath home offers quartz throughout, wood flooring, SS appliances, heat pump/AC, bright open

Impact to customers

- ▶ Overall increase to GFCs of \$2,454
- ▶ \$515,000 price for new construction house
 - ▶ GFC increase is only .5% of the total cost

Proposed Rates – Water Portion

Water GFC Implementation

- ▶ Implementation in 2020
 - ▶ Increase by \$3,823

Water GFC 3 Year Implementation

- ▶ \$1,274 annual increase
- ▶ 2020 \$5,620
- ▶ 2021 \$6,895
- ▶ 2022 \$8,169

- ▶ This does not include annual CPI increases

Recommendations implemented

- ▶ Resolution 2065 adopts new GFC rates and updates the Unified Fee Schedule accordingly
 - ▶ Based on 2020 implementation
 - ▶ If choosing 3 year implementation, make a motion to change resolution



City Council Agenda Bill

Meeting Date: 11/18/2019

Agenda Item: 7d

Subject: Update of the Water and Sanitary Sewer GFC's to reflect updated cost of infrastructure.

Staff Contact: Steve Hoglund, Fred Buckenmeyer

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

Action Type	
	Ordinance No.
	Code Revision?
x	Resolution No. 2065
	Contract
	Public Hearing
	Staff Report

Summary Statement: This is continued discussion from the September 3, 2019, October 7, 2019 and October 21, 2019 City Council meetings regarding updating the City's Water and Sewer Utility GFC's.

Background: A cost of service analysis was performed on water and sewer GFC's by the FCS Group. GFC's have not been updated since 2005, this analysis is against updated infrastructure asset values and CFP requirements in each utility.

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

Proposed Contract	
Contractor	
Amount	
Start Date	
End Date	

Previous Council/Committee Action: Previously discussed at [September 3, 2019](#) City Council meeting, October 1, 2019 Finance Committee meeting, [October 7, 2019](#) City Council meeting and [October 21, 2019](#) City Council meeting.

Competing Viewpoints Considered: Sewer and Water GFC's should not be adjusted.

Recommended Motion: I move to adopt Resolution 2065 to adjust the Water and Sewer GFC's.

Alternative Actions: Leave GFC's unchanged.

Attachments (listed in order presented): PowerPoint presentation, draft Resolution 2065



Unified Fee Schedule Update

November 18, 2019

- **WATER AND SEWER GFC'S**

Timeline to date

- ▶ FCS group completed a General Facility Charges rate study in both the Water and Sewer utilities.
- ▶ The results of the latest study was presented to Council by FCS at the September 3rd, 2019 Council meeting.
- ▶ Council continued discussion on October 7th and October 21st.

Water and Sewer GFC update

- ▶ Last GFC update was in 2005.
- ▶ The water treatment plant was built since then, that alone adding \$70 million to infrastructure.
- ▶ Updated GFC calculations showed the current Water GFC is severely under, but Sewer is slightly over.

GFC Proportions

- ▶ Residential housing in Anacortes is at an all time high.
- ▶ The water and sewer GFCs, combined, are roughly 3% of the cost of a new house.
- ▶ The combined change in the GFC is only about $6/10^{\text{th}}$ of a percent of the cost of a new house.
- ▶ Someone choosing to buy or build a new house in Anacortes will likely not change their decision based on this GFC increase.

Proposed Rates

2020 GFC Rates without update

▶ Water	\$ 4,346
▶ Sewer	<u>\$10,510</u>
	\$14,856

2020 GFC Rates with update

▶ Water	\$ 8,169
▶ Sewer	<u>\$ 9,141</u>
	\$17,310

Proposed Rates

Water GFC Implementation

- ▶ Implementation in 2020
 - ▶ Increase by \$3,823

Water GFC 3 Year Implementation

- ▶ \$1,274 annual increase
- ▶ 2020 \$5,620
- ▶ 2021 \$6,895
- ▶ 2022 \$8,169

- ▶ This does not include annual CPI increases

Recommendations implemented

- ▶ Resolution 2065 adopts new GFC rates and updates the Unified Fee Schedule accordingly
 - ▶ Based on 2020 implementation
 - ▶ If choosing 3 year implementation, make a motion to change resolution

RESOLUTION NO. 2065

A RESOLUTION UPDATING THE UNIFIED FEE SCHEDULE TO UPDATE WATER AND SEWER GENERAL FACILITIES CHARGES

WHEREAS, the City Council authorized FCS Group to conduct a Water and Sanitary Sewer general facilities charge rate study; and

WHEREAS, the City Council desires to adopt by resolution into the Unified Fee Schedule a revised GFC charge to allocate the capital rate burden across customer classes equitably; and

WHEREAS, GFCs recover from new development a proportionate share of the cost of capital facilities; and

WHEREAS, in the fifteen years since the last GFC update, the City has spent more than \$100 million on capital improvements; and

WHEREAS, the City would like to collect fees to cover all costs incurred,

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Anacortes, Washington, that:

Section 1. The Unified Fee Schedule adopted by Resolution 2059 be updated to include new GFC rates for the Water and Sanitary Sewer Utilities as follows:

Water		Sewer
Meter Size (Inches)	GFC In-City	Per ERU
5/8 × ¾ & ¾	\$ 8,169	\$ 9,141
1	\$ 20,424	
1½	\$ 40,847	
2	\$ 65,355	
3	\$ 130,711	
4	\$ 204,236	
6	\$ 408,471	
8	\$ 653,554	
10	\$ 939,484	

Section 2. This resolution shall take effect for utility charges incurred on and after January 1, 2020.

PASSED and APPROVED on this 18st day of November, 2019.

AYES_____

NAYS_____

ABSENT_____

CITY OF ANACORTES:

BY: _____
LAURIE M. GERE, MAYOR

ATTEST:

APPROVED AS TO FORM:

Steven D. Hoglund
City Clerk Treasurer

Darcy J. Swetnam, WSBA # 40530
City Attorney



Anacortes City Council

Proposed Agenda Items for the Next Eight Weeks Beginning November 25, 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.

November 19, 2019

Special Joint Meeting with Fidalgo Pool and Fitness Center Board of Commissioners, 6:00 p.m.

November 25, 2019

- Contract Award: 2020-2022 Cartegraph Solutions and Subscription Agreement #20-005-ENG-001 (Consent)
- Contract Award: Municipal Broadband Network – Library to MSTs #19-175-FBR-002 (Consent)
- Ordinance 3052: Updating AMC Chapter 12.50, Street and Alley Vacation (Discussion)

December 2, 2019

- Public Hearing: Interim Ordinance 3054 Declaring an Emergency and Adopting a Moratorium on the Acceptance of Certain Land Use Applications in the R4 Zone (Discussion/Possible Action)
- Contract Award: Ship Harbor and SR20 Spur Intersection Improvements Project #16-025-TRN-003 (Action)
- Memorandum of Understanding: Fidalgo Island Water System (Discussion/Possible Action)

December 9, 2019

- Anacortes Fiber Internet Update (Discussion)

December 16, 2019

December 23, 2019

January 6, 2020

January 13, 2020

January 21, 2020

Upcoming City Council Committee Meetings

The public is welcome to attend City Council Committee Meetings.

- Public Works, Monday, Nov 18, 2019, 5:00 PM, Main Conference Room, City Hall
- Finance, Wednesday, Nov 20, 2019, 5:00 PM, Main Conference Room, City Hall
- Parks & Recreation, Thursday, Nov 21, 2019, 6:00 PM, Main Conference Room, City Hall
- Planning, Monday, Nov 25, 2019, 5:00 PM, Main Conference Room, City Hall
- Finance, Wednesday, Nov 27, 2019, 5:00 PM, Main Conference Room, City Hall
- Public Works, Monday, Dec 2, 2019, 5:00 PM, Main Conference Room, City Hall
- Public Safety, Tuesday, Dec 3, 2019, 10:00 AM, Main Conference Room, City Hall
- Port/City Liaison, Tuesday, Dec 3, 2019, 8:30 AM, Third Floor Conference Room, City Hall
- Planning, Monday, Dec 9, 2019, 5:00 PM, Main Conference Room, City Hall
