



Anacortes City Council
Municipal Building Council Chambers
904 6th Street

June 8, 2026
6:00 PM

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

1. **Call to Order**
2. **Pledge of Allegiance**
3. **Announcements and Committee Reports**
 - a. Housing Affordability and Community Services and Planning Committee (Report)
 - b. Port / City Liaison Committee (Report)
 - c. Presentation of 'ANACORTES' Letters Sign by the Anacortes Arts Festival and the Skagit Tourism Bureau (Presentation)
4. **Public Comment**
 - a. [Participation Rules and Procedures](#)
 - b. Written Public Comment
5. **Consent Agenda**
 - a. Minutes of June 1, 2026 (Action)
 - b. Approval of claims in the amount of \$646,509.75 (Action)
 - c. Contract Award: 2026 Dumpster Order #26-055-SAN-002 (Action)
 - d. Contract Modification: Social Worker Agreement #26-007-APD-001 (Action)
6. **Public Hearings**
 - a. Resolution 3221: 2027-2032 Transportation Improvement Program Update* (Discussion/Possible Action)
7. **Other Business**
 - a. Ordinance 5031: Updating AMC 12.60 Complete Streets* (Discussion/Possible Action), (Second Read)
 - b. Resolution 3219: Approve and Adopt the AWC Employee Benefit Trust Employer Master Participation Agreement Update (Discussion/Action)
 - c. Resolution 3220: Approve and Adopt the Amended and Restated Navia Welfare Benefit Plan (Discussion/Action)
 - d. Contract Approval: Whitmarsh Landfill Remediation Site Water Discharge Agreement #26-183-SEW-001 (Discussion/Action)
8. **Closed Session**

Watch online or participate via Zoom at www.anacorteswa.gov/meetings. Comment via email to cityclerk@anacorteswa.gov or to City Clerk, P.O. Box 547, Anacortes WA 98221. Public comments received by the City Clerk prior to 3 p.m. on the day of the meeting will become part of the record for the meeting. The City of Anacortes is committed to making public meetings accessible to all community members. For assistance with special needs, contact the City Clerk at 360-299-1960 in advance of the meeting.

- a. Collective Bargaining topics per RCW 42.30.140(4)(b) (15 minutes) (Discussion)

9. **Adjournment**

Watch online or participate via Zoom at www.anacorteswa.gov/meetings. Comment via email to cityclerk@anacorteswa.gov or to City Clerk, P.O. Box 547, Anacortes WA 98221. Public comments received by the City Clerk prior to 3 p.m. on the day of the meeting will become part of the record for the meeting. The City of Anacortes is committed to making public meetings accessible to all community members. For assistance with special needs, contact the City Clerk at 360-299-1960 in advance of the meeting.

City Council

June 8, 2026

Highlights:

- Presentation of ANACORTES Letter Sign
- Transportation Improvement Program (TIP) Update
- Complete Streets Ordinance



City Hall's Third Floor Counter IS

TRANSITIONING TO APPOINTMENT-ONLY



WHAT'S CHANGING?

Beginning **July 6**, the City of Anacortes will transition permit services from a traditional walk-up counter model to an appointment-based service model in accordance with Executive Order 2026-02.



PERSONALIZED SERVICE

One-on-one appointments with the appropriate staff member(s)



REDUCED WAIT TIMES

Improved efficiency and shorter wait times



FOCUSED ASSISTANCE

More focused help tailored to your project



HOW TO SCHEDULE AN APPOINTMENT

Permit services will continue to be fully available through scheduled appointments, which can be made online at anacorteswa.gov/permitting. It's easy & convenient, try it today!





COMMUNITY OPEN HOUSE

ANACORTES SHORELINE MASTER PROGRAM UPDATE

Join us to learn about the process to update the
Anacortes Shoreline Master Program. Share your input
and ask questions!

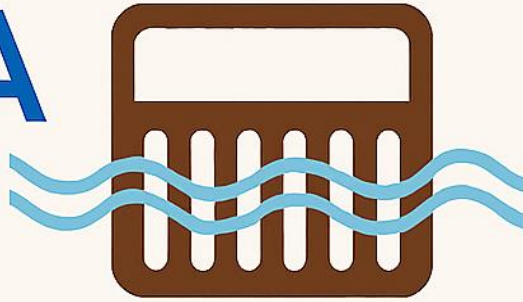
TUESDAY, JUNE 9 | 4 - 6 PM

City Hall Council Chambers
904 6th Street



www.anacorteswa.gov/smpupdate

ADOPT A STORM DRAIN



Adopting a neighborhood storm drain helps reduce flooding and protects our local waterways – including the Salish Sea and Fidalgo Bay!

Sweep up! Rake up! Pick up!

Sign up to
adopt a drain



Keep your
drain clear



Track your
impact



Sign up at wa.adopt-a-drain.org



CONVERSATION WITH THE MAYOR

June 10 • 1:00–2:00

Anacortes Senior Center

Join Mayor Walters for an informal conversation — ask questions, learn about City projects, and provide your feedback on what issues matter most to you.



BARK IN THE PARK



2026

Saturday
June 13th
10am-2pm
Storvik Park

Come celebrate our 
furry friends!

Friendly leashed
dogs welcome!

eliasm@cityofanacortes.org

(360) 299-1969



5TH ANNUAL ANACORTES PRIDE



PARADE

STRONGER TOGETHER

Parade starts at 1 PM
Downtown Anacortes
Event from 2 to 5 PM
Depot Arts & Community Center

21 JUNE 2026

board@anacortespride.org
PO Box 2021, Anacortes, WA 98221
Logo art by Emmitt Anderson





**Registration
required for all
participant
groups**

anacorteswa.gov/fourth

4TH OF JULY

★ 250TH INDEPENDENCE DAY ★

CELEBRATION

CITY OF ANACORTES

10AM TOWN PHOTO & PATRIOTIC PROGRAM
COMMERCIAL & 5TH AVE

11AM PARADE
COMMERCIAL AVE

5PM ROCK THE DOCK
SEAFARERS' PARK

DUSK FIREWORKS
OVER FIDALGO BAY



Committee Reports

- Housing Affordability and Community Services (HACS) Committee
- Port/City Liaison Committee





City Council Agenda Bill

June 8, 2026

Action Type: Presentation

Item: 3.c.

Title: Presentation of 'ANACORTES' Letters Sign by the Anacortes Arts Festival and the Skagit Tourism Bureau

Staff Contact(s): Ryan Walters

Approved for Submittal to Council by:

Greg Francioch
John Coleman

Summary: The Skagit Valley Tourism Bureau spearheaded a program where each of the cities in Skagit County received 5.5' tall letters that spell out the name of the city. The ANACORTES letters were installed by the Port, on Port property, at the Washington State Ferry landing on June 1st. This project required coordination from many organizations, and tonight we want to thank and celebrate the many contributions to the project.

Meredith McIlmoyle, director of the Anacortes Arts Festival and Skagit Tourism Bureau board member, will give a presentation about the project and the contributors. Many thanks to:

- Skagit Tourism Bureau for leading the project and commissioning the letters to be constructed locally.
- EDASC for acquiring grant money for the project;
- Anacortes Art Festival for designing the graphics on the letters and working with a local sign company (SignDog) to have the letters wrapped with the graphics;
- Local artist Jennifer Bowman for the art applied to the letters;
- The Port of Anacortes for providing the location and installing the letters;
- The Anacortes Chamber of Commerce for project coordination and design of a sign that accompanies the letters, directing people to the many activities available in the city;
- Anacortes Public Works Department for building the sign mount and installing it at the site.

Budget Impact:

Previous Action:

Recommended Motion:

Alternative Actions:

Attachments (listed in order presented):

1. Find the Letters Presentation 6-8-26

“Find Every Letter”

A County-Wide Art
Adventure

#magicskagit

#experienceanacortes

The Idea



This project was made possible through regional collaboration and a shared vision. The Skagit Tourism Bureau and EDASC received a grant from the Seattle Foundation to showcase Skagit County to visitors watching the big soccer games in Seattle, WA and Vancouver, BC this summer. The goal was to create something memorable that draws people into our communities and encourages deeper exploration.



Fabrication



The Collaboration

With a six-week-to-installation countdown on, the City Council Economic Development Committee led a conversation with collaborative community partners . That group selected a location and took the letters from vision to reality.





Art & Design

Jennifer Bowman



Wrapping the Art





Installation





Find the Letters. Explore Anacortes.

From: [Mark Nihart](#)
To: [CityClerk](#); [CityClerk](#); [Mark Nihart](#)
Subject: CAO Public Involvement Schedule
Date: Thursday, June 4, 2026 7:31:06 PM
Attachments: [SGA PC CAO schedule.docx](#)

***** This email is from outside the City of Anacortes network. Please use caution when clicking on links, opening attachments, or replying. *****

Mr. Hoglund:

Please send my letter (below and attached) to the Mayor, City Council and Planning Commission and include it in Monday's Council Packet.

Thanks for the assistance and as always your help is much appreciated.

Please acknowledge receipt of this email. Thank you.

Mark B. Nihart
Acting President of Smart Growth Anacortes
<https://smartgrowthanacortes.com/>



Smart Growth Anacortes

Date: June 5th, 2026
Subject: CAO Public Involvement Schedule

Mayor, Council and Planning Commission:

Smart Growth Anacortes (SGA) has serious concerns regarding the severely compressed Critical Area Ordinance (CAO) schedule.

To start with, how does a compacted schedule serve the public or the City? And what was the driving force to announce and have a Planning Commission meeting in which the agenda announced the CAO proposed schedule and then had the proposed public involvement plan complete with public hearing all at once. Clearly, some distance and time to react and to provide thoughtful and expert comments by the residents, non-profits, and government agencies is demanded.

Furthermore, all the public involvement will take place over the summer when residents (the owners and fanciers of Anacortes) are involved in summer activities

and vacation; critical non-profit organization staff is also preoccupied with summer; vital government organizations suffer staff summer activities. Non-profits and vital government organizations need time, time to explore and research so they can provide the best possible contribution to the process via comments. These organizations have the expertise and experience the City needs to have a solid CAO and Shoreline Master Program (SMP) update capable of meeting the Department of Ecology requirements.

The City plan should be asking how the City engages these critical, expert resources then what can the City do to gain as much knowledge from them as possible. NOT how can they limit their participation by a compacted schedule over summer vacations.

Smart Growth Anacortes requests the following:

- Make the time for CAO public involvement align with the SMP schedule, which will take place over a year. *(A gentle reminder is the SMP schedule is in agreement with the Growth Management Hearings Board ruling.)*
- More public comment periods with opportunities for the public to comment on responses to their comments by the City.
- The City request non-profits and governmental organizations to participate in reviewing the comments and making shared decisions on what should go into the CAO update. *If this is unreasonable then a written documented process (created with public input) for how public comments will be managed, a list of the decision makers with a professional bio, a written criteria for determining what goes into the CAO update.*
- Solicit proposals from the public for specific regulation changes. This will jump start the process and allow the public to focus on areas the City is prioritizing.
- A schedule when the Planning Commission (PC) and or Planning Commission and Public Workgroups will discuss the proposals.
- Make readily available and provide a link to the website where Word copies of the ordinances the City is proposing to amend.

SGA sees the above requests as a logical, rational and effective way the City can leverage Residents, Non-Profits and Government Organizations such that all win, including the City, with an exemplary collaborative Critical Area Ordinance Plan.

Respectfully,

Mark B. Nihart
Acting President of Smart Growth Anacortes

<https://smartgrowthanacortes.com/>

To have Anacortes as a premier example of a city in which assertive, knowledgeable and actively engaged residents – the owners and financiers of Anacortes - are working with City Staff, the Mayor, the City Council in a transparent, respectful, collaborative environment for the benefit of all who live, work and serve in Anacortes.

From: janet2busy@gmail.com
To: [CityClerk](#); [CityClerk](#)
Cc: [Janet Andrews](#); [Marti Evans](#); [Bill Niedringhaus](#); [Janet Peargin](#); [Amber Phillips](#)
Subject: Request for MDNS - Herrigstad Short Plat Application SPL-2024-0001
Date: Friday, June 5, 2026 11:11:54 AM
Attachments: [Request for MDNS 6-5-2026.pdf](#)

***** This email is from outside the City of Anacortes network. Please use caution when clicking on links, opening attachments, or replying. *****

Mr. Hoglund:

Please forward the attached letter requesting a Mitigated Declaration of Non-Significance for the Herrigstad Short Plat Application to:

- John Coleman, Director of Planning, Community & Economic Development
- Mayor Walters
- City Council Members

Please acknowledge receipt of this email.

Thank you for your assistance.

Janet Peargin for the Signatories (Ward 2)

TO: John Coleman, Director of Planning - Mayor Walters - City Council

DATE: June 5, 2026

SUBJECT: Request for MDNS - Herrigstad Short Plat Application SPL-2024-0001, Whistle Lake Road

We request a Mitigated Declaration of Non-Significance (MDNS) for this project and attach mitigations to include. Reasons for this request are in comments we submitted during the 14-day comment period - summarized below.

Although the proposal is for a four-lot Short Plat, it is not a routine application. It represents a significant decision that sets precedent for future applications in the area. Your review is a test of the City's new Comprehensive Plan, the updated Critical Area Ordinance (CAO), the Stormwater Management Action Plan (SMAP) and other adopted plans and regulations.

The Anacortes Stormwater Management Action Plan identifies Happy Valley Stream as one of 3 "key surface water streams" in the City's selected priority catchment. This stream runs through the property and any proposed developments along this stream should warrant a high level of scrutiny.

The proposal does not fit the intent of the Comprehensive Plan R1 Low Density transition zone. It also does not fit this site, as it has a critical area and limited utilities. We are not saying "no" to some development, but this proposal would have significant impacts, and there is missing and conflicting information in the application.

The SEPA checklist contains inconsistencies that need correction. It is not clear if this proposal will result in 3 new units – or up to 12. Different numbers are noted in different places.

The SEPA checklist does not address offsite impacts like stormwater runoff in an area where the stormwater "system" is soil absorption. It talks about the runoff to Happy Valley Stream from the addition of 18,000 square feet of impermeable surfaces but does not address offsite impacts to existing homes. It does not say how many of the large Douglas fir trees will be removed and how their removal will add to runoff volumes. There is no review of potential impact to neighbors' septic systems. There is no mention of downstream hillside erosion alongside our wetland stream, or to erosion or flooding of our culverts and access roads. In addition, there is no discussion of the risk posed by saturated soil to the stability of remaining trees, settling of foundations, or impact to septic systems, crawl spaces, and garage slabs. These gaps must be addressed and findings discussed with neighbors.

The SEPA checklist does not consider the potential impact of the build-out. The scope of the proposal has been limited to creating the lots, driveways and utilities. It does not say how 4,000 square foot homes will "fit" on the proposed lots without towering over existing neighbors. It does not address how design, construction and ongoing maintenance will be done to preserve the nature and (literal) stability of the existing neighborhood. SEPA review should address the result of full build-out, otherwise, the true environmental and neighborhood impact of this project may never be fully addressed. Or, it may be addressed piecemeal, which is time-consuming and will likely result in greater cost with sub-optimum results.

There is opportunity to do things efficiently and effectively if we look at the big picture now.

We believe that:

(1) The environmentally sensitive nature of the site dictates that a pre-application conference/neighborhood meeting should be conducted per Anacortes Municipal Code (AMC) 19.20.030. The Herrigstad property does not meet the exception criteria in AMC 19.20.090.

(2) The necessary protection of Happy Valley Stream and associated wetlands and Riparian Zone reduces the land available for development to 1.18 acres. Thus, the proposal to build at least three, 4000 square foot homes on 1.18 acres warrants a special review process per the Comprehensive Plan R1 Residential Low-Density Zoning.¹

(3) There are gaps and inconsistencies in the SEPA document and related reports provided online - and important information (like the plan to cut trees) was not provided for neighbor/public review. Our comments to the Planning Staff during the comment period reflect our concerns and confusion as to what is intended for this property.

We would like to be part of the discussion as to what happens to this property.

We request that you review our attached list of proposed Process Steps and Mitigation Conditions and tell us what you will include in a Mitigated Declaration of Non-Significance (MDNS) before it is issued.

We understand we have the right to appeal your decision to the City Hearing Examiner for the Short Plat and SEPA. We are prepared to file an appeal on both fronts, if necessary.

Respectfully submitted (In alphabetical order):

Janet Andrews, Ward 2
Marti Evans, Ward 2
Bill Niedringhaus, Ward 2
Janet Peargin, Ward 2
Amber Phillips, Ward 2

Attachment: Process Steps and Mitigation Conditions to Include

¹ [Adopted-2025-2045-Comprehensive-Plan-Volumes-1--2](#)

Land Use Designation	Implementing Zoning Designation
Residential Low Density 1 Purpose: This designation provides for low density residential development in the southern end of the City that is inappropriate for more intensive urban development due to topography, the frequent presence of wetlands, the high cost and difficulty in extending public facilities, and the desire to create a lower intensity transitional area between the city and the surrounding unincorporated rural pasture, forest and agricultural land. Expected development & uses: Single-family detached dwellings, accessory dwelling units, and cottages. Maximum and minimum density regulations are for the purpose of calculating density for large subdivisions and cottages. In such situations the permitted base density is up to 2 dwelling units per gross acre. Densities up to 4 units per gross acre may be permitted via a special review process .	R1

Process Steps and Mitigation Conditions to Include

1. Protect Happy Valley Stream, riparian/wetland ecosystems, existing homes, septic systems and culverts/private roads. Value the property rights of neighbors as well as those of the applicant.
2. Meet with the Neighbors and Community to consider what can be built on the 1.18 acres of developable land.
 - a. A Neighborhood meeting (AMC 19.20.030) should be required for R1 Zone areas as they require a SEPA review for even the most minor projects due to environmental constraints on development. In this case it is especially important given the presence of protected critical areas (Happy Valley Stream), the applicability of the Critical Area Ordinance, the number of Douglas Firs that could be impacted, and the proximity of the proposed homes to existing neighbors on septic.
 - b. In addition, follow the special review process due to the number of buildings proposed per the [Adopted-2025-2045-Comprehensive-Plan-Volumes-1--2](#).
3. Model offsite runoff and soil saturation impacts for the full build-out. Limit tree removal and include loss of their water uptake in the calculations as a separate model run. Assess potential impacts from runoff and soil saturation to existing homes, septic systems and culverts/private roads. Report findings to neighbors with existing homes and discuss implications with them.
4. Create a separate parcel for the Happy Valley Stream, wetland, and Riparian Zone area.
5. Provide the plan for tree preservation per AMC 16.50 as there are many large Douglas firs on the property.
6. Ensure drywells are maintained ongoing by requiring inspection and reporting like septic system monitoring. Require the developer pay for yearly monitoring up front.
7. Provide a performance bond to address impacts to existing homes, septic systems and culverts/private roads caused by the new homes.
8. Specify no ADUs or cottage homes or outbuildings.
9. Explicitly restate the requirement that duplexes are not allowed in the R1 Zone.

Anacortes City Council Minutes - June 1, 2026

Call to Order

Mayor Ryan Walters called to order the June 1, 2026, Anacortes City Council meeting at 6:00 p.m. Councilmembers Marcia Hunt, Luke Currier, Anthony Young, Christine Cleland-McGrath, Carolyn Moulton, and TJ Fantini were present. Councilmember Bruce McDougall was absent.

Ms. Moulton moved, seconded by Ms. Hunt without objection to excuse the absence of Mr. McDougall.

Pledge of Allegiance

The assembly joined in the Pledge of Allegiance.

Announcements and Committee Reports

Mayor Walters announced June as Pride Month with the parade on June 21st at 1pm and [Orca Action Month](#) with the associated [Adopt a Storm Drain](#) program. He also outlined upcoming programs at the Senior Activity Center including AI Made Simple and Organ Clocks and Biological Aging on June 3rd and photographs of the Vietnam War with Charlie Haughey on June 4th. He then mentioned the First Friday Art Walk this Friday from 6-8pm downtown and upcoming Parks and Recreation events, including Bark in the Park, and the [4th of July Celebration](#) and parade.

Public Works Committee

Mr. Fantini reported from the Public Works Committee meeting held earlier in the evening. The topics discussed include the Wastewater Treatment Plant alternatives analysis report with next steps coming before the council some time this summer; the [Downtown Streetscapes Plan](#) in consultation with [First Forty Feet](#), which will provide the council with a menu of options to consider at the committee level that will then be vetted and brought before the full council; and the revision of a planned storm water line repair under the heavy haul route that was deemed unnecessary due to Public Works efforts to stabilize the pipes and new stormwater pipes that will be installed as part of the port's West Basin project. He pointed out that this project revision allows for stormwater system repairs on West 5th Avenue between Kansas Avenue and Illinois Avenue.

Presentation of Pride Parade Poster

Mason Cole and members of the Anacortes Pride Board of Directors presented the 2026 Pride poster to the Mayor and Council.

Public Comment

Mayor Walters invited the public to comment on any item not on the agenda.

Public comment was given as follows:

Mark Nihart of Ward 2, Anacortes, representing Smart Growth Anacortes, spoke against the Herrigstad short plat development application.

Janet Peargin of Ward 2, Anacortes, spoke against the Herrigstad short plat development application.

Janet Andrews of Ward 2, Anacortes, spoke against the Herrigstad short plat development application.

Marty Evans of Ward 2, Anacortes, spoke against the Herrigstad short plat development application.

Carol Oglesbee of Cap Sante Court Community asked about how to safely cross 32nd Street from the retirement home to Storvik Park. Mayor Walters responded that the crosswalk project that will allow for safe crossing between Cap Sante Court Community and Storvik Park is in progress.

Consent Agenda

Ms. Moulton moved, seconded by Mr. Fantini, to approve the following Consent Agenda items. The motion carried unanimously by voice vote.

a. Minutes of May 26, 2026

b. Approval of claims in the amount of \$136,680.88

The following vouchers/checks were approved for payment:

EFT numbers: 115719 through 115740, total \$80,407.46

Check numbers: 115741 through 115758, total \$52,774.24

Wire transfer numbers: 389465 through 389686, total \$3,499.18

c. Contract Award: 2026 Satterlee Road Waterline Replacement #26-135-WTR-001

Other Business

Ordinance 5031: Updating AMC 12.60 Complete Streets

Public Works Director Logan Lee introduced proposed Ordinance 5031 that would update AMC 12.60 Complete Streets, referring to a slide presentation that was added to the packet materials for the meeting.

Discussion topics included:

- The process for noting where projects that qualify for exceptions to Complete Streets standards would be made in Section 12.60.050.
 - The [projects page](#) on the city's website.
 - In the project plans and / or permit documentation.
- The code section applies to city capital projects.
- Shared use path definition.
- Ensuring definitions in the code section match the state definitions.
- Making transportation accessible.
- The use of small mobility devices.
- Environmentally conscious transport options that connect points of interest.
- [Skagit Transit microtransit](#) possibilities.
- How Complete Streets standards guide transportation planning.
- Repeated exceptions to standards as an indication of possible policy changes.

Mayor Walters noted that staff would update Section 12.60.050 to detail the process for documenting exceptions to the standards in individual projects, accept Evergreen Islands comments, make other edits, and bring it back for a second read at the next regular meeting.

Adjournment

There being no further business, at approximately 6:47 pm, the Anacortes City Council meeting of June 1, 2026, 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 June 8, 2026 City Council meeting:
[Download this file in OpenDocument spreadsheet format.](#)

Invoice Doc #	Invoice Date	Invoice #	Vendor Full Name	Description	Total Amount	Approval Queue
390080	2/27/2026	IN2451513	MES SERVICE COMPANY LLC	5" KEY FIRE HOSE	\$ 10,160.72	medic
390071	3/21/2026	IN2467548	MES SERVICE COMPANY LLC	ROPE RESCUE: HARNESES, PRUSIKS.	\$ 3,609.26	medic
390078	3/30/2026	IN2474115	MES SERVICE COMPANY LLC	SCBA REPAIR	\$ 151.49	medic
390048	3/31/2026	508656976	MIDWEST TAPE, LLC.	DVDS FOR LIBRARY	\$ 139.42	publib
390062	4/11/2026	RE-313-ATB60411189	WASHINGTON STATE DEPARTMENT	Q AVENUE PEDESTRIAN CROSSINGS - WSDOT REVIEW	\$ 107.74	pw1
390065	4/13/2026	1081963	BUILDERS EXCHANGE OF	ONLINE BID DOCUMENT POSTING - 2026 DOON WAY & WHISTLE LK PTPF ARCH	\$ 98.01	pw1
389766	4/29/2026	1100008461	EUROFINS ENVIRONMENT TESTING	LAB TESTING	\$ 110.00	dwwtp
389780	5/6/2026	68218	SKAGIT PUBLISHING LLC	PUBLISH AA-740474	\$ 40.60	finance
389781	5/6/2026	68219	SKAGIT PUBLISHING LLC	PUBLISH AA-740490	\$ 113.68	plan
390074	5/7/2026	2371R	WASHINGTON STATE POWER LLC	EMERGENCY AERIAL FIBER OPTIC CABLE REPAIR, L AVE & 41ST ST	\$ 3,305.33	fiber
390067	5/8/2026	INVUS298484	CELLEBRITE, INC.	CELLEBRITE DIGITAL FORENSIC TOOLS - 5/8/26-5/7/27	\$ 16,084.53	apd
390054	5/11/2026	378343	MILES SAND & GRAVEL CO.	SUPPLIES FOR STREET DEPT	\$ 1,009.17	dshop
390055	5/11/2026	378346	MILES SAND & GRAVEL CO.	SUPPLIES FOR STREET DEPT	\$ 295.76	dshop
390083	5/13/2026	68361	SKAGIT PUBLISHING LLC	PUBLISH AA-741937	\$ 48.72	finance
389774	5/14/2026	863191623	SOUND DENTISTRY	DENTAL SERVICE, LEOFF 1 RETIREE, D MEAD.	\$ 251.00	hr
389769	5/15/2026	26-COA-DFP-09	FIRST FORTY FEET LLC	DOWNTOWN STREETSCAPES PLAN - APRIL 2026	\$ 23,093.25	plan
389935	5/16/2026	ReimbJBerg	BERG, JUSTEN	REIMBURSE JUSTEN (USED PERSONAL CREDIT CARD)	\$ 4,298.37	medic
389702	5/18/2026	11508	FUELCARE, INC.	WTP GENERATOR FUEL LINE BOOT INSPECTION-SITE EVAL	\$ 669.05	dwwtp
389760	5/18/2026	INV01050575	USA BLUE BOOK	MAINTENANCE SUPPLIES	\$ 1,047.90	dwwtp
389759	5/20/2026	340228	NORTHSTAR CHEMICAL INC.	PLANT CHEMICALS	\$ 3,025.57	dwwtp
389757	5/20/2026	6002839947	ENDRESS + HAUSER, INC	MAINTENANCE SUPPLIES	\$ 1,240.37	dwwtp
389776	5/20/2026	ReimbO'Leary	O'LEARY, TIMOTHY	Q2 TRANSAMERICA, LONG-TERM CARE, TIM O'LEARY, LEOFF 1 RETIREE	\$ 396.00	hr
389835	5/21/2026	6560768908	VESTIS SERVICES LLC	APD NYLON MATS CLEANED	\$ 16.34	apd

Invoice Doc #	Invoice Date	Invoice #	Vendor Full Name	Description	Total Amount	Approval Queue
389761	5/21/2026	817183	DOG WASTE DEPOT	DOG WASTE BAGS FOR PARKS	\$ 7,501.60	parks1
389765	5/22/2026	1100009740	EUROFINS ENVIRONMENT TESTING	LAB TESTING - EFFLUENT MONTHLY	\$ 108.92	dwwtp
389764	5/22/2026	1100009745	EUROFINS ENVIRONMENT TESTING	LAB TESTING - SIDE STREAM MONTHLY	\$ 45.00	dwwtp
389763	5/22/2026	1100009746	EUROFINS ENVIRONMENT TESTING	LAB TESTING - INFLUENT MONTHLY	\$ 45.00	dwwtp
389714	5/22/2026	997123	JCI JONES CHEMICALS INC	SODIUM HYPOCHLORITE	\$ 9,449.70	dwwtp
390069	5/22/2026	IN2512394	MES SERVICE COMPANY LLC	SCBA REPAIR	\$ 568.33	medic
389836	5/23/2026	00005W5A83216	UNITED PARCEL SERVICE, INC	UPS SHIPPING CHARGES; WEEK ENDING 5-23-26	\$ 15.32	apd
390059	5/25/2026	20711	WILSON ENGINEERING, LLC	29TH ST RESERVOIR REPLACEMENT PROJECT THROUGH 5/22/2026	\$ 35,480.50	pw1
389758	5/25/2026	6560770180	VESTIS SERVICES LLC	LAUNDRY SERVICE FOR WWTP	\$ 41.32	dwwtp
389834	5/26/2026	11251-1	ANACORTES TOWING, LLC	TOWING; APD CASE 26-A02881	\$ 169.88	apd
389929	5/26/2026	15017594	HACH COMPANY	CL17 PRE-ASSY MAINT KITS	\$ 5,380.37	dwtpt
389928	5/26/2026	15017618	HACH COMPANY	DESSICANT TUBE EMPTY WITH COTTON PO 26-149	\$ 118.95	dwtpt
389936	5/26/2026	2130142	LIFE ASSIST, INC	TUBING, MEGAMOVERS, EXAM GLOVES, NEEDLES	\$ 1,219.52	medic
389711	5/26/2026	2502004	T-SHIRTS BY DESIGN	WTP 2026 CREW UNIFORMS	\$ 1,801.03	dwtpt
389770	5/26/2026	2954080	FOSTER GARVEY PC	WWTP SLUDGE INCINERATOR AND OPERATING PERMIT	\$ 2,475.00	legal
390046	5/26/2026	508916842	MIDWEST TAPE, LLC.	DVDS FOR COLLECTION	\$ 124.21	publib
389937	5/26/2026	6560770928	VESTIS SERVICES LLC	STA 2 MAT/MOP SERVICE: 5/26	\$ 16.33	medic
390064	5/27/2026	045-565925	TYLER TECHNOLOGIES, INC	ENTERPRISE RESOURCE PLANNING SOFTWARE/IMPLEMENTATION SERVICES	\$ 3,679.08	finance
389778	5/27/2026	15018771	HACH COMPANY	BLUE HERON LAB SUPPLIES	\$ 552.09	wdist
390066	5/27/2026	200946	HARGIS ENGINEERS INC	PUBLIC SAFETY BUILDING HVAC IMPROVEMENTS - DESIGN - 4/19/26-5/16/26	\$ 8,444.00	pw1
389783	5/27/2026	300000290043	PUGET SOUND ENERGY INC	STREET LIGHTS: 12/7/25 - 4/7/26 (CORRECTED CHARGES)	\$ 40.12	dshop
390077	5/27/2026	Pay App 1	STRIDER CONSTRUCTION CO, INC	COMBINED SEWER OVERFLOW PUMP STATION - CONSTRUCTION	\$ 144,837.00	pw1

Invoice Doc #	Invoice Date	Invoice #	Vendor Full Name	Description	Total Amount	Approval Queue
389712	5/27/2026	REIMBJAMES-SHERMAN	JAMES-SHERMAN, CAMERON	BOOT ALLOWANCE: REIMBURSE CAMERON JAMES SHERMAN	\$ 240.00	dwtp
389923	5/28/2026	0120205	FERGUSON ENTERPRISES, INC	WTP HYDRANT REPAIR	\$ 54.45	wdist
389841	5/28/2026	1100009873	EUROFINS ENVIRONMENT TESTING	WATER ANALYSIS - BACT FINISHED 2026-05-18	\$ 22.00	dwtp
389777	5/28/2026	11089831	NAVIA BENEFIT SOLUTIONS, INC	MAY FLEXIBLE SPENDING PARTICIPANT FEE + RESTATEMENT FFF	\$ 463.40	hr
389772	5/28/2026	160160	LITHTEX NW	SMP POSTCARD MAILING	\$ 235.15	plan
389773	5/28/2026	160161	LITHTEX NW	POSTAGE FOR SMP MAILING	\$ 292.78	plan
389837	5/28/2026	26-05-29166	CARL'S TOWING SEDRO WOOLLEY	TOWING; 26-A02411 - REMOVAL FROM IMPOUND OF RV OVERSTAYING AT WA PARK	\$ 389.96	apd
389838	5/28/2026	26-61937	BUDGET TOWING & AUTO REPAIR	TOWING; 26-A00908 - HULK DISPOSAL OF RV	\$ 1,051.16	apd
389853	5/28/2026	300000006951	PUGET SOUND ENERGY INC	STREET LIGHTS: 4/1-4/29/26	\$ 23,041.57	dshop
389832	5/28/2026	300000290043	PUGET SOUND ENERGY INC	STREET LIGHTS: 4/2-4/30/26	\$ 10,557.94	dshop
389855	5/28/2026	300000325005	PUGET SOUND ENERGY INC	STREET LIGHTS: 4/8-5/6/26	\$ 116.40	dshop
389854	5/28/2026	300000340004	PUGET SOUND ENERGY INC	STREET LIGHTS: 4/29-5/28/26	\$ 56.18	dshop
389956	5/28/2026	360-293-4900-0912865	ZIPLY FIBER	APD BAC LINE 5/28-6/27/26	\$ 107.07	apd
390073	5/28/2026	360-299-0973-1017915	ZIPLY FIBER	LANDLINE AT WWTP	\$ 552.78	dwwtp
390045	5/28/2026	360-299-2484-0726025	ZIPLY FIBER	LIBRARY PHONE 5/28-6/27/26	\$ 75.30	publib
389856	5/28/2026	360-299-3674-0214175	ZIPLY FIBER	OPS PHONE LINE: 5/28-6/27/26	\$ 91.13	dshop
389957	5/28/2026	360-299-6615-0615165	ZIPLY FIBER	APD 911 LINE 5/28-6/27/26	\$ 96.93	apd
389840	5/28/2026	398918B	BAY CITY SUPPLY	CLEANING SUPPLIES	\$ 486.89	dwtp
390042	5/28/2026	399091A	BAY CITY SUPPLY	STATION SUPPLIES: HAND SOAP	\$ 67.82	medic
389925	5/28/2026	399182A	BAY CITY SUPPLY	SUPPLIES FOR FACILITIES	\$ 203.47	pwfac
389839	5/28/2026	6560772277	VESTIS SERVICES LLC	APD NYLON MATS CLEANED	\$ 16.34	apd
389831	5/28/2026	6560772282	VESTIS SERVICES LLC	OPS & PARKS LAUNDRY SERVICE	\$ 80.53	dshop
389782	5/28/2026	GCI0019915	CODE PUBLISHING, LLC	CODIFICATION SERVICES	\$ 615.00	legal
390041	5/29/2026	1100009969	EUROFINS ENVIRONMENT TESTING	LAB TESTING - THICKENED SLUDGE	\$ 374.00	dwwtp
389924	5/29/2026	1100009998	EUROFINS ENVIRONMENT TESTING	INVESTIGATIVE: BACT FOR 30TH AND K AVE	\$ 22.00	wdist

Invoice Doc #	Invoice Date	Invoice #	Vendor Full Name	Description	Total Amount	Approval Queue
389932	5/29/2026	150000RECURRING	EUROFINS ENVIRONMENT TESTING	WATER ANALYSIS - TCR SOUTH 2026-05-19	\$ 154.00	dwtp
389959	5/29/2026	1990	FIDALGO CLEANING	APD CLEANING & SUPPLIES 5/18-5/31/26	\$ 905.00	apd
389784	5/29/2026	21246	SKAGIT COUNTY PUBLIC HEALTH	1ST QTR CITY SHARE OF LIQUOR TAX 2026	\$ 7,232.37	finance
389938	5/29/2026	2133475	LIFE ASSIST, INC	BLUESENSOR ELECTRODES	\$ 2,698.11	medic
389833	5/29/2026	327799	ANACORTES ANIMAL HOSPITAL	BOARD & DISTRAINER - APRIL 2026	\$ 397.50	apd
389965	5/29/2026	6560773004	VESTIS SERVICES LLC	STA 3 MAT/MOP SERVICE:: 5/29	\$ 16.34	medic
389934	5/29/2026	7476019256	CARDINAL HEALTH 110, INC.	PHARMA: DEXTROSE, NACL, ADENOSINE.	\$ 875.66	medic
389930	5/29/2026	90401521	CHEMTRADE CHEMICALS US LLC	ALUMINUM SULFATE PO 26-155	\$ 7,776.75	dwtp
389931	5/29/2026	997690	JCI JONES CHEMICALS INC	SODIUM HYPOCHLORITE PO 26-154	\$ 7,498.77	dwtp
389926	5/29/2026	99982596	EMERALD SERVICES, INC	DISPOSAL SERVICE FOR SHOP	\$ 90.89	dshop
390060	5/29/2026	B21258699	SHI INTERNATIONAL CORP.	SPLUNK ENTERPRISE 5/31/26-5/30/27	\$ 11,298.38	infosys
390079	5/29/2026	INV2170000364	MOBILE COMMUNICATIONS AMERICA	LICENSING & TECHNICAL SUPPORT, FIBER OPTIC EQUIPMENT	\$ 15,991.97	fiber
390044	5/29/2026	ReimbFlores	FLORES JR, ODILON	BOOT PURCHASE - OF	\$ 240.00	dwwtp
389958	5/30/2026	00005W5A83226	UNITED PARCEL SERVICE, INC	UPS SHIPPING CHARGES; WEEK ENDING 5-30-26	\$ 15.32	apd
390063	5/30/2026	CD_001450108	RINGCENTRAL INC	RINGCENTRAL VOIP SOFTWARE TELEPHONE SYSTEM - 5/28/26-6/27/26	\$ 4,509.22	infosys
390075	5/31/2026	57061584	LINDE GAS & EQUIPMENT INC.	CYLINDER RENTAL FOR WWTP	\$ 445.94	dwwtp
389927	5/31/2026	6050126	UTILITIES UNDERGROUND LOCATION	MAY LOCATE TICKETS	\$ 299.46	dshop
390053	5/31/2026	CL13199	NELSON-REISNER DISTRIBUTOR INC	VEHICLE FUEL - MAY	\$ 41,941.04	finance
390051	5/31/2026	IN969690	NOANET	DEDICATED INTERNET ACCESS - MAY 2026	\$ 4,310.00	fiber
389933	5/31/2026	INV-6120978	UNITED SITE SERVICES, INC	PENN AVE PORTA POTTY 5/1/26 - 5/31/26	\$ 210.25	dwtp
389953	5/31/2026	INV3193768	COPIERS NORTHWEST, INC	APD CANNON COPIES 4/29-5/28/26	\$ 27.39	apd
390084	5/31/2026	May 2026 1378	GORDON THOMAS HONEYWELL	2026 LEGISLATIVE LOBBYING SERVICES	\$ 3,342.65	attorney
390058	6/1/2026	0526	NELSON, BONNIE	AGING MASTERY PROGRAM ADMINISTRATION - MAY 2026	\$ 1,065.00	pkrec

Invoice Doc #	Invoice Date	Invoice #	Vendor Full Name	Description	Total Amount	Approval Queue
390043	6/1/2026	10624	PORT OF ANACORTES	ELECTRICITY & ENVIRONMENT FOR MARINE 29	\$ 17.00	medic
390070	6/1/2026	220025931985	PUGET SOUND ENERGY INC	CHERRY LN & ORCHARD AVE ST LIGHTS: 5/1-6/1/26	\$ 13.42	dshop
390072	6/1/2026	220030712800	PUGET SOUND ENERGY INC	STREET LIGHTS: 5/1-6/1/26	\$ 8.73	dshop
390057	6/1/2026	3393	NORTHWEST CORROSION	WATER TRANSMISSION PIPELINE CATHODIC PROTECTION SYSTEM SUPPORT & SERVICES	\$ 1,140.76	dwtpt
389920	6/1/2026	360-293-6427-0218975	ZIPLY FIBER	CITY HALL 911 5/28-6/27/26	\$ 99.44	finance
389964	6/1/2026	3867	OAB ENGINEERING, LLC	STA 3 DATA SERVICES FOR JUNE	\$ 150.00	medic
389939	6/1/2026	4493	LAW OFFICE OF CARA LORENZO	PUBLIC DEFENSE CONFLICT	\$ 20.00	pubdef
389940	6/1/2026	4494	LAW OFFICE OF CARA LORENZO	PUBLIC DEFENSE CONFLICT	\$ 10.00	pubdef
389941	6/1/2026	4495	LAW OFFICE OF CARA LORENZO	PUBLIC DEFENSE CONFLICT	\$ 30.00	pubdef
389942	6/1/2026	4496	LAW OFFICE OF CARA LORENZO	PUBLIC DEFENSE CONFLICT	\$ 60.00	pubdef
389943	6/1/2026	4497	LAW OFFICE OF CARA LORENZO	PUBLIC DEFENSE CONFLICT	\$ 460.00	pubdef
389944	6/1/2026	4498	LAW OFFICE OF CARA LORENZO	PUBLIC DEFENSE CONFLICT	\$ 50.00	pubdef
389945	6/1/2026	4499	LAW OFFICE OF CARA LORENZO	PUBLIC DEFENSE CONFLICT	\$ 270.00	pubdef
389947	6/1/2026	4500	LAW OFFICE OF CARA LORENZO	PUBLIC DEFENSE CONFLICT	\$ 80.00	pubdef
389949	6/1/2026	4501	LAW OFFICE OF CARA LORENZO	PUBLIC DEFENSE CONFLICT	\$ 450.00	pubdef
389950	6/1/2026	4502	LAW OFFICE OF CARA LORENZO	PUBLIC DEFENSE CONFLICT	\$ 60.00	pubdef
389951	6/1/2026	4503	LAW OFFICE OF CARA LORENZO	PUBLIC DEFENSE CONFLICT	\$ 510.00	pubdef
389960	6/1/2026	5073300168	RICOH USA, INC	S/N C86138599 APD FRONT OFFICE COPIES 3/1-5/31/26	\$ 40.48	apd
389962	6/1/2026	5073300948	RICOH USA, INC	S/N C86138600 APD HALLWAY 3/1-5/31/26	\$ 53.95	apd
390087	6/1/2026	60389753	SKAGIT ENDODONTICS	LEOFF 1 - DENTAL COPAY, DAVID MEAD	\$ 1,559.00	hr
390076	6/1/2026	6560773714	VESTIS SERVICES LLC	LAUNDRY SERVICE FOR WWTP	\$ 41.32	dwwtp
389921	6/1/2026	8498 30 017 0319913	COMCAST	LIBRARY INTERNET ACCESS 5/9-6/9/26	\$ 185.24	finance
389954	6/1/2026	12606758	WASHINGTON STATE PATROL	BACKGROUND CHECKS; MAY 2026	\$ 84.00	apd
389952	6/2/2026	03188	SKAGIT COUNTY SHERIFF'S OFFICE	MAY JAIL TAX PAYMENT PER CONTRACT	\$ 96,443.88	finance
390085	6/2/2026	064227	REECE, STORMIE	DEPOT JANITORIAL SERVICES	\$ 1,496.00	parks1
390061	6/2/2026	2026-5-01-ANACORTES	PERISCOPE LEGAL	PUBLIC DEFENSE SERVICES - MAY 2026	\$ 24,130.80	finance

Invoice Doc #	Invoice Date	Invoice #	Vendor Full Name	Description	Total Amount	Approval Queue
389961	6/2/2026	2026.LTAC.EarthDay	ANACORTES ARTS FOUNDATION	FINAL PAYOUT FOR EARTH DAY EVENT 2026 LTAC FUNDING	\$ 594.00	plan
389946	6/2/2026	21-043-FIN-001	ANACORTES FAMILY CENTER	MAY AFFORDABLE HOUSING TAX PAYMENT	\$ 30,499.78	finance
389948	6/2/2026	21-247-FIN-001	ANACORTES HOUSING AUTHORITY	MAY AFFORDABLE HOUSING TAX PAYMENT	\$ 30,499.78	finance
390082	6/2/2026	26-148-PRK-0011	GRINDLINE SKATEPARKS INC	RETAINAGE RELEASE	\$ 1,079.53	pw1
389955	6/2/2026	5073300102	RICOH USA, INC	S/N C86111493 COURT 3/1-5/31/26	\$ 107.65	finance
389963	6/2/2026	507330378	RICOH USA, INC	S/N C86150637 CARNEGIE 3/1-5/31/26	\$ 60.69	finance
390047	6/2/2026	508946620	MIDWEST TAPE, LLC.	DVDS FOR LIBRARY	\$ 32.61	publib
390068	6/2/2026	June 2026	COMMUNITY ACTION OF SKAGIT CTY	ANACORTES COMMUNITY ACTION OFFICE & CARE SPECIALIST - JUNE 2026	\$ 6,666.66	plan
390056	6/3/2026	618336	DAVID EVANS & ASSOCIATES INC	ON-CALL ENGINEERING & TECHNICAL SUPPORT SERVICES 4/12/26-5/16/26	\$ 3,330.40	pw1
390050	6/30/2026	INV141308	VECTOR SOLUTIONS	VECTOR LMS FIRE DEPT TRAINING HISTORY MANAGEMENT SOFTWARE - 6/30/26-6/29/27	\$ 4,096.82	medic
	Total				\$ 646,509.75	



City Council Agenda Bill

June 8, 2026

Action Type: Contract Award

Item: 5.c.

Title: Contract Award: 2026 Dumpster Order #26-055-SAN-002

Staff Contact(s): Logan Lee, Shelly Jensen

Approved for Submittal to Council by:

Tiffany Matson

Logan Lee

Summary:

City staff seeks City Council consent to award a contract in the amount of \$65,629.59 to Wastequip Manufacturing Company LLC for the 2026 Dumpster Order. The contract piggybacks on Sourcewell Contract #010825-WQI.

History: The dumpster purchase is an annual purchase that is necessary to replace aging dumpsters that come to the end of life/use, due to rusting and rotting out.

Key Terms: Total contract price of \$65,629.59 which includes \$5,363.67 in sales tax.

Competitive Bidding: The City has a cooperative purchasing agreement with Sourcewell and is procuring this purchase through [Sourcewell Contract #010825-WQI](#).

Budget Impact:

Vendor	Wastequip Manufacturing Company LLC
Contract Amount	\$65,629.59
Earmarked Funds	\$77,365

Funding Source	Operating Budget
In CFP?	No
BARS #	450.780.537.10.31
Budget Amendment Required?	No

Previous Action: N/A

Recommended Motion: I move that City Council authorize the Mayor to sign contract 26-055-SAN-002 with Wastequip Manufacturing Company LLC in the amount of \$65,629.59 for the 2026 Dumpster Order.

Alternative Actions: Not approve the contract.

Attachments (listed in order presented):

1. 26-055-SAN-002



City of Anacortes
Legal Department
PO Box 547
Anacortes, WA 98221
contracts@anacorteswa.gov

Date: 6/8/2026

PURCHASE ORDER #26-055-SAN-002 2026 Dumpster Order

VENDOR: Wastequip Manufacturing Company LLC
Tina Rainwater
33710 Oakville Road
Albany, OR, 97321
800-645-7106
trainwater@wastequip.com

CONTACT: Shelly Jensen
Sanitation Supervisor
2201 37th Street
Anacortes, WA 98221
(360) 299-1516
shellyj@anacorteswa.gov

ITEM	DESCRIPTION	U/M	QTY	UNIT PRICE	TOTAL
1	30 Cubic Yard Standard Duty Rectangular Roll Off Container	EA	2	6,372.00	12,744.00
2	Lid Options - Crank Up Reversible Domed Lid	EA	2	3,248.00	6,496.00
3	8 Yard Dumpster	EA	2	1,886.40	3,772.80
4	6 Yard Dumpster	EA	6	1,821.98	10,931.88
5	3 Yard Dumpster	EA	6	1,540.56	9,243.36
6	2 Yard Dumpster	EA	6	1,223.88	7,343.28
7	1.5 Yard Dumpster	EA	5	990.36	4,951.80
SUBTOTAL					\$55,483.12
SHIPPING					\$4,782.80
SALES TAX 8.90%					\$5,363.67
TOTAL					\$65,629.59

This order is subject to:

1. Exhibit A: Specifications detailed in Quote #WQ-10384061, as modified
2. Exhibit B: Special Provisions
3. Exhibit C: Sourcewell Contract #010825-WQI

Exhibits A through C are hereby incorporated by reference and made a part hereof.

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

CITY OF ANACORTES

WASTEQUIP MANUFACTURING COMPANY LLC

Title

Title

Date

Date

**PURCHASE ORDER #26-055-SAN-002
EXHIBIT A**



33710 Oakville Road, Albany, OR, 97321
PHONE: 800-645-7106 FAX: 541-926-7558
WQ-10384061



Awarded Contract

Contract #010825-WQI

Sell To:

Contact Name	Shelly Jensen	Ship To Name	City of Anacortes
Bill To Name	City of Anacortes	Ship To	2201 37th St
Bill To	PO Box 547		Anacortes, WA 98221
	Anacortes, WA 98221		USA
	USA	Quick Ship	☐
Email	shellyj@cityofanacortes.org		
Phone	(360) 293-1921		

Quote Information

Salesperson	Tina Rainwater	Expiration Date	
Salesperson Email	trainwater@wastequip.com	Quote Number	WQ-10384061
			Please Reference Quote Number on all Purchase Orders

Product	Product Description	Description	Quantity	Sales Price	Total Price
Container - OR - 128565	30 Cubic Yard Standard Duty Rectangular Roll Off Container Superior Chain Lift 20' Long - Floor: 12 gauge with 3" structural channels on 24" centers, Channel: 5" x 6.7 lb., Walls: 12 gauge with side columns on 36" centers and 3" x 3" x 11 gauge Top Rails, T-Bar Double Door, Primed and Painted any Standard Color	Anacortes Blue - BLU1201	2.00	\$6,372.00	\$12,744.00
Container - OR - ROC601	Lid Options - Crank Up Reversible Domed Lid		2.00	\$3,248.00	\$6,496.00
Special Front Load - OR (See Details for Product Information)	Special Front Load - OR (See Details for Product Information)	240982_SP 8 YD FEL SLANT 14-14 FLANGES V-RIBS ANACORTES TRIPPLE SKIDS 14 GA DURA-FLEX DOUBLE WALL PLASTIC LIDS HODGE AUTO LOCKS EPOXY COATING INSIDE BTM & UP 18" PAINT IN	2.00	\$1,886.40	\$3,772.80

Sourcewell 

Awarded Contract

Contract #010825-WQI

		DOWN TO EPOXY COATING PAINT UNDER NO CASTERS			
		CONTAINERS MUST SHIP FULLY ASSEMBLED PAINT: Anacortes Blue - BLU1201			
Special Front Load - OR (See Details for Product Information)	Special Front Load - OR (See Details for Product Information)	217486_SP 6 YD FEL SLANT 14-14 FLANGES V-RIBS ANACORTES TRIPPLE SKIDS 14 GA DURA-FLEX DOUBLE WALL PLASTIC LIDS HODGE AUTO LOCKS			
		EPOXY COATING INSIDE BTM & UP 18" PAINT IN DOWN TO EPOXY COATING PAINT UNDER NO CASTERS	6.00	\$1,821.98	\$10,931.88
		CONTAINERS MUST SHIP FULLY ASSEMBLED PAINT: Anacortes Blue - BLU1201			

Sourcewell 

Awarded Contract

Contract #010825-WQI

Special Front Load - OR (See Details for Product Information)	Special Front Load - OR (See Details for Product Information)	195826-F 3 YD FEL SLANT 14/14 WC M-74 V-CRIMP BTTM WQ BTTM DURA-FLEX DOUBLE WALL PLASTIC LIDS AUTO SERIOUS CABLE - SIDE MOUNT NO CASTERS	6.00	\$1,540.56	\$9,243.36
		2 WQ SKIDS UNDER EPOXY COATING INSIDE BTM AND UP 18" PAINT IN DOWN TO EPOXY PAINT UNDER PAINTPAINT BLUE ANACORTES BLU1201			
Special Front Load - OR (See		217485_SP 2 YD FEL SLANT 12/14 ANACORTES SPEC DOUBLE WALL PLASTIC LIDS HODGE AUTO LOCKS FULL LENGTH CASTER PLATES 6" RUBBER			

Sourcewell 

Awarded Contract

Contract #010825-WQI

Details for Product Information)	Special Front Load - OR (See Details for Product Information)	SWIVEL CASTERS EPOXY COATING INSIDE & UP 18" PAINT INSIDE DOWN TO THE EPOXY PAINT UNDER PAINT BLUE ANACORTES BLU1201 CONTAINERS MUST SHIP FULLY ASSEMBLED	6.00	\$1,223.88	\$7,343.28
Special Front Load - OR (See Details for Product Information)	Special Front Load - OR (See Details for Product Information)	195825-F 1 1/2 YD FEL FLAT 14/14 WC PAINT: PAINT BLUE ANACORTES BLU1201 DURA FLEX DOUBLE WALL PLASTIC LIDS AUTO SERIOUS CABLE - SIDE MOUNT 6" RUBBER SWIVEL CASTERS IN QR PADS FULL LENGTH CASTER PLATES EPOXY COATING INSIDE BOTTOME & UP 18" PAINT	5.00	\$990.36	\$4,951.80



33710 Oakville Road, Albany, OR, 97321
PHONE: 800-645-7106 FAX: 541-926-7558
WQ-10384061

Sourcewell

Awarded Contract

Contract #010825-WQI

INSIDE
DOWN TO
EPOXY

Payment Terms	Net 30 Days if credit has been established	Subtotal	\$55,483.12
Shipping Terms	FOB Destination Prepaid	Shipping	\$4,782.80
		Tax	\$5,363.67
		Grand Total	\$65,629.59

Additional Information

Additional Terms	Our Quote serves as an offer to provide Products and/or services at the quantities and prices shown and is a good faith estimate, based on our understanding of your needs. By signing below, you indicate your acceptance of our offer which is expressly subject to the Wastequip Terms & Conditions of Sale ("Wastequip's Terms") located at: https://www.wastequip.com/terms-conditions-sale, as of the date set forth in Section 1(b) of the WQ T&C, which are made a part of this Quote. Wastequip's Terms may be updated from time to time and are available by hard copy upon request. Any changes or deviations to the terms of this Quote, including any different terms in an Order submitted by you, must be agreed upon in writing by both parties.
Additional Information	Pricing is based on your acceptance prior to the expiration of this Quote, including product specifications, quantities, and timing. Any differences to your Order may result in different pricing, freight or other costs. Due to volatility in petrochemical, steel and related Product material markets, actual prices and freight, are subject to change. We reserve the right, by providing notice to you at any time before beginning Product manufacturing, to increase the price of the Product(s) to reflect any increase in the cost to us which is due to any factor beyond our control (such as, without limitation, any increase in the costs of labor, materials, or other costs of manufacture or supply). Unless otherwise stated, materials and container sizes indicated on sales literature, invoices, price lists, quotations and delivery tickets are nominal sizes and representations – actual volume, Products and materials are subject to manufacturing and commercial variation and Wastequip's practices, and may vary from nominal sizes and materials. All prices are in US dollars; this Quote may not include all applicable taxes, brokerage fees or duties. If customer is not tax exempt, final tax calculations are subject to change. Pursuant to California Section 26275 of the Health and Safety Code, certain trash receptacles and storage containers must be marked with reflectors. Customers must disclose if such receptacles and containers are intended for use in California – if not disclosed, the receptacles and containers are not intended for use in California.
Special Contract Information	Sourcewell-Pricing & Product offerings are based on the Sourcewell Co-Operative Contract with Wastequip Manufacturing Company LLC (#010825-WQI, eff. 05/29/2025) and such Contract terms & conditions are incorporated herein by reference. Pricing & Product (& related) changes may occur at any time with proper documentation, & subject to Sourcewell approval; therefore, offerings may change without written prior notice. Wastequip Product Limited Warranties, Disclaimers, Limitation of Liability & Remedies, & Limited Warranty Provisions apply to all purchases thereunder.



**PURCHASE ORDER #26-055-SAN-002
SPECIAL PROVISIONS
EXHIBIT B**

1. **Sourcewell Contract #010825-WQI**. This agreement shall be performed in accordance with the terms and conditions of Sourcewell Contract #010825-WQI between Sourcewell and Wastequip Manufacturing Company LLC.

2. **Order of Precedence**. In the event of a conflict between the terms and conditions of contract #010825-WQI and these Special Provisions, the order of precedence shall be (a) Special Provisions identified as Exhibit B to Purchase Order #26-055-SAN-002, (b) contract #010825-WQI.

3. **Delivery**. Advance coordination of the work shall be made with the Project Manager Shelly Jensen, (360) 299-1516.

4. **Vendor Bears Risk**. The risk of loss or damage shall be borne by Vendor at all times until the Acceptance of the goods or services by City. Items shall be shipped Freight On Board (FOB) Destination, Freight Prepaid.

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

6. **Invoicing**. All invoices shall include: Company Name, Invoice Date, Due Date (30 days), Invoice Number, Invoice Period, Project Title, PO Number and Price, or Amended Price. 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. Vendors may complete a City furnished ACH/EFT form to receive electronic payments directly to their financial institution.

The City shall notify the Vendor within fifteen (15) calendar days from receipt of invoice if there are any objections or disputes with the invoice. The Vendor 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.

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

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

9. Inspection.
A. Of the Work

All materials furnished and work done shall be subject to inspection. The City Project Manager administering the PO shall at all times have access to the work wherever it is in progress or being performed, and the Vendor shall provide proper facilities for such access and inspection. Such inspection shall not relieve the Vendor of the responsibility of performing the work correctly, utilizing the best labor and materials in strict accordance with the Specifications of the PO. 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 Vendor may appeal to the City Attorney whose decision shall be final. The PO shall be carried out under the general control of the representative of the City administering the PO, who may exercise such control over the conduct of the work as may be necessary, in their opinion, to safeguard the interest of the City. The Vendor shall comply with any and all orders and instructions given by the representative of the particular Department administering the PO in accordance with the terms of the PO. Nothing herein contained, however, shall be taken to relieve the Vendor of their obligations or responsibilities under the PO.

10. **Defense and Indemnity Agreement.** The Vendor shall defend, indemnify and hold the City, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or in connection with the performance of this Agreement, except for injuries and damages caused by the sole negligence of the City.

11. **Insurance Requirements**

A. Insurance Term: The Vendor shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with products and materials supplied to the City.

B. No Limitation: The Vendor's maintenance of insurance as required by the Agreement shall not be construed to limit the liability of the Vendor 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 Vendor shall obtain Commercial General Liability insurance which shall be at least as broad as Insurance Services Office (ISO) occurrence form CG 00 01 and shall cover products liability. The City of Anacortes shall be named as an additional insured under the Vendor's Commercial General Liability insurance policy using ISO Additional Insured-Vendors Endorsement CG 20 15 04 13 or a substitute endorsement providing at least as broad coverage.

D. Minimum Amounts of Insurance: The Vendor's Commercial General Liability insurance shall be written with limits no less than \$2,000,000 each occurrence, \$2,000,000 general aggregate and a \$2,000,000 products liability aggregate limit.

E. Other Insurance Provision: The Vendor's Commercial General Liability insurance policy or 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 Vendor's insurance and shall not contribute with it.

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

G. Verification of Coverage: The Vendor shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the Vendor before goods, materials or supplies will be accepted by the City.

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

I. Failure to Maintain Insurance: Failure on the part of the Vendor 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 Vendor 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 Vendor from the City.

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

12. **Standard Title VI / Non-Discrimination Assurances.** During the performance of this contract, the Vendor, for itself, its assignees, and successors in interest agrees to the clauses in "Appendix A" and "Appendix E" of the Standard Title VI Assurances (USDOT1050.2A), which are hereby incorporated by reference and made a part hereof.

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

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

15. **Certification Regarding Suspension, Debarment, Ineligibility or Voluntary Exclusion.** The Vendor, by signing this agreement, certifies that they are not suspended, debarred, proposed for debarment, declared ineligible or otherwise excluded from contracting with the federal government, or from receiving contracts paid for with federal funds.

16. **The City's Right to Terminate PO.**

A. **Termination for Default:** If the Vendor defaults by failing to perform any of the obligations of the PO 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 Vendor in the U.S. mail, postage prepaid, terminate the PO, and at the City's option, obtain performance of the work elsewhere. If the PO is terminated for default, the Vendor shall not be entitled to receive any further payments under the PO until the Scope of Services under this PO 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 Vendor. The Vendor 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 Vendor 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 PO 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 PO is terminated in accordance with this paragraph, the Vendor shall be entitled to payment for actual work performed at unit PO prices for completed items of work through the date of termination. An equitable adjustment in the PO 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 PO by the City at any time during the term, whether for default or convenience, shall not constitute a breach of PO by the City.

17. **Changes/Additional Work.** The City may engage Vendor to perform services in addition to those listed in this PO, and Vendor 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 PO. If conditions are encountered which are not anticipated in the scope of work, the City understands that a revision to the scope of work and fees may be required. Provided, however, that nothing in this paragraph shall be interpreted to obligate the Vendor to render or the City to pay for services rendered in excess of the scope of work unless or until a modification to this PO is approved in writing by both parties.

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

19. **Covenant Against Contingent Fees.** The Vendor warrants that they have not employed or retained any company or person, other than a bona fide employee working solely for the Vendor, to solicit or secure this PO, and that they have not paid or agreed to pay any company or person, other than a bona fide employee working solely for the Vendor, any fee, commission, percentage, brokerage fee, gifts, or any other consideration contingent upon or resulting from the award of making of this PO. For breach or violation of this warranty, the City shall have the right to annul this PO without liability or, in its discretion to deduct from the PO 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 Vendor and the City, arising under and by virtue of this PO 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 PO.

B. **Notice of Potential Claims:** The Vendor 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 Vendor 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 Vendor 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. Vendor 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 Vendor 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 Vendor 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 Vendor arising out of this PO, or any obligation hereunder the dispute shall first be referred to the representatives designated by the City and the Vendor to have oversight over the administration of this PO. 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.** Neither party shall be liable to the other or deemed in breach or default for any failure or delay in performance under this Agreement during the time and to the extent its performance is prevented by reasons of Force Majeure. For the purposes of this Agreement, Force Majeure means an occurrence that is beyond the reasonable control of and without fault or negligence of the party claiming force majeure and which, by exercise of due diligence of such party, could not have been prevented or overcome. Force Majeure shall include natural disasters, including fire, flood, earthquake, windstorm, avalanche, mudslide, and other similar events; acts of war or civil unrest when an emergency has been declared by appropriate governmental officials; acts of civil or military authority; freight embargoes; epidemics; pandemics; quarantine restrictions; labor strikes; boycotts; terrorist acts; riots; insurrections; explosions; and nuclear accidents. A party claiming suspension or termination of its obligations due to force majeure shall give the other party prompt written notice of the impediment and its effect on the ability to perform, with such notice to be provided no more than two (2) working days after the force majeure event or reasonable discovery of the event's impact on performance. Failure to provide such notice shall preclude recovery under this provision. Such delay shall cease as soon as practicable and written notification of same shall be provided. The time of completion shall be extended by Agreement modification for a period of time equal to the time that the results or effects of such delay prevented the delayed party from performing in accordance with this Agreement. Rights Reserved: The City reserves the right to cancel the Agreement and/or purchase materials, equipment or services from the best available source during the time of force majeure, and Contractor shall have no recourse against the City.

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

23. **Compliance with Laws.** The Vendor in the performance of this PO 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 PO to assure quality of services.

24. **Severability.** If any term or condition of this PO 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 PO are declared severable.

25. **Survival of PO Termination.** The provisions of the following paragraphs and the liability of the Vendor for default during the term of the PO shall survive, notwithstanding the termination or invalidity of this PO for any reason: The City's Right to Terminate PO; Governing Law; Disputes; Defense & Indemnity.

26. **Notices.** All notices required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given and received (a) when personally delivered, or delivered by same-day courier; or (b) on the third business day after mailing by registered or certified mail, postage prepaid, return receipt requested; or (c) upon delivery when sent by prepaid overnight express delivery service (e.g., FedEx, UPS); or (d) when sent by email and upon the receipt by the sending party of written confirmation by the receiving party; provided, however, that an automated email confirmation of delivery or read receipt shall not constitute such confirmation. Notices shall be sent to the following addresses:

CITY:
City of Anacortes
Tiffany Matson
904 6th Street
PO Box 547
Anacortes, WA 98221
contracts@anacorteswa.gov

VENDOR:
Wastequip Manufacturing Company LLC
Tina Rainwater
33710 Oakville Rd SW
Albany, OR 97321
trainwater@wastequip.com

APPENDIX A

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "contractor") agrees as follows:

1. **Compliance with Regulations:** The contractor (hereinafter includes consultants) will comply with the Acts and the Regulations relative to Non-discrimination in Federally-assisted programs of the U.S. Department of Transportation, Washington State Department of Transportation, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.
2. **Non-discrimination:** The contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor will not participate directly or indirectly in the discrimination prohibited by the Acts and the Regulations, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.
3. **Solicitations for Subcontracts, Including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding, or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the contractor of the contractor's obligations under this contract and the Acts and the Regulations relative to Non-discrimination on the grounds of race, color, or national origin.
4. **Information and Reports:** The contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Recipient or the Washington State Department of Transportation to be pertinent to ascertain compliance with such Acts, Regulations, and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the contractor will so certify to the Recipient or the Washington State Department of Transportation, as appropriate, and will set forth what efforts it has made to obtain the information.
5. **Sanctions for Noncompliance:** In the event of a contractor's noncompliance with the Non-discrimination provisions of this contract, the Recipient will impose such contract sanctions as it or the Washington State Department of Transportation may determine to be appropriate, including, but not limited to:
 - a. withholding payments to the contractor under the contract until the contractor complies; and/or
 - b. cancelling, terminating, or suspending a contract, in whole or in part.
6. **Incorporation of Provisions:** The contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. The contractor will take action with respect to any subcontract or procurement as the Recipient or the Washington State Department of Transportation may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the contractor may request the Recipient to enter into any litigation to protect the interests of the Recipient. In addition, the contractor may request the United States to enter into the litigation to protect the interests of the United States.

APPENDIX E

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "contractor") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

Pertinent Non-Discrimination Authorities:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin); and 49 CFR Part 21.
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Federal-Aid Highway Act of 1973, (23 U.S.C. § 324 et seq.), (prohibits discrimination on the basis of sex);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 et seq.), as amended, (prohibits discrimination on the basis of disability); and 49 CFR Part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 et seq.), (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 USC§ 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131-12189) as implemented by Department of Transportation regulations at 49 C.F.R. parts 37 and 38;
- The Federal Aviation Administration's Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures Non-discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of Limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq).



City Council Agenda Bill

June 8, 2026

Action Type: Contract Modification

Item: 5.d.

Title: Contract Modification: Social Worker Agreement #26-007-APD-001

Staff Contact(s): John Coleman

Approved for Submittal to Council by:

Tiffany Matson

John Coleman

Summary:

City staff seeks Council consent to issue a contract modification to Anacortes Family Center (AFC) in the amount of \$30,000.00, increasing the total contract price to \$60,000.00, in order provide additional funding for the social worker program through 2026.

Background:

Reason for Contract Change: Through contract #[26-042-AFD-001](#) the City will receive a maximum of \$270,000 from the BH CORE grant, which is funded by State of Washington and administered by the University of Washington. The \$30,000 increase to this contract with AFC will be reimbursed by the funds received from the BH CORE grant. The grant funding supports fire departments and emergency responders in integrating behavioral health services into crisis response systems. The program strengthens the integration of behavioral health into emergency services, enhances training and support for first responders, and fosters a network of agencies sharing knowledge and best practices to improve response and community mental health services.

History: For several years the City and AFC have entered into agreements to provide assistance to those contacted by City staff who are in need of homeless services, chemical dependency counseling or ongoing case support. The AFC is available 7 days a week to assist City staff in these areas.

Key Terms: increase of \$30,000.00, assigns the City's Project Manager authority to

John Coleman.

Budget Impact:

Contractor	Anacortes Family Center
Original Agreement Amount	\$30,000.00
Current Agreement Amount	\$30,000.00
Change Per This Modification	\$30,000.00
Total After Modification	\$60,000.00
Earmarked Funds	\$60,000.00
Funding Source	Operating Budget, Grant
BARS #	001.240.562.00.41
Budget Amendment Required?	No
Start Date	12/31/2026
End Date	12/31/2026

Previous Action: N/A

Recommended Motion:

I move that City Council authorize the Mayor to sign a modification to Contract #26-007-APD-001 with Anacortes Family Center in the amount of \$30,000.00, increasing the total contract price to \$60,000.00.

Alternative Actions: Not approve the modification.

Attachments (listed in order presented):

1. 26-007-APD-001 - Modification 01



Date June 1, 2026
Page 1 of 1 Page

Contract Title SOCIAL WORKER AGREEMENT
Vendor ANACORTES FAMILY CENTER

BACKGROUND

This modification is issued in accordance with Article 6. Changes, Modifications, Amendments and Waivers and provides for an increase to the annual stipend the City will provide to AFC. Accordingly, the contract price is increased by \$30,000, from \$30,000 to \$60,000, and the following change is incorporated under this contract:

ARTICLE 1. Parties' Responsibilities. The subsection a.i is revised to read:

"The City will provide an annual stipend of \$60,000 to the AFC to respond to calls from the City to assist with people in crisis due to homelessness, chemical dependency, domestic violence or mental health issues. Payments for a portion of any calendar year will be prorated based on the duration of the program during that calendar year. The City will make equal monthly payments to the AFC for the annual stipend."

All other terms of the contract remain unchanged.

CITY OF ANACORTES

ANACORTES FAMILY CENTER

By _____

By _____

Title _____

Title _____

Date _____

Date _____

Original Agreement Amount	<u>\$30,000.00</u>	Original Contract Completion Date	<u>12/31/2026</u>
Current Agreement Amount	<u>\$30,000.00</u>	Current Contract Completion Date	<u>12/31/2026</u>
Change Per this Modification	<u>\$30,000.00</u>	Net Change	<u>0 Days</u>
Total After Modification	<u>\$60,000.00</u>	Contract Completion Date After Change	<u>12/31/2026</u>



City Council Agenda Bill

June 8, 2026

Action Type: Ordinance

Item: 6.a.

Title: Resolution 3221: 2027-2032 Transportation Improvement Program Update

Staff Contact(s): Logan Lee

Approved for Submittal to Council by:

Greg Francioch
Sidney Neel
Logan Lee
Steve Hoglund
Darcy Swetnam

Summary: The City of Anacortes is required to annually adopt a Six-Year Transportation Improvement Program (TIP) prior to July 1 in accordance with RCW 35.77. Following adoption, the City's TIP is incorporated into the Skagit Council of Governments TIP and subsequently into the Washington State Transportation Improvement Program. State law requires the TIP to be reviewed through a public hearing process and formally adopted by resolution.

This year's TIP was developed based on ongoing transportation planning efforts, identified infrastructure needs, safety priorities, capital project coordination, and anticipated funding opportunities. Project development and prioritization were informed by adopted City plans, departmental coordination, and continued community and stakeholder input.

Budget Impact:

Previous Action: Council approved [Ordinance 5001](#) adopting the 2026-2031 Transportation Improvement Program update at the [June 23, 2025, regular meeting](#).

Recommended Motion: Approve Resolution 3221 adopting the 2027-2032 Transportation Improvement Program update.

Alternative Actions: Direct staff to make edits.

Attachments (listed in order presented):

1. Resolution 3221 - 2027-2032 Transportation Improvement Program Update
2. 2027-2032 TIP Annual Update - FINAL
3. 6-8-26 Six Year TIP Update Presentation

Resolution 3221

A Resolution Approving the Anacortes Six-Year (2027-2032) Transportation Improvement Program (TIP)

Whereas pursuant to RCW 35.77 the City of Anacortes must approve a Six-Year Transportation Improvement Program (TIP) By July 1 of every year;

Whereas the City's TIP will be used to inform the Skagit Council of Governments Regional TIP, which then informs the State of Washington TIP;

Whereas pursuant to RCW 35.77.010 a public hearing on the City's TIP has been held;

Whereas the adoption of the TIP is a procedural action and contains no substantive standards respecting use or modification of the environment and is categorically exempt from environmental review under terms of WAC 197-11-800(19);

Now, therefore, the City Council does resolve as follows:

Section 1. Approve Exhibit A, Anacortes Six-Year (2027-2032) Transportation Improvement Program.

Section 2. Severability. The various parts, sections, and clauses of this resolution are hereby declared to be severable. If any section, subsection, paragraph, sentence, clause, or phrase of this resolution is declared unconstitutional or invalid for any reason, such decision must not affect the validity of the remaining parts of this resolution.

ADOPTED by the City Council of the City of Anacortes this ____ day of June, 2026.

CITY OF ANACORTES:

Ryan Walters, Mayor

Attest:

Steven D. Hoglund, City Clerk-Treasurer

Approved as to Form:

Darcy Swetnam, City Attorney

Exhibit A

2027-2032 Transportation Improvement Program (TIP)

PAGE	Project Summary Sheet							
	Project Costs:	2027	2028	2029	2030	2031	2032	Total
3	Annual Multimodal Infrastructure Improvement Program	\$425,000	\$430,000	\$435,000	\$440,000	\$445,000	\$450,000	\$2,200,000
4	Annual Pavement Maintenance Program	\$1,800,000	\$1,800,000	\$1,800,000	\$1,800,000	\$1,800,000	\$1,800,000	\$9,000,000
6	9th Street Downtown to Marina Link	\$0	\$400,000	\$0	\$0	\$0	\$0	\$400,000
7	Kansas Avenue Multimodal Connection	\$0	\$350,000	\$2,500,000	\$0	\$0	\$0	\$2,850,000
8	SR20 Spur/Commercial Ave. Corridor Safety Improvements	\$4,760,000	\$0	\$0	\$0	\$0	\$0	\$0
9	SR20 Spur/Oakes Ave. Active Transportation Improvements	\$0	\$466,350	\$4,500,000	\$0	\$0	\$0	\$4,966,350
10	30th Street from R Ave to Q Ave Multimodal Connection	\$450,000	\$0	\$0	\$0	\$0	\$0	\$0
11	Anacortes Safe Routes to School on 22nd and 20th Street	\$0	\$2,070,000	\$0	\$0	\$0	\$0	\$2,070,000
12	SR20 Spur/12th St. & K Ave. Intersection Improvements	\$286,000	\$2,500,000	\$0	\$0	\$0	\$0	\$2,500,000
13	Fidalgo Bay Rd. Reconstruction	\$0	\$1,000,000	\$0	\$0	\$8,500,000	\$0	\$9,500,000
14	South Commercial Corridor Planning	\$0	\$0	\$350,000	\$0	\$0	\$0	\$350,000
15	R Avenue Beautification	\$0	\$0	\$0	\$0	\$1,000,000	\$0	\$1,000,000
16	Guemes Channel Trail Phases 2, 3 and 6	\$328,000	\$0	\$3,200,000	\$0	\$0	\$0	\$3,200,000
17	Anacopper & Pennsylvania Safety Improvements	\$0	\$0	\$0	\$0	\$75,000	\$0	\$75,000
18	Downtown Commercial Sidewalk Improvements	\$0	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$1,000,000
19	B2nd St. Safety Improvements from H Ave. to R Ave.	\$0	\$0	\$130,000	\$0	\$0	\$0	\$130,000
20	22nd St. Safety Improvements from M Ave. to Q Ave.	\$0	\$0	\$300,000	\$0	\$0	\$0	\$300,000
21	Safety on SR20 Spur from Commercial Ave. to City Limits	\$0	\$0	\$0	\$0	\$0	\$775,000	\$775,000
22	D Avenue Safety Improvements	\$0	\$0	\$0	\$0	\$0	\$850,000	\$850,000
23	6th Street Channelization	\$0	\$0	\$0	\$2,000,000	\$0	\$0	\$2,000,000
24	Reservation Rd. & S. March's Point Safety Improvements	\$0	\$0	\$0	\$0	\$125,000	\$0	\$125,000
25	B2nd Street Pedestrian Crossing Improvement	\$200,000	\$0	\$0	\$0	\$0	\$0	\$0
	Totals	\$8,249,000	\$9,216,350	\$13,415,000	\$4,440,000	\$12,145,000	\$4,075,000	\$43,291,350
	Project Funding Sources:	2027	2028	2029	2030	2031	2032	Total
	Taxes	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$6,000,000
	REET	\$1,717,000	\$1,230,000	\$1,615,000	\$840,000	\$2,045,000	\$1,700,000	\$7,430,000
	Utility Tax	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$2,000,000
	Impact Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Grants	\$4,932,000	\$6,386,350	\$10,200,000	\$2,000,000	\$8,500,000	\$775,000	\$27,861,350
	Rates/User Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Contributions	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Fund Balance/Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Totals	\$8,249,000	\$9,216,350	\$13,415,000	\$4,440,000	\$12,145,000	\$4,075,000	\$43,291,350



ANACORTES
WASHINGTON

City of Anacortes
Project Detail Worksheet
2027-2032 Transportation Improvement Program

Facility Type:

Insert and Resize Picture Here



Please limit responses to size of box

Project Title:

Location:

Description: Annual program to construct and improve multimodal transportation facilities including ADA-compliant curb ramps, sidewalk gap closures, trip hazard repairs, and prioritized pedestrian and bicycle network improvements to enhance accessibility, connectivity, and safety.

Justification: Addresses ADA deficiencies and safety risks in the public right-of-way while improving multimodal accessibility, connectivity, and safety for pedestrians and bicyclists.

In Previous TIP? Click on box/click on arrow to select

If yes, nature of Change from Previous TIP:

Projected Costs:	2027	2028	2029	2030	2031	2032	Total
Costs by year	\$425,000	\$430,000	\$435,000	\$440,000	\$445,000	\$450,000	\$2,200,000
Totals	\$425,000	\$430,000	\$435,000	\$440,000	\$445,000	\$450,000	\$2,200,000

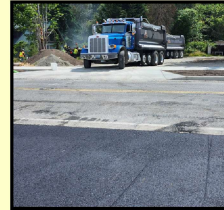
Funding Sources:	2027	2028	2029	2030	2031	2032	Total
Taxes							\$0
REET	\$425,000	\$430,000	\$435,000	\$440,000	\$445,000	\$450,000	\$2,200,000
Utility Tax							\$0
Impact Fees							\$0
Grants							\$0
Rates/User Fees							\$0
Contributions							\$0
Fund Balance							\$0
Totals	\$425,000	\$430,000	\$435,000	\$440,000	\$445,000	\$450,000	\$2,200,000


ANACORTES
WASHINGTON

City of Anacortes
Project Detail Worksheet
2027-2032 Transportation Improvement Program

Facility Type:

Insert and Resize Picture Here


Please limit responses to size of box

Project Title:

Location:

Description:

Annual pavement maintenance program including asphalt overlays, chip seal, and other preservation treatments.

Justification:

Preserves critical transportation infrastructure and ensures reliable system performance through proactive maintenance.

In Previous TIP?

Click on box/click on arrow to select

If yes, nature of

Change from

Previous TIP:

Projected Costs:	2027	2028	2029	2030	2031	2032	Total
Costs by year	\$1,800,000	\$1,800,000	\$1,800,000	\$1,800,000	\$1,800,000	\$1,800,000	\$9,000,000
Totals	\$1,800,000	\$1,800,000	\$1,800,000	\$1,800,000	\$1,800,000	\$1,800,000	\$9,000,000

Funding Sources:	2027	2028	2029	2030	2031	2032	Total
Taxes	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$6,000,000
REET	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$1,000,000
Utility Tax	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$2,000,000
Impact Fees							\$0
Grants							\$0
Rates/User Fees							\$0
Contributions							\$0
Fund Balance							\$0
Totals	\$1,800,000	\$1,800,000	\$1,800,000	\$1,800,000	\$1,800,000	\$1,800,000	\$9,000,000



ANACORTES
WASHINGTON

City of Anacortes
Project Detail Worksheet
2027-2032 Transportation Improvement Program

Facility Type:

Insert and Resize Picture Here



Please limit responses to size of box

Project Title:

Location:

Description:

Multimodal corridor improvements including safety upgrades (signal visibility enhancements, flashing yellow arrows, leading pedestrian intervals, curb extensions, lane narrowing, speed feedback signs, access management, and bike lanes) along with full pavement rehabilitation and ADA upgrades, including replacement and installation of curb ramps and accessible pedestrian signal push buttons.

Justification:

Addresses documented safety concerns while improving multimodal accessibility and bringing corridor infrastructure into compliance with current ADA and design standards.

In Previous TIP?

Click on box/click on arrow to select

If yes, nature of
Change from
Previous TIP:

Received \$360,000 grant from WSDOT. Applied for Safe Streets and Roads for All (SS4A) Grant - funding not yet secured.

Projected Costs:	2027	2028	2029	2030	2031	2032	Total
Costs by year	\$4,760,000						\$0
Totals	\$4,760,000	\$0	\$0	\$0	\$0	\$0	\$0

Funding Sources:	2027	2028	2029	2030	2031	2032	Total
Taxes							\$0
REET	\$900,000						\$0
Utility Tax							\$0
Impact Fees							\$0
Grants	\$3,860,000						\$0
Rates/User Fees							\$0
Contributions							\$0
Fund Balance							\$0
Totals	\$4,760,000	\$0	\$0	\$0	\$0	\$0	\$0



ANACORTES
WASHINGTON

City of Anacortes
Project Detail Worksheet
2027-2032 Transportation Improvement Program

Facility Type:

Insert and Resize Picture Here



Please limit responses to size of box

Project Title:

Location:

Description: Construct a 10–12 foot wide separated multiuse pathway along Oakes Avenue (SR 20 Spur) between Anacopper Mine Road and A Avenue. Identified as Project S-8 in the Comprehensive Safety Action Plan and WSDOT WS-3 in the Active Transportation Network.

Justification: Addresses safety and connectivity gaps along a high crash network by providing a separated facility and implementing adopted Comprehensive Safety Action Plan and Active Transportation Network priorities.

In Previous TIP? Click on box/click on arrow to select

If yes, nature of Change from Previous TIP:

Projected Costs:	2027	2028	2029	2030	2031	2032	Total
Costs by year		\$466,350	\$4,500,000				\$4,966,350
Totals	\$0	\$466,350	\$4,500,000	\$0	\$0	\$0	\$4,966,350

Funding Sources:	2027	2028	2029	2030	2031	2032	Total
Taxes							\$0
REET							\$0
Utility Tax							\$0
Impact Fees							\$0
Grants		\$466,350	\$4,500,000				\$4,966,350
Rates/User Fees							\$0
Contributions							\$0
Fund Balance							\$0
Totals	\$0	\$466,350	\$4,500,000	\$0	\$0	\$0	\$4,966,350

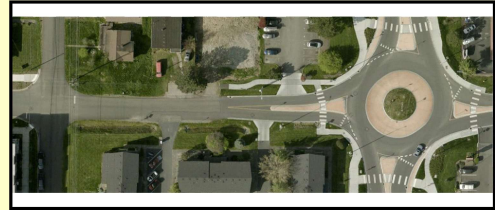


ANACORTES
WASHINGTON

City of Anacortes
Project Detail Worksheet
2027-2032 Transportation Improvement Program

Facility Type:

Insert and Resize Picture Here



Please limit responses to size of box

Project Title:

Location:

Description: Complete curb, gutter, sidewalks, and ADA ramp upgrades between R Avenue and Q Avenue on 30th Street to improve connectivity between Commercial Avenue (SR 20 Spur) and the Tommy Thompson Trail and support planned residential growth.

Justification: Addresses connectivity and accessibility gaps while improving safety and supporting access to the regional trail network.

In Previous TIP? Click on box/click on arrow to select

If yes, nature of Change from Previous TIP:

Projected Costs:	2027	2028	2029	2030	2031	2032	Total
Costs by year	\$450,000						\$0
Totals	\$450,000	\$0	\$0	\$0	\$0	\$0	\$0

Funding Sources:	2027	2028	2029	2030	2031	2032	Total
Taxes							\$0
REET	\$90,000						\$0
Utility Tax							\$0
Impact Fees							\$0
Grants	\$360,000						\$0
Rates/User Fees							\$0
Contributions							\$0
Fund Balance							\$0
Totals	\$450,000	\$0	\$0	\$0	\$0	\$0	\$0

ANACORTES
WASHINGTON

City of Anacortes
Project Detail Worksheet

2027-2032 Transportation Improvement Program

Facility Type: Transportation

Insert and Resize Picture Here



Please limit responses to size of box

Project Title:	SR20 Spur/12th St. & K Ave. Intersection Improvements
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Location: Intersection of 12th Street and K Avenue

Description:

The City of Anacortes hired a consultant in 2026 to complete an intersection control evaluation (ICE) and create preliminary design. Construction will be based on the consultant's findings/recommendations. In 2024 the intersection was operating at Level of Service (LOS) standard E and is forecast to deteriorate to LOS standard F by 2045.

Justification:

Addresses existing and projected operational deficiencies at a key intersection and identifies the most effective control to improve safety and system performance.

In Previous TIP?

Yes

Click on box/click on arrow to select

If yes, nature of
Change from

Previous TIP: ICE and design began in 2026.

Projected Costs:	2027	2028	2029	2030	2031	2032	Total
Costs by year	\$286,000	\$2,500,000					\$2,500,000
Totals	\$286,000	\$2,500,000	\$0	\$0	\$0	\$0	\$2,500,000

Funding Sources:	2027	2028	2029	2030	2031	2032	Total
Taxes							\$0
REET	\$62,000						\$0
Utility Tax							\$0
Impact Fees							\$0
Grants	\$224,000	\$2,500,000					\$2,500,000
Rates/User Fees							\$0
Contributions							\$0
Fund Balance							\$0
Totals	\$286,000	\$2,500,000	\$0	\$0	\$0	\$0	\$2,500,000



ANACORTES
WASHINGTON

City of Anacortes
Project Detail Worksheet
2027-2032 Transportation Improvement Program

Facility Type:

Insert and Resize Picture Here



Please limit responses to size of box

Project Title:

Location:

Description:

Improve pedestrian connections between downtown and the Fidalgo Bay waterfront, including enhanced crossings at Q/R Avenue near Cap Sante Marina and streetscape improvements along 9th Street. Project elements include sidewalk upgrades, landscaping, seating, and public space enhancements coordinated with Port redevelopment.

Justification:

Improves pedestrian safety, accessibility, and connectivity between key destinations, supporting economic activity and enhancing the downtown-to-waterfront experience.

In Previous TIP? Click on box/click on arrow to select

If yes, nature of
Change from
Previous TIP:

Change in cost.

Projected Costs:	2027	2028	2029	2030	2031	2032	Total
Costs by year		\$400,000					\$400,000
Totals	\$0	\$400,000	\$0	\$0	\$0	\$0	\$400,000

Funding Sources:	2027	2028	2029	2030	2031	2032	Total
Taxes							\$0
REET		\$400,000					\$400,000
Utility Tax							\$0
Impact Fees							\$0
Grants							\$0
Rates/User Fees							\$0
Contributions							\$0
Fund Balance							\$0
Totals	\$0	\$400,000	\$0	\$0	\$0	\$0	\$400,000


ANACORTES
WASHINGTON

City of Anacortes
Project Detail Worksheet
2027-2032 Transportation Improvement Program

 Facility Type:

Insert and Resize Picture Here


Please limit responses to size of box

 Project Title:

 Location:

Description:

Reconstruct Kansas Avenue from W 4th Street to W 2nd Street to collector standards, including sidewalks, bike lanes, and pedestrian improvements. Project will also evaluate safety and corridor improvements along Kansas Avenue from West 4th Street to West 7th Street.

Justification:

Improves safety and multimodal connectivity while bringing the corridor up to current design standards and supporting system functionality.

In Previous TIP?

Click on box/click on arrow to select

 If yes, nature of
Change from
Previous TIP:

Projected Costs:	2027	2028	2029	2030	2031	2032	Total
Costs by year		\$350,000	\$2,500,000				\$2,850,000
Totals	\$0	\$350,000	\$2,500,000	\$0	\$0	\$0	\$2,850,000

Funding Sources:	2027	2028	2029	2030	2031	2032	Total
Taxes							\$0
REET							\$0
Utility Tax							\$0
Impact Fees							\$0
Grants		\$350,000	\$2,500,000				\$2,850,000
Rates/User Fees							\$0
Contributions							\$0
Fund Balance							\$0
Totals	\$0	\$350,000	\$2,500,000	\$0	\$0	\$0	\$2,850,000



ANACORTES
WASHINGTON

**City of Anacortes
Project Detail Worksheet
2027-2032 Transportation Improvement Program**

Facility Type:

Insert and Resize Picture Here



Please limit responses to size of box

Project Title:

Location:

Description:

Separated 10-foot-wide paved multiuse pathway on south side of 22nd Street from J Ave to M Ave. Curb extensions at J, K, and L Avenues to increase pedestrian visibility, shorten crossing distance and slow vehicle speeding. High-visibility signs, crosswalks and 32 new ADA curb ramps. Rectangular Rapid Flashing Beacons at 22nd/K Avenue, 22nd/L Avenue, and 20th/L Avenue. 6-foot-wide sidewalk along the east side of J Avenue from 22nd and 20th Streets and east side of L Avenue on the approach to 20th Street. Mid-block speed choker to slow vehicle operating speeds on J Avenue.

Justification:

The proposed safety improvements will provide safe facilities separated from vehicle traffic for people walking, biking, and rolling to Island View Elementary School, Anacortes Middle School, and Anacortes High School, the Anacortes School District Administration Building, Island Hospital, the Police Department, and Volunteer Park.

In Previous TIP?

Click on box/click on arrow to select

If yes, nature of
Change from

Previous TIP:

Applied for Safe Routes to School (SRTS) Grant (2026) - Funding not yet secured.

Projected Costs:	2027	2028	2029	2030	2031	2032	Total
Costs by year		\$2,070,000					\$2,070,000
Totals	\$0	\$2,070,000	\$0	\$0	\$0	\$0	\$2,070,000

Funding Sources:	2027	2028	2029	2030	2031	2032	Total
Taxes							\$0
REET							\$0
Utility Tax							\$0
Impact Fees							\$0
Grants		\$2,070,000					\$2,070,000
Rates/User Fees							\$0
Contributions							\$0
Fund Balance							\$0
Totals	\$0	\$2,070,000	\$0	\$0	\$0	\$0	\$2,070,000



ANACORTES
WASHINGTON

City of Anacortes
Project Detail Worksheet
2027-2032 Transportation Improvement Program

Facility Type:

Insert and Resize Picture Here



Please limit responses to size of box

Project Title:

Location:

Description:

Reconstruct Fidalgo Bay Road to improve access and roadway conditions, supporting access to key economic resources in coordination with the Samish Indian Nation.

Justification:

Samish Indian Nation will be applying for the grants.

In Previous TIP? Click on box/click on arrow to select

If yes, nature of
Change from
Previous TIP:

Timeline has been pushed back. Grant funding not yet secured.

Projected Costs:	2027	2028	2029	2030	2031	2032	Total
Costs by year		\$1,000,000			\$8,500,000		\$9,500,000
Totals	\$0	\$1,000,000	\$0	\$0	\$8,500,000	\$0	\$9,500,000

Funding Sources:	2027	2028	2029	2030	2031	2032	Total
Taxes							\$0
REET							\$0
Utility Tax							\$0
Impact Fees							\$0
Grants		\$1,000,000			\$8,500,000		\$9,500,000
Rates/User Fees							\$0
Contributions							\$0
Fund Balance							\$0
Totals	\$0	\$1,000,000	\$0	\$0	\$8,500,000	\$0	\$9,500,000



ANACORTES
WASHINGTON

City of Anacortes
Project Detail Worksheet
2027-2032 Transportation Improvement Program

Facility Type:



Please limit responses to size of box

Project Title:

Location:

Description:

Complete an engineering feasibility study to determine a preferred alternative for alignment and construction of a multiuse trail for active transportation connectivity between Downtown and the WSDOT Ferry Terminal. Phase 2 = Ferry Terminal Road to Edwards Way. Phase 3 = Ferry Terminal Road to Washington Park. Phase 6 = Hartford Ave. vicinity to 6th St. vicinity.

Justification:

Addresses active transportation connectivity gaps by evaluating a preferred trail alignment linking downtown, the ferry terminal, and surrounding destinations.

In Previous TIP?

Click on box/click on arrow to select

If yes, nature of

Change from

Previous TIP:

Projected Costs:	2027	2028	2029	2030	2031	2032	Total
Costs by year	\$328,000		\$3,200,000				\$3,200,000
Totals	\$328,000	\$0	\$3,200,000	\$0	\$0	\$0	\$3,200,000

Funding Sources:	2027	2028	2029	2030	2031	2032	Total
Taxes							\$0
REET							\$0
Utility Tax							\$0
Impact Fees							\$0
Grants	\$328,000		\$3,200,000				\$3,528,000
Rates/User Fees							\$0
Contributions							\$0
Fund Balance							\$0
Totals	\$328,000	\$0	\$3,200,000	\$0	\$0	\$0	\$3,528,000



ANACORTES
WASHINGTON

City of Anacortes
Project Detail Worksheet
2027-2032 Transportation Improvement Program

Facility Type:

Insert and Resize Picture Here



Please limit responses to size of box

Project Title:

Location:

Description:

Develop a comprehensive corridor design plan and development standards for SR 20 / Commercial Avenue. The plan will include multimodal design concepts, curb extensions, landscaping, street trees, street and pedestrian lighting, intersection treatments, and corridor cross-sections with an emphasis on affordable complete streets standards. The effort will evaluate alternatives to improve safety, walkability, and the overall character of the corridor while guiding coordinated future improvements and redevelopment along this key downtown state route.

Justification:

Provides a clear vision to improve safety, access, and the pedestrian environment along a key downtown corridor.

In Previous TIP?

Click on box/click on arrow to select

If yes, nature of
Change from
Previous TIP:

Projected Costs:	2027	2028	2029	2030	2031	2032	Total
Costs by year			\$350,000				\$350,000
Totals	\$0	\$0	\$350,000	\$0	\$0	\$0	\$350,000

Funding Sources:	2027	2028	2029	2030	2031	2032	Total
Taxes							\$0
REET			\$350,000				\$350,000
Utility Tax							\$0
Impact Fees							\$0
Grants							\$0
Rates/User Fees							\$0
Contributions							\$0
Fund Balance							\$0
Totals	\$0	\$0	\$350,000	\$0	\$0	\$0	\$350,000

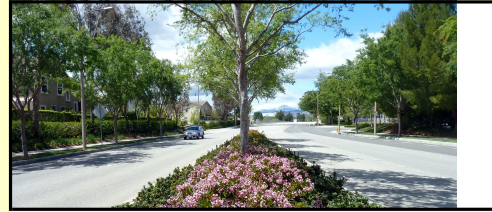


ANACORTES
WASHINGTON

City of Anacortes
Project Detail Worksheet
2027-2032 Transportation Improvement Program

Facility Type:

Insert and Resize Picture Here



Please limit responses to size of box

Project Title:

Location:

Description:

Implement streetscape and beautification improvements along R Avenue, including installation of street trees, landscaped areas, and median plantings to enhance corridor character, improve the pedestrian environment, and provide visual definition within the roadway.

Justification:

Improves corridor aesthetics and identity while supporting walkability and contributing to overall corridor vitality.

In Previous TIP? Click on box/click on arrow to select

If yes, nature of
Change from
Previous TIP:

Projected Costs:	2027	2028	2029	2030	2031	2032	Total
Costs by year					\$1,000,000		\$1,000,000
Totals	\$0	\$0	\$0	\$0	\$1,000,000	\$0	\$1,000,000

Funding Sources:	2027	2028	2029	2030	2031	2032	Total
Taxes							\$0
REET					\$1,000,000		\$1,000,000
Utility Tax							\$0
Impact Fees							\$0
Grants							\$0
Rates/User Fees							\$0
Contributions							\$0
Fund Balance							\$0
Totals	\$0	\$0	\$0	\$0	\$1,000,000	\$0	\$1,000,000

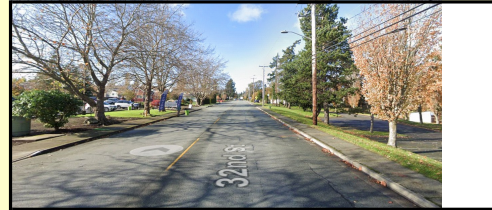


ANACORTES
WASHINGTON

City of Anacortes
Project Detail Worksheet
2027-2032 Transportation Improvement Program

Facility Type:

Insert and Resize Picture Here



Please limit responses to size of box

Project Title:

Location:

Description:

This project will build a mid-block crosswalk at a heavily used pedestrian point leading to Storvik Park. This project includes installing a crosswalk, adding rectangular rapid flashing beacons, bike lanes (from Commercial Avenue to M Avenue), and curb extensions to minimize crossing distance, enhance pedestrian visibility, and naturally slow down vehicle speeds by narrowing the roadway at the crossing point.

Justification:

The project aims to improve pedestrian safety and accessibility while also encouraging safer driving behavior. The enhanced visibility of the crossing, combined with the shorter crossing distance, will make it easier and safer for parkgoers to access the park while reducing the likelihood of speeding and pedestrian-related accidents.

In Previous TIP? Click on box/click on arrow to select

If yes, nature of
Change from
Previous TIP:

N/A

Projected Costs:	2027	2028	2029	2030	2031	2032	Total
Costs by year	\$200,000						\$0
Totals	\$200,000	\$0	\$0	\$0	\$0	\$0	\$0

Funding Sources:	2027	2028	2029	2030	2031	2032	Total
Taxes							\$0
REET	\$40,000						\$0
Utility Tax							\$0
Impact Fees							\$0
Grants	\$160,000						\$0
Rates/User Fees							\$0
Contributions							\$0
Fund Balance							\$0
Totals	\$200,000	\$0	\$0	\$0	\$0	\$0	\$0



ANACORTES
WASHINGTON

City of Anacortes
Project Detail Worksheet
2027-2032 Transportation Improvement Program

Facility Type:

Insert and Resize Picture Here



Please limit responses to size of box

Project Title:

Location:

Description:

Justification:

In Previous CFP? Click on box/click on arrow to select

If yes, nature of
Change from
Previous CFP:

Projected Costs:	2027	2028	2029	2030	2031	2032	Total
Costs by year		\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$1,000,000
Totals	\$0	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$1,000,000

Funding Sources:	2027	2028	2029	2030	2031	2032	Total
Taxes							\$0
REET		\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$1,000,000
Utility Tax							\$0
Impact Fees							\$0
Grants							\$0
Rates/User Fees							\$0
Contributions							\$0
Fund Balance							\$0
Totals	\$0	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$1,000,000

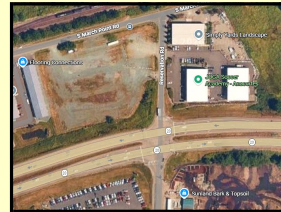


ANACORTES
WASHINGTON

City of Anacortes
Project Detail Worksheet
2027-2032 Transportation Improvement Program

Facility Type:

Insert and Resize Picture Here



Please limit responses to size of box

Project Title:

Location:

Description:

Justification:

In Previous TIP? Click on box/click on arrow to select

If yes, nature of Change from Previous TIP:

Projected Costs:	2027	2028	2029	2030	2031	2032	Total
Costs by year					\$125,000		\$125,000
Totals	\$0	\$0	\$0	\$0	\$125,000	\$0	\$125,000

Funding Sources:	2027	2028	2029	2030	2031	2032	Total
Taxes							\$0
REET					\$125,000		\$125,000
Utility Tax							\$0
Impact Fees							\$0
Grants							\$0
Rates/User Fees							\$0
Contributions							\$0
Fund Balance							\$0
Totals	\$0	\$0	\$0	\$0	\$125,000	\$0	\$125,000



ANACORTES
WASHINGTON

City of Anacortes
Project Detail Worksheet
2027-2032 Transportation Improvement Program

Facility Type:

1

Insert and Resize Picture Here



Please limit responses to size of box

Project Title:

Location:

Description:

Justification:

In Previous TIP? Click on box/click on arrow to select

If yes, nature of
Change from
Previous TIP:

Projected Costs:	2027	2028	2029	2030	2031	2032	Total
Costs by year					\$75,000		\$75,000
Totals	\$0	\$0	\$0	\$0	\$75,000	\$0	\$75,000

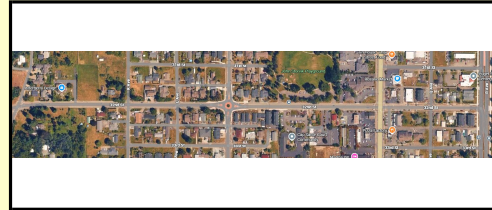
Funding Sources:	2027	2028	2029	2030	2031	2032	Total
Taxes							\$0
REET					\$75,000		\$75,000
Utility Tax							\$0
Impact Fees							\$0
Grants							\$0
Rates/User Fees							\$0
Contributions							\$0
Fund Balance							\$0
Totals	\$0	\$0	\$0	\$0	\$75,000	\$0	\$75,000



City of Anacortes
Project Detail Worksheet
2027-2032 Transportation Improvement Program

Facility Type:

Insert and Resize Picture Here



Please limit responses to size of box

Project Title:

Location:

Description:

Justification:

In Previous TIP? Click on box/click on arrow to select

If yes, nature of
Change from
Previous TIP:

Projected Costs:	2027	2028	2029	2030	2031	2032	Total
Costs by year			\$130,000				\$130,000
Totals	\$0	\$0	\$130,000	\$0	\$0	\$0	\$130,000

Funding Sources:	2027	2028	2029	2030	2031	2032	Total
Taxes							\$0
REET			\$130,000				\$130,000
Utility Tax							\$0
Impact Fees							\$0
Grants							\$0
Rates/User Fees							\$0
Contributions							\$0
Fund Balance							\$0
Totals	\$0	\$0	\$130,000	\$0	\$0	\$0	\$130,000

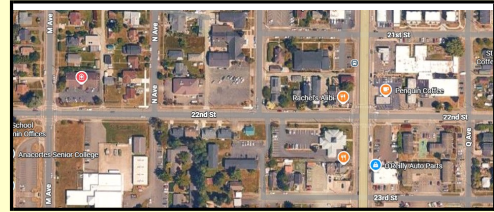


ANACORTES
WASHINGTON

City of Anacortes
Project Detail Worksheet
2027-2032 Transportation Improvement Program

Facility Type:

Insert and Resize Picture Here



Please limit responses to size of box

Project Title:

Location:

Description:

Implement safety improvements to address lane departure and intersection crashes, including retroreflective pavement markings, signal upgrades at Commercial Avenue and 22nd Street, enhanced signage and pavement markings, and fill in sidewalk gap on north side of 22nd at Q Avenue.

Justification:

Addresses lane departure and angle crash patterns by enhancing visibility, signal performance, and driver awareness. Project identified in our Comprehensive Safety Action Plan.

In Previous TIP?

Click on box/click on arrow to select

If yes, nature of
Change from
Previous TIP:

Projected Costs:	2027	2028	2029	2030	2031	2032	Total
Costs by year			\$300,000				\$300,000
Totals	\$0	\$0	\$300,000	\$0	\$0	\$0	\$300,000

Funding Sources:	2027	2028	2029	2030	2031	2032	Total
Taxes							\$0
REET			\$300,000				\$300,000
Utility Tax							\$0
Impact Fees							\$0
Grants							\$0
Rates/User Fees							\$0
Contributions							\$0
Fund Balance							\$0
Totals	\$0	\$0	\$300,000	\$0	\$0	\$0	\$300,000



City of Anacortes
Project Detail Worksheet
2027-2032 Transportation Improvement Program

Facility Type:

Insert and Resize Picture Here



Please limit responses to size of box

Project Title:

Location:

Description:

Justification:

In Previous TIP? Click on box/click on arrow to select

If yes, nature of
Change from
Previous TIP:

Projected Costs:	2027	2028	2029	2030	2031	2032	Total
Costs by year						\$775,000	\$775,000
Totals	\$0	\$0	\$0	\$0	\$0	\$775,000	\$775,000

Funding Sources:	2027	2028	2029	2030	2031	2032	Total
Taxes							\$0
REET							\$0
Utility Tax							\$0
Impact Fees							\$0
Grants						\$775,000	\$775,000
Rates/User Fees							\$0
Contributions							\$0
Fund Balance							\$0
Totals	\$0	\$0	\$0	\$0	\$0	\$775,000	\$775,000



ANACORTES
WASHINGTON

City of Anacortes
Project Detail Worksheet
2027-2032 Transportation Improvement Program

Facility Type:

Insert and Resize Picture Here



Please limit responses to size of box

Project Title:

Location:

Description:

Short-term improvements along the D Avenue corridor shall prioritize cost-effective, quick-build strategies that enhance visibility, reduce vehicle speeds, and improve predictability for all roadway users. These improvements include the installation of high-visibility crosswalk markings, deployment of speed feedback signage in high-speed locations, and the addition of shoulder striping and shared lane markings to more clearly define travel space. Complementary treatments, such as neighborhood gateway enhancements and the use of flexible bollards, shall be implemented to provide visual and physical cues that support traffic calming and advance corridor safety objectives.

Justification:

A tiered set of traffic calming treatments were provided after completing a safety study. This project is for the short-term improvements. Short-term actions focus on low-cost, quick-build strategies that improve visibility, reduce speeds, and enhance predictability for all users.

In Previous TIP? Click on box/click on arrow to select

If yes, nature of
Change from
Previous TIP:

Projected Costs:	2027	2028	2029	2030	2031	2032	Total
Costs by year						\$850,000	\$850,000
Totals	\$0	\$0	\$0	\$0	\$0	\$850,000	\$850,000

Funding Sources:	2027	2028	2029	2030	2031	2032	Total
Taxes							\$0
REET						\$850,000	\$850,000
Utility Tax							\$0
Impact Fees							\$0
Grants							\$0
Rates/User Fees							\$0
Contributions							\$0
Fund Balance							\$0
Totals	\$0	\$0	\$0	\$0	\$0	\$850,000	\$850,000


ANACORTES
WASHINGTON

City of Anacortes
Project Detail Worksheet
2027-2032 Transportation Improvement Program

Facility Type:

Insert and Resize Picture Here


Please limit responses to size of box

Project Title:

Location:

Description: Long-term improvements for the 6th Street corridor shall consist of a roadway reconfiguration that aligns with adjacent residential land uses and advances adopted community livability objectives within the City's long-range planning framework. These improvements include the development of a consistent cross section that accommodates all user groups, and the incorporation of dedicated active transportation facilities such as expanded sidewalks or multi-use paths, and the evaluation of intersection control modifications to improve operational safety and reduce cut-through traffic.

Justification: Improves safety and multimodal connectivity along the 6th Street corridor through roadway design, active transportation improvements, and evaluation of traffic calming and intersection modifications.

In Previous CFP? Click on box/click on arrow to select

If yes, nature of
Change from
Previous CFP:

Projected Costs:	2027	2028	2029	2030	2031	2032	Total
Costs by year				\$2,000,000			\$2,000,000
Totals	\$0	\$0	\$0	\$2,000,000	\$0	\$0	\$2,000,000

Funding Sources:	2027	2028	2029	2030	2031	2032	Total
Taxes							\$0
REET							\$0
Utility Tax							\$0
Impact Fees							\$0
Grants				\$2,000,000			\$2,000,000
Rates/User Fees							\$0
Contributions							\$0
Fund Balance							\$0
Totals	\$0	\$0	\$0	\$2,000,000	\$0	\$0	\$2,000,000

Six-Year (2027-2032) Transportation Improvement Program Update

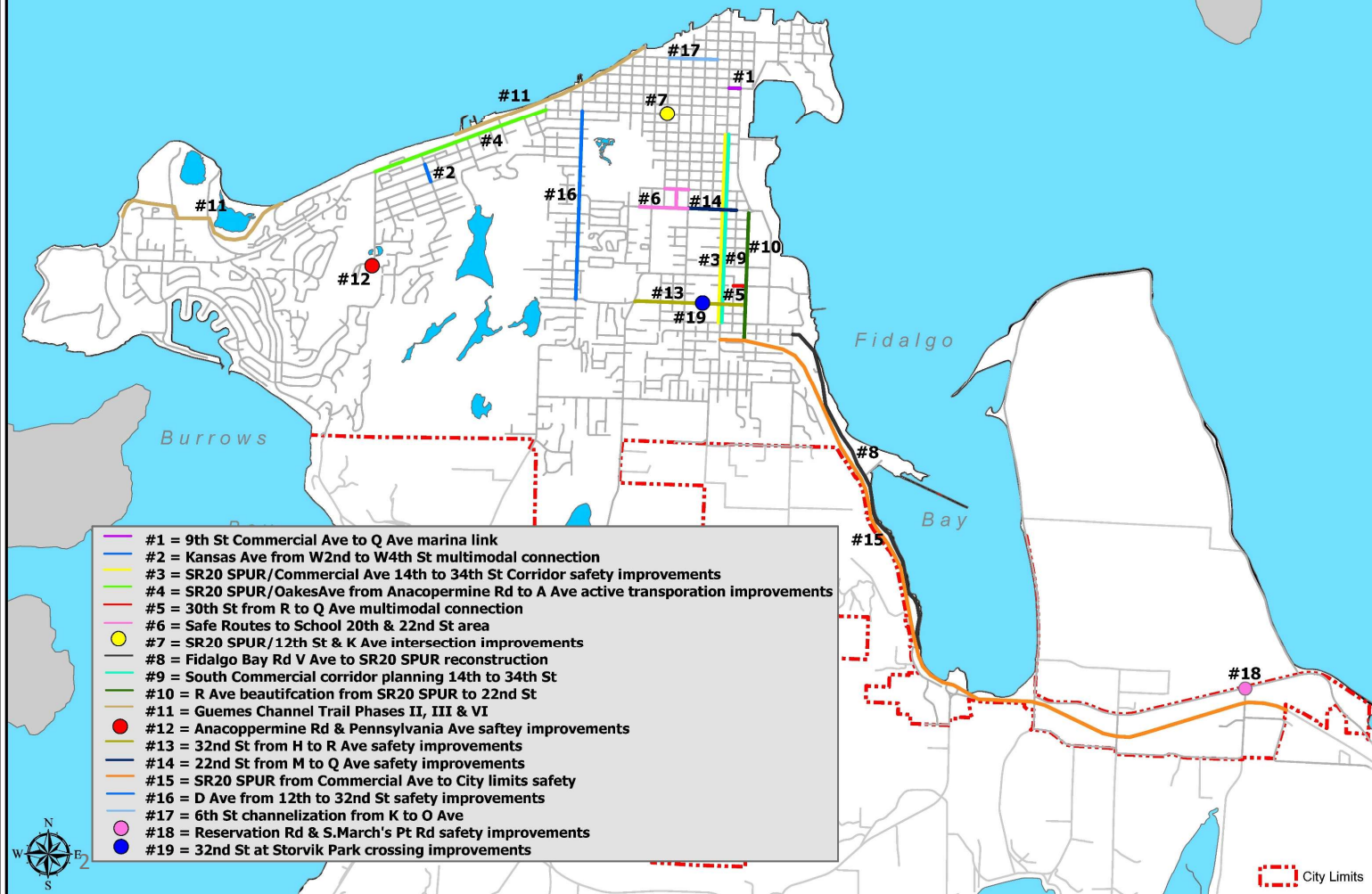
Logan Lee, Public Works Director

June 8, 2026





Transportation Improvement Plan (TIP) Six-Year (2027-2032)



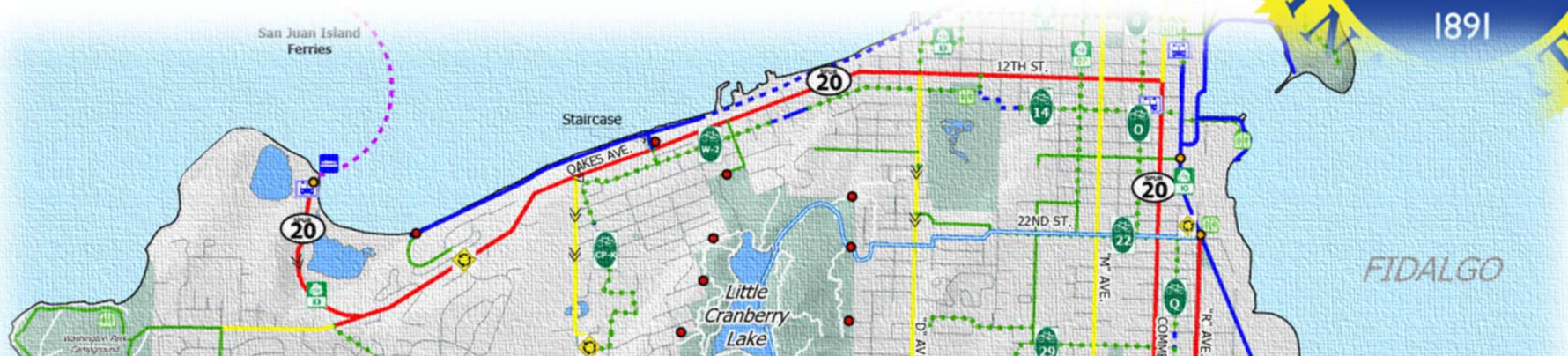
Program Funding Summaries



Program Name	2027	2028	2029	2030	2031	2032	Six Year Total	Local Funds
Annual Multimodal Infrastructure Improvement Program	\$ 425,000.00	\$ 430,000.00	\$ 435,000.00	\$ 440,000.00	\$ 445,000.00	\$ 450,000.00	\$ 2,200,000.00	X
Annual Pavement Maintenance Program	\$ 1,800,000.00	\$ 1,800,000.00	\$ 1,800,000.00	\$ 1,800,000.00	\$ 1,800,000.00	\$ 1,800,000.00	\$ 9,000,000.00	X
Downtown Commercial Sidewalk Improvements	\$ -	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 1,000,000	X
Totals	\$ 2,225,000.00	\$ 2,430,000.00	\$ 2,435,000.00	\$ 2,440,000.00	\$ 2,445,000.00	\$ 2,450,000.00	\$ 12,200,000.00	

3

Project Funding Summaries



TIP Project #	Project Name	2027	2028	2029	2030	2031	2032	Six Year Total	Local	Grant Funded	Grant Applied	Unknown
#1	9th Street Downtown to Marina Link	\$ -	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ 400,000				X
#2	Kansas Avenue Multimodal Connection	\$ -	\$ 350,000	\$ 2,500,000	\$ -	\$ -	\$ -	\$ 2,850,000				X
#3	SR20 Spur/Commercial Ave. Corridor Safety Improvements	\$ 4,760,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,760,000	X		X	
#4	SR20 Spur/Oakes Ave. Active Transportation Improvements	\$ -	\$ 466,350	\$ 4,500,000	\$ -	\$ -	\$ -	\$ 4,966,350	X		X	
#5	30th Street from R Ave to Q Ave Multimodal Connection	\$ 450,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 450,000			X	
#6	Anacortes Safe Routes to School on 22nd and 20th Street	\$ -	\$ 2,070,000	\$ -	\$ -	\$ -	\$ -	\$ 2,070,000			X	
#7	SR20 Spur/12th St. & K Ave. Intersection Improvements	\$ 286,000	\$ 2,500,000	\$ -	\$ -	\$ -	\$ -	\$ 2,786,000	X			X
#8	Fidalgo Bay Rd. Reconstruction	\$ -	\$ 1,000,000	\$ -	\$ -	\$ 8,500,000	\$ -	\$ 9,500,000			X	
#9	South Commercial Corridor Planning	\$ -	\$ -	\$ 350,000	\$ -	\$ -	\$ -	\$ 350,000				X
#10	R Avenue Beautification	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000	\$ -	\$ 1,000,000				X
#11	Guemes Channel Trail Phases 2, 3 and 6	\$ 328,000	\$ -	\$ 3,200,000	\$ -	\$ -	\$ -	\$ 3,200,000	X	X		X
#12	Anacopper & Pennsylvania Safety Improvements	\$ -	\$ -	\$ -	\$ -	\$ 75,000	\$ -	\$ 75,000				X
#13	32nd St. Safety Improvements from H Ave. to R Ave.	\$ -	\$ -	\$ 130,000	\$ -	\$ -	\$ -	\$ 130,000				X
#14	22nd St. Safety Improvements from M Ave. to Q Ave.	\$ -	\$ -	\$ 300,000	\$ -	\$ -	\$ -	\$ 300,000				X
#15	Safety on SR20 Spur from Commercial Ave. to City Limits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 775,000	\$ 775,000				X
#16	D Avenue Safety Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 850,000	\$ 850,000				X
#17	6th Street Channelization	\$ -	\$ -	\$ -	\$ 2,000,000	\$ -	\$ -	\$ 2,000,000				X
#18	Reservation Rd. & S. March's Point Safety Improvements	\$ -	\$ -	\$ -	\$ -	\$ 125,000	\$ -	\$ 125,000				X
#19	32nd Street Pedestrian Crossing Improvement	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000			X	
Totals		\$ 6,024,000	\$ 6,786,350	\$10,980,000	\$ 2,000,000	\$ 9,700,000	\$ 1,625,000	\$ 36,787,350				



City Council Agenda Bill

June 8, 2026

Action Type: Ordinance

Item: 7.a.

Title: Ordinance 5031: Updating AMC 12.60 Complete Streets

Staff Contact(s): Logan Lee

Approved for Submittal to Council by:

Greg Francioch
Logan Lee
Steve Hoglund
Darcy Swetnam

Summary: The Washington State Legislature established a Complete Streets program pursuant to [RCW 47.04.320](#) and encourages local jurisdictions within the State of Washington to adopt Complete Streets ordinances. The purpose of the Complete Streets program is to provide safe and convenient access and mobility for all users of the transportation system, including pedestrians, bicyclists, motorists, freight operators, emergency responders, transit users, and persons of all ages and abilities. Staff recommend the incorporation of Complete Streets principles into transportation planning, capital projects, development review, and public right-of-way improvements, which will improve transportation safety, accessibility, connectivity, and mobility throughout the city and support multimodal transportation, accessibility, environmental sustainability, and the health, safety, and welfare of the community. This ordinance updates [Anacortes Municipal Code Chapter 12.60 Complete Streets](#) in furtherance of those principles.

Note one correction from last week's presentation: the ordinance does apply to private development and re-development. We have incorporated changes based on council and public comments and for readability. Changes since the last version are shown in blue.

Budget Impact:

Previous Action: City Council created AMC Chapter 12.60 with the adoption of

[Ordinance 2879](#) in April 2012. First read of the proposed ordinance at the [June 1, 2026](#), regular meeting.

Recommended Motion: Adopt Ordinance 5031 updating Anacortes Municipal Code Chapter 12.60 Complete Streets.

Alternative Actions: Direct staff to make revisions.

Attachments (listed in order presented):

1. 6-1-26 Complete Streets Presentation
2. Complete Streets Exhibit A - tracked changes 6.3.26
3. Complete Streets Ordinance 5031 - clean version 6.3.26
4. 6-8-26 Complete Streets

Update to AMC Chapter 12.60 - Complete Streets

Logan Lee, Public Works Director

June 1, 2026



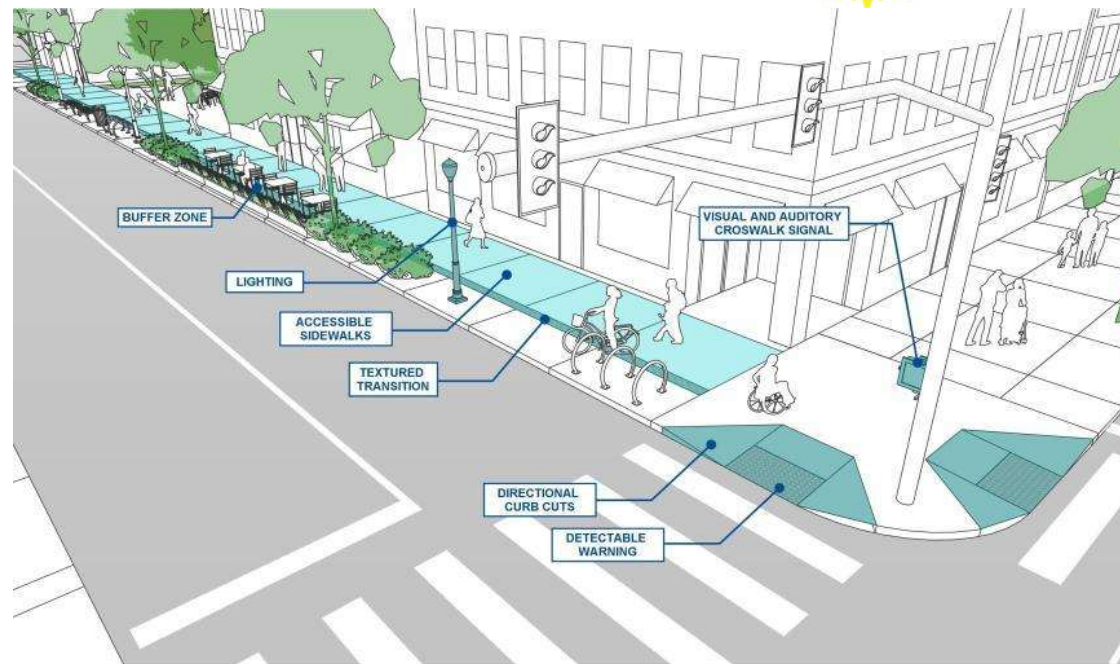


What Are Complete Streets?

Complete Streets are transportation facilities designed and operated to enable safe access and mobility for all users, including pedestrians, bicyclists, motorists, transit users, freight, emergency responders, and people of all ages and abilities.

Why They Matter:

- Improve safety for all roadway users
- Support ADA accessibility and mobility
- Encourage walking, biking, and transit use
- Create more connected and accessible communities
- Help guide future transportation planning and investment
- Support state and federal funding competitiveness





Why Update AMC Chapter 12.60?

- Ordinance has not been updated since 2012
- Revisions improve clarity, consistency, and applicability
- Better aligns with current transportation planning practices
- Incorporates updated ADA and safety considerations
- Supports future Transportation Improvement Board (TIB) grant eligibility and competitiveness
- Aligns with RCW 47.04.320



Key Updates

- Expanded and clarified Complete Streets definitions
- Added implementation guidance and applicability standards
- Established formal exception criteria and documentation requirements
- Added references to ADA accessibility and multimodal safety
- Clarified applicability to City and development projects
- Improved alignment with City engineering standards and long-range planning efforts



Public Comment

- Evergreen Islands
 - Add the definition for “Public Right-of-Way”.
 - Add “shared-use path” as a complete streets infrastructure example.
 - Combined sections B and C in 12.60.030 “Applicability and Implementation”.
 - Added “Shoreline” to under 12.060.050(A)(5) “Exceptions”.
- Staff recommends these changes be incorporated

Exhibit A

Chapter 12.60 COMPLETE STREETS

Sections:

- 12.60.010 ~~Statement of p~~Purpose.
- 12.60.020 ~~Planning, design, and construction.~~ Definitions.
- 12.60.030 ~~Exceptions.~~ Applicability and Implementation.
- 12.60.040 Requirement
- 12.60.0540 Design Principles and Standards.
- 12.60.06~~50~~ Exceptions.
- 12.60.07~~60~~ Severability.

12.60.010 ~~Statement of p~~Purpose.

The purpose of this chapter is to establish ~~policy and procedures within the city of Anacortes Municipal Code, for a Complete Streets Program to guide~~ the planning, design, construction, reconstruction, retrofit, maintenance, and construction of city streets, sidewalks, and operation of public places. ~~These policies rights-of-way in the City of Anacortes in accordance with RCW 47.04.320. The provisions of this chapter are intended to ensure safe, equitable, and accessible transportation facilities for all users, including pedestrians, bicyclists, transit riders, freight, emergency responders, motorists, and procedures are meant to facilitate and encourage a physically active community by allowing people of all ages and abilities to incorporate physical activity into their daily lives by walking, bicycling, exercising.~~

This chapter further supports compliance with the Americans with Disabilities Act (ADA), promotes multimodal connectivity, and advances Vision Zero principles intended to reduce and using public transit as part of everyday living eliminate all traffic fatalities and serious injuries while increasing safe, healthy, and equitable mobility for all.

12.60.020 ~~Planning, design, and construction.~~ Definitions.

~~City of Anacortes will plan for, design, and construct all new street, sidewalk, and public place projects to provide appropriate accommodation for pedestrians, bicyclists, transit users and~~

~~persons of all ages and abilities. Complete street practices will be incorporated into city plans, rules, regulations and programs as appropriate.~~

"City Engineer" means the City Engineer designated per AMC 2.08 or the City Engineer's designee.

"Complete Streets" means public rights-of-way that are planned, designed, constructed, operated, and maintained to enable safe and accessible travel for all users, including pedestrians, bicyclists, transit users, motorists, freight, emergency responders, and persons of all ages and abilities.

"Complete Streets infrastructure" means physical elements within the public right-of-way that are designed to support safe and accessible travel for all users, including but not limited to sidewalks, bicycle facilities, shared-use paths, transit stops and amenities, safe crossing features, traffic control devices, and related roadway design elements.

"Public Right-of-Way" means land dedicated, deeded, conveyed, or otherwise acquired for public transportation purposes and under the jurisdiction of the City, including streets, alleys, sidewalks, bicycle facilities, shared-use paths, public easements, and other transportation facilities intended for public travel and access. The term does not include recreational trails, parks, or open space facilities unless specifically designated as transportation facilities by the City.

"Transportation project" means any project, program, permit, development activity, capital improvement, private development, frontage improvement, or work within the public right-of-way that affects the planning, design, construction, reconstruction, operation, or maintenance of a public transportation facility."

12.60.030 ~~Exceptions.~~ Applicability and Implementation.

~~Facilities for pedestrians, bicyclists, transit users, and/or people of all ages and abilities are not required to be provided:~~

~~A. Where their establishment would be contrary to public health and safety;~~

~~B. Where there is no identified need (as established in city plans and future travel demand models);~~

~~C. For ordinary maintenance activities designed to keep assets in serviceable condition (e.g., cleaning, sweeping, spot repair and surface treatments such as preservation paving);~~

~~D. Where the cost would be disproportionate to the current need or probable future uses.~~

A. Complete Streets requirements ~~shall~~ apply to:

1. City-funded, City-owned, or City-managed transportation projects;
2. Private development and redevelopment projects required to construct or improve public rights-of-way, frontage improvements, or transportation facilities;
3. Transportation-related capital improvement projects, utility projects, and redevelopment activities, except as otherwise provided in this chapter.

12.60.040 Requirement.

A. Complete Streets requirements must~~shall~~ be incorporated into the planning, scoping, design, construction, reconstruction, retrofit, operation, and maintenance of transportation projects and implemented through City plans, development regulations, engineering standards, and project review processes unless an exception is approved pursuant to Section 12.60.050;

~~B. Complete Streets requirements shall be incorporated into the planning, scoping, design, construction, reconstruction, retrofit, operation, and maintenance of transportation facilities and public rights-of-way;~~

~~C. All transportation projects shall include consideration of Complete Streets infrastructure during project scoping and design, except as provided in Section 12.60.050~~

B. The City must~~shall~~ implement and administer this chapter through applicable City plans, development regulations, engineering standards, design manuals, permit review processes, capital improvement programming, and project approval procedures.

C. Compliance with this chapter must~~shall~~ be reviewed by the City Engineer ~~or designee~~ during applicable project review, permit review, frontage improvement review, and capital project development.

12.60.0540 Design Principles and Standards.

A. Public rights-of-way shall be planned, designed, constructed, reconstructed, operated, and maintained to support safe and accessible travel for pedestrians, bicyclists, transit users, and persons of all ages and abilities.

B. Complete Streets infrastructure shall be incorporated into transportation projects in a manner that:

1. Improves multimodal safety and accessibility;
2. Supports connectivity between neighborhoods, schools, parks, commercial areas, transit facilities, and other community destinations;
3. Complies with applicable ADA requirements and accessibility standards;
4. Supports adopted City transportation, land use, and safety plans; and
5. Balances the needs of all users while considering context, roadway function, environmental constraints, and public safety.

C. Complete Streets infrastructure shall be designed and constructed in accordance with applicable City engineering standards, specifications, policies, and design guidance, as adopted or amended by the City Engineer ~~or designee~~.

12.60.0650 Exceptions.

A. Complete Streets infrastructure is not required where the City Engineer ~~or designee~~ determines, in writing, that one or more of the following conditions apply:

1. A documented absence of current and future need exists, as determined in accordance with subsection B of this section;
2. The project consists of routine maintenance or repair activities that do not change the roadway geometry, operations, or access;
3. The cost of providing Complete Streets infrastructure would be disproportionate to the total project cost or probable future use;
4. The inclusion of Complete Streets infrastructure would be contrary to public safety;
5. The provision of such facilities would result in significant adverse environmental impacts to critical areas, including but not limited to wetlands, streams, ~~shorelines~~, or steep slopes;
6. The project is of a limited scope or location such that the inclusion of Complete Streets facilities would result in isolated or disconnected improvements that do not contribute to a functional network.

B. Any determination of absence of current and future need shall be documented in writing, supported by documented analysis, approved by the City Engineer ~~or designee~~, and may include consideration of the following:

1. Adopted City plans and policies;
2. Existing and projected land use and development patterns;
3. Current and projected traffic volumes, multimodal demand, and travel patterns;

4. Safety history, including crash data and documented safety concerns; and

5. ~~4.~~ Existing and planned transportation facilities within the project area.

C. Documentation under this section must be kept in the project or permit application file.

12.60.0760 Severability.

If any section, sentence, clause, or phrase of this chapter ~~should~~ is held invalid or unconstitutional by a court of competent jurisdiction, such ~~invalidity or unconstitutionality decision~~ shall not affect the validity ~~or constitutionality~~ of ~~any other section, sentence, clause, or phrase,~~ the remaining portions of this chapter.

Ordinance 5031

An Ordinance Amending Anacortes Municipal Code Chapter 12.60 Complete Streets

Whereas the Washington State Legislature has, pursuant to RCW 47.04.320, established a Complete Streets program and encourages local jurisdictions within the State of Washington to adopt Complete Streets ordinances

Whereas the purpose of the Complete Streets program is to provide safe and convenient access and mobility for all users of the transportation system, including pedestrians, bicyclists, motorists, freight operators, emergency responders, transit users, and persons of all ages and abilities

Whereas the City Council of Anacortes finds that incorporating Complete Streets principles into transportation planning, capital projects, development review, and public right-of-way improvements will improve transportation safety, accessibility, connectivity, and mobility throughout the city

Whereas the City Council further finds that Complete Streets principles support multimodal transportation, accessibility, environmental sustainability, and the health, safety, and welfare of the community

Whereas the City Council finds that adoption of this ordinance will improve transportation safety, accessibility, and mobility within the city

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

Section 1. Adopt the amendments to Anacortes Municipal Code Chapter 12.60 as shown in Exhibit A.

Section 2. Severability. The various parts, sections, and clauses of this resolution are hereby declared to be severable. If any section, subsection, paragraph, sentence, clause, or phrase of this resolution is declared unconstitutional or invalid for any reason, such decision must not affect the validity of the remaining parts of this resolution.

ADOPTED by the City Council of the City of Anacortes this 8th day of June 2026.

CITY OF ANACORTES:

Ryan Walters, Mayor

Attest:

Steven D. Hoglund, City Clerk-Treasurer

Approved as to Form:

Darcy Swetnam, City Attorney

Exhibit A

Chapter 12.60 COMPLETE STREETS

Sections:

- 12.60.010 Purpose.**
- 12.60.020 Definitions.**
- 12.60.030 Applicability.**
- 12.60.040 Requirement.**
- 12.60.050 Design Principles and Standards.**
- 12.60.060 Exceptions.**
- 12.60.070 Severability.**

12.60.010 Purpose.

The purpose of this chapter is to establish a Complete Streets Program to guide the planning, design, construction, reconstruction, retrofit, maintenance, and operation of public rights-of-way in the City of Anacortes in accordance with RCW 47.04.320. The provisions of this chapter are intended to ensure safe, equitable, and accessible transportation facilities for all users, including pedestrians, bicyclists, transit riders, freight, emergency responders, motorists, and people of all ages and abilities.

This chapter further supports compliance with the Americans with Disabilities Act (ADA), promotes multimodal connectivity, and advances Vision Zero principles intended to reduce and eliminate all traffic fatalities and serious injuries while increasing safe, healthy, and equitable mobility for all.

12.60.020 Definitions.

“City Engineer” means the City Engineer designated per AMC 2.08 or the City Engineer’s designee.

“Complete Streets” means public rights-of-way that are planned, designed, constructed, operated, and maintained to enable safe and accessible travel for all users, including pedestrians, bicyclists, transit users, motorists, freight, emergency responders, and persons of all ages and abilities.

“Complete Streets infrastructure” means physical elements within the public right-of-way that are designed to support safe and accessible travel for all users, including but not limited to sidewalks, bicycle facilities, shared-use paths, transit stops and amenities, safe crossing features, traffic control devices, and related roadway design elements.

“Public Right-of-Way” means land dedicated, deeded, conveyed, or otherwise acquired for public transportation purposes and under the jurisdiction of the City, including streets, alleys, sidewalks, bicycle facilities, shared-use paths, public easements, and other transportation facilities intended for public travel and access. The term does not include recreational trails, parks, or open space facilities unless specifically designated as transportation facilities by the City.

“Transportation project” means any project, program, permit, development activity, capital improvement, private development, frontage improvement, or work within the public right-of-way that affects the planning, design, construction, reconstruction, operation, or maintenance of a public transportation facility.”

12.60.030 Applicability.

A. Complete Streets requirements apply to:

1. City-funded, City-owned, or City-managed transportation projects;
2. Private development and redevelopment projects required to construct or improve public rights-of-way, frontage improvements, or transportation facilities;
3. Transportation-related capital improvement projects, utility projects, and redevelopment activities, except as otherwise provided in this chapter.

12.60.040 Requirement.

A. Complete Streets requirements must be incorporated into the planning, scoping, design, construction, reconstruction, retrofit, operation, and maintenance of transportation projects and implemented through City plans, development regulations, engineering standards, and project review processes unless an exception is approved pursuant to Section 12.60.050;

B. The City must implement and administer this chapter through applicable City plans, development regulations, engineering standards, design manuals, permit review processes, capital improvement programming, and project approval procedures.

C. Compliance with this chapter must be reviewed by the City Engineer during applicable project review, permit review, frontage improvement review, and capital project development.

12.60.050 Design Principles and Standards.

A. Public rights-of-way shall be planned, designed, constructed, reconstructed, operated, and maintained to support safe and accessible travel for pedestrians, bicyclists, transit users, and persons of all ages and abilities.

B. Complete Streets infrastructure shall be incorporated into transportation projects in a manner that:

1. Improves multimodal safety and accessibility;
2. Supports connectivity between neighborhoods, schools, parks, commercial areas, transit facilities, and other community destinations;
3. Complies with applicable ADA requirements and accessibility standards;
4. Supports adopted City transportation, land use, and safety plans; and
5. Balances the needs of all users while considering context, roadway function, environmental constraints, and public safety.

C. Complete Streets infrastructure shall be designed and constructed in accordance with applicable City engineering standards, specifications, policies, and design guidance, as adopted or amended by the City Engineer.

12.60.060 Exceptions.

A. Complete Streets infrastructure is not required where the City Engineer determines, in writing, that one or more of the following conditions apply:

1. A documented absence of current and future need exists, as determined in accordance with subsection B of this section;
2. The project consists of routine maintenance or repair activities that do not change the roadway geometry, operations, or access;
3. The cost of providing Complete Streets infrastructure would be disproportionate to the total project cost or probable future use;
4. The inclusion of Complete Streets infrastructure would be contrary to public safety;

5. The provision of such facilities would result in significant adverse environmental impacts to critical areas, including but not limited to wetlands, streams, shorelines, or steep slopes;
6. The project is of a limited scope or location such that the inclusion of Complete Streets facilities would result in isolated or disconnected improvements that do not contribute to a functional network.

B. Any determination of absence of current and future need shall be documented in writing, supported by documented analysis, approved by the City Engineer, and may include consideration of the following:

1. Adopted City plans and policies;
2. Existing and projected land use and development patterns;
3. Current and projected traffic volumes, multimodal demand, and travel patterns;
4. Safety history, including crash data and documented safety concerns; and
5. Existing and planned transportation facilities within the project area.

C. Documentation under this section must be kept in the project or permit application file.

12.60.070 Severability.

If any section, sentence, clause, or phrase of this chapter is held invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this chapter.

Update to AMC Chapter 12.60 - Complete Streets

Logan Lee, Public Works Director

June 8, 2026



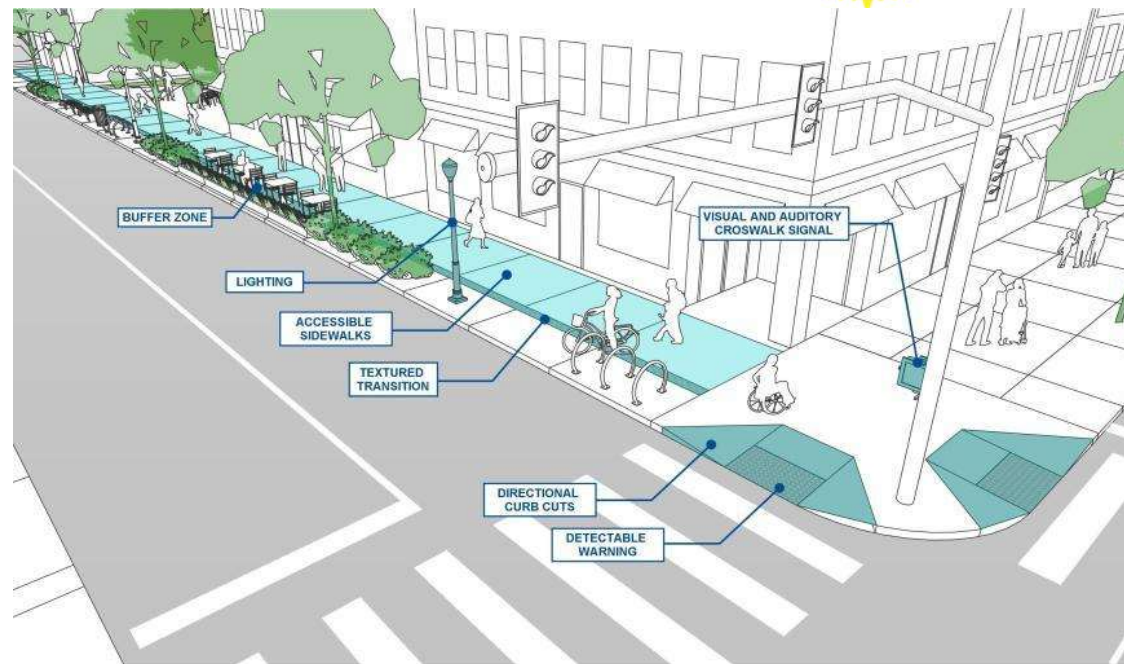


What Are Complete Streets?

Complete Streets are transportation facilities designed and operated to enable safe access and mobility for all users, including pedestrians, bicyclists, motorists, transit users, freight, emergency responders, and people of all ages and abilities.

Why They Matter:

- Improve safety for all roadway users
- Support ADA accessibility and mobility
- Encourage walking, biking, and transit use
- Create more connected and accessible communities
- Help guide future transportation planning and investment
- Support state and federal funding competitiveness





Why Update AMC Chapter 12.60?

- Ordinance has not been updated since 2012
- Revisions improve clarity, consistency, and applicability
- Better aligns with current transportation planning practices
- Incorporates updated ADA and safety considerations
- Supports future Transportation Improvement Board (TIB) grant eligibility and competitiveness
- Aligns with RCW 47.04.320



Key Updates presented at 6-1-26 meeting

- Expanded and clarified Complete Streets definitions
- Added implementation guidance and applicability standards
- Established formal exception criteria and documentation requirements
- Added references to ADA accessibility and multimodal safety
- Clarified applicability to City and development projects
- Improved alignment with City engineering standards and long-range planning efforts



Key Updates since 6-1-26 meeting

- Section formatting changes.
- Language changes such as removed all “shall” and “designee”.
- Added definition for “City Engineer”.
- Added definition for “Public Right-of-Way”.
- Added “Requirement” as a new section.
- Added a sub-section referencing how any Complete Streets exceptions will be documented in the project/permit application.
- Added “Shorelines” in 12.60.060.



City Council Agenda Bill

June 8, 2026

Action Type: Resolution

Item: 7.b.

Title: Resolution 3219: Approve and Adopt the AWC Employee Benefit Trust Employer Master Participation Agreement Update

Staff Contact(s): Kendall Moyle

Approved for Submittal to Council by:

Greg Francioch
Tiffany Matson
Kendall Moyle
Steve Heglund
Darcy Swetnam

Summary:

City staff seeks City Council approval of Resolution 3219 to approve and adopt the AWC Employee Benefit Trust Employer Master Participation Agreement Update, effective July 01, 2026.

Background:

The City will update its Association of Washington Cities Employee Benefit Trust Master Participation Agreement (MPA) to reflect current employee enrollment counts and clarify employer contribution levels based on employee FTE status. No changes are being made to employee benefit offerings, eligibility, or plan design; however, the revised MPA will more clearly define employer contributions for full- time employees (.75-1.0 FTE) and part-time employees (.50—.74 FTE). This update is administrative in nature and ensures plan documents accurately reflect current contribution practices and participation information. It is also being completed in preparation for the City's transition to electronic online enrollment, which will allow employees to enroll in benefit plans digitally without completing paper forms.

Budget Impact:

None

Previous Action: N/A

Recommended Motion: I move that Resolution 3219 be approved to approve and adopt the AWC Employee Benefit Trust Employer Master Participation Agreement Update, effective July 01, 2026.

Alternative Actions: Not approve the resolution.

Attachments (listed in order presented):

1. Resolution 3219
2. 26-181-HRD-001

Resolution 3219

A Resolution approving and adopting the AWC Employee Benefit Trust Employer Master Participation Agreement Update, effective July 01, 2026

Whereas the Association of Washington Cities Employee Benefit Trust (Trust) is a plan sponsor for health coverage through the several insurance carriers;

Whereas the City of Anacortes wishes to update its Association of Washington Cities Employee Benefit Trust Master Participation Agreement (MPA) to reflect current employee enrollment counts and clarify employer contribution levels based on employee FTE status;

Now, therefore, the City Council does resolve as follows:

Section 1. The updated Association of Washington Cities Employee Benefit Trust Master Participation Agreement, effective July 01, 2026, presented at this meeting (and a copy of which is attached hereto) is hereby approved and adopted, and the Mayor is hereby authorized and directed to execute the MPA.

Section 2. The Human Resources & Labor Relations Director is instructed to take such actions that the Human Resources & Labor Relations Director deems necessary and proper in order to implement the MPA, and to set up adequate accounting and administrative procedures for the provision of benefits under the MPA.

ADOPTED by the City Council of the City of Anacortes this ____ day of _____, 2026.

CITY OF ANACORTES:

Ryan Walters, Mayor

Attest:

Steve Hoglund, City Clerk-Treasurer

Approved as to Form:

Darcy Swetnam, City Attorney



Employer Master Participation Agreement

The AWC Employee Benefit Trust is a plan sponsor for health coverage through the following insurance carriers:

Medical			Dental	Vision	EAP	Life & LTD	
							
1111 Lake Washington Blvd N. Suite 900 Renton, WA 98057	528 E Spokane Falls Blvd, Suite 301 Spokane, WA 99202	2715 Naches Ave. SW Renton, WA 98057	400 Fairview Ave N Seattle, WA 98109-5371	Willamette Dental of Washington, Inc. 6950 NE Campus Way Hillsboro, OR 97124	3333 Quality Drive Rancho Cordova, CA 95670	NBC Tower 455 N. Cityfront Plaza Drive Chicago, IL 60611-5322	Standard Insurance Company 1100 SW 6th Ave Portland, OR 97204

6/1/2026

Date form completed

7/1/2026

Effective date

If you are making a change, describe it here:

No change to benefit offerings for employees, however, employer contributions vary based on FTE. Updating MPA to clearly outline employer contributions for full-time FTE's (.75 - 1.0 FTE) vs. Part-Time (.50 - .74 FTE) and updating eligibility counts.

Employer demographic information

Employer proper name

City of Anacortes

Pseudonyms/DBA/non-technical employer name/short name

Physical address

904 6th Street
Anacortes, WA 98221

Mailing address (if different)

Phone number

360-588-8299

Tax ID

91-6001227

Contact/form completed by:

Name	Title	Phone number	Email
Kendall Moyle	Human Resources & Labor Relations Director	360-588-8299	kendallm@anacorteswa.gov

Employer policies

Coverage start date, pick one

- ☒ First day of the month after date of hire.
If the employee's hire date is the first day, or first working day of the month, start the employee's coverage: ☒ The first day of that month ☐ The first of the month following date of hire

☐ Employees are retroactively covered back to the first day of the month in which they are hired.

☐ Employees have a probationary period and then are covered the first of the month following the date probationary period is complete.

How long is the probationary period? _____

Coverage termination date

- ☒ Yes ☐ No First of the month following date of termination/retirement. If no, explain below:

Varying group policies

- ☐ Yes ☒ No We have different coverage start and/or termination policies for different groups within our organization. If yes, explain below:

Spouse/Domestic Partners

- ☒ Yes ☐ No Spouse/Domestic Partners are eligible to be covered on the employer's plan
- ☐ Yes ☒ No We have a more generous Domestic Partner policy than required by Washington state law (RCW 48.44.900).
- ☐ Same and opposite gender ☐ Same gender only ☐ Opposite gender only

Number of employees eligible for any employer-sponsored plan

	Full-time employees*	Part-time employees**	Seasonal employees	Elected officials***	LEOFF 1's
Medical	216	9		7	11
Dental					
Vision					
Long-term disability					
Life					
EAP					

* The minimum hours for full-time eligibility are: 30

**The minimum hours for part-time eligibility (must be at least 20 hours/week): 20

***Elected officials include ☒ Mayor ☒ Council Other _____

Legal agreements

Changes to the Master Participation Agreement: I understand I may make changes to this document to be effective the first day of any month when adequate notice is provided:

- For addition of plan(s), or a change from one plan to another, an updated copy of the Master Participation Agreement should be sent to the AWC Trust office 45-60 days prior to the desired addition/change effective date.
- For termination of a single line of coverage, an updated copy of the Master Participation Agreement should be sent to the AWC Trust office 60 days prior to the desired termination date.
- **Fees:** Cities, towns and non-city entities must be members of the Association of Washington Cities, paying an annual membership fee. AWC Trust rates and requirements are subject to review and/or change by the AWC Trust Board of Trustees at any time.

Life and long-term disability

- We hereby (1) elect to participate in the group life and/or disability insurance coverage under the Association of Washington Cities Employee Benefit Trust (Trust) group life and disability insurance policies issued by Standard Insurance Company; (2) agree to remit premiums on or before the premium due date; (3) agree to be bound by the coverages available to all present and future eligible employees; (4) agree to make the elected coverage available to all present and future eligible employees.
- We understand that the group insurance policies contain limitations and exclusions not described in this Master Participation Agreement. We understand that Certificates of Insurance giving a complete description of the insurance coverage(s) will be provided. We agree to distribute those certificates to insured participants. We agree not to distribute any other description of the terms of insurance coverage(s) without prior written approval of Standard Insurance Company.
- We understand that no insurance coverage for any participant will be in effect prior to the latest of: (a) requested effective date; (b) approval by Standard Insurance Company; and (c) approval of evidence of insurability, if required.

Employer acknowledgement and signature

The AWC Employee Benefit Trust is maintained and administered in accordance with the Trust Agreement (as amended periodically), the terms of which are incorporated by reference into this Master Participation Agreement. Employers should review the Trust Agreement, including specifically its terms regarding joining, participating, and terminating participation in the Trust. A copy will be provided to you upon joining the Trust, and an updated copy will be reissued when the Trust Agreement is amended and restated. Additional agreements are outlined within the Interlocal Agreement required by the AWC Trust.

Premium payments are due on or before the 10th of the month in which coverage is active. Payment may be submitted online or by paper check, mailed to the address indicated on your bill.

By signing below, I acknowledge and represent the following on behalf of the employer:

- The employer has received a copy of the Trust Agreement and agrees to abide by all applicable terms and conditions therein.
- The employer provides its answers on this form as part of the procedure required by the Trust to provide or change Trust-sponsored coverage, with the understanding that the Trust relies on this information to ensure compliance with underwriting rules. All information completed on this form is true, correct, and complete.
- The employer is responsible for the accuracy of all employee and dependent enrollment information that the employer submits to the Trust on behalf of its employees, and has received any necessary approvals to submit or make changes to such information on behalf of its employees.
- The employer understands that it is a crime to knowingly provide false, incomplete, or misleading information for the purposes of defrauding the Trust, a health plan, or an insurance company, with penalties including denial of coverage, fines, and/or imprisonment. In addition, the Trust will have the right to collect any claims payments or other damages.

Signature

Printed name

Title

Date

Plan offerings

Complete **one “plan offering” section for each workgroup or bargaining unit** (i.e. public works, police guild, finance, etc.) If all employees are on the same plans – write “all employees.”

Name of workgroup/
bargaining unit

Non-Union, Full-Time

employees eligible 58

AWC Trust plan offerings

Part-time staff eligible for: ☒ Medical ☒ Dental ☒ Vision ☒ Life ☒ LTD ☒ EAP

Medical

enrolled 58

You are eligible for plans through either Regence or Asuris, depending on your location.
Contact us if you aren't sure which carrier is in your area.



- ☒ **Regence BlueShield**
- ☒ AWC HealthFirst® 250
 - ☐ AWC HealthFirst® 500
 - ☒ High Deductible Health Plan
 - ☐ AHN 250
 - ☐ Plan A – LEOFF 1 active employees and retirees only
 - ☐ Medicare Advantage EGWP – LEOFF 1 retirees only



- ☐ **Asuris Northwest Health**
- ☐ AWC HealthFirst® 250
 - ☐ AWC HealthFirst® 500
 - ☐ High Deductible Health Plan
 - ☐ Plan A – LEOFF 1 active employees and retirees only



- ☒ **Kaiser Permanente**
- ☐ Kaiser 200
 - ☐ Kaiser 500
 - ☒ High Deductible Health Plan
 - ☐ Non-copay plan – LEOFF 1 retirees only
- ☒ **Kaiser Foundation Health Plan of Washington Options, Inc.**
- ☒ Kaiser Access PPO

Dental

enrolled 58



Delta Dental of Washington

- ☒ **Delta Dental of Washington**
- | Dental | Orthodontia |
|--|-----------------------------------|
| ☐ Plan A | ☐ Plan I |
| ☐ Plan B | ☐ Plan II |
| ☐ Plan C | ☐ Plan III |
| ☐ Plan D | ☐ Plan IV |
| ☒ Plan E | ☐ Plan V |
| ☐ Plan F | |
| ☐ Plan G | |
| ☐ Plan J | |



- ☐ **Willamette Dental of Washington, Inc.**
- ☐ \$10 copay
 - ☐ \$15 copay

Employee Assistance Program

enrolled 58



- ☒ **ComPsych**
- ☒ 1-6 sessions - Standard and included when enrolled on any AWC Trust plan.
 - ☐ 1-8 sessions
 - ☐ 1-10 sessions
- Employees with no other AWC Trust coverage
- ☐ 1-6 session
 - ☐ 1-8 session
 - ☐ 1-10 session

Vision # enrolled 58



- ☒ **Vision Service Plan**
- ☐ \$0 copay
 - ☒ \$10 copay
 - ☐ \$25 copay
 - ☐ \$10/15 copay
- ☐ Second pair option rider

Tax favored accounts



- ☒ **HSA Bank**
- ☒ HSA



- ☒ **Navia Benefit Solutions**
- ☒ FSA
 - ☐ HSA
 - ☐ HRA
 - ☒ COBRA, applies to FSA or HRA

More plan offerings —>

Plan offerings *continued*

Name of workgroup/bargaining unit Non-Union, Full-Time



Life* # enrolled **58**



☒ **The Standard**

☒ Basic life

☒ Flat rate amount:

\$ 75,000

☐ Salary based:

_____ x salary,

up to a maximum of

\$ _____

Note: Maximum benefit is the lesser of 3x salary or \$500,000.

☒ Accidental Death & Dismemberment

☒ Dependent Life

☒ Option 1: \$1,000

☐ Option 2: \$2,000

☐ Option 3: \$5,000

☐ Option 4: \$10,000

☒ Employee additional life

☒ Spouse additional life

Long-term disability*

enrolled **58**



☒ **The Standard**

☒ Option 1: 60%; 90-day

☐ Option 2: 60%; 180-day

☐ Option 3: 67%; 90-day

☐ Option 4: 67%; 180-day

☒ Low risk option 1: 60%; 90-day

☐ Low risk option 2: 60%; 180-day

☐ Low risk option 3: 67%; 90-day

☐ Low risk option 4: 67%; 180-day

*If previous life and/or LTD coverage was not through the AWC Trust, list previous carrier and termination date:

Safety employees, transit drivers, and electrical workers are excluded from low risk options.

Premium contributions

Do employees pay toward ☐ Yes ☒ No their LTD coverage?

If yes,

Amount employee pays _____ %

Amount employer pays _____ %

Updates and changes:

If adding or increasing life or long-term disability, are you aware of any employee who is currently disabled or has a current/potential health risk that could result in a claim? If yes, include an attachment with name, date of birth, and last four of SSN.

☐ Yes
☒ No

Other non-AWC plan offerings

	Name of plan/sponsor	# employees eligible	# employees enrolled
Medical			
Dental			
Vision			
Life			
Long-term disability			
EAP			
Tax-favored account(s) HSA/HRA/FSA			

Plan offerings

Complete **one “plan offering” section for each workgroup or bargaining unit** (i.e. public works, police guild, finance, etc.) If all employees are on the same plans – write “all employees.”

Name of workgroup/
bargaining unit

Elected Officials

employees eligible 7

AWC Trust plan offerings

Part-time staff eligible for: ☐ Medical ☐ Dental ☐ Vision ☐ Life ☐ LTD ☐ EAP

Medical

enrolled 0

You are eligible for plans through either Regence or Asuris, depending on your location.
Contact us if you aren't sure which carrier is in your area.



☒ Regence BlueShield

- ☒ AWC HealthFirst® 250
- ☐ AWC HealthFirst® 500
- ☐ High Deductible Health Plan
- ☐ AHN 250
- ☐ Plan A – LEOFF 1 active employees and retirees only
- ☐ Medicare Advantage EGWP – LEOFF 1 retirees only

☐ Asuris Northwest Health

- ☐ AWC HealthFirst® 250
- ☐ AWC HealthFirst® 500
- ☐ High Deductible Health Plan
- ☐ Plan A – LEOFF 1 active employees and retirees only

☒ Kaiser Permanente

- ☐ Kaiser 200
- ☐ Kaiser 500
- ☐ High Deductible Health Plan
- ☐ Non-copay plan – LEOFF 1 retirees only
- ☒ Kaiser Foundation Health Plan of Washington Options, Inc.
- ☒ Kaiser Access PPO

Dental

enrolled



Delta Dental of Washington

☐ Delta Dental of Washington

- Dental**
- ☐ Plan A
 - ☐ Plan B
 - ☐ Plan C
 - ☐ Plan D
 - ☐ Plan E
 - ☐ Plan F
 - ☐ Plan G
 - ☐ Plan J

Orthodontia

- ☐ Plan I
- ☐ Plan II
- ☐ Plan III
- ☐ Plan IV
- ☐ Plan V



☐ Willamette Dental of Washington, Inc.

- ☐ \$10 copay
- ☐ \$15 copay

Employee Assistance Program

enrolled 7



☒ ComPsych

- ☒ 1-6 sessions - Standard and included when enrolled on any AWC Trust plan.
- ☐ 1-8 sessions
- ☐ 1-10 sessions
- Employees with no other AWC Trust coverage
- ☐ 1-6 session
- ☐ 1-8 session
- ☐ 1-10 session

Vision # enrolled



☐ Vision Service Plan

- ☐ \$0 copay
- ☐ \$10 copay
- ☐ \$25 copay
- ☐ \$10/15 copay

☐ Second pair option rider

Tax favored accounts



☐ HSA Bank

☐ HSA



☐ Navia Benefit Solutions

- ☐ FSA
- ☐ HSA
- ☐ HRA
- ☐ COBRA, applies to FSA or HRA

More plan offerings —>

Plan offerings *continued*

Name of workgroup/bargaining unit Elected Officials



Life* # enrolled



☐ **The Standard**

☐ Basic life

☐ Flat rate amount:

\$

☐ Salary based:

_____ x salary,

up to a maximum of

\$

Note: Maximum benefit is the lesser of 3x salary or \$500,000.

☐ Accidental Death & Dismemberment

☐ Dependent Life

☐ Option 1: \$1,000

☐ Option 2: \$2,000

☐ Option 3: \$5,000

☐ Option 4: \$10,000

☐ Employee additional life

☐ Spouse additional life

Long-term disability*

enrolled



☐ **The Standard**

☐ Option 1: 60%; 90-day

☐ Option 2: 60%; 180-day

☐ Option 3: 67%; 90-day

☐ Option 4: 67%; 180-day

☐ Low risk option 1: 60%; 90-day

☐ Low risk option 2: 60%; 180-day

☐ Low risk option 3: 67%; 90-day

☐ Low risk option 4: 67%; 180-day

*If previous life and/or LTD coverage was not through the AWC Trust, list previous carrier and termination date:

Safety employees, transit drivers, and electrical workers are excluded from low risk options.

Premium contributions

Do employees pay toward ☐ Yes ☐ No their LTD coverage?

If yes,

Amount employee pays _____ %

Amount employer pays _____ %

Updates and changes:

If adding or increasing life or long-term disability, are you aware of any employee who is currently disabled or has a current/potential health risk that could result in a claim? If yes, include an attachment with name, date of birth, and last four of SSN.

☐ Yes
☐ No

Other non-AWC plan offerings

	Name of plan/sponsor	# employees eligible	# employees enrolled
Medical			
Dental			
Vision			
Life			
Long-term disability			
EAP			
Tax-favored account(s) HSA/HRA/FSA			

Plan offerings

Complete **one “plan offering” section for each workgroup or bargaining unit** (i.e. public works, police guild, finance, etc.) If all employees are on the same plans – write “all employees.”

Name of workgroup/
bargaining unit IAFF (Fire Department)

employees eligible 36

AWC Trust plan offerings

Part-time staff eligible for: ☐ Medical ☐ Dental ☐ Vision ☐ Life ☐ LTD ☐ EAP

Medical

enrolled 36

You are eligible for plans through either Regence or Asuris, depending on your location.
Contact us if you aren't sure which carrier is in your area.



☒ Regence BlueShield

- ☒ AWC HealthFirst® 250
- ☐ AWC HealthFirst® 500
- ☒ High Deductible Health Plan
- ☐ AHN 250
- ☐ Plan A – LEOFF 1 active employees and retirees only
- ☒ Medicare Advantage EGWP – LEOFF 1 retirees only

☐ Asuris Northwest Health

- ☐ AWC HealthFirst® 250
- ☐ AWC HealthFirst® 500
- ☐ High Deductible Health Plan
- ☐ Plan A – LEOFF 1 active employees and retirees only

☒ Kaiser Permanente

- ☐ Kaiser 200
- ☐ Kaiser 500
- ☒ High Deductible Health Plan
- ☐ Non-copay plan – LEOFF 1 retirees only
- ☒ Kaiser Foundation Health Plan of Washington Options, Inc.
- ☒ Kaiser Access PPO

Dental

enrolled 36



☒ Delta Dental of Washington

Dental

- ☐ Plan A
- ☐ Plan B
- ☐ Plan C
- ☐ Plan D
- ☒ Plan E
- ☐ Plan F
- ☐ Plan G
- ☐ Plan J

Orthodontia

- ☐ Plan I
- ☐ Plan II
- ☐ Plan III
- ☒ Plan IV
- ☐ Plan V

☐ Willamette Dental of Washington, Inc.

- ☐ \$10 copay
- ☐ \$15 copay

Employee Assistance Program

enrolled 36



☒ ComPsych

- ☒ 1-6 sessions - Standard and included when enrolled on any AWC Trust plan.
- ☐ 1-8 sessions
- ☐ 1-10 sessions
- Employees with no other AWC Trust coverage
- ☐ 1-6 session
- ☐ 1-8 session
- ☐ 1-10 session

Vision # enrolled 36



☒ Vision Service Plan

- ☐ \$0 copay
- ☒ \$10 copay
- ☐ \$25 copay
- ☐ \$10/15 copay

☐ Second pair option rider

Tax favored accounts



☒ HSA Bank

☒ HSA

☒ Navia Benefit Solutions

- ☒ FSA
- ☐ HSA
- ☐ HRA
- ☐ COBRA, applies to FSA or HRA

More plan offerings —>

Plan offerings *continued*

Name of workgroup/bargaining unit IAFF (Fire Department)



Life* # enrolled **36**



☒ **The Standard**

☒ Basic life

☒ Flat rate amount:

\$ 75,000

☐ Salary based:

_____ x salary,

up to a maximum of

\$ _____

Note: Maximum benefit is the lesser of 3x salary or \$500,000.

☐ Accidental Death & Dismemberment

☐ Dependent Life

☐ Option 1: \$1,000

☐ Option 2: \$2,000

☐ Option 3: \$5,000

☐ Option 4: \$10,000

☐ Employee additional life

☐ Spouse additional life

Long-term disability*

enrolled



☐ **The Standard**

☐ Option 1: 60%; 90-day

☐ Option 2: 60%; 180-day

☐ Option 3: 67%; 90-day

☐ Option 4: 67%; 180-day

☐ Low risk option 1: 60%; 90-day

☐ Low risk option 2: 60%; 180-day

☐ Low risk option 3: 67%; 90-day

☐ Low risk option 4: 67%; 180-day

*If previous life and/or LTD coverage was not through the AWC Trust, list previous carrier and termination date:

Safety employees, transit drivers, and electrical workers are excluded from low risk options.

Premium contributions

Do employees pay toward their LTD coverage? ☐ Yes ☐ No

If yes,

Amount employee pays _____ %

Amount employer pays _____ %

Updates and changes:

If adding or increasing life or long-term disability, are you aware of any employee who is currently disabled or has a current/potential health risk that could result in a claim? If yes, include an attachment with name, date of birth, and last four of SSN.

☐ Yes
☒ No

Other non-AWC plan offerings

	Name of plan/sponsor	# employees eligible	# employees enrolled
Medical			
Dental			
Vision			
Life			
Long-term disability			
EAP			
Tax-favored account(s) HSA/HRA/FSA			

Plan offerings

Complete **one “plan offering” section for each workgroup or bargaining unit** (i.e. public works, police guild, finance, etc.) If all employees are on the same plans – write “all employees.”

Name of workgroup/
bargaining unit

Non-Union, Part-Time

employees eligible 1

AWC Trust plan offerings

Part-time staff eligible for: ☒ Medical ☒ Dental ☒ Vision ☒ Life ☒ LTD ☒ EAP

Medical

enrolled 0

You are eligible for plans through either Regence or Asuris, depending on your location.
Contact us if you aren't sure which carrier is in your area.



- ☒ **Regence BlueShield**
- ☒ AWC HealthFirst® 250
 - ☐ AWC HealthFirst® 500
 - ☒ High Deductible Health Plan
 - ☐ AHN 250
 - ☐ Plan A – LEOFF 1 active employees and retirees only
 - ☐ Medicare Advantage EGWP – LEOFF 1 retirees only



- ☐ **Asuris Northwest Health**
- ☐ AWC HealthFirst® 250
 - ☐ AWC HealthFirst® 500
 - ☐ High Deductible Health Plan
 - ☐ Plan A – LEOFF 1 active employees and retirees only



- ☐ **Kaiser Permanente**
- ☐ Kaiser 200
 - ☐ Kaiser 500
 - ☒ High Deductible Health Plan
 - ☐ Non-copay plan – LEOFF 1 retirees only
 - ☒ **Kaiser Foundation Health Plan of Washington Options, Inc.**
 - ☒ Kaiser Access PPO

Dental

enrolled 1



Delta Dental of Washington

- ☒ **Delta Dental of Washington**
- | Dental | Orthodontia |
|--|---|
| ☐ Plan A | ☐ Plan I |
| ☐ Plan B | ☐ Plan II |
| ☐ Plan C | ☐ Plan III |
| ☐ Plan D | ☒ Plan IV |
| ☒ Plan E | ☐ Plan V |
| ☐ Plan F | |
| ☐ Plan G | |
| ☐ Plan J | |



- ☐ **Willamette Dental of Washington, Inc.**
- ☐ \$10 copay
 - ☐ \$15 copay

Employee Assistance Program

enrolled 1



- ☒ **ComPsych**
- ☒ 1-6 sessions - Standard and included when enrolled on any AWC Trust plan.
 - ☐ 1-8 sessions
 - ☐ 1-10 sessions
 - Employees with no other AWC Trust coverage
 - ☐ 1-6 session
 - ☐ 1-8 session
 - ☐ 1-10 session

Vision

enrolled 1



- ☒ **Vision Service Plan**
- ☐ \$0 copay
 - ☒ \$10 copay
 - ☐ \$25 copay
 - ☐ \$10/15 copay
 - ☐ Second pair option rider

Tax favored accounts



- ☒ **HSA Bank**
- ☒ HSA



- ☐ **Navia Benefit Solutions**
- ☐ FSA
 - ☐ HSA
 - ☐ HRA
 - ☐ COBRA, applies to FSA or HRA

More plan offerings —>

Plan offerings *continued*

Name of workgroup/bargaining unit Non-Union, Part-Time



Life* # enrolled 1



☒ **The Standard**

☒ Basic life

☒ Flat rate amount:

\$ 75,000

☐ Salary based:

_____ x salary,

up to a maximum of

\$ _____

Note: Maximum benefit is the lesser of 3x salary or \$500,000.

☒ Accidental Death & Dismemberment

☒ Dependent Life

☒ Option 1: \$1,000

☐ Option 2: \$2,000

☐ Option 3: \$5,000

☐ Option 4: \$10,000

☒ Employee additional life

☒ Spouse additional life

Long-term disability*

enrolled 1



☒ **The Standard**

☒ Option 1: 60%; 90-day

☐ Option 2: 60%; 180-day

☐ Option 3: 67%; 90-day

☐ Option 4: 67%; 180-day

☒ Low risk option 1: 60%; 90-day

☐ Low risk option 2: 60%; 180-day

☐ Low risk option 3: 67%; 90-day

☐ Low risk option 4: 67%; 180-day

*If previous life and/or LTD coverage was not through the AWC Trust, list previous carrier and termination date:

Safety employees, transit drivers, and electrical workers are excluded from low risk options.

Premium contributions

Do employees pay toward ☐ Yes ☒ No their LTD coverage?

If yes,

Amount employee pays _____ %

Amount employer pays _____ %

Updates and changes:

If adding or increasing life or long-term disability, are you aware of any employee who is currently disabled or has a current/potential health risk that could result in a claim? If yes, include an attachment with name, date of birth, and last four of SSN.

☐ Yes
☐ No

Other non-AWC plan offerings

	Name of plan/sponsor	# employees eligible	# employees enrolled
Medical			
Dental			
Vision			
Life			
Long-term disability			
EAP			
Tax-favored account(s) HSA/HRA/FSA			

Plan offerings

Complete **one “plan offering” section for each workgroup or bargaining unit** (i.e. public works, police guild, finance, etc.) If all employees are on the same plans – write “all employees.”

Name of workgroup/
bargaining unit

Police - Commissioned

employees eligible 29

AWC Trust plan offerings

Part-time staff eligible for: ☐ Medical ☐ Dental ☐ Vision ☐ Life ☐ LTD ☐ EAP

Medical

enrolled 29

You are eligible for plans through either Regence or Asuris, depending on your location.
Contact us if you aren't sure which carrier is in your area.



☒ Regence BlueShield

- ☒ AWC HealthFirst® 250
- ☐ AWC HealthFirst® 500
- ☒ High Deductible Health Plan
- ☐ AHN 250
- ☐ Plan A – LEOFF 1 active employees and retirees only
- ☒ Medicare Advantage EGWP – LEOFF 1 retirees only

☐ Asuris Northwest Health

- ☐ AWC HealthFirst® 250
- ☐ AWC HealthFirst® 500
- ☐ High Deductible Health Plan
- ☐ Plan A – LEOFF 1 active employees and retirees only

☒ Kaiser Permanente

- ☐ Kaiser 200
- ☐ Kaiser 500
- ☒ High Deductible Health Plan
- ☐ Non-copay plan – LEOFF 1 retirees only
- ☒ Kaiser Foundation Health Plan of Washington Options, Inc.
- ☒ Kaiser Access PPO

Dental

enrolled 29



☒ Delta Dental of Washington

Dental

- ☐ Plan A
- ☐ Plan B
- ☐ Plan C
- ☐ Plan D
- ☒ Plan E
- ☐ Plan F
- ☐ Plan G
- ☐ Plan J

Orthodontia

- ☐ Plan I
- ☐ Plan II
- ☐ Plan III
- ☒ Plan IV
- ☐ Plan V

☐ Willamette Dental of Washington, Inc.

- ☐ \$10 copay
- ☐ \$15 copay

Employee Assistance Program

enrolled 29



☒ ComPsych

- ☒ 1-6 sessions - Standard and included when enrolled on any AWC Trust plan.
- ☐ 1-8 sessions
- ☐ 1-10 sessions
- Employees with no other AWC Trust coverage
- ☐ 1-6 session
- ☐ 1-8 session
- ☐ 1-10 session

Vision # enrolled 29



☒ Vision Service Plan

- ☐ \$0 copay
- ☒ \$10 copay
- ☐ \$25 copay
- ☐ \$10/15 copay

☐ Second pair option rider

Tax favored accounts



☒ HSA Bank

☒ HSA

☒ Navia Benefit Solutions

- ☒ FSA
- ☐ HSA
- ☐ HRA
- ☒ COBRA, applies to FSA or HRA

More plan offerings —>

Plan offerings *continued*

Name of workgroup/bargaining unit Police - Commissioned



Life* # enrolled 29



☒ **The Standard**

☒ Basic life

☒ Flat rate amount:

\$ 75,000

☐ Salary based:

_____ x salary,

up to a maximum of

\$ _____

Note: Maximum benefit is the lesser of 3x salary or \$500,000.

☒ Accidental Death & Dismemberment

☒ Dependent Life

☒ Option 1: \$1,000

☐ Option 2: \$2,000

☐ Option 3: \$5,000

☐ Option 4: \$10,000

☒ Employee additional life

☒ Spouse additional life

Long-term disability*

enrolled _____



☐ **The Standard**

☐ Option 1: 60%; 90-day

☐ Option 2: 60%; 180-day

☐ Option 3: 67%; 90-day

☐ Option 4: 67%; 180-day

☐ Low risk option 1: 60%; 90-day

☐ Low risk option 2: 60%; 180-day

☐ Low risk option 3: 67%; 90-day

☐ Low risk option 4: 67%; 180-day

*If previous life and/or LTD coverage was not through the AWC Trust, list previous carrier and termination date:

Safety employees, transit drivers, and electrical workers are excluded from low risk options.

Premium contributions

Do employees pay toward their LTD coverage? ☐ Yes ☐ No

If yes,

Amount employee pays _____ %

Amount employer pays _____ %

Updates and changes:

If adding or increasing life or long-term disability, are you aware of any employee who is currently disabled or has a current/potential health risk that could result in a claim? If yes, include an attachment with name, date of birth, and last four of SSN.

☐ Yes
☐ No

Other non-AWC plan offerings

	Name of plan/sponsor	# employees eligible	# employees enrolled
Medical			
Dental			
Vision			
Life			
Long-term disability			
EAP			
Tax-favored account(s) HSA/HRA/FSA			

Plan offerings

Complete **one “plan offering” section for each workgroup or bargaining unit** (i.e. public works, police guild, finance, etc.) If all employees are on the same plans – write “all employees.”

Name of workgroup/
bargaining unit Police - Non-Commissioned, Full-Time

employees eligible 6

AWC Trust plan offerings

Part-time staff eligible for: ☒ Medical ☐ Dental ☐ Vision ☐ Life ☐ LTD ☒ EAP

Medical

enrolled 6

You are eligible for plans through either Regence or Asuris, depending on your location.
Contact us if you aren't sure which carrier is in your area.



- ☒ **Regence BlueShield**
- ☒ AWC HealthFirst® 250
 - ☐ AWC HealthFirst® 500
 - ☒ High Deductible Health Plan
 - ☐ AHN 250
 - ☐ Plan A – LEOFF 1 active employees and retirees only
 - ☐ Medicare Advantage EGWP – LEOFF 1 retirees only



- ☐ **Asuris Northwest Health**
- ☐ AWC HealthFirst® 250
 - ☐ AWC HealthFirst® 500
 - ☐ High Deductible Health Plan
 - ☐ Plan A – LEOFF 1 active employees and retirees only



- ☒ **Kaiser Permanente**
- ☐ Kaiser 200
 - ☐ Kaiser 500
 - ☒ High Deductible Health Plan
 - ☐ Non-copay plan – LEOFF 1 retirees only
- ☒ **Kaiser Foundation Health Plan of Washington Options, Inc.**
- ☒ Kaiser Access PPO

Dental

enrolled 6



Delta Dental of Washington

- ☒ **Delta Dental of Washington**
- | Dental | Orthodontia |
|--|-----------------------------------|
| ☐ Plan A | ☐ Plan I |
| ☐ Plan B | ☐ Plan II |
| ☐ Plan C | ☐ Plan III |
| ☐ Plan D | ☐ Plan IV |
| ☒ Plan E | ☐ Plan V |
| ☐ Plan F | |
| ☐ Plan G | |
| ☐ Plan J | |



- ☐ **Willamette Dental of Washington, Inc.**
- ☐ \$10 copay
 - ☐ \$15 copay

Employee Assistance Program

enrolled 6



- ☒ **ComPsych**
- ☒ 1-6 sessions - Standard and included when enrolled on any AWC Trust plan.
 - ☐ 1-8 sessions
 - ☐ 1-10 sessions
- Employees with no other AWC Trust coverage
- ☐ 1-6 session
 - ☐ 1-8 session
 - ☐ 1-10 session

Vision # enrolled 6



- ☒ **Vision Service Plan**
- ☐ \$0 copay
 - ☒ \$10 copay
 - ☐ \$25 copay
 - ☐ \$10/15 copay
- ☐ Second pair option rider

Tax favored accounts



- ☒ **HSA Bank**
- ☒ HSA



- ☒ **Navia Benefit Solutions**
- ☒ FSA
 - ☐ HSA
 - ☐ HRA
 - ☒ COBRA, applies to FSA or HRA

More plan offerings —>

Plan offerings *continued*

Name of workgroup/bargaining unit Police - Non-Commissioned, Full-Time



Life* # enrolled 6



☒ **The Standard**

☒ Basic life

☒ Flat rate amount:

\$ 10,000

☐ Salary based:

_____ x salary,

up to a maximum of

\$ _____

Note: Maximum benefit is the lesser of 3x salary or \$500,000.

☒ Accidental Death & Dismemberment

☒ Dependent Life

☒ Option 1: \$1,000

☐ Option 2: \$2,000

☐ Option 3: \$5,000

☐ Option 4: \$10,000

☒ Employee additional life

☒ Spouse additional life

Long-term disability*

enrolled _____



☐ **The Standard**

☐ Option 1: 60%; 90-day

☐ Option 2: 60%; 180-day

☐ Option 3: 67%; 90-day

☐ Option 4: 67%; 180-day

☐ Low risk option 1: 60%; 90-day

☐ Low risk option 2: 60%; 180-day

☐ Low risk option 3: 67%; 90-day

☐ Low risk option 4: 67%; 180-day

*If previous life and/or LTD coverage was not through the AWC Trust, list previous carrier and termination date:

Safety employees, transit drivers, and electrical workers are excluded from low risk options.

Premium contributions

Do employees pay toward their LTD coverage? ☐ Yes ☐ No

If yes,

Amount employee pays _____ %

Amount employer pays _____ %

Updates and changes:

If adding or increasing life or long-term disability, are you aware of any employee who is currently disabled or has a current/potential health risk that could result in a claim? If yes, include an attachment with name, date of birth, and last four of SSN.

☐ Yes
☒ No

Other non-AWC plan offerings

	Name of plan/sponsor	# employees eligible	# employees enrolled
Medical			
Dental			
Vision			
Life			
Long-term disability			
EAP			
Tax-favored account(s) HSA/HRA/FSA			

Plan offerings

Complete **one “plan offering” section for each workgroup or bargaining unit** (i.e. public works, police guild, finance, etc.) If all employees are on the same plans – write “all employees.”

Name of workgroup/
bargaining unit Police - Non-Commissioned, Part-Time

employees eligible 1

AWC Trust plan offerings

Part-time staff eligible for: ☒ Medical ☐ Dental ☐ Vision ☐ Life ☐ LTD ☒ EAP

Medical

enrolled 0

You are eligible for plans through either Regence or Asuris, depending on your location.
Contact us if you aren't sure which carrier is in your area.



☒ Regence BlueShield

- ☒ AWC HealthFirst® 250
- ☐ AWC HealthFirst® 500
- ☒ High Deductible Health Plan
- ☐ AHN 250
- ☐ Plan A – LEOFF 1 active employees and retirees only
- ☐ Medicare Advantage EGWP – LEOFF 1 retirees only

☐ Asuris Northwest Health

- ☐ AWC HealthFirst® 250
- ☐ AWC HealthFirst® 500
- ☐ High Deductible Health Plan
- ☐ Plan A – LEOFF 1 active employees and retirees only

☒ Kaiser Permanente

- ☐ Kaiser 200
- ☐ Kaiser 500
- ☒ High Deductible Health Plan
- ☐ Non-copay plan – LEOFF 1 retirees only
- ☒ Kaiser Foundation Health Plan of Washington Options, Inc.
- ☒ Kaiser Access PPO

Dental

enrolled



☐ Delta Dental of Washington

- | Dental | Orthodontia |
|---------------------------------|-----------------------------------|
| ☐ Plan A | ☐ Plan I |
| ☐ Plan B | ☐ Plan II |
| ☐ Plan C | ☐ Plan III |
| ☐ Plan D | ☐ Plan IV |
| ☐ Plan E | ☐ Plan V |
| ☐ Plan F | |
| ☐ Plan G | |
| ☐ Plan J | |

☐ Willamette Dental of Washington, Inc.

- ☐ \$10 copay
- ☐ \$15 copay

Employee Assistance Program

enrolled 1



☒ ComPsych

- ☒ 1-6 sessions - Standard and included when enrolled on any AWC Trust plan.
- ☐ 1-8 sessions
- ☐ 1-10 sessions
- Employees with no other AWC Trust coverage
- ☐ 1-6 session
- ☐ 1-8 session
- ☐ 1-10 session

Vision # enrolled



☐ Vision Service Plan

- ☐ \$0 copay
- ☐ \$10 copay
- ☐ \$25 copay
- ☐ \$10/15 copay

☐ Second pair option rider

Tax favored accounts



- ☒ HSA Bank
- ☒ HSA

☐ Navia Benefit Solutions

- ☐ FSA
- ☐ HSA
- ☐ HRA
- ☐ COBRA, applies to FSA or HRA

More plan offerings —>

Plan offerings *continued*

Name of workgroup/bargaining unit Police - Non-Commissioned, Part-Time



Life*

enrolled



Long-term disability*

enrolled



☐ **The Standard**

☐ Basic life

☐ Flat rate amount:

\$

☐ Salary based:

_____ x salary,

up to a maximum of

\$

Note: Maximum benefit is the lesser of 3x salary or \$500,000.

☐ Accidental Death & Dismemberment

☐ Dependent Life

☐ Option 1: \$1,000

☐ Option 2: \$2,000

☐ Option 3: \$5,000

☐ Option 4: \$10,000

☐ Employee additional life

☐ Spouse additional life

☐ **The Standard**

☐ Option 1: 60%; 90-day

☐ Option 2: 60%; 180-day

☐ Option 3: 67%; 90-day

☐ Option 4: 67%; 180-day

☐ Low risk option 1: 60%; 90-day

☐ Low risk option 2: 60%; 180-day

☐ Low risk option 3: 67%; 90-day

☐ Low risk option 4: 67%; 180-day

*If previous life and/or LTD coverage was not through the AWC Trust, list previous carrier and termination date:

Safety employees, transit drivers, and electrical workers are excluded from low risk options.

Premium contributions

Do employees pay toward ☐ Yes ☐ No their LTD coverage?

If yes,

Amount employee pays _____ %

Amount employer pays _____ %

Updates and changes:

If adding or increasing life or long-term disability, are you aware of any employee who is currently disabled or has a current/potential health risk that could result in a claim? If yes, include an attachment with name, date of birth, and last four of SSN.

☐ Yes
☐ No

Other non-AWC plan offerings

	Name of plan/sponsor	# employees eligible	# employees enrolled
Medical			
Dental			
Vision			
Life			
Long-term disability			
EAP			
Tax-favored account(s) HSA/HRA/FSA			

Plan offerings

Complete **one “plan offering” section for each workgroup or bargaining unit** (i.e. public works, police guild, finance, etc.) If all employees are on the same plans – write “all employees.”

Name of workgroup/
bargaining unit Teamsters, Full-Time

employees eligible 88

AWC Trust plan offerings

Part-time staff eligible for: ☒ Medical ☐ Dental ☐ Vision ☐ Life ☐ LTD ☐ EAP

Medical

enrolled 88

You are eligible for plans through either Regence or Asuris, depending on your location.
Contact us if you aren't sure which carrier is in your area.



☒ Regence BlueShield

- ☒ AWC HealthFirst® 250
- ☐ AWC HealthFirst® 500
- ☒ High Deductible Health Plan
- ☐ AHN 250
- ☐ Plan A – LEOFF 1 active employees and retirees only
- ☐ Medicare Advantage EGWP – LEOFF 1 retirees only

☐ Asuris Northwest Health

- ☐ AWC HealthFirst® 250
- ☐ AWC HealthFirst® 500
- ☐ High Deductible Health Plan
- ☐ Plan A – LEOFF 1 active employees and retirees only

☒ Kaiser Permanente

- ☐ Kaiser 200
- ☐ Kaiser 500
- ☒ High Deductible Health Plan
- ☐ Non-copay plan – LEOFF 1 retirees only
- ☒ Kaiser Foundation Health Plan of Washington Options, Inc.
- ☒ Kaiser Access PPO

Dental

enrolled 88



☐ Delta Dental of Washington

- | Dental | Orthodontia |
|--|---|
| ☐ Plan A | ☐ Plan I |
| ☐ Plan B | ☐ Plan II |
| ☐ Plan C | ☐ Plan III |
| ☐ Plan D | ☒ Plan IV |
| ☒ Plan E | ☐ Plan V |
| ☐ Plan F | |
| ☐ Plan G | |
| ☐ Plan J | |

☐ Willamette Dental of Washington, Inc.

- ☐ \$10 copay
- ☐ \$15 copay

Employee Assistance Program

enrolled 88



☒ ComPsych

- ☒ 1-6 sessions - Standard and included when enrolled on any AWC Trust plan.
- ☐ 1-8 sessions
- ☐ 1-10 sessions
- Employees with no other AWC Trust coverage
- ☐ 1-6 session
- ☐ 1-8 session
- ☐ 1-10 session

Vision # enrolled 88



☒ Vision Service Plan

- ☐ \$0 copay
- ☒ \$10 copay
- ☐ \$25 copay
- ☐ \$10/15 copay
- ☐ Second pair option rider

Tax favored accounts



☒ HSA Bank

- ☒ HSA

☒ Navia Benefit Solutions

- ☒ FSA
- ☐ HSA
- ☐ HRA
- ☒ COBRA, applies to FSA or HRA

More plan offerings —>

Plan offerings *continued*

Name of workgroup/bargaining unit Teamsters, Full-Time



Life* # enrolled **88**



☒ **The Standard**

☒ Basic life

☒ Flat rate amount:

\$ 75,000

☐ Salary based:

_____ x salary,

up to a maximum of

\$ _____

Note: Maximum benefit is the lesser of 3x salary or \$500,000.

☒ Accidental Death & Dismemberment

☒ Dependent Life

☒ Option 1: \$1,000

☐ Option 2: \$2,000

☐ Option 3: \$5,000

☐ Option 4: \$10,000

☒ Employee additional life

☒ Spouse additional life

Long-term disability*

enrolled **88**



☒ **The Standard**

☐ Option 1: 60%; 90-day

☐ Option 2: 60%; 180-day

☐ Option 3: 67%; 90-day

☐ Option 4: 67%; 180-day

☒ Low risk option 1: 60%; 90-day

☐ Low risk option 2: 60%; 180-day

☐ Low risk option 3: 67%; 90-day

☐ Low risk option 4: 67%; 180-day

*If previous life and/or LTD coverage was not through the AWC Trust, list previous carrier and termination date:

Safety employees, transit drivers, and electrical workers are excluded from low risk options.

Premium contributions

Do employees pay toward ☐ Yes ☒ No their LTD coverage?

If yes,

Amount employee pays _____ %

Amount employer pays _____ %

Updates and changes:

If adding or increasing life or long-term disability, are you aware of any employee who is currently disabled or has a current/potential health risk that could result in a claim? If yes, include an attachment with name, date of birth, and last four of SSN.

☐ Yes
☒ No

Other non-AWC plan offerings

	Name of plan/sponsor	# employees eligible	# employees enrolled
Medical			
Dental			
Vision			
Life			
Long-term disability			
EAP			
Tax-favored account(s) HSA/HRA/FSA			

Plan offerings

Complete **one “plan offering” section for each workgroup or bargaining unit** (i.e. public works, police guild, finance, etc.) If all employees are on the same plans – write “all employees.”

Name of workgroup/
bargaining unit Teamster, Part-Time

employees eligible 7

AWC Trust plan offerings

Part-time staff eligible for: ☒ Medical ☐ Dental ☐ Vision ☐ Life ☐ LTD ☒ EAP

Medical

enrolled 4

You are eligible for plans through either Regence or Asuris, depending on your location.
Contact us if you aren't sure which carrier is in your area.



☒ Regence BlueShield

- ☒ AWC HealthFirst® 250
- ☐ AWC HealthFirst® 500
- ☐ High Deductible Health Plan
- ☐ AHN 250
- ☐ Plan A – LEOFF 1 active employees and retirees only
- ☐ Medicare Advantage EGWP – LEOFF 1 retirees only

☐ Asuris Northwest Health

- ☐ AWC HealthFirst® 250
- ☐ AWC HealthFirst® 500
- ☐ High Deductible Health Plan
- ☐ Plan A – LEOFF 1 active employees and retirees only

☒ Kaiser Permanente

- ☐ Kaiser 200
- ☐ Kaiser 500
- ☐ High Deductible Health Plan
- ☐ Non-copay plan – LEOFF 1 retirees only
- ☒ Kaiser Foundation Health Plan of Washington Options, Inc.
- ☒ Kaiser Access PPO

Dental

enrolled



Delta Dental of Washington

☐ Delta Dental of Washington

Dental

- ☐ Plan A
- ☐ Plan B
- ☐ Plan C
- ☐ Plan D
- ☐ Plan E
- ☐ Plan F
- ☐ Plan G
- ☐ Plan J

Orthodontia

- ☐ Plan I
- ☐ Plan II
- ☐ Plan III
- ☐ Plan IV
- ☐ Plan V

☐ Willamette Dental of Washington, Inc.

- ☐ \$10 copay
- ☐ \$15 copay



Willamette
Dental Group

Employee Assistance Program

enrolled 7



☒ ComPsych

- ☒ 1-6 sessions - Standard and included when enrolled on any AWC Trust plan.
- ☐ 1-8 sessions
- ☐ 1-10 sessions
- Employees with no other AWC Trust coverage
- ☐ 1-6 session
- ☐ 1-8 session
- ☐ 1-10 session

Vision # enrolled



☐ Vision Service Plan

- ☐ \$0 copay
- ☐ \$10 copay
- ☐ \$25 copay
- ☐ \$10/15 copay

☐ Second pair option rider

Tax favored accounts



- ☐ HSA Bank
- ☐ HSA



- ☐ Navia Benefit Solutions
- ☐ FSA
- ☐ HSA
- ☐ HRA
- ☐ COBRA, applies to FSA or HRA

More plan offerings —>

Plan offerings *continued*

Name of workgroup/bargaining unit Teamsters, Part-Time



Life* # enrolled



☐ **The Standard**

☐ Basic life

☐ Flat rate amount:

\$

☐ Salary based:

_____ x salary,

up to a maximum of

\$

Note: Maximum benefit is the lesser of 3x salary or \$500,000.

☐ Accidental Death & Dismemberment

☐ Dependent Life

☐ Option 1: \$1,000

☐ Option 2: \$2,000

☐ Option 3: \$5,000

☐ Option 4: \$10,000

☐ Employee additional life

☐ Spouse additional life

Long-term disability*

enrolled



☐ **The Standard**

☐ Option 1: 60%; 90-day

☐ Option 2: 60%; 180-day

☐ Option 3: 67%; 90-day

☐ Option 4: 67%; 180-day

☐ Low risk option 1: 60%; 90-day

☐ Low risk option 2: 60%; 180-day

☐ Low risk option 3: 67%; 90-day

☐ Low risk option 4: 67%; 180-day

*If previous life and/or LTD coverage was not through the AWC Trust, list previous carrier and termination date:

Safety employees, transit drivers, and electrical workers are excluded from low risk options.

Premium contributions

Do employees pay toward ☐ Yes ☐ No their LTD coverage?

If yes,

Amount employee pays _____ %

Amount employer pays _____ %

Updates and changes:

If adding or increasing life or long-term disability, are you aware of any employee who is currently disabled or has a current/potential health risk that could result in a claim? If yes, include an attachment with name, date of birth, and last four of SSN.

☐ Yes
☐ No

Other non-AWC plan offerings

	Name of plan/sponsor	# employees eligible	# employees enrolled
Medical			
Dental			
Vision			
Life			
Long-term disability			
EAP			
Tax-favored account(s) HSA/HRA/FSA			



City Council Agenda Bill

June 8, 2026

Action Type: Resolution

Item: 7.c.

Title: Resolution 3220: Approve and Adopt the Amended and Restated Navia Welfare Benefit Plan

Staff Contact(s): Kendall Moyle

Approved for Submittal to Council by:

Greg Francioch
Tiffany Matson
Kendall Moyle
Steve Hoglund
Darcy Swetnam

Summary:

City staff seeks City Council approval of Resolution 3220 to approve and adopt the form of the amended and restated Navia Welfare Benefit Plan, effective January 01, 2026.

Background:

- Navia Benefit Solutions serves as the City's third-party administrator for employee Flexible Spending Accounts (FSA). Services include employee enrollment support, claims processing and reimbursement, participant account management, and customer service. Navia also provides compliance support and reporting related to FSA plan administration. The City remains responsible for plan design, employee eligibility determinations, and payroll deductions. Navia acts solely as the administrator and does not make employer policy or benefit decisions. No changes are being made to benefit design.
- The City's Summary Plan Documents (SPDs) and Master Plan Agreement for the Navia Benefit Solutions FSA program have not been updated since 2016 and require administrative review to ensure they remain current and compliant. This update is intended solely for housekeeping purposes, including confirming plan language, updating required notices and disclosures, and meeting employee SPD distribution requirements under applicable federal regulations, including the

Employee Retirement Income Security Act. Regular SPD updates are important to ensure employees receive accurate information about plan rules, claims procedures, and participant rights. No changes are being made to employee benefit offerings, eligibility, or overall plan design.

- Navia requires the City's amended and restated Welfare Benefit Plan to be approved and adopted by the governing body through resolution.

Budget Impact:

Previous Action: N/A

Recommended Motion: I move that Resolution 3220 be approved to approve and adopt the form of the amended and restated Navia Welfare Benefit Plan, effective January 01, 2026.

Alternative Actions: Not approve the resolution.

Attachments (listed in order presented):

1. Resolution 3220
2. 26-180-HRD-001
3. 2026.06.08 - AWC & Navia Resolutions Benefits Agreements

Resolution 3220

A Resolution approving and adopting the form of amended and restated Welfare Benefit Plan, effective January 01, 2026

Whereas Navia Benefit Solutions (Navia) serves as the City of Anacortes' third-party administrator for employee Flexible Spending Accounts (FSA);

Whereas Navia requires the City's amended and restated Welfare Benefit Plan to be approved and adopted by the governing body through resolution;

Now, therefore, the City Council does resolve as follows:

Section 1. The form of amended and restated Welfare Benefit Plan, effective January 01, 2026, presented at this meeting (and a copy of which is attached hereto) is hereby approved and adopted, and that the proper agents of the City of Anacortes (the Employer) are hereby authorized and directed to execute and deliver to the Plan Administrator of said Plan one or more counterparts of the Plan.

Section 2. The Plan Administrator shall be instructed to take such actions that the Plan Administrator deems necessary and proper in order to implement the Plan, and to set up adequate accounting and administrative procedures for the provision of benefits under the Plan.

Section 3. The proper agents of the Employer shall act as soon as possible to notify the employees of the Employer of the adoption of the Plan and to deliver to each employee a copy of the Summary Plan Description of the Plan, which Summary Plan Description is attached hereto and is hereby approved.

ADOPTED by the City Council of the City of Anacortes this ____ day of _____, 2026.

CITY OF ANACORTES:

Ryan Walters, Mayor

Attest:

Steve Hoglund, City Clerk-Treasurer

Approved as to Form:

Darcy Swetnam, City Attorney

City of Anacortes

City of Anacortes
904 6th Street,
Anacortes, WA 98221

City of Anacortes Flexible Spending Arrangement Plan

Plan Document

Amended and Restated January 01, 2026

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City of Anacortes

City of Anacortes Flexible Spending Arrangement Plan

INTRODUCTION

The company amends and restates this Plan as of January 01, 2026 with an original effective date of January 01, 2011. Its purpose is to provide benefits for those Employees who shall qualify hereunder and their Dependents and beneficiaries. The concept of this Plan is to allow Employees to elect between cash compensation or certain nontaxable benefit options as they desire. The Plan shall be known as the City of Anacortes Flexible Spending Arrangement Plan (the "Plan").

The intention of the Employer is that the Plan qualify as a "Cafeteria Plan" within the meaning of Section 125 of the Internal Revenue Code of 1986, as amended, and that the benefits which an Employee elects to receive under the Plan be excludable from the Employee's income under Section 125(a) and other applicable sections of the Internal Revenue Code of 1986, as amended.

I. ARTICLE - PLAN DEFINITIONS

01. **"Administrator"** means the Employer, unless another person or entity has been designated by the Employer pursuant to the Article titled: "Administration" to administer the Plan on behalf of the Employer. If the Employer is the Administrator, the Employer may appoint any person, including but not limited to the Employees of the Employer, to perform the duties of the Administrator. Any person so appointed shall signify acceptance by filing written acceptance with the Employer. Upon the resignation or removal of any individual performing the duties of the Administrator, the Employer may designate a successor.
02. **"Benefit"** or **"Benefit Options"** means any of the optional benefit choices available to a Participant as outlined in the Article titled: "Benefit Information".
03. **"Cafeteria Plan Benefit Dollars"** means the amount available to Participants to purchase Benefit Options as provided under the Article titled: "Benefit Information". Each dollar contributed to this Plan shall be converted into one Cafeteria Plan Benefit Dollar.
04. **"Code"** means the Internal Revenue Code of 1986, as amended or replaced from time to time.
05. **"Compensation"** means the amounts received as compensation by the Participant from the Employer during a Plan Year.
06. **"Dependent"** means any individual who qualifies as a dependent under an Insurance Contract for purposes of coverage under that Contract only or under Code Section 152 (as modified by Code Section 105(b)). Any child of a Plan Participant who is determined to be an alternate recipient under a qualified medical child support order under ERISA Sec. 609 shall be considered a Dependent under this Plan.

"Dependent" shall include any Child of a Participant who is covered under an Insurance Contract, as defined in the Contract, or under the Health Flexible Spending Account or as allowed by reason of the Affordable Care Act.

For purposes of the Health Flexible Spending Account, a Participant's "Child" includes his or her natural child, stepchild, foster child, adopted child, or a child placed with the Participant for adoption. A Participant's Child will be an eligible Dependent until reaching the limiting age of 26, without regard to student status, marital status, financial dependency or residency status with the Employee or any other person. When the child reaches the applicable limiting age, coverage will end at the end of the calendar year.

The phrase "placed for adoption" refers to a child whom the Participant intends to adopt, whether or not the adoption has become final, who has not attained the age of 18 as of the date of such placement for adoption. The term "placed" means the assumption and retention by such Employee of a legal obligation for total or partial support of the child in anticipation of adoption of the child. The child must be available for adoption and the legal process must have commenced.

07. **"Effective Date"** means January 01, 2011.
08. **"Election Period"** means the period, established by the Administrator, immediately preceding the beginning of each Plan Year, such period to be applied on a uniform and nondiscriminatory basis for all Employees and Participants. However, an Employee's initial Election Period shall be determined pursuant to the Article titled: "Participant Elections".
09. **"Eligible Employee"** means any Employee who has satisfied the provisions of the Section titled: "Eligibility".

An individual shall not be an "Eligible Employee" if such individual is not reported on the payroll

records of the Employer as a common law employee. In particular, it is expressly intended that individuals not treated as common law employees by the Employer on its payroll records are not "Eligible Employees" and are excluded from Plan participation even if a court or administrative agency determines that such individuals are common law employees and not independent contractors.

An "Eligible Employee" shall exclude the following:

- self-employed individuals

10. **"Employee"** means any person who is currently or hereafter employed by the Employer.

The term Employee shall include leased employees within the meaning of Code Section 414(n)(2).

11. **"Employer"** means City of Anacortes and any successor which shall maintain this Plan; and any predecessor which has maintained this Plan. In addition, where appropriate, the term Employer shall include any Participating, or Adopting Employer.

12. **"ERISA"** means the Employee Retirement Income Security Act of 1974, as amended from time to time.

13. **"Insurance Contract"** means any contract issued by an Insurer underwriting a Benefit, or any self-funded arrangement providing any Benefit offered for health and welfare coverage to Eligible Employees of the Employer.

14. **"Insurance Premium Payment Plan"** means the plan of benefits contained in the "Benefit Options" section of this Plan, which provides for the payment of Premium Expenses.

15. **"Insurer"** means any insurance company that underwrites a Benefit or any self-funded arrangement under this Plan.

16. **"Key Employee"** means an Employee described in Code Section 416(i)(1) and the Treasury regulations thereunder.

17. **"Participant"** means any Eligible Employee who elects to become a Participant pursuant to the Section titled: "Application to Participate" and has not for any reason become ineligible to participate further in the Plan.

18. **"Plan"** means the flexible benefits plan described in this instrument, including all amendments thereto.

19. **"Plan Year"** means the 12-month period beginning January 01 and ending December 31. The Plan Year shall be the coverage period for the Benefits provided for under this Plan. In the event a Participant commences participation during a Plan Year, then the initial coverage period shall be that portion of the Plan Year commencing on such Participant's date of entry and ending on the last day of such Plan Year.

20. **"Premium Expenses"** or **"Premiums"** means the Participant's cost for the Benefits described in the Section titled: "Benefit Options".

21. **"Premium Expense Reimbursement Account"** means the account established for a Participant pursuant to this Plan to which part of his or her Cafeteria Plan Benefit Dollars may be allocated and from which Premiums of the Participant shall be paid or reimbursed. If more than one type of insured Benefit is elected, sub-accounts shall be established for each type of insured Benefit.

22. **"Run-out Period"** means the set number of days after the plan year ends that allows you to submit claims for eligible expenses incurred during the Plan Year.

23. **"Salary Redirection"** means the contributions made by the Employer on behalf of Participants pursuant to the Section titled: "Salary Redirection". These contributions shall be converted to Cafeteria Plan Benefit Dollars and allocated to the funds or accounts established under the Plan pursuant to the Participants' elections made under the Article titled: "Participant Elections".

24. **"Salary Redirection Agreement"** means an agreement between the Participant and the Employer under which the Participant agrees to reduce his or her Compensation or to forego all or part of the increases in such Compensation and to have such amounts contributed by the Employer to the Plan on the Participant's behalf. The Salary Redirection Agreement shall apply only to Compensation that has not been actually or constructively received by the Participant as of the date of the agreement (after taking this Plan and Code Section 125 into account) and, subsequently does not become currently available to the Participant.

25. **"Spouse"** means "spouse" as defined in an Insurance Contract, then, for purposes of coverage under that Insurance Contract only, "spouse" shall have the meaning stated in the Insurance Contract. In all other cases, "spouse" shall have the meaning stated under applicable federal or state law.

II. ARTICLE - PARTICIPATION

01. **ELIGIBILITY**

An individual is eligible to participate in this Plan if the individual:

- a. is an Eligible Employee as defined in the Article titled: "Definitions";
- b. is working an average of 30.00 hours or more per week or at least 130 hours per month;
- c. is eligible for the group medical plan or, the date the Employee provides certification of enrollment in another group health plan;

02. **EFFECTIVE DATE OF PARTICIPATION**

An Eligible Employee shall become a Participant effective as of the entry date under the Employer's group medical plan.

03. **APPLICATION TO PARTICIPATE**

An Employee who is eligible to participate in this Plan shall, during the applicable Election Period, complete an application to participate in a manner set forth by the Administrator. The election shall be irrevocable until the end of the applicable Plan Year unless the Participant is entitled to change his or her Benefit elections pursuant to the Section titled: "Change in Status".

An Eligible Employee shall also be required to complete a Salary Redirection Agreement during the Election Period for the Plan Year during which they wish to participate in this Plan. Any such Salary Redirection Agreement shall be effective for the first pay period beginning on or after the Employee's effective date of participation pursuant to the Section titled: "Effective Date of Participation".

Notwithstanding the foregoing, an Employee who is eligible to participate in this Plan and who is covered by the Employer's insured Benefits under this Plan shall automatically become a Participant to the extent of the Premiums for such insurance, unless the Employee elects, during the Election Period, not to participate in the Plan.

04. **TERMINATION OF PARTICIPATION**

A Participant shall no longer participate in this Plan upon the occurrence of any of the following events:

- a. **Termination of employment.** The termination of Participant's employment, subject to the provisions of the Section titled: "Termination of Employment"
- b. **Death.** The Participant's death, subject to the provisions of the Section titled: "Death" or
- c. **Termination of the plan.** The termination of this Plan, subject to the provisions of the Section titled: "Termination".

05. **TERMINATION OF EMPLOYMENT**

If a Participant's employment with the Employer is terminated for any reason other than death, his or her participation in the Benefit Options provided under the Section titled: "Benefit Options" shall be governed in accordance with the following:

- a. **Insurance Benefit.** With regard to Benefits which are insured, the Participant's participation in the Plan shall cease, subject to the Participant's right to continue coverage under any Insurance Contract for which premiums have already been paid.
- b. **Dependent Care FSA.** With regard to the Dependent Care Flexible Spending Account, the Participant's participation in the Plan shall cease and no further Salary Redirection contributions shall be made. However, such Participant may submit claims for employment-related Dependent Care Expense reimbursements for expenses within 90 days after the end of the Plan Year, limited by the balance in the Participant's Dependent Care Flexible Spending Account as of the date of termination.
- c. **Health FSA, COBRA applicability.** With regard to the Health Flexible Spending Account, the Participant may submit claims for expenses that were incurred during the portion of the Plan Year for which contributions to the Health Flexible Spending Account have already been made. Thereafter, the health benefits under this Plan including the Health Flexible Spending Account, shall be applied and administered consistent with such further rights that a Participant and his or her Dependents may be entitled to pursuant to Code Section 4980B and the Section titled: "Continuation of Coverage" of the Plan.
- d. **Limited Purpose FSA, COBRA applicability** With regard to the Limited Purpose Flexible Spending Account, the Participant may submit claims for expenses that were incurred during

the portion of the Plan Year for which payments to the Limited Purpose Flexible Spending Account have already been made. Thereafter, the benefits under this Plan, shall be applied and administered consistent with such further rights that a Participant and his or her Dependents may be entitled to pursuant to Code Section 4980B and the Section of this Plan Document titled: "Continuation of Coverage".

06. REINSTATEMENT OF A FORMER PARTICIPANT

An Employee whose participation terminates and returns to an eligible status less than thirty days later may re-enroll within thirty days of returning to an eligible status with a commencement date of the first of the month following the adjusted eligibility date. An Employee who re-enrolls in a Health Flexible Spending Account or Dependent Care Account after such time must re-enter the Plan and reinstate their original elections for that Plan Year with adjustments to the annual election amount as the Administrator deems necessary to prorate the annual election amount over the remainder of the Plan Year. Expenses incurred by the employee during the time that the employee was not a Participant will not be covered expenses unless COBRA was elected pursuant to the Article titled: "Continuation of Coverage (COBRA)".

Any Employee who terminates employment and is rehired into an eligible status after thirty days from the date of termination will be treated as a new enrollee under the Plan. If such Employee returns within the same Plan Year, prior contributions made to the Health Flexible Spending Account and/or the Dependent Care Account will be taken into consideration so as not to exceed Plan or IRS maximums.

07. DEATH

If a Participant dies, his or her participation in the Plan shall immediately cease. However, such Participant's spouse or Dependents may submit claims for expenses or benefits for the remainder of the Plan Year or until the Cafeteria Plan Benefit Dollars allocated to a particular specific benefit are exhausted. In no event may reimbursements be paid to someone who is not a spouse or Dependent. If the Plan is subject to the provisions of Code Section 4980B, then those provisions and related regulations shall apply for purposes of the Health Flexible Spending Account.

III. ARTICLE - CONTRIBUTIONS TO THE PLAN

01. SALARY REDIRECTION

Subject to the provisions of the section titled "Employer Contributions," benefits under the Plan shall be financed by Salary Redirections sufficient to support the benefits that a Participant has elected hereunder and to pay the Participant's Premium Expenses. The salary administration program of the Employer shall be revised to allow each Participant to agree to reduce his or her pay during a Plan Year by an amount determined necessary to purchase the elected Benefit Options. The amount of such Salary Redirection shall be specified in the Salary Redirection Agreement and shall be applicable for a Plan Year. Notwithstanding the above, for new Participants, the Salary Redirection Agreement shall only be applicable from the first day of the pay period following the Employee's entry date up to and including the last day of the Plan Year. These contributions shall be converted to Cafeteria Plan Benefit Dollars and allocated to the funds or accounts established under the Plan pursuant to the Participant's elections made under the Section titled: "Initial Elections".

Any Salary Redirection shall be determined prior to the beginning of a Plan Year (subject to initial elections pursuant to the Section titled: "Initial Elections") and prior to the end of the Election Period and shall be irrevocable for such Plan Year. However, a Participant may revoke a Benefit election or a Salary Redirection Agreement after the Plan Year has commenced and make a new election with respect to the remainder of the Plan Year, if both the revocation and the new election are on account of and consistent with a change in status and such other permitted events as determined under the Article titled: "Participant Elections" and are consistent with the rules and regulations of the Department of the Treasury. Salary Redirection amounts shall be contributed on a pro rata basis for each pay period during the Plan Year. All individual Salary Redirection Agreements are deemed to be part of this Plan and incorporated by reference hereunder.

02. APPLICATION OF CONTRIBUTIONS

As soon as reasonably practical after each payroll period, the Employer shall apply the Salary Redirection to provide the Benefits elected by the affected Participants. Any contribution made or withheld for the Health Flexible Spending Account or Dependent Care Flexible Spending Account shall be credited to such fund or account. Amounts designated for the Participant's Premium Expense Reimbursement Account shall likewise be credited to such account for the purpose of paying Premium Expenses.

03. PERIODIC CONTRIBUTIONS

Notwithstanding the requirement provided above and in other Articles of this Plan that Salary Redirections be contributed to the Plan by the Employer on behalf of an Employee on a level and pro rata basis for each payroll period, the Employer and Administrator may implement a procedure in which Salary Redirections are contributed throughout the Plan Year on a periodic basis that is not pro rata for each payroll period. However, with regard to the Health Flexible Spending Account, the payment schedule for the required contributions may not be based on the rate or amount of reimbursements during the Plan Year.

04. EMPLOYER CONTRIBUTIONS

The Employer may provide non-elective contributions in the form of Employer Funding into the Health Flexible Spending Account, Limited Purpose Flexible Spending Account, and Dependent Care Spending Account to the extent as described in the Section Titled: "Limitation on Allocations". Such contributions may be prorated for Participants who begin participating in the middle of the Plan Year. Contributions or matching contributions made to the Health Flexible Spending Account, Limited Purpose Flexible Spending Account, and Dependent Care Spending Account generally do not count toward the annual contribution limit as described in the Section Titled: "Limitation on Allocations".

IV. ARTICLE - BENEFITS

01. **BENEFIT OPTIONS**

Each Participant may elect any one or more of the following optional Benefits:

- Health Flexible Spending Account
- Limited Purpose Flexible Spending Account
- Dependent Care Flexible Spending Account

In addition, each Participant shall have a sufficient portion of his or her Salary Redirections applied to the following Benefits unless the Participant elects not to receive such Benefits:

- Group Term Life
- Long-Term Disability
- Group Medical Plan
- Group Dental Plan
- Group Vision Plan
- Accidental Death & Dismemberment

02. **HEALTH FLEXIBLE SPENDING ACCOUNT BENEFIT**

Each Participant may elect to participate in the Health Flexible Spending Account option, in which case the Article titled: "Health Flexible Spending Account" shall apply.

03. **LIMITED PURPOSE FLEXIBLE SPENDING ACCOUNT BENEFIT**

Each Participant may elect to participate in the Limited Purpose Flexible Spending Account option, in which case the Article titled: "Health Flexible Spending Account" shall apply.

04. **DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT BENEFIT**

Each Participant may elect to participate in the Dependent Care Flexible Spending Account option, in which case the Article titled: "Dependent Care Flexible Spending Account" shall apply.

05. **HEALTH INSURANCE BENEFIT**

- a. **Coverage for Participant and Dependents.** Each Participant may elect to be covered under a health Insurance Contract for the Participant, his or her Spouse, and his or her Dependents.
- b. **Employer selects contracts.** The Employer may select suitable health Insurance Contracts for use in providing this health insurance benefit, which contracts will provide uniform benefits for all Participants electing this Benefit.
- c. **Contract incorporated by reference.** The rights and conditions with respect to the benefits payable from such health Insurance Contract shall be determined therefrom, and such Insurance Contract shall be incorporated herein by reference.

06. **DENTAL INSURANCE BENEFIT**

- a. **Coverage for Participant and/or Dependents.** Each Participant may elect to be covered under the Employer's dental Insurance Contract. In addition, the Participant may elect either individual or family coverage under such Insurance Contract.
- b. **Employer selects contracts.** The Employer may select suitable dental Insurance Contracts for use in providing this dental insurance benefit, which contracts will provide uniform benefits for all Participants electing this Benefit.
- c. **Contract incorporated by reference.** The rights and conditions with respect to the benefits payable from such dental Insurance Contract shall be determined therefrom, and such dental Insurance Contract shall be incorporated herein by reference.

07. **VISION INSURANCE BENEFIT**

- a. **Coverage for Participant and/or Dependents.** Each Participant may elect to be covered under the Employer's vision Insurance Contract. In addition, the Participant may elect either individual or family coverage.

- b. **Employer selects contracts.** The Employer may select suitable vision Insurance Contracts for use in providing this vision insurance benefit, which contracts will provide uniform benefits for all Participants electing this Benefit.
- c. **Contract incorporated by reference.** The rights and conditions with respect to the benefits payable from such vision Insurance Contract shall be determined therefrom, and such vision Insurance Contract shall be incorporated herein by reference.

08. **GROUP TERM LIFE INSURANCE BENEFIT**

- a. **Coverage for Participant and/or Dependents.** Each Participant may elect to be covered under the Employer's group term life Insurance Contract.
- b. **Employer selects contracts.** The Employer may select suitable group term life Insurance Contracts for use in providing this group term life insurance benefit, which contracts will provide uniform benefits for all Participants electing this Benefit.
- c. **Contract incorporated by reference.** The rights and conditions with respect to the benefits payable from such group term life Insurance Contract shall be determined therefrom, and such group term life Insurance Contract shall be incorporated herein by reference.

09. **LONG-TERM DISABILITY INSURANCE BENEFIT**

- a. **Coverage for Participant and/or Dependents.** Each Participant may elect to be covered under the Employer's long-term disability Insurance Contract.
- b. **Employer selects contracts.** The Employer may select suitable long-term disability Insurance Contracts for use in providing this long-term disability insurance benefit, which contracts will provide uniform benefits for all Participants electing this Benefit.
- c. **Contract incorporated by reference.** The rights and conditions with respect to the benefits payable from such long-term disability Insurance Contract shall be determined therefrom, and such long-term disability Insurance Contract shall be incorporated herein by reference.

10. **ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE BENEFIT**

- a. **Coverage for Participant and/or Dependents.** Each Participant may elect to be covered under the Employer's accidental death and dismemberment Insurance Contract.
- b. **Employer selects contracts.** The Employer may select suitable accidental death and dismemberment Insurance Contracts for use in providing this accidental death and dismemberment insurance benefit, which contracts will provide uniform benefits for all Participants electing this Benefit.
- c. **Contract incorporated by reference.** The rights and conditions with respect to the benefits payable from such accidental death and dismemberment Insurance Contract shall be determined therefrom, and such accidental death and dismemberment Insurance Contract shall be incorporated herein by reference.

11. **HEALTH SAVINGS ACCOUNT CONTRIBUTIONS**

- a. Participants may elect to make contributions on a pre-tax basis to a Health Savings Account ("HSA"). The HSA is not an employer-sponsored benefit plan. It is an individual trust or custodial account that Participants open and which may be used to reimburse Participants for eligible Medical Expenses as set forth in Code Section 223.

12. **NONDISCRIMINATION REQUIREMENTS**

- a. **Intent to be nondiscriminatory.** It is the intent of this Plan to provide benefits to a classification of employees which the Secretary of the Treasury finds not to be discriminatory in favor of the group in whose favor discrimination may not occur under Code Section 125.
- b. **25% concentration test.** It is the intent of this Plan not to provide qualified benefits as defined under Code Section 125 to Key Employees in amounts that exceed 25% of the aggregate of such Benefits provided for all Eligible Employees under the Plan. For purposes of the preceding sentence, qualified benefits shall not include benefits which (without regard to this paragraph) are includible in gross income.
- c. **Adjustment to avoid test failure.** If the Administrator deems it necessary to avoid discrimination or possible taxation to Key Employees or a group of employees in whose favor discrimination is prohibited by Code Section 125, it may, but shall not be required to, reduce contributions or non-taxable Benefits in order to assure compliance with this Section. Any act taken by the Administrator under this Section shall be carried out in a uniform and nondiscriminatory manner. If the Administrator decides to reduce contributions or non-

taxable Benefits, following manner is one option available. First, the non-taxable Benefits of the affected Participant (either an employee who is highly compensated or a Key Employee, whichever is applicable) who has the highest amount of non-taxable Benefits for the Plan Year shall have his or her non-taxable Benefits reduced until the discrimination tests set forth in this Section are satisfied or until the amount of his or her non-taxable Benefits equals the non-taxable Benefits of the affected Participant who has the second highest amount of non-taxable Benefits. This process shall continue until the nondiscrimination tests set forth in this Section are satisfied. With respect to any affected Participant who has had Benefits reduced pursuant to this Section, the reduction shall be made proportionately among Health Flexible Spending Account Benefits and Dependent Care Flexible Spending Account Benefits, and once all these Benefits are expended, proportionately among insured Benefits. Contributions which are not utilized to provide Benefits to any Participant by virtue of any administrative act under this paragraph shall be forfeited and deposited into the benefit plan surplus.

13. NON-TAX DEPENDENT COVERAGE

- a. If (i) Employee Salary Redirections are made to fund Benefits under the Plan, and (ii) the Employer allows a Participant to elect to cover a Non-Tax Dependent through the Participant's coverage under group Medical, Dental or Vision benefit(s), a Participant who elects to participate in the Salary Redirection program may pay on a pre-tax basis through salary reduction contributions the Participant's portion of the premium cost of coverage under the Employer's Medical, Dental or Vision Benefits, provided that the full fair market value of such Medical, Dental or Vision coverage for any such Non-Tax Dependent shall be includible in the Participant's gross income as a taxable benefit in accordance with applicable federal income tax rules. For purposes of this Plan, the Participant electing coverage for Non-Tax Dependent(s) shall be treated as receiving, at the time that coverage is received, cash compensation equal to the full fair market value of such coverage and then as having purchased the coverage with after-tax employee contributions.
- b. Notwithstanding the foregoing, no Medical Care or Dependent Care expenses incurred by or with respect to a Non-Tax Dependent of a Participant shall be eligible for reimbursement as eligible expenses under the Health Flexible Spending Account or Dependent Care Flexible Spending Account.

V. ARTICLE - PARTICIPANT ELECTIONS

01. **INITIAL ELECTIONS**

An Employee who meets the eligibility requirements of the Section titled: "Eligibility" on the first day of, or during, a Plan Year may elect to participate in this Plan for all or the remainder of such Plan Year, provided they elect to do so on or before their effective date of participation pursuant to the Section titled: "Effective Date of Participation".

Notwithstanding the foregoing, an Employee who is eligible to participate in this Plan and who is covered by the Employer's insured benefits under this Plan shall automatically become a Participant to the extent of the Premiums for such insurance unless the Employee elects, during the Election Period, not to participate in the Plan.

02. **SUBSEQUENT ANNUAL ELECTIONS**

During the Election Period prior to each subsequent Plan Year, each Participant shall be given the opportunity to elect, on an election of benefits form or electronically, as provided by the Administrator, which spending account Benefit options they wish to participate in. Any such election shall be effective for any Benefit expenses incurred during the Plan Year which immediately follows the end of the Election Period. With regard to subsequent annual elections, the following options shall apply:

- a. A Participant or Employee who failed to initially elect to participate may elect different or new Benefits under the Plan during the Election Period;
- b. A Participant may terminate his or her participation in the Plan by notifying the Administrator in writing or by electronic notification, as determined by the Employer, during the Election Period that they do not want to participate in the Plan for the next Plan Year;
- c. An Employee who elects not to participate for the Plan Year following the Election Period will have to wait until the next Election Period before again electing to participate in the Plan, except as provided for in the Section titled: "Change of Status".

03. **FAILURE TO ELECT**

With regard to Benefits available under the Plan for which no Premium Expenses apply, any Participant who fails to complete a new benefit election pursuant to the Section titled: "Subsequent Annual Elections" by the end of the applicable Election Period shall be deemed to have elected not to participate in the Plan for the upcoming Plan Year. No further Salary Redirections shall therefore be authorized or made for the subsequent Plan Year for such Benefits, subject to the provisions of the Section titled: "Change in Status" below.

With regard to Benefits available under the Plan for which Premium Expenses apply, any Participant who fails to complete a new benefit election pursuant to the Section titled: "Subsequent Annual Elections" by the end of the applicable Election Period shall be deemed to have made the same Benefit elections as are then in effect for the current Plan Year. The Participant shall also be deemed to have elected Salary Redirection in an amount necessary to purchase such Benefit options.

04. **CHANGE IN STATUS**

- a. **Change in status defined.** Any Participant may change a Benefit election after the Plan Year (to which such election relates) has commenced and make new elections with respect to the remainder of such Plan Year if, under the facts and circumstances, the changes are necessitated by and are consistent with a change in status which is acceptable under rules and regulations adopted by the Department of the Treasury, the provisions of which are incorporated by reference. Notwithstanding anything herein to the contrary, if the rules and regulations conflict with any of the provisions of this Plan, then such rules and regulations shall control. See below in this Section for other situations in which changes in Benefit elections are permitted.

In general, a change in election is not consistent if the change in status is the Participant's divorce, annulment or legal separation from a Spouse, the death of a Spouse or Dependent, or a Dependent's ceasing to satisfy the eligibility requirements for coverage, and the Participant's election under the Plan is to cancel accident or health insurance coverage for any individual other than the one involved in such event. In addition, if the Participant, Spouse or Dependent gains eligibility for coverage under any other plan, then a Participant's election under the Plan to cease or decrease coverage for that individual under the Plan is consistent with that change in status only if coverage for that individual becomes applicable or is increased under said other plan. Also, if the Participant, Spouse or Dependent loses eligibility for coverage under any other plan, then a Participant's election under the Plan to start or increase coverage for that individual under the Plan is consistent with that change in

status only if coverage for that individual ceases or is decreased under said other plan.

Regardless of the consistency requirement, if the individual, or the individual's Spouse or Dependent, becomes eligible for continuation coverage under the Employer's group health plan as provided in Code Section 4980B or any similar state law, then the individual may elect to increase payments under this Plan in order to pay for the continuation coverage. However, this does not apply for COBRA eligibility due to divorce, annulment or legal separation.

Any new election shall be effective at such time as the Administrator shall prescribe, but not earlier than the first pay period beginning after the election form is completed and returned to the Administrator. For the purposes of this subsection, a change in status shall only include the following events or other events permitted by Treasury regulations:

1. Legal Marital Status: events that change a Participant's legal marital status, including marriage, divorce, death of a Spouse, legal separation or annulment;
2. Number of Dependents: Events that change a Participant's number of Dependents, including birth, adoption, placement for adoption, or death of a Dependent;
3. Employment Status: Any of the following events that change the employment status of the Participant, Spouse, or Dependent: termination or commencement of employment, a strike or lockout, commencement or return from an unpaid leave of absence, or a change in worksite. In addition, if the eligibility conditions of this Plan or other employee benefit plan of the Employer of the Participant, Spouse, or Dependent depend on the employment status of that individual and there is a change in that individual's employment status with the consequence that the individual becomes (or ceases to be) eligible under the plan, then that change constitutes a change in employment under this subsection;
4. Dependent satisfies or ceases to satisfy the eligibility requirements: An event that causes the Participant's Dependent to satisfy or cease to satisfy the requirements for coverage due to attainment of age, student status, or any similar circumstance; and
5. Residency: A change in the place of residence of the Participant, Spouse or Dependent, that would lead to a change in status (such as a loss of HMO coverage).

For the Dependent Care Flexible Spending Account, a Dependent becoming or ceasing to be a "Qualifying Dependent" as defined under Code Section 21(b) shall also qualify as a change in status.

Notwithstanding anything in this Section to the contrary, the gain of eligibility or change in eligibility of a child, as allowed under Code Sections 105(b) and 106, and IRS Notice 2010-38, shall qualify as a change in status.

- b. **Special enrollment rights.** Notwithstanding subsection (a), the Participants may change an election for accident or health coverage during a Plan Year and make a new election that corresponds with the special enrollment rights provided in Code Section 9801(f), including those authorized under the provisions of the Children's Health Insurance Program Reauthorization Act of 2009 (CHIP), provided that such Participant meets the sixty (60) day notice requirement imposed by Code Section 9801(f) (or such longer period as may be permitted by the Plan and communicated to Participants). Such change shall take place on a prospective basis, unless otherwise required by Code Section 9801(f) to be retroactive.
- c. **Qualified Medical Support Order.** Notwithstanding subsection (a), in the event of a judgment, decree, or order (including approval of a property settlement) (collectively, an "order") resulting from a divorce, legal separation, annulment, or change in legal custody (including a qualified medical child support order defined in ERISA Section 609) that requires accident or health coverage for a Participant's child (including a foster child who is a Dependent of the Participant):
 1. The Plan may change an election to provide coverage for the child if the order requires coverage under the Participant's plan; or
 2. The Participant shall be permitted to change an election to cancel coverage for the child if the order requires the former Spouse to provide coverage for such child, under that individual's plan, and such coverage is actually provided.
- d. **Medicare or Medicaid.** Notwithstanding subsection (a), a Participant may change elections to cancel accident or health coverage for the Participant or the Participant's Spouse or Dependent if the Participant or the Participant's Spouse or Dependent is enrolled in the accident or health coverage of the Employer and becomes entitled to coverage (i.e., enrolled) under Part A or Part B of Title XVIII of the Social Security Act (Medicare) or Title XIX of the Social Security Act (Medicaid), other than coverage consisting solely of benefits under Section 1928 of the Social Security Act (the program for distribution of pediatric vaccines). If the Participant or the Participant's Spouse or Dependent who has been entitled to Medicaid or

Medicare coverage loses eligibility, that individual may prospectively elect coverage under the Plan if a benefit package option under the Plan provides similar coverage.

- e. **Cost increase or decrease.** Notwithstanding subsection (a), if the cost of a Benefit provided under the Plan increases or decreases during a Plan Year, then the Plan shall automatically increase or decrease, as the case may be, the Salary Redirections of all affected Participants for such Benefit. Alternatively, if the cost of a benefit package option increases significantly, the Administrator shall permit the affected Participants to either make corresponding changes in their payments or revoke their elections and, in lieu thereof, receive on a prospective basis coverage under another benefit package option with similar coverage, or drop coverage prospectively if there is no benefit package option with similar coverage.

A cost increase or decrease refers to an increase or decrease in the amount of elective contributions under the Plan, whether resulting from an action taken by the Participants or an action taken by the Employer.

- f. **Loss of coverage.** Notwithstanding subsection (a), if the coverage under a Benefit is significantly curtailed or ceases during a Plan Year, affected Participants may revoke their elections of such Benefit and, in lieu thereof, elect to receive on a prospective basis coverage under another plan with similar coverage, or drop coverage prospectively if no similar coverage is offered.
- g. **Addition of a new benefit.** Notwithstanding subsection (a), if, during the period of coverage, a new benefit package option or other coverage option is added, an existing benefit package option is significantly improved, or an existing benefit package option or other coverage option is eliminated, then the affected Participants may elect the newly-added option, or elect another option if an option has been eliminated prospectively and make corresponding election changes with respect to other benefit package options providing similar coverage. In addition, those Eligible Employees who are not participating in the Plan may opt to become Participants and elect the new or newly improved benefit package option.
- h. **Loss of coverage under certain other plans.** Notwithstanding subsection (a), a Participant may make a prospective election change to add group health coverage for the Participant, the Participant's Spouse or Dependent if such individual loses group health coverage sponsored by a governmental or educational institution, including a state children's health insurance program under the Social Security Act, the Indian Health Service or a health program offered by an Indian tribal government, a state health benefits risk pool, or a foreign government group health plan.
- i. **Change of coverage due to change under certain other plans.** Notwithstanding subsection (a), a Participant may make a prospective election change that is on account of and corresponds with a change made under the plan of a Spouse, former Spouse's employer or Dependent's employer if (1) the cafeteria plan or other benefits plan of the Spouse, former Spouse's employer or Dependent's employer permits its participants to make a change; or (2) the cafeteria plan permits participants to make an election for a period of coverage that is different from the period of coverage under the cafeteria plan of a Spouse, former Spouse's employer or Dependent's employer.
- j. **Change in dependent care provider.** Notwithstanding subsection (a), a Participant may make a prospective election change that is on account of and corresponds with a change by the Participant in a dependent care provider. The availability of dependent care services from a new dependent care provider is similar to a new benefit package option becoming available. A cost change is allowable in the Dependent Care Flexible Spending Account only if the cost change is imposed by a dependent care provider who is not related to the Participant, as defined in Code Section 152(a)(1) through (8).
- k. Notwithstanding subsection (a), a Participant may prospectively revoke his or her election of group health plan coverage if (i) the Participant changes from full-time employment (i.e., an average of 30 hours of service per week) to part-time employment (i.e., an average of less than 30 hours of service per week), even if the Participant continues to be eligible for coverage under the group health plan, and (ii) the Participant, and any related individuals whose coverage is also to be revoked, intend to enroll in another plan that provides minimum essential coverage and is effective no later than the first day of the second month after the month during which the revocation is effective.
- l. Notwithstanding subsection (a), a Participant may prospectively revoke his or her election of group health plan coverage if (i) the Participant is eligible for a Special Enrollment Period to enroll in a Qualified Health Plan through a Marketplace, or seeks to enroll in a Qualified Health Plan through a Marketplace during the Marketplace's annual open enrollment period, and (ii) the Participant, and any related individuals whose coverage is also to be revoked, intend to enroll in a Qualified Health Plan through a Marketplace that is effective no later than the day immediately following the effective date of the revocation.

- m. **Health Savings Account changes** Notwithstanding subsection (a), with regard to the Health Savings Account Benefit specified in the Article titled: "Benefits", a Participant who has elected to make elective contributions under such arrangement may modify or revoke the election prospectively, provided such change is consistent with Code Section 223 and the Treasury regulations thereunder.
- n. **Health Flexible Spending Account cannot change due to insurance change.** A Participant shall not be permitted to change an election to the Health Flexible Spending Account as a result of a cost or coverage change under any health insurance benefits.
- o. **Limited Purpose Flexible Spending Account cannot change due to insurance change.** A Participant shall not be permitted to change an election to the Limited Purpose Flexible Spending Account as a result of a cost or coverage change under any health insurance contract.

VI. ARTICLE - HEALTH FLEXIBLE SPENDING ACCOUNT

01. **ESTABLISHMENT OF BENEFIT**

This Health Flexible Spending Account is intended to qualify as a medical reimbursement plan under Code Section 105 and shall be interpreted in a manner consistent with such Code Section and the Treasury regulations thereunder. Participants who elect to participate in this Health Flexible Spending Account may submit claims for the reimbursement of allowable Medical Expenses. All amounts reimbursed shall be periodically paid from amounts allocated to the Participant's Health Flexible Spending Account. Periodic payments reimbursing Participants from the Health Flexible Spending Account shall in no event occur less frequently than monthly.

This Limited Purpose Flexible Spending Account is intended to qualify as a medical reimbursement plan under Code Section 105 and shall be interpreted in a manner consistent with such Code Section and the Treasury regulations thereunder. Participants who elect to participate in this Limited Purpose Flexible Spending Account may submit claims for the reimbursement of allowable Dental, Vision, and Preventative Care. All amounts reimbursed shall be periodically paid from amounts allocated to the Participant's Limited Purpose Flexible Spending Account. Periodic payments reimbursing Participants from the Limited Purpose Flexible Spending Account shall in no event occur less frequently than monthly.

02. **DEFINITIONS**

For the purposes of this Article and the Plan, the terms below have the following meanings:

- a. **"Health Flexible Spending Account"** means the account established for a Participant pursuant to this Plan to which part of his or her Cafeteria Plan Benefit Dollars may be allocated and from which all allowable Medical Expenses incurred by the Participant, his or her Spouse and his or her Dependents may be reimbursed.
- b. **"Highly Compensated Participant"** means, for the purposes of this Article and determining discrimination under Code Section 105(h), a participant who is:
 1. one of the 5 highest paid officers;
 2. a shareholder who owns (or is considered to own, applying the rules of Code Section 318) more than 10 percent in value of the stock of the Employer; or
 3. among the highest paid 25 percent of all Employees (other than exclusions permitted by Code Section 105(h)(3)(B) for those individuals who are not Participants).
- c. **"Limited Purpose Flexible Spending Account"** means the account established for a Participant pursuant to this Plan to which part of his or her Plan Benefit Dollars may be allocated and from which all allowable Dental, Vision, and Preventative Care Expenses incurred by a Participant, his or her Spouse or his or her Dependents may be reimbursed. This account is for Participants that are making contributions to a Health Savings Account (HSA) within the same plan year.
- d. **"Medical Expenses"** means any expense for medical care within the meaning of the term "medical care" as defined in Code Section 213(d) and the rulings and Treasury regulations thereunder, and not otherwise used by the Participant as a deduction in determining his or her tax liability under the Code. "Medical Expenses" can be incurred by the Participant, his or her Spouse and his or her Dependents. "Incurred" means, with regard to Medical Expenses, when the Participant is provided with the medical care that gives rise to the Medical Expense and not when the Participant is formally billed or charged for, or pays for, the medical care.

A Participant may not be reimbursed for the cost of other health coverage such as premiums paid under plans maintained by the employer of the Participant's Spouse or individual policies maintained by the Participant or his or her Spouse or Dependent.
- e. A Participant may not be reimbursed for "qualified long-term care services" as defined in Code Section 7702B(c).
- f. The definitions of the Article titled: "Plan Definitions" are hereby incorporated by reference to the extent necessary to interpret and apply the provisions of this Health Flexible Spending Account.

03. **FORFEITURES**

A Participant in the Health Care Flexible Spending Account may roll over up to \$680.00 of unused funds at the end of one Plan Year to the next Plan Year. The maximum limit may increase from year-to-year as provided under IRS Notice 2020-33 and Section 125(i) of the Internal Revenue Code. These funds can be used during the following Plan Year for expenses incurred in that Plan

Year. Amounts carried over do not affect the maximum amount of salary redirections otherwise permitted for said next Plan Year. Unused amounts are those remaining after all eligible expenses for the Plan Year have been reimbursed. These amounts may not be cashed out or converted to any other taxable or nontaxable benefit. Unused amounts in excess of maximum limit will be forfeited.

A Participant in the Limited Purpose Flexible Spending Account may roll over up to \$680.00 of unused funds at the end of one Plan Year to the next Plan Year. The maximum limit may increase from year-to-year as provided under IRS Notice 2020-33 and Section 125(i) of the Internal Revenue Code. These funds can be used during the following Plan Year for expenses incurred in that Plan Year. Amounts carried over do not affect the maximum amount of salary redirections otherwise permitted for said next Plan Year. Unused amounts are those remaining after all eligible expenses for the Plan Year have been reimbursed. These amounts may not be cashed out or converted to any other taxable or nontaxable benefit. Unused amounts in excess of maximum limit will be forfeited.

04. **LIMITATION ON ALLOCATIONS**

Notwithstanding any provision contained in this Health Flexible Spending Account to the contrary, the maximum amount of salary redirections that may be allocated to the Health Flexible Spending Account by a Participant in any Plan Year is \$3,400.00. The maximum limit may increase from year-to-year pursuant to Section 125(i)(2) of the Internal Revenue Code.

Notwithstanding any provision contained in this Limited Purpose Flexible Spending Account to the contrary, the maximum amount of salary redirections that may be allocated to the Limited Purpose Flexible Spending Account by a Participant in any Plan Year is \$3,400.00. The maximum limit may increase from year-to-year pursuant to Section 125(i)(2) of the Internal Revenue Code. .

Carryover: A Participant in the Health Care Flexible Spending Account may roll over up to \$680.00 of unused funds at the end of one Plan Year to the next Plan Year. The maximum limit may increase from year-to-year as provided under IRS Notice 2020-33 and Section 125(i) of the Internal Revenue Code. These funds can be used during the following Plan Year for expenses incurred in that Plan Year. Amounts carried over do not affect the maximum amount of salary redirections otherwise permitted for said next Plan Year. Unused amounts are those remaining after all eligible expenses for the Plan Year have been reimbursed. These amounts may not be cashed out or converted to any other taxable or nontaxable benefit. Unused amounts in excess of maximum limit will be forfeited.

Carryover: A Participant in the Limited Purpose Flexible Spending Account may roll over up to \$680.00 of unused funds at the end of one Plan Year to the next Plan Year. The maximum limit may increase from year-to-year as provided under IRS Notice 2020-33 and Section 125(i) of the Internal Revenue Code. These funds can be used during the following Plan Year for expenses incurred in that Plan Year. Amounts carried over do not affect the maximum amount of salary redirections otherwise permitted for said next Plan Year. Unused amounts are those remaining after all eligible expenses for the Plan Year have been reimbursed. These amounts may not be cashed out or converted to any other taxable or nontaxable benefit. Unused amounts in excess of maximum limit will be forfeited.

05. **NONDISCRIMINATION REQUIREMENTS**

- a. **Intent to be nondiscriminatory.** It is the intent of this Health Flexible Spending Account not to discriminate in violation of the Code and the Treasury regulations thereunder.
- b. **Adjustment to avoid test failure.** If the Administrator deems it necessary to avoid discrimination under this Health Flexible Spending Account, it may, but shall not be required to, reject any elections or reduce contributions or Benefits in order to assure compliance with this Section. Any act taken by the Administrator under this Section shall be carried out in a uniform and nondiscriminatory manner. If the Administrator decides to reject any elections or reduce contributions or Benefits, the following manner is one option available. First, the Benefits designated for the Health Flexible Spending Account by the member of the group in whose favor discrimination may not occur pursuant to Code Section 105 that elected to contribute the highest amount to the fund for the Plan Year shall be reduced until the nondiscrimination tests set forth in this Section and/or the Code are satisfied, or until the amount designated for the fund equals the amount designated for the fund by the member of the group in whose favor discrimination may not occur pursuant to Code Section 105 who has elected the second highest contribution to the Health Flexible Spending Account for the Plan Year. This process shall continue until the nondiscrimination tests set forth in this Section or the Code are satisfied. Contributions which are not utilized to provide Benefits to any Participant by virtue of any administrative act under this paragraph shall be forfeited and credited to the benefit plan surplus.

06. **COORDINATION WITH CAFETERIA PLAN**

All Participants under the Plan are eligible to receive Benefits under this Health Flexible Spending

Account. Enrollment under the Cafeteria Plan shall constitute enrollment under this Health Flexible Spending Account. In addition, other matters concerning contributions, elections and the like shall be governed by the general provisions of the Cafeteria Plan.

07. **HEALTH FLEXIBLE SPENDING ACCOUNT CLAIMS**

- a. **Expenses must be incurred during Plan Year.** All eligible Medical Expenses incurred by a Participant, his or her Spouse and his or her Dependents during the Plan Year shall be reimbursed, subject to the Section titled: "Termination of Employment", even though the submission of such a claim occurs after his or her participation hereunder ceases; but provided that the Medical Expenses were incurred during the applicable Plan Year. Medical Expenses are treated as having been incurred when the Participant is provided with the Medical care that gives rise to the Medical Expenses, not when the Participant is formally billed or charged for, or pays for the Medical care.
- b. **Reimbursement available throughout Plan Year.** The Administrator shall direct the reimbursement to each eligible Participant for all allowable Medical Expenses, up to a maximum of the amount designated by the Participant for the Health Flexible Spending Account for the Plan Year. Reimbursements shall be made available to the Participant throughout the year without regard to the level of Cafeteria Plan Benefit Dollars which have been allocated to the fund at any given point in time. Furthermore, a Participant shall be entitled to reimbursements only for amounts in excess of any payments or other reimbursements under any health care plan covering the Participant and/or his or her Spouse or Dependents.
- c. **Payments.** Reimbursement payments under this Plan shall be made directly to the Participant. However, in the Administrator's discretion, payments may be made directly to the service provider. The application for payment or reimbursement shall be made to the Administrator on an acceptable form within a reasonable time after incurring the debt or paying for the service. The application shall include a written statement from an independent third party stating that the Medical Expense has been incurred and the amount of such expense. Furthermore, the Participant shall provide a written statement that the Medical Expense has not been reimbursed or is not reimbursable under any other health plan coverage and, if reimbursed from the Health Flexible Spending Account, such amount will not be claimed as a tax deduction. The Administrator shall retain a file of all such applications.
- d. **Claims for reimbursement.** Claims for the reimbursement of Medical Expenses incurred in any Plan Year shall be paid as soon after a claim has been filed as is administratively practicable; provided however, that if a Participant fails to submit a claim within 90 days after the end of the Plan Year, those Medical Expense claims shall not be considered for reimbursement by the Administrator. However, if a Participant terminates employment during the Plan Year, claims for the reimbursement of Medical Expenses must be submitted within 90 days after the end of the Plan Year.

08. **DEBIT AND CREDIT CARDS**

Participants may, subject to a procedure established by the Administrator and applied in a uniform nondiscriminatory manner, use debit and/or credit (stored value) cards ("cards") provided by the Administrator and the Plan for payment of Medical Expenses, subject to the following terms:

- a. **Card only for Medical Expenses.** Each Participant issued a card shall certify that such card shall only be used for Medical Expenses. The Participant shall also certify that any Medical Expense paid with the card has not already been reimbursed by any other plan covering health benefits and that the Participant will not seek reimbursement from any other plan covering health benefits.
- b. **Card issuance.** Such card shall be issued upon the Participant's Effective Date of Participation and reissued or remain in effect for each Plan Year the Participant remains a Participant in the Health Flexible Spending Account. Such card shall be automatically cancelled upon the Participant's death or termination of employment, or if such Participant has a change in status that results in the Participant's withdrawal from the Health Flexible Spending Account.
- c. **Maximum dollar amount available.** The dollar amount of coverage available on the card shall be the amount elected by the Participant for the Plan Year. The maximum dollar amount of coverage available shall be the maximum amount for the Plan Year as set forth in the Section titled: "Limitation on Allocations".
- d. **Only available for use with certain service providers.** The cards shall only be accepted by such merchants and service providers as have been approved by the Administrator.
- e. **Card use.** The cards shall only be used for Qualified Expense purchases as defined in Code Section 213(d) and the rulings and Treasury regulations thereunder, including, but not limited to, the following:

1. Co-payments for doctor and other medical care;
 2. Purchase of drugs prescribed by a health care provider, including, if permitted by the Administrator, over-the-counter medications as allowed under IRS regulations;
 3. Purchase of medical items such as eyeglasses, syringes, crutches, etc.
- f. **Substantiation.** Such purchases by the cards shall be subject to confirmation by the Administrator, usually by requiring the Participant to submit a receipt from a service provider describing the service, the date and the amount. The Administrator shall also follow the requirements set forth in Revenue Ruling 2003-43 and Notice 2006-69. All charges shall be conditional pending confirmation by the Administrator.
- g. **Correction methods.** If such purchase is later determined by the Administrator to not qualify as a Medical Expense, the Administrator, in its discretion, shall use one of the following correction methods to make the Plan whole. Until the amount is repaid, the Administrator shall take further action to ensure that further violations of the terms of the card do not occur, up to and including denial of access to the card.
1. Repayment of the improper amount by the Participant;
 2. Withholding the improper payment from the Participant's wages or other compensation to the extent consistent with applicable federal and state law;
 3. Claims substitution or offset of future claims until the amount is repaid; and
 4. If subsections (1) through (3) fail to recover the amount, consistent with the Employer's business practices, the Employer may treat the amount as any other business indebtedness.

VII. ARTICLE - DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT

01. **ESTABLISHMENT OF ACCOUNT**

This Dependent Care Flexible Spending Account is intended to qualify as a program under Code Section 129 and shall be interpreted in a manner consistent with such Code Section. Participants who elect to participate in this program may submit claims for the reimbursement of Employment-Related Dependent Care Expenses. All amounts reimbursed shall be paid from amounts allocated to the Participant's Dependent Care Flexible Spending Account.

02. **DEFINITIONS**

For the purposes of this Article and the Plan, the terms below shall have the following meaning:

- a. **"Dependent Care Flexible Spending Account"** means the account established for a Participant pursuant to this Article to which part of his or her Cafeteria Plan Benefit Dollars may be allocated and from which Employment-Related Dependent Care Expenses of the Participant may be reimbursed for the care of the Qualifying Dependents of Participants.
- b. **"Earned Income"** means earned income as defined under Code Section 32(c)(2), but excluding such amounts paid or incurred by the Employer for dependent care assistance to the Participant.
- c. **"Employment-Related Dependent Care Expenses"** means the amounts paid for those expenses of a Participant that, if paid by the Participant, would be considered employment related expenses under Code Section 21(b)(2). Generally, they include expenses for household services and for the care of a Qualifying Dependent, to the extent that such expenses are incurred to enable the Participant to be gainfully employed for any period during which there are one or more Qualifying Dependents with respect to such Participant. Employment-Related Dependent Care Expenses are treated as having been incurred when the Participant's Qualifying Dependents are provided with the dependent care that gives rise to the Employment-Related Dependent Care Expenses, not when the Participant is formally billed or charged for, or pays for, the dependent care. The determination of whether an amount qualifies as an Employment-Related Dependent Care Expense shall be made subject to the following rules:
 1. If such amounts are paid for expenses incurred outside the Participant's household, they shall constitute Employment Related Dependent Care Expenses only if incurred for a Qualifying Dependent (as defined in the "Definitions" Section of the Article titled: "Dependent Care Flexible Spending Account") who regularly spends at least eight (8) hours per day in the Participant's household;
 2. If the expense is incurred outside the Participant's home at a facility that provides care for a fee, payment, or grant for more than six (6) individuals who do not regularly reside at the facility, the facility must comply with all applicable state and local laws and regulations, including licensing requirements, if any; and
 3. Employment-Related Dependent Care Expenses of a Participant shall not include amounts paid to or incurred by a child of such Participant who is under the age of 19 or to an individual who is a Dependent of such Participant or such Participant's Spouse.
- d. **"Qualifying Dependent"** means, for Dependent Care Flexible Spending Account purposes,
 1. a Participant's Dependent (as defined in Code Section 152(a)(1)) who has not attained age 13;
 2. a Dependent or Spouse of a Participant who is physically or mentally incapable of caring for himself or herself and has the same principal place of abode as the Participant for more than one-half of such taxable year; or
 3. a child that is deemed to be a Qualifying Dependent described in paragraph (1) or (2) above, whichever is appropriate, pursuant to Code Section 21(e)(5).
- e. The definitions of the Article titled: "Definitions" are hereby incorporated by reference to the extent necessary to interpret and apply the provisions of this Dependent Care Flexible Spending Account.

03. **DEPENDENT CARE FLEXIBLE SPENDING ACCOUNTS**

The Administrator shall establish a Dependent Care Flexible Spending Account for each Participant who elects to apply Cafeteria Plan Benefit Dollars to Dependent Care Flexible Spending Account benefits.

04. **INCREASES IN DEPENDENT CARE FLEXIBLE SPENDING ACCOUNTS**

A Participant's Dependent Care Flexible Spending Account shall be increased each pay period by the amount of Cafeteria Plan Benefit Dollars that they elected to apply toward his or her Dependent Care Flexible Spending Account pursuant to elections made under Article V hereof.

05. **DECREASES IN DEPENDENT CARE FLEXIBLE SPENDING ACCOUNTS**

A Participant's Dependent Care Flexible Spending Account shall be reduced by the amount of any Employment-Related Dependent Care Expense reimbursements paid or incurred on behalf of the Participant pursuant to the Section titled: "Dependent Care Flexible Spending Account Claims" hereof.

06. **ALLOWABLE DEPENDENT CARE REIMBURSEMENT**

Subject to limitations contained in the Section titled: "Limitation on Payments" below, and to the extent of the amount contained in the Participant's Dependent Care Flexible Spending Account, a Participant who incurs Employment-Related Dependent Care Expenses shall be entitled to receive from the Employer full reimbursement for the entire amount of such expenses incurred during the Plan Year or portion thereof during which they are a Participant.

07. **ANNUAL STATEMENT OF BENEFITS**

On or before January 31st of each calendar year, the Employer shall furnish to each Employee who was a Participant and received benefits under the Section titled: "Definitions" during the prior calendar year, a statement of all such benefits paid to or on behalf of such Participant during the prior calendar year. This statement is set forth on the Participant's Form W-2.

08. **FORFEITURES**

The amount in a Participant's Dependent Care Flexible Spending Account as of the end of any Plan Year (and after the processing of all claims for such Plan Year pursuant to the Section titled: "Dependent Care Flexible Spending Account Claims" hereof) shall be forfeited and credited to the benefit plan surplus. In such event, the Participant shall have no further claim to such amount for any reason.

09. **LIMITATION ON PAYMENTS**

- a. **Code limits.** Notwithstanding any provision contained in this Article to the contrary, amounts paid from a Participant's Dependent Care Flexible Spending Account in or on account of any tax year of the Participant shall not exceed the lesser of the Earned Income limitation described in Code Section 129(b) or \$7,500.00 (or cannot exceed \$7,500.00 as provided under Code Section 129 or \$3,750.00 if a separate tax return is filed by a Participant who is married as determined under the rules of paragraphs (3) and (4) of Code Section 21(e)).

10. **NONDISCRIMINATION REQUIREMENTS**

- a. **Intent to be nondiscriminatory.** It is the intent of this Dependent Care Flexible Spending Account that contributions or benefits not discriminate in favor of the group of employees in whose favor discrimination is prohibited under Code Section 129(d).
- b. **25% test for shareholders.** It is the intent of this Dependent Care Flexible Spending Account that not more than 25 percent of the amounts paid by the Employer for dependent care assistance during the Plan Year will be provided for the class of individuals who are shareholders or owners (or their Spouses or Dependents), each of whom (on any day of the Plan Year) owns more than 5 percent of (i) the stock of, or (ii) the capital or profits interest in, the Employer.
- c. **Adjustment to avoid test failure.** If the Administrator deems it necessary to avoid discrimination or possible taxation to a group of employees in whose favor discrimination is prohibited by Code Section 129, it may, but shall not be required to, reject any elections or reduce contributions or non-taxable benefits in order to assure compliance with this Section. Any act taken by the Administrator under this Section shall be carried out in a uniform and nondiscriminatory manner. If the Administrator decides to reject any elections or reduce contributions or Benefits, the following manner is one option available. First, the Benefits designated for the Dependent Care Flexible Spending Account by the affected Participant that elected to contribute the highest amount to such account for the Plan Year shall be reduced until the nondiscrimination tests set forth in this Section are satisfied, or until the amount designated for the account equals the amount designated for the account of the affected Participant who has elected the second highest contribution to the Dependent Care Flexible Spending Account for the Plan Year. This process shall continue until the nondiscrimination tests set forth in this Section are satisfied. Contributions which are not utilized to provide Benefits to any Participant by virtue of any administrative act under this paragraph shall be forfeited.

11. **COORDINATION WITH CAFETERIA PLAN**

All Participants under the Cafeteria Plan are eligible to receive Benefits under this Dependent Care Flexible Spending Account. The enrollment and termination of participation under the Cafeteria Plan shall constitute enrollment and termination of participation under this Dependent Care Flexible Spending Account. In addition, other matters concerning contributions, elections and the like shall be governed by the general provisions of the Cafeteria Plan.

12. **DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT CLAIMS**

The Administrator shall direct the payment of all qualified Dependent Care claims to the Participant upon the presentation to the Administrator of documentation of such expenses in a form satisfactory to the Administrator. However, in the Administrator's discretion, payments may be made directly to the service provider. In its discretion in administering the Plan, the Administrator may utilize forms and require documentation of costs as may be necessary to verify the claims submitted. At a minimum, the form shall include a statement from an independent third party as proof that the expense has been incurred during the Plan Year and the amount of such expense. In addition, the Administrator may require that each Participant who desires to receive reimbursement under this Program for Employment-Related Dependent Care Expenses submit a statement which may contain some or all of the following information:

- a. The Dependent or Dependents for whom the services were performed;
- b. The nature of the services performed for the Dependent, the cost of which the Participant wishes reimbursement;
- c. The relationship, if any, of the person performing the services to the Participant;
- d. If the services are being performed by a child of the Participant, the age of the child;
- e. A statement as to where the services were performed;
- f. If any of the services were performed outside the home, a statement as to whether the Dependent for whom such services were performed spends at least 8 hours a day in the Participant's household;
- g. If the services were being performed in a day care center, a statement:
 1. that the day care center complies with all applicable laws and regulations of the state of residence,
 2. that the day care center provides care for more than 6 individuals (other than individuals residing at the center), and
 3. of the amount of fee paid to the provider.
- h. If the Participant is married, a statement containing the following:
 1. the Spouse's salary or wages, if they are employed, or
 2. if the Participant's Spouse is not employed, that
 - i. he or she is incapacitated, or
 - ii. he or she is a full-time student attending an educational institution, and the months of the year during which they attend such institution.
- i. **Claims for reimbursement.** If a Participant fails to submit a claim within 90 days after the end of the Plan Year, those claims shall not be considered for reimbursement by the Administrator. However, if a Participant terminates employment during the Plan Year, claims for the reimbursement of Dependent Care Expenses must be submitted within 90 days after the end of the Plan Year.

VIII. ARTICLE - ERISA PROVISIONS

01. CLAIM FOR BENEFITS

- a. **Insurance claims.** Any claim for Benefits underwritten by Insurance Contract(s) shall be made to the Insurer. If the Insurer denies any claim, the Participant or beneficiary shall follow the Insurer's claims review procedure.
- b. **Health FSA claims.** If a Participant fails to submit a claim under the Health Flexible Spending Account within 90 days after the end of the Plan Year, those claims shall not be considered for reimbursement by the Administrator. However, if a Participant terminates employment during the Plan Year, claims for the reimbursement must be submitted within 90 days after the end of the Plan Year. Once a claim is submitted, the following timetable for claims and the rules below apply:

Notification of whether claim is accepted or denied	30 days
Extension due to matters beyond the control of the Plan	15 days
Insufficient information on the claim:	
Notification of	15 days
Response by Participant	45 days
Review of claim denial	30 days

The Plan Administrator will provide written or electronic notification of any claim denial. The notice will state:

1. The specific reason or reasons for the denial.
2. Reference to the specific Plan provisions on which the denial was based.
3. A description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary.
4. A description of the Plan's review procedures and the time limits applicable to such procedures. This will include a statement of the right to bring a civil action under Section 502 of ERISA following a denial on review.
5. A statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the Claim.
6. If the denial was based on an internal rule, guideline, protocol, or other similar criterion, the specific rule, guideline, protocol, or criterion will be provided with the denial free of charge. If this is not practical, a statement will be included that such a rule, guideline, protocol, or criterion was relied upon in making the denial and a copy will be provided free of charge to the claimant upon request.

When the Participant receives a denial, the Participant shall have 180 days following receipt of the notification in which to appeal the decision. The Participant may submit written comments, documents, records, and other information relating to the Claim. If the Participant requests, the Participant shall be provided, free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the Claim.

The period of time within which a decision on review is required to be made will begin at the time an appeal is filed in accordance with the procedures of the Plan. This timing is without regard to whether all the necessary information accompanies the filing.

A document, record, or other information shall be considered relevant to a Claim if it:

1. was relied upon in making the claim determination;
2. was submitted, considered, or generated in the course of making the claim determination, without regard to whether it was relied upon in making the claim determination;
3. demonstrated compliance with the administrative processes and safeguards designed to ensure and to verify that claim determinations are made in accordance with Plan documents and Plan provisions have been applied consistently with respect to all claimants; or

4. constituted a statement of policy or guidance with respect to the Plan concerning the denied claim.

The review will take into account all comments, documents, records, and other information submitted by the claimant relating to the Claim, without regard to whether such information was submitted or considered in the initial claim determination. The review will not afford deference to the initial denial and will be conducted by a fiduciary of the Plan who is neither the individual who made the adverse determination nor a subordinate of that individual.

- c. **Forfeitures.** Any balance remaining in the Participant's Dependent Care Flexible Spending Account or Health Flexible Spending Account as of the end of the time for claims reimbursement for each Plan Year shall be forfeited and deposited in the benefit plan surplus of the Employer pursuant to the Section titled: "Forfeitures", whichever is applicable. Provided, any provision of the Plan to the contrary notwithstanding, where a Participant has properly appealed the denial of a claim and the appeal has not been finally resolved or the appeal has been finally resolved in favor of the Participant, no forfeiture shall take place as to any such balance in dispute. If any such claim is denied on appeal, the amount held beyond the end of the Plan Year shall be forfeited and credited to the benefit plan surplus. If the Plan Administrator is unable to make payment to any Participant or other person to whom a payment is due under the Plan because it cannot ascertain the identity or whereabouts of such Participant or other person after reasonable efforts have been made to identify or locate such person, then such payment and all subsequent payments otherwise due to such Participant or other person shall be forfeited and returned to the Employer following a reasonable time after the date any such payment first became due.

02. APPLICATION OF BENEFIT PLAN SURPLUS

Any forfeited amounts credited to the benefit plan surplus may, but need not be, separately accounted for after the close of the Plan Year (or after such further time specified herein for the filing of claims) in which such forfeitures arose. In no event shall such amounts be carried over to reimburse a Participant for expenses incurred during a subsequent Plan Year for the same or any other Benefit available under the Plan; nor shall amounts forfeited by a particular Participant be made available to such Participant in any other form or manner, except as permitted by Treasury regulations. Amounts in the benefit plan surplus shall be used to defray any administrative costs and experience losses or used to provide additional benefits under the Plan.

03. NAMED FIDUCIARY

The Administrator shall be the named fiduciary pursuant to ERISA Section 402 and shall be responsible for the management and control of the operation and administration of the Plan.

04. GENERAL FIDUCIARY RESPONSIBILITIES

The Administrator and any other fiduciary under ERISA shall discharge their duties with respect to this Plan solely in the interest of the Participants and their beneficiaries and

- a. for the exclusive purpose of providing Benefits to Participants and their beneficiaries and defraying reasonable expenses of administering the Plan;
- b. with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims; and
- c. in accordance with the documents and instruments governing the Plan insofar as such documents and instruments are consistent with ERISA.

05. NONASSIGNABILITY OF RIGHTS

The right of any Participant to receive any reimbursement under the Plan shall not be alienable by the Participant by assignment or any other method, and shall not be subject to the rights of creditors, and any attempt to cause such right to be so alienated or subjected shall not be recognized, except to such extent as may be required by law.

IX. ARTICLE - ADMINISTRATION

01. PLAN ADMINISTRATION

The Employer shall be the Administrator, unless the Employer elects otherwise. The Employer may appoint any person or persons, including, but not limited to, one or more Employees of the Employer, to perform the duties of the Administrator. Any person so appointed shall signify acceptance by filing written acceptance with the Employer. An Administrator may resign by delivering a written resignation to the Employer or may be removed by the Employer by delivery of written notice of removal, to take effect at a date specified therein, or upon delivery if no date is specified. Upon the resignation or removal of any individual performing the duties of the Administrator, the Employer may designate a successor. The Employer shall be empowered to appoint and remove the Administrator from time to time as it deems necessary for the proper administration of the Plan to ensure that the Plan is being operated for the exclusive benefit of the Employees entitled to participate in the Plan in accordance with the terms of ERISA, the Plan and the Code.

The operation of the Plan shall be under the supervision of the Administrator. It shall be a principal duty of the Administrator to see that the Plan is carried out in accordance with its terms, and for the exclusive benefit of Employees entitled to participate in the Plan. The Administrator shall have full power and discretion to administer the Plan in all of its details and determine all questions arising in connection with the administration, interpretation, and application of the Plan. The Administrator may establish procedures, correct any defect, supply any information, or reconcile any inconsistency in such manner and to such extent as shall be deemed necessary or advisable to carry out the purpose of the Plan. The Administrator shall have all powers necessary or appropriate to accomplish the Administrator's duties under the Plan. The Administrator shall be charged with the duties of the general administration of the Plan as set forth under the Plan, including, but not limited to, in addition to all other powers provided by this Plan:

- a. To make and enforce such procedures, rules and regulations as the Administrator deems necessary or proper for the efficient administration of the Plan;
- b. To interpret the provisions of the Plan, the Administrator's interpretations thereof in good faith to be final and conclusive on all persons claiming benefits by operation of the Plan;
- c. To decide all questions concerning the Plan and the eligibility of any person to participate in the Plan and to receive benefits provided by operation of the Plan;
- d. To reject elections or to limit contributions or Benefits for certain highly compensated participants if it deems such to be desirable in order to avoid discrimination under the Plan in violation of applicable provisions of the Code;
- e. To provide Employees with a reasonable notification of their benefits available by operation of the Plan and to assist any Participant regarding the Participant's rights, benefits or elections under the Plan;
- f. To keep and maintain the Plan documents and all other records pertaining to and necessary for the administration of the Plan;
- g. To review and settle all claims against the Plan, to approve reimbursement requests, and to authorize the payment of benefits if the Administrator determines such should be paid. This authority specifically permits the Administrator to settle disputed claims for benefits and any other disputed claims made against the Plan;
- h. To establish and communicate procedures to determine whether a medical child support order is qualified under ERISA Section 609; and
- i. To appoint such agents, counsel, accountants, consultants, and other persons or entities as may be required to assist in administering the Plan.

Any procedure, discretionary act, interpretation or construction taken by the Administrator shall be done in a nondiscriminatory manner based upon uniform principles consistently applied and shall be consistent with the intent that the Plan shall continue to comply with the terms of Code Section 125 and the Treasury regulations thereunder.

02. EXAMINATION OF RECORDS

The Administrator shall make available to each Participant, Eligible Employee and any other Employee of the Employer, for examination at reasonable times during normal business hours, such records as pertain to their interest under the Plan.

03. PAYMENT OF EXPENSES

Any reasonable administrative expenses shall be paid by the Employer unless the Employer determines that administrative costs shall be borne by the Participants under the Plan or by any Trust Fund which may be established hereunder. The Administrator may impose reasonable conditions for payments, provided that such conditions shall not discriminate in favor of highly compensated employees.

04. INSURANCE CONTROL CLAUSE

In the event of a conflict between the terms of this Plan and the terms of an Insurance Contract of an independent third party Insurer or other benefit program that is self-insured whose product is then being used in conjunction with this Plan, the terms of the Insurance Contract shall control as to those Participants receiving coverage under such Insurance Contract. For this purpose, the Insurance Contract shall control in defining the persons eligible for insurance, the dates of their eligibility, the conditions which must be satisfied to become insured, if any, the benefits Participants are entitled to and the circumstances under which insurance terminates.

05. INDEMNIFICATION OF ADMINISTRATOR

The Employer agrees to indemnify and to defend to the fullest extent permitted by law any Employee serving as the Administrator or as a member of a committee designated as Administrator (including any Employee or former Employee who previously served as Administrator or as a member of such committee) against all liabilities, damages, costs and expenses (including attorney's fees and amounts paid in settlement of any claims approved by the Employer) occasioned by any act or omission to act in connection with the Plan, if such act or omission is in good faith.

X. ARTICLE - AMENDMENT OR TERMINATION OF PLAN

01. AMENDMENT

The Employer, at any time or from time to time, may amend any or all of the provisions of the Plan without the consent of any Employee or Participant. No amendment shall have the effect of modifying any benefit election of any Participant in effect at the time of such amendment, unless such amendment is made to comply with Federal, state and local laws, statutes and regulations.

02. TERMINATION

The Employer reserves the right to terminate this Plan, in whole or in part, at any time. In the event the Plan is terminated, no further contributions shall be made. Benefits under any Insurance Contract shall be paid in accordance with the terms of the Insurance Contract.

No further additions shall be made to the Health Flexible Spending Account or Dependent Care Flexible Spending Account, but all payments from such accounts shall continue to be made according to the elections in effect until 90 days after the termination date of the Plan. Any amounts remaining in any such fund or account as of the end of such period shall be forfeited and deposited in the benefit plan surplus after the expiration of the filing period.

XI. ARTICLE - MISCELLANEOUS

01. PLAN INTERPRETATION

All provisions of this Plan shall be interpreted and applied in a uniform, nondiscriminatory manner. This Plan shall be read in its entirety and not severed except as provided in the Section titled: "Severability".

02. GENDER AND NUMBER

Wherever any words are used herein in the masculine, feminine or gender neutral, they shall be construed as though they were also used in another gender in all cases where they would so apply, and whenever any words are used herein in the singular or plural form, they shall be construed as though they were also used in the other form in all cases where they would so apply.

03. WRITTEN DOCUMENT

This Plan, in conjunction with any separate written document which may be required by law, is intended to satisfy the written Plan requirement of Code Section 125 and any Treasury regulations thereunder relating to cafeteria plans.

04. EXCLUSIVE BENEFIT

This Plan shall be maintained for the exclusive benefit of the Employees who participate in the Plan.

05. PARTICIPANT'S RIGHTS

This Plan shall not be deemed to constitute an employment contract between the Employer and any Participant or to be a consideration or an inducement for the employment of any Participant or Employee. Nothing contained in this Plan shall be deemed to give any Participant or Employee the right to be retained in the service of the Employer or to interfere with the right of the Employer to discharge any Participant or Employee at any time regardless of the effect which such discharge shall have upon him as a Participant of this Plan.

06. ACTION BY THE EMPLOYER

Whenever the Employer under the terms of the Plan is permitted or required to do or perform any act or matter or thing, it shall be done and performed by a person duly authorized by the Employer.

07. EMPLOYER'S PROTECTIVE CLAUSES

- a. **Insurance purchase.** Upon the failure of either the Participant or the Employer to obtain the insurance contemplated by this Plan (whether as a result of negligence, gross neglect or otherwise), the Participant's Benefits shall be limited to the insurance premium(s), if any, that remained unpaid for the period in question and the actual insurance proceeds, if any, received by the Employer or the Participant as a result of the Participant's claim.
- b. **Validity of insurance contract.** The Employer shall not be responsible for the validity of any Insurance Contract issued hereunder or for the failure on the part of the Insurer to make payments provided for under any Insurance Contract. Once insurance is applied for or obtained, the Employer shall not be liable for any loss which may result from the failure to pay Premiums to the extent Premium notices are not received by the Employer.

08. NO GUARANTEE OF TAX CONSEQUENCES

Neither the Administrator nor the Employer makes any commitment or guarantee that any amounts paid to or for the benefit of a Participant under the Plan will be excludable from the Participant's gross income for federal or state income tax purposes, or that any other federal or state tax treatment will apply to or be available to any Participant. It shall be the obligation of each Participant to determine whether each payment under the Plan is excludable from the Participant's gross income for federal and state income tax purposes, and to notify the Employer if the Participant has reason to believe that any such payment is not so excludable. Notwithstanding the foregoing, the rights of Participants under this Plan shall be legally enforceable.

09. INDEMNIFICATION OF EMPLOYER BY PARTICIPANTS

If any Participant receives one or more payments or reimbursements under the Plan that are not for a permitted Benefit, such Participant shall indemnify and reimburse the Employer for any liability it may incur for failure to withhold federal or state income tax or Social Security tax from such payments or reimbursements. However, such indemnification and reimbursement shall not exceed the amount of additional federal and state income tax (plus any penalties) that the Participant would have owed if the payments or reimbursements had been made to the Participant

as regular cash compensation, plus the Participant's share of any Social Security tax and Medicare tax that would have been paid on such compensation, less any such additional income tax, Social Security tax, and Medicare tax actually paid by the Participant.

10. **FUNDING**

Unless otherwise required by law, contributions to the Plan need not be placed in trust or dedicated to a specific Benefit, but may instead be considered general assets of the Employer. Furthermore, and unless otherwise required by law, nothing herein shall be construed to require the Employer or the Administrator to maintain any fund or segregate any amount for the benefit of any Participant, and no Participant or other person shall have any claim against, right to, or security or other interest in, any fund, account or asset of the Employer from which any payment under the Plan may be made.

11. **GOVERNING LAW**

This Plan is governed by the Code and the Treasury regulations issued thereunder (as they might be amended from time to time). In no event does the Employer guarantee the favorable tax treatment sought by this Plan. To the extent not preempted by Federal law, the provisions of this Plan shall be construed, enforced and administered according to the laws of Washington.

12. **SEVERABILITY**

If any provision of the Plan is held invalid or unenforceable, its invalidity or unenforceability shall not affect any other provisions of the Plan, and the Plan shall be construed and enforced as if such provision had not been included herein.

13. **CAPTIONS**

The captions contained herein are inserted only as a matter of convenience and for reference, and in no way define, limit, enlarge or describe the scope or intent of the Plan, nor in any way shall affect the Plan or the construction of any provision thereof.

14. **CONTINUATION OF COVERAGE (COBRA)**

Notwithstanding anything in the Plan to the contrary, in the event any benefit under this Plan subject to the continuation coverage requirement of Code Section 4980B becomes unavailable, each Participant will be entitled to continuation coverage as prescribed in Code Section 4980B, and related regulations. This Section shall only apply if the Employer employs at least twenty (20) employees on more than 50% of its typical business days in the previous calendar year.

15. **FAMILY AND MEDICAL LEAVE ACT (FMLA)**

Notwithstanding anything in the Plan to the contrary, in the event any benefit under this Plan becomes subject to the requirements of the Family and Medical Leave Act and regulations thereunder, this Plan shall be operated in accordance with Regulation 1.125-3.

16. **HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA)**

Notwithstanding anything in this Plan to the contrary, this Plan shall be operated in accordance with HIPAA and regulations thereunder.

17. **UNIFORM SERVICES EMPLOYMENT AND REEMPLOYMENT RIGHTS ACT (USERRA)**

Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service credit with respect to qualified military service shall be provided in accordance with the Uniform Services Employment And Reemployment Rights Act (USERRA) and the regulations thereunder.

18. **COMPLIANCE WITH HIPAA PRIVACY STANDARDS**

- a. **Application.** If any benefits under this Cafeteria Plan are subject to the Standards for Privacy of Individually Identifiable Health Information (45 CFR Part 164, the "Privacy Standards"), then this Section shall apply.
- b. **Disclosure of PHI.** The Plan shall not disclose Protected Health Information to any member of the Employer's workforce unless each of the conditions set out in this Section are met. "Protected Health Information" shall have the same definition as set forth in the Privacy Standards but generally shall mean individually identifiable information about the past, present or future physical or mental health or condition of an individual, including information about treatment or payment for treatment.
- c. **PHI disclosed for administrative purposes.** Protected Health Information disclosed to members of the Employer's workforce shall be used or disclosed by them only for purposes of Plan administrative functions. The Plan's administrative functions shall include all Plan payment functions and health care operations. The terms "payment" and "health care operations" shall have the same definitions as set out in the Privacy Standards, but the term

"payment" generally shall mean activities taken to determine or fulfill Plan responsibilities with respect to eligibility, coverage, provision of benefits, or reimbursement for health care. Genetic information will not be used or disclosed for underwriting purposes.

- d. **PHI disclosed to certain workforce members.** The Plan shall disclose Protected Health Information only to members of the Employer's workforce who are authorized to receive such Protected Health Information, and only to the extent and in the minimum amount necessary for that person to perform his or her duties with respect to the Plan. "Members of the Employer's workforce" shall refer to all employees and other persons under the control of the Employer. The Employer shall keep an updated list of those authorized to receive Protected Health Information.
1. An authorized member of the Employer's workforce who receives Protected Health Information shall use or disclose the Protected Health Information only to the extent necessary to perform his or her duties with respect to the Plan.
 2. In the event that any member of the Employer's workforce uses or discloses Protected Health Information other than as permitted by this Section and the Privacy Standards, the incident shall be reported to the Plan's privacy officer. The privacy officer shall take appropriate action, including:
 - i. investigation of the incident to determine whether the breach occurred inadvertently, through negligence or deliberately; whether there is a pattern of breaches; and the degree of harm caused by the breach;
 - ii. appropriate sanctions against the persons causing the breach which, depending upon the nature of the breach, may include oral or written reprimand, additional training, or termination of employment;
 - iii. mitigation of any harm caused by the breach, to the extent practicable; and
 - iv. documentation of the incident and all actions taken to resolve the issue and mitigate any damages.
- e. **Certification.** The Employer must and hereby does provide certification to the Plan that it agrees to adopt all required provisions as mandated under HIPAA for all non-exempt group health plans, including the following:
1. Not use or further disclose the information other than as permitted or required by the Plan documents or as required by law;
 2. Ensure that any agent or subcontractor, to whom it provides Protected Health Information received from the Plan, agrees to the same restrictions and conditions that apply to the Employer with respect to such information;
 3. Not use or disclose Protected Health Information for employment-related actions and decisions or in connection with any other benefit or employee benefit plan of the Employer;
 4. Report to the Plan any use or disclosure of the Protected Health Information of which it becomes aware that is inconsistent with the uses or disclosures permitted by this Section, or required by law;
 5. Make available Protected Health Information to individual Plan members in accordance with Section 164.524 of the Privacy Standards;
 6. Make available Protected Health Information for amendment by individual Plan members and incorporate any amendments to Protected Health Information in accordance with Section 164.526 of the Privacy Standards;
 7. Make available the Protected Health Information required to provide an accounting of disclosures to individual Plan members in accordance with Section 164.528 of the Privacy Standards;
 8. Make its internal practices, books and records relating to the use and disclosure of Protected Health Information received from the Plan available to the Department of Health and Human Services for purposes of determining compliance by the Plan with the Privacy Standards;
 9. If feasible, return or destroy all Protected Health Information received from the Plan that the Employer still maintains in any form, and retain no copies of such information when no longer needed for the purpose for which disclosure was made, except that, if such return or destruction is not feasible, limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible; and

10. Ensure the adequate separation between the Plan and members of the Employer's workforce, as required by Section 164.504(f)(2)(iii) of the Privacy Standards.

19. **COMPLIANCE WITH HIPAA ELECTRONIC SECURITY STANDARDS**

Under the Security Standards for the Protection of Electronic Protected Health Information (45 CFR Part 164.300 et. seq., the "Security Standards"):

- a. **Implementation.** The Employer agrees to implement reasonable and appropriate administrative, physical and technical safeguards to protect the confidentiality, integrity and availability of Electronic Protected Health Information that the Employer creates, maintains or transmits on behalf of the Plan. "Electronic Protected Health Information" shall have the same definition as set out in the Security Standards, but generally shall mean Protected Health Information that is transmitted by or maintained in electronic media.
- b. **Agents or subcontractors shall meet security standards.** The Employer shall ensure that any agent or subcontractor to whom it provides Electronic Protected Health Information shall agree, in writing, to implement reasonable and appropriate security measures to protect the Electronic Protected Health Information.
- c. **Employer shall ensure security standards.** The Employer shall ensure that reasonable and appropriate security measures are implemented to comply with the conditions and requirements set forth in the Section titled: "Compliance with HIPAA Privacy Standards".

20. **MENTAL HEALTH PARITY AND ADDICTION EQUITY ACT**

Notwithstanding anything in the Plan to the contrary, the Plan will comply with the Mental Health Parity and Addiction Equity Act and ERISA Section 712.

21. **GENETIC INFORMATION NONDISCRIMINATION ACT (GINA)**

Notwithstanding anything in the Plan to the contrary, the Plan will comply with the Genetic Information Nondiscrimination Act.

22. **WOMEN'S HEALTH AND CANCER RIGHTS ACT**

Notwithstanding anything in the Plan to the contrary, the Plan will comply with the Women's Health and Cancer Rights Act of 1998.

23. **NEWBORNS' AND MOTHERS' HEALTH PROTECTION ACT**

Notwithstanding anything in the Plan to the contrary, the Plan will comply with the Newborns' and Mothers' Health Protection Act.

Execution Agreement

IN WITNESS WHEREOF, City of Anacortes has caused its authorized officer to execute this amended and restated Plan document as of _____, the same to be effective **January 01, 2026**, unless otherwise indicated herein.

Company: City of Anacortes

Signature:

Printed
Name:

Title:

Date:

CERTIFICATE OF RESOLUTION

The undersigned authorized representative of **City of Anacortes** (the Employer) hereby certifies that the following resolutions were duly adopted by the governing body of the Employer on _____, and that such resolutions have not been modified or rescinded as of the date hereof:

RESOLVED, that the form of amended and restated Welfare Benefit Plan, effective January 01, 2026, presented to this meeting (and a copy of which is attached hereto) is hereby approved and adopted, and that the proper agents of the Employer are hereby authorized and directed to execute and deliver to the Plan Administrator of said Plan one or more counterparts of the Plan.

RESOLVED, that the Plan Administrator shall be instructed to take such actions that the Plan Administrator deems necessary and proper in order to implement the Plan, and to set up adequate accounting and administrative procedures for the provision of benefits under the Plan.

RESOLVED, that the proper agents of the Employer shall act as soon as possible to notify the employees of the Employer of the adoption of the Plan and to deliver to each employee a copy of the Summary Plan Description of the Plan, which Summary Plan Description is attached hereto and is hereby approved.

The undersigned further certifies that attached hereto as Exhibits, are true copies of City of Anacortes' Benefit Plan Document and Summary Plan Description approved and adopted at this meeting.

Company: City of Anacortes

Signature:

Printed
Name:

Title:

Date:

Appendix A

Claims that are insured will be handled in accordance with procedures contained in the insurance policies. All other general requests should be directed to the Administrator of our Plan. This Appendix A is designed to supersede any FSA appeal language contrary to the below. If a Claim under the Plan is denied in whole or in part, you will receive written notification. The notification will include the reasons for the denial, with reference to the specific provisions of the Plan on which the denial was based, a description of any additional information needed to process the claim and an explanation of the claims review procedure.

A level one appeal must be submitted within 180 days of receipt of the denial. Any such request should be accompanied by documents or records in support of your appeal (for example, your original claim, denial, claim documentation, and other correspondence or records). You may review pertinent documents and submit issues and comments in writing. The claims administrator will review the claim and provide, within 30 days, a written response to the appeal (extended by reasonable time if necessary). In this response, the claims administrator will explain the reason for the decision, with specific reference to the provisions of the Plan on which the decision is based. If you disagree with the level one appeal decision you may submit a request for a level two appeal to be determined by the Employer. You must submit a request for a level two appeal within 60 days of receipt of the level one denial notice. You will be notified within 30 days after the Employer receives the level two appeal (extended by reasonable time if necessary). The Employer has the exclusive right to interpret the appropriate plan provisions. Decisions of the Employer are conclusive and binding.

In the case of a claim under the Plan, the following timetable for claims applies:

Notification of whether claim is accepted or denied: 30 days

Extension due to matters beyond the control of the Plan: 15 days

Denial or insufficient information on the claim:

Notification of: 15 days

Response by Participant: 45 days

Review of claim denial: 30 days

You must file your level one appeal by submitting a written request by email, fax, or mail. Indicate level one appeal on the email, fax, or letter. You must submit a level one appeal before you can submit a level two appeal. For the **level one appeal** submit to:

Email: claims@naviabenefits.com (please send via secure or encrypted message only)

Fax: 425-451-7002 or 866-535-9227

Mail: Navia Benefit Solutions, Inc. PO Box 53250 Bellevue, Washington 98015

The Plan Administrator will provide written or electronic notification of any claim denial. The notice will state:

- (a) The specific reason or reasons for the denial;
- (b) Reference to the specific Plan provisions on which the denial was based;
- (c) A description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary;
- (d) A description of the Plan's review procedures and the time limits applicable to such procedures. This will include a statement of your right to bring a civil action under section 502 of ERISA following a denial on review (if applicable);
- (e) A statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claim; and
- (f) If the denial was based on an internal rule, guideline, protocol, or other similar criterion, the specific rule, guideline, protocol, or criterion will be provided free of charge. If this is not practical, a statement will be included that such a rule, guideline, protocol, or criterion was relied upon in making the denial and a copy will be provided free of charge to the claimant upon request.

If your level one appeal is denied, you will have 60 days following receipt of the denial notification in which to appeal the decision in a level two appeal to your employer. You may submit written comments, documents, records, and other information relating to the claim (for example, your level one appeal, the original claim, denial, claim documentation, and other correspondence or records). If you request, you will be provided, free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claim.

You must file your level two appeal by submitting a written request by email, fax, or mail. Indicate level two appeal on the email, fax, or letter. For the **level two appeal** submit to:

Email: claims@naviabenefits.com (please send via secure or encrypted message only)

Fax: 425-451-7002 or 866-535-9227

Mail: Navia Benefit Solutions, Inc. PO Box 53250 Bellevue, Washington 98015

The period of time within which a denial on review is required to be made will begin at the time an appeal is filed in accordance with the procedures of the Plan. This timing is without regard to whether all the necessary information accompanies the filing.

A document, record, or other information shall be considered relevant to a claim if it:

- (a) was relied upon in making the claim determination;
- (b) was submitted, considered, or generated in the course of making the claim determination, without regard to

whether it was relied upon in making the claim determination;

(c) demonstrated compliance with the administrative processes and safeguards designed to ensure and to verify that claim determinations are made in accordance with Plan documents and Plan provisions have been applied consistently with respect to all claimants; or

(d) constituted a statement of policy or guidance with respect to the Plan concerning the denied claim.

The level two appeal review will take into account all comments, documents, records, and other information submitted by the claimant relating to the claim, without regard to whether such information was submitted or considered in the initial claim determination. The review will not afford deference to the initial denial and will be conducted by a fiduciary of the Plan who is neither the individual who made the adverse determination nor a subordinate of that individual. If applicable to your plan, you may have a right to bring a civil action under ERISA § 502(a) if you file a level two appeal and your request for benefits is denied.

City of Anacortes

City of Anacortes
904 6th Street,
Anacortes, WA 98221

City of Anacortes Flexible Spending Arrangement Plan

Summary Plan Description

Amended and Restated January 01, 2026

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City of Anacortes

City of Anacortes Flexible Spending Arrangement Plan

INTRODUCTION

The Company's Flexible Benefit Plan ("Plan") has been established to allow Eligible Employees to pay for certain benefits on a pre-tax basis. There are specific benefits that you may elect, and they are outlined in this Summary Plan Description. You will also be informed about other important information concerning the Plan, such as the conditions you must satisfy before you can join and the laws that protect your rights.

Read this Summary Plan Description ("SPD") carefully so that you understand the provisions of the Plan and the benefits you will receive. This SPD describes the Plan's benefits and obligations as contained in the Plan document, which governs the operation of the Plan. The Plan document is written in much more technical language. Please note that if the non-technical language in this SPD and the legal language of the Plan document conflict, the Plan document will always govern the Plan. Also, if there is a conflict between any of the insurance contracts and either the Plan document or this Summary Plan Description, the insurance contracts will control the respective insurance policies. If you wish to receive a copy of the legal Plan document, please contact the Plan Administrator.

The Plan is subject to the Internal Revenue Code and other federal and state laws and regulations that may affect your rights under this plan. This SPD explains the current details of the Plan in order to comply with all applicable legal requirements. From time to time, the Plan may be revised due to a change in laws or due to pronouncements by the Internal Revenue Service (IRS) or other federal agencies. This Plan may be amended or terminated by the Company. If the Plan is ever amended or changed, the Company will notify you.

This SPD was designed to provide you with information regarding the Company Flexible Benefit Plan. If this SPD does not answer all of your questions, please contact the Administrator (or other assigned person). The name and address of the Administrator can be found in the Article of this SPD entitled "General Information About our Plan."

I. ARTICLE - ELIGIBILITY

01. **How can I participate in the Plan?**

Before you can become a Participant in the Plan, there are certain conditions that you must satisfy. First, you must be an active employee working 30.00 or more hours per week or 130 hours per month and meet the eligibility requirements.

After that, you must enroll in the Plan on the "entry date" that has been established for all employees. The "entry date" is defined in Question 3 below. However, in certain limited situations, you may enroll in the Plan at other times as well. See the Article titled: "Contributions".

02. **What are the eligibility requirements for our Plan?**

You will be eligible to join the Plan once you have satisfied the conditions for coverage under our group medical plan or, the date you provide certification of enrollment in another group health plan, and satisfy the other eligibility requirements established by your employer as defined in section 1.

03. **When can I enter the plan?**

You can enter the Plan on the same day you can enter our group medical plan.

04. **How do I enroll in the Plan?**

Before you can join the Plan, you must complete an enrollment form. The enrollment form will allow you to select which benefits you want to participate in under the Plan. This form will also authorize the Company to redirect some of your earnings in order to pay for the benefits you select.

However, if you are already covered under any of the insured benefits, you will automatically participate in this Plan to the extent of your premiums unless you elect not to participate in this Plan. These benefits are listed in the Article titled: "Benefits".

II. ARTICLE - OPERATION

01. **How does this Plan operate?**

Before the start of each Plan Year, you will be able to elect to have some of your earnings contributed to the Plan. These amounts will be used to pay for the benefits you have chosen. The portion of your earnings that is paid to the Plan is not subject to Federal income or Social Security taxes. In other words, this allows you to use tax-free dollars to pay for certain kinds of benefits and expenses that you normally pay for with out-of-pocket, taxable dollars. However, if you receive a reimbursement for an expense under this Plan, you cannot claim a Federal income tax credit or deduction on your return. Participation in this plan is completely voluntary.

III. ARTICLE - CONTRIBUTIONS; ELECTIONS

01. **How much of my pay may the Employer redirect?**

Each year, we will automatically contribute on your behalf enough of your compensation to pay for the insurance coverage provided unless you elect not to receive any or all of such coverage. You may also elect to have us contribute on your behalf enough of your compensation to pay for any other benefits that you elect under the Plan. These amounts will be deducted from your pay over the course of the year on a per payroll basis.

02. **What happens to contributions made to the Plan?**

Prior to the Plan start date each year, you must decide on the amount of pre-tax dollars you want to contribute to the Plan. It is very important that you make these choices carefully based on what you expect to spend on each covered benefit or expense during the Plan Year. Later, those dollars will be used to pay those expenses as they arise during the Plan Year. In addition, you should also note that any previous benefit payments made from any Account under the Plan that are unclaimed (e.g., uncashed benefit checks) at the end of the Plan Year following the period of coverage in which the qualifying expense was incurred will be forfeited to the Employer.

For information regarding the administration of contributions in specific accounts under this Plan, please refer to the Article titled: "Benefits".

03. **When must I decide which accounts I want to use?**

You are required by Federal regulations to decide during the enrollment or election period (defined below) prior to the Plan Year start. You must decide which accounts you want and how much you want to contribute to each account.

If you are already covered by any of the insured benefits offered by this Plan, you will automatically become a Participant to the extent of the premiums for such insurance, unless you elect during the election period (defined below) not to participate in the Plan.

04. **When is the election period for our Plan?**

You will make your initial election on or before your entry date. (Please review the Article titled: "Eligibility" to better understand the eligibility requirements and entry date.) Then, for each following Plan Year, the election period is established by the Company and applied uniformly to all Participants. It will normally be a period of time prior to the beginning of each Plan Year. The Company will inform you each year about the election period. (See the Article entitled "General Information About Our Plan" for the definition of Plan Year.)

05. **May I change my elections during the Plan Year?**

Generally, you cannot change the elections you have made after the beginning of the Plan Year. However, there are certain limited situations when you can change your elections.

You are permitted to change elections if you have a "change in status" and you make an election change that is consistent with the change in status. Currently, Federal law considers the following events to be a change in status:

- Marriage, divorce, death of a spouse, legal separation or annulment;
- Change in the number of dependents, including birth, adoption, placement for adoption, or death of a dependent;
- Any of the following events for you, your spouse or dependent: termination or commencement of employment, a strike or lockout, commencement or return from an unpaid leave of absence, a change in worksite, or any other change in employment status that affects eligibility for benefits;
- One of your dependents satisfies or ceases to satisfy the requirements for coverage due to change in age, student status, or any similar circumstance; and
- A change in the place of residence of you, your spouse or dependent that would lead to a change in status, such as moving out of a coverage area for insurance.

In addition, if you are participating in the Dependent Care Flexible Spending Account, then there is a change in status if your dependent no longer meets the qualifications to be eligible for dependent care.

There are detailed rules on when a change in election is deemed to be consistent with a change in status. In addition, there are laws that give you certain other rights to change health coverage for you, your spouse, or your dependents. If you change coverage due to rights you have under the

law, then you can make a corresponding change in your elections under the Plan. If any of these conditions apply to you, you should contact the Administrator.

If the cost of a benefit provided under the Plan increases or decreases during a Plan Year, then we will automatically increase or decrease, as the case may be, your salary redirection election. If the cost increases significantly, you will be permitted to either make corresponding changes in your payments or revoke your election and obtain coverage under another benefit package option with similar coverage, or revoke your election entirely.

If the coverage under a Benefit is significantly curtailed or ceases during a Plan Year, then you may revoke your elections and elect to receive on a prospective basis coverage under another plan with similar coverage. In addition, if the Company adds a new coverage option or eliminates an existing option, you may elect the newly-added option (or elect another option if an option has been eliminated) and make corresponding election changes to other options providing similar coverage. If you are not a Participant, you may elect to join the Plan. There are also certain situations when you may be able to change your elections on account of a change under the plan of your spouse, former spouse or dependent's employer.

These rules on change due to cost or coverage do not apply to the Health Flexible Spending Account, and you may not change your election to the Health Flexible Spending Account if you make a change due to cost or coverage for insurance.

You may not change your election under the Dependent Care Flexible Spending Account if the cost change is imposed by a dependent care provider who is your relative.

In addition, there are laws that give you rights to change group health coverage for you, your spouse, and/or your dependents (i) if you go from working 30 or more hours a week to working less than 30 hours a week and you intend to enroll in certain other health plans, or (ii) if you are eligible to enroll in and intend to enroll in certain Marketplace Qualified Health Plans. If you change coverage due to rights under these laws, then you can make a corresponding change in your elections under the Plan. If any of these conditions apply to you, you should contact the administrator.

Health Savings Account Changes; A participant who has elected to make elective contributions under such arrangement may modify or revoke the election prospectively, provided such change is consistent with Code Section 223 and the Treasury regulations thereunder.

06. May I make new elections in future Plan Years?

Yes. For each new Plan Year, you may change the elections that you previously made. You may also choose not to participate in the Plan for the upcoming Plan Year. If you do not make new elections during the election period before a new Plan Year begins, the Company will assume you want your elections for insured benefits only to remain the same and you will not be considered a Participant for the non-insured benefit options under the Plan for the upcoming Plan Year.

IV. ARTICLE - BENEFITS

01. **What benefits are offered under the Plan?**

You may choose to receive your entire compensation or use a portion to pay for benefits under this plan.

02. **Health Flexible Spending Account**

The Health Flexible Spending Account enables you to pay for expenses allowed under Sections 105 and 213(d) of the Internal Revenue Code and that are not covered by our insured medical plan, and to save taxes at the same time. The Health Flexible Spending Account allows you to be reimbursed by the Employer for out-of-pocket medical, dental and/or vision expenses incurred by you and your dependents.

Drug costs, including insulin, may be reimbursed. You may not, however, be reimbursed for the cost of other health care coverage maintained outside of the Plan, or for long-term care expenses. A list of covered expenses is available from the Administrator.

The most that you can contribute to your Health Flexible Spending Account for the Plan Year is \$3,400.00. The maximum limit may increase from year-to-year pursuant to Section 125(i)(2) of the Internal Revenue Code. In addition, you may carry over any amount left in your account up to \$680.00. The maximum limit may increase from year-to-year as provided under IRS Notice 2020-33 and Section 125(i) of the Internal Revenue Code. This amount can be used the following Plan year to pay for eligible expenses.

In order to be reimbursed for a health care expense, you must submit to the Administrator an itemized bill from the service provider. The Company will also provide you with a debit card to use to pay for qualified Medical Expenses. The Administrator will provide you with further details about the debit card. Amounts reimbursed from the Plan may not be claimed as a deduction on your personal income tax return. As required by law, reimbursement from the fund shall be paid at least once a month. Expenses under this Plan are treated as being "incurred" when you are provided with the care that gives rise to the expenses, not when you are formally billed or charged, or you pay for the medical care.

You may be reimbursed for expenses for any child until the end of the calendar year in which the child reaches age 26. A "child" is a natural child, stepchild, foster child, adopted child, or a child placed with you for adoption. If a child gains or regains eligibility due to these new rules, that qualifies as a change in status for purposes of coverage changes.

Newborns' and Mothers' Health Protection Act: Group health plans generally may not, under Federal law, restrict benefits for any hospital length of stay in connection with childbirth for the mother or newborn child to less than 48 hours following a vaginal delivery, or less than 96 hours following a cesarean section. However, Federal law generally does not prohibit the mother's or newborn's attending provider, after consulting with the mother, from discharging the mother or her newborn earlier than 48 hours (or 96 hours as applicable). In any case, plans and issuers may not, under Federal law, require that a provider obtain authorization from the plan or the issuer for prescribing a length of stay not in excess of 48 hours (or 96 hours).

Women's Health and Cancer Rights Act: This plan, as required by the Women's Health and Cancer Rights Act of 1998, will reimburse up to plan limits for benefits for mastectomy-related services including reconstruction and surgery to achieve symmetry between the breasts, prostheses, and complications resulting from a mastectomy (including lymphedema). Contact your Plan Administrator for more information.

03. **Limited Purpose Flexible Spending Account**

The Limited Purpose Flexible Spending Account enables you to pay for expenses allowed under Sections 105 and 213(d) of the Internal Revenue Code which are not covered by our insured medical plan and save taxes at the same time. The Limited Purpose Flexible Spending Account allows you to be reimbursed by the Employer for out-of-pocket Dental, Vision, and Preventative Care Expenses incurred by you and your dependents.

Drug costs may be reimbursed if they are considered for dental, vision or preventive care.

The most that you can contribute to your Limited Purpose Flexible Spending Account each Plan Year is \$3,400.00. The maximum limit may increase from year-to-year pursuant to Section 125(i)(2) of the Internal Revenue Code. In addition, you may carry over any amount left in your account at the end of the Plan Year, up to \$680.00. The maximum limit may increase from year-to-year as provided under IRS Notice 2020-33 and Section 125(i) of the Internal Revenue Code. This amount can be used the following Plan year to pay for eligible expenses.

04. **Dependent Care Flexible Spending Account**

The Dependent Care Flexible Spending Account enables you to pay for out-of-pocket, work-related dependent day-care costs with pre-tax dollars. If you are married, you can use the account if you and your spouse both work or, in some situations, if your spouse goes to school full-time. Single employees can also use the account.

The most that you can contribute to your Dependent Care Flexible Spending Account for the Plan Year is \$7,500.00.

An eligible dependent is someone for whom you can claim expenses on Federal Income Tax Form 2441 "Credit for Child and Dependent Care Expenses." Children must be under age 13. Other dependents must be physically or mentally unable to care for themselves. Dependent Care arrangements which qualify include:

- a. A Dependent (Day) Care Center, provided that if care is provided by the facility for more than six individuals, the facility complies with applicable state and local laws;
- b. An Educational Institution for pre-school children. For older children, only expenses for non-school care are eligible; and
- c. An "Individual" who provides care inside or outside your home: The "Individual" may not be a child of yours under age 19 or anyone you claim as a dependent for Federal tax purposes.

You should make sure that the Dependent Care Expenses you are currently paying qualify under our Plan.

The law places limits on the amount of money that can be paid to you in a calendar year from your Dependent Care Flexible Spending Account. Generally, your reimbursements may not exceed the lesser of: (a) \$7,500.00 (if you are married filing a joint return or you are head of a household) or \$3,750.00 (if you are married filing separate returns); (b) your taxable compensation; (c) your spouse's actual or deemed annual earned income (a spouse who is a full time student or incapable of caring for himself/herself has a deemed monthly earned income of \$250 for one dependent or \$500 for two or more dependents).

Also, in order to be able to exclude from your income the reimbursements made to you from this account, you must provide on your tax form for the year the name, address, and in most cases, the taxpayer identification number of the service provider, as well as the amount of such expense. In addition, Federal tax laws permit a tax credit for certain Dependent Care Expenses you may be paying even if you are not a Participant in this Plan. You may save more money if you take advantage of this tax credit rather than using the Dependent Care Flexible Spending Account under our Plan. Consult with your tax adviser for further information.

05. Premium Expense Account

A Premium Expense Account allows you to use tax-free dollars to pay for certain premium expenses under various group insurance programs the Company offers you. These premium expenses include:

- Health care premiums under our insured group medical plan
- Dental insurance premiums
- Vision insurance premiums
- Group term life premiums (up to \$50,000 maximum benefit)
- Long-term disability insurance premiums
- Accidental death and dismemberment insurance premiums
- Health Savings Account Contributions

Under this Plan, the Company will allocate the pre-tax premium withholding to the accounts established under the Plan pursuant to the Participants' elections. Certain limits on the amount of coverage that can be paid through pre-tax premiums may apply.

The Company may terminate or modify Plan benefits at any time, subject to the provisions of any insurance contracts providing benefits described above. The Company will not be liable to you if an insurance company fails to provide any of the benefits described above. Also, your insurance will end when you leave employment, are no longer eligible under the terms of any insurance policies, or when insurance terminates.

Any benefits to be provided by insurance will be provided only after (1) you have provided the Administrator the necessary information to apply for insurance, and (2) the insurance is in effect for you.

If you cover your children up to age 26 under your insurance, you can pay for that coverage

through the Plan.

In addition to the Premium Expense Account or Accounts described above, this Plan also may provide for contributions (via payroll deduction) to be made by you on a pre-tax basis to a "Health Savings Account" (also referred to as an "HSA Program"). The HSA is a type of account that enables those who elect to participate in this program to pay eligible HSA Medical Expenses or allow distribution of remaining balances for other qualifying purposes. The HSA Program, if applicable, is separately provided and administered through an HSA Trustee or similar custodial account. Your Employer's election to enable you to make contributions to the HSA Program provides the opportunity for you to contribute such amounts through this Plan on a pre-tax basis.

The eligible Employee will establish a Health Savings Account for contributions as elected for the HSA Program established or provided by the HSA Trustee. To the extent of any conflict between the terms of this Plan and those of the HSA Program, the terms of the HSA Program will control. We are not responsible for the decisions and operations of the HSA Trustee in the administration of the HSA Program.

V. ARTICLE - BENEFIT PAYMENTS

01. **When will I receive payments from my accounts?**

During the course of the Plan Year, you may submit requests for reimbursement of expenses you have incurred. Expenses are considered "incurred" when the service is performed, not necessarily when it is paid for. The Administrator will provide you with acceptable forms for submitting these requests for reimbursement. If the request qualifies as a benefit or expense that the Plan has agreed to pay, you will receive a reimbursement payment soon thereafter. Remember, these reimbursements which are made from the Plan are generally not subject to federal income tax or withholding. Nor are they subject to Social Security taxes. Requests for payment of insured benefits should be made directly to the insurer. You will be reimbursed from the Health Flexible Spending Account up to your total annual election. You will be reimbursed from the Dependent Care Flexible Spending Account to the extent that there are sufficient funds in the Account to cover your request.

02. **What happens if I don't spend all Plan contributions during the Plan Year?**

If you have unused contributions in your account at the end of the current Plan Year, those monies will be forfeited to the Employer. Obviously, qualifying expenses that you incur late in the Plan Year for which you seek reimbursement after the end of such Plan Year will be paid first before any amount is forfeited.

At the end of the Plan Year, and after all eligible reimbursements have been made, any unused funds up to \$680.00 in your Health Flexible Spending Account will roll over into the new Plan Year. The maximum limit may increase from year-to-year as provided under IRS Notice 2020-33 and Section 125(i) of the Internal Revenue Code. Any unused funds left in the account in excess of maximum limit will be forfeited. For the Health Flexible Spending Account, you must submit claims no later than 90 days after the end of the Plan Year.

At the end of the Plan Year, and after all eligible reimbursements have been made, any unused funds up to \$680.00 in your Limited Purpose Flexible Spending Account will roll over into the new Plan Year. The maximum limit may increase from year-to-year as provided under IRS Notice 2020-33 and Section 125(i) of the Internal Revenue Code. Any unused funds left in the account in excess of maximum limit will be forfeited. For the Limited Purpose Flexible Spending Account, you must submit claims no later than 90 days after the end of the Plan Year.

For the Dependent Care Flexible Spending Account, you must submit claims no later than 90 days after the end of the Plan Year.

Because it is possible that you might forfeit amounts in the Plan if you do not fully use the contributions that have been made, it is important that you decide how much to place in each account carefully and conservatively. Remember, you must decide which benefits you want to contribute to and how much to place in each account before the Plan Year begins. You want to be as certain as you can that the amount you decide to place in each account will be used up entirely.

03. **Family and Medical Leave Act (FMLA)**

If you take a leave under the Family and Medical Leave Act, you may continue, revoke or change your existing elections for health insurance and the Health Flexible Spending Account. If your coverage for these benefits terminates, due to your revocation of the benefit to your non-payment of contributions, you will be permitted to reinstate coverage for the remaining part of the Plan Year upon your return. You can resume your coverage at its original level and make payments for the time that you are on leave. For example, if you elect \$1,200 for the year and are out on leave for 3 months, then return and elect to resume your coverage at that level, your remaining payments will be increased to cover the difference - for example, from \$100 per month to \$150 per month, etc. Alternatively your maximum amount will be reduced proportionately for the time that you were gone. For example, if you elect \$1,200 for the year and are out on leave for 3 months, your amount will be reduced to \$900. The expenses you incur during the time you are not in the Health Flexible Spending Account are not reimbursable.

If you continue your coverage during your unpaid leave, you may pre-pay for the coverage, you may pay for your coverage on an after-tax basis while you are on leave, or you and your Employer may arrange a schedule for you to "catch up" your payments when you return.

04. **Uniformed Services Employment and Reemployment Rights Act (USERRA)**

If you are going into or returning from military service, you may have special rights to health care coverage through your Health Flexible Spending Account under the Uniformed Services Employment and Reemployment Rights Act of 1994. These rights can include extended health care coverage. If you may be affected, ask your Administrator for further details.

05. **What happens if my employment terminates?**

If you terminate employment during the Plan Year, your right to benefits will be determined in the following manner:

- a. You will remain covered by insurance, but only for the period for which premiums have been paid prior to your termination of employment.
- b. You will still be able to request reimbursement for qualifying Dependent Care Expenses up to 90 days after the end of the Plan Year from the balance remaining in your Dependent Care Account at the time of termination of employment. However, no further salary redirection contributions will be made on your behalf after termination.
- c. For health benefit coverage and Health Flexible Spending Account coverage on termination of employment, please see the Article entitled "Continuation Coverage Rights Under COBRA." Upon your termination of employment, your participation in the Health Flexible Spending Account will cease, and no further salary redirection contributions will be contributed on your behalf. However, you will be able to submit, within 90 days after the end of the Plan Year, claims for health care expenses that were incurred before the end of the period for which payments to the Health Flexible Spending Account have already been made. Your further participation will be governed by "Continuation Coverage Rights Under COBRA."
- d. For the Limited Purpose Flexible Spending Account coverage on termination of employment, please see the Section entitled "Continuation Coverage Rights Under COBRA." Upon termination of employment, your participation in the Limited Purpose Flexible Spending Account will cease, and no further salary redirection contributions will be contributed on your behalf. However, you will be able to submit, within 90 days after the end of the Plan Year, claims for eligible dental or vision expenses that were incurred before the end of the period for which payments to the Limited Purpose Flexible Spending Account have already been made. Your further participation will be governed by "Continuation Coverage Rights Under COBRA."
- e. If you are enrolled in a Health Savings Account and are making contributions through the Plan, any unused amounts within your HSA will continue to be available to you for withdrawal to pay qualified expenses on a tax free basis, or may be distributed to you, subject to applicable IRS guidelines or the terms of your HSA account. You should contact the HSA Trustee to discuss any questions regarding any rights you may have to unused amounts held in your Health Savings Account at termination.

06. **Will my Social Security benefits be affected?**

Your Social Security benefits may be slightly reduced because when you receive tax-free benefits under our Plan, it reduces the amount of contributions that you make to the Federal Social Security system as well as the Company contributions to Social Security on your behalf.

VI. ARTICLE - HIGHLY COMPENSATED AND KEY EMPLOYEES

01. **Do limitations apply to highly compensated employees?**

Under the Internal Revenue Code, highly compensated employees and key employees generally are Participants who are officers, shareholders or are highly paid. You will be notified by the Administrator each Plan Year whether you are a highly compensated employee or a key employee.

If you are within these categories, the amount of contributions and benefits for you may be limited so that the Plan as a whole does not unfairly favor those who are highly paid, their spouses or their dependents. Federal tax laws state that a plan will be considered to unfairly favor the key employees if they as a group receive more than 25% of all of the nontaxable benefits provided for under our Plan.

Plan experience will dictate whether contribution limitations on highly compensated employees or key employees will apply. You will be notified of these limitations if you are affected.

VII. ARTICLE - PLAN ACCOUNTING

01. Periodic Statements

Periodically during the Plan Year, the Administrator will provide you with a statement of your account that shows your account balance. It is important to read these statements carefully so you understand the balance remaining to pay for a benefit. Remember, you want to spend all the money you have designated for a particular benefit by the end of the Plan Year.

VIII. ARTICLE - GENERAL INFORMATION ABOUT OUR PLAN

This Section contains certain general information which you may need to know about the Plan.

01. **General Plan Information**

City of Anacortes Flexible Spending Arrangement Plan is the name of the Plan.

Your Employer has assigned Plan Number 501 to your Plan.

The company amends and restates this Plan as of January 01, 2026 with an original effective date of January 01, 2011.

Your Plan's records are maintained on a twelve-month period of time known as the Plan Year. The Plan Year begins on January 01 and ends on December 31.

02. **Employer Information**

Your Employer's name, address, and tax identification number are:

City of Anacortes
Human Resources
904 6th Street,
Anacortes, WA 98221
(360)-588-8299

FEIN: 91-6001227

03. **Plan Administrator Information**

The name and address of your Plan's Administrator are:

City of Anacortes
904 6th Street,
Anacortes, WA 98221
(360)-588-8299

The Administrator keeps the records for the Plan and is responsible for the administration of the Plan. The Administrator will also answer any questions you may have about our Plan. You may contact the Administrator for any further information about the Plan.

04. **Agent for Service of Legal Process**

Should it ever be necessary, you or your personal representative may serve legal process on the agent for service of legal process for the Plan. The Plan's Agent of Service is:

City of Anacortes
904 6th Street,
Anacortes, WA 98221
(360)-588-8299

05. **Type of Administration**

The type of Administration is Employer Administration.

06. **Claims Submission**

Claims for expenses should be submitted to:

Navia Benefit Solutions, Inc.
PO Box 5179
Fresno, CA 93755
425-452-3500

IX. ARTICLE - ADDITIONAL PLAN INFORMATION

01. Your Rights Under ERISA

As a participant in the Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA) and the Internal Revenue Code. These laws provide that Participants, eligible employees and all other employees are entitled to:

- a. examine, without charge, at the Plan Administrator's office, all Plan documents, including insurance contracts, collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor (also available at the Public Disclosure Room of the Employee Benefits Security Administration);
- b. obtain copies of all documents that govern the operations of the Plan, and other Plan information, upon written request to the Administrator. The Administrator may charge a reasonable fee for copies;
- c. continue health coverage for yourself, Spouse, or other dependents if there is a loss of coverage under the Plan as a result of a qualifying event. You or your dependents may have to pay for such coverage; and
- d. review this summary plan description and the documents governing COBRA continuation rights under the Plan.

In addition to creating rights for Plan Participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate your Plan, who are called "fiduciaries" of the Plan, have a duty to do so prudently and in the best interest of you and the other Plan Participants and beneficiaries.

No one, including your employer or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

If your claim for a benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a medical child support order, you may file suit in Federal court.

Under ERISA there are steps you can take to enforce the above rights. For instance, if you request materials from the Plan and do not receive them within thirty (30) days, you may file suit in a Federal court. In such a case, the court may request the Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court.

If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees; for example, if it finds your claim is frivolous.

If you have any questions about the Plan, you should contact the Administrator. If you have any questions about this statement, or about your rights under ERISA or the Health Insurance Portability and Accountability Act (HIPAA), or if you need assistance in obtaining documents from the Administrator, you should contact either the nearest Regional or District Office of the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) or visit the EBSA website at www.dol.gov/ebsa/. (Addresses and phone numbers of Regional and District EBSA Offices are available through EBSA's website.) You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

02. Claims Process

It is recommended that you submit all reimbursement claims during the Plan Year. For information on how claims will be processed at the end of the Plan Year, please refer to the Article titled: "Benefit Payments".

Claims for insured benefits will be handled in accordance with procedures contained in the insurance policies. All other general requests should be directed to the Administrator of our Plan. If

a dependent care claim under the Plan is denied in whole or in part, you or your beneficiary will receive written notification. The notification will include the reasons for the denial, with reference to the specific provisions of the Plan on which the denial was based, a description of any additional information needed to process the claim and an explanation of the claims review procedure. Within 60 days after denial, you or your beneficiary may submit to the Administrator a written request for reconsideration of the denial.

Any such request should be accompanied by documents or records in support of your appeal. You or your beneficiary may review pertinent documents and submit issues and comments in writing. The Administrator will review the claim and provide, within 60 days, a written response to the appeal. (This period may be extended an additional 60 days under certain circumstances.) In this response, the Administrator will explain the reason for the decision, with specific reference to the provisions of the Plan on which the decision is based. The Administrator has the exclusive right to interpret the appropriate plan provisions. Decisions of the Administrator are conclusive and binding.

In the case of a claim for Medical Expenses under the Health Flexible Spending Account, the following timetable for claims applies:

Notification of whether claim is accepted or denied	30 days
Extension due to matters beyond the control of the Plan	15 days
Insufficient information on the claim:	
Notification of	15 days
Response by Participant	45 days
Review of claim denial	30 days

The Plan Administrator will provide written or electronic notification of any claim denial. The notice will state:

- a. The specific reason or reasons for the denial;
- b. Reference to the specific Plan provisions on which the denial was based;
- c. A description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary;
- d. A description of the Plan's review procedures and the time limits applicable to such procedures. This will include a statement of your right to bring a civil action under section 502 of ERISA following a denial on review;
- e. A statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claim; and
- f. If the denial was based on an internal rule, guideline, protocol, or other similar criterion, the specific rule, guideline, protocol, or criterion will be provided free of charge. If this is not practical, a statement will be included that such a rule, guideline, protocol, or criterion was relied upon in making the denial and a copy will be provided free of charge to the claimant upon request.

When you receive a denial, you will have 180 days following receipt of the notification in which to appeal the decision. You may submit written comments, documents, records, and other information relating to the claim. If you request, you will be provided, free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claim.

The period of time within which a denial on review is required to be made will begin at the time an appeal is filed in accordance with the procedures of the Plan. This timing is without regard to whether all the necessary information accompanies the filing.

A document, record, or other information shall be considered relevant to a claim if it:

- a. was relied upon in making the claim determination;
- b. was submitted, considered, or generated in the course of making the claim determination, without regard to whether it was relied upon in making the claim determination;
- c. demonstrated compliance with the administrative processes and safeguards designed to ensure and to verify that claim determinations are made in accordance with Plan documents and Plan provisions have been applied consistently with respect to all claimants; or

- d. constituted a statement of policy or guidance with respect to the Plan concerning the denied claim.

The review will take into account all comments, documents, records, and other information submitted by the claimant relating to the claim, without regard to whether such information was submitted or considered in the initial claim determination. The review will not afford deference to the initial denial and will be conducted by a fiduciary of the Plan who is neither the individual who made the adverse determination nor a subordinate of that individual.

03. **Qualified Medical Child Support Order**

A medical child support order is a judgment, decree or order (including approval of a property settlement) made under state law that provides for child support or health coverage for the child of a participant. The child becomes an "alternate recipient" and can receive benefits under the health plans of the Employer, if the order is determined to be "qualified." You may obtain, without charge, a copy of the procedures governing the determination of qualified medical child support orders from the Plan Administrator.

X. ARTICLE - CONTINUATION COVERAGE RIGHTS UNDER COBRA

Under the federal Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), certain employees and their families covered under health benefits under this Plan will be entitled to the opportunity to elect a temporary extension of health coverage (called "COBRA continuation coverage") beyond the time when coverage under the Plan would otherwise end. This notice is intended to inform Plan Participants and beneficiaries, in summary fashion, of their rights and obligations under the continuation coverage provisions of COBRA, as amended and reflected in final and proposed regulations published by the Department of the Treasury. This notice is intended to reflect the law and does not grant or take away any rights under the law.

The Plan Administrator or its designee is responsible for administering COBRA continuation coverage. Complete instructions on COBRA, as well as election forms and other information, will be provided by the Plan Administrator or its designee to Plan Participants who become Qualified Beneficiaries under COBRA. While the Plan itself is not a group health plan, it does provide health benefits. Whenever "Plan" is used in this section, it means any of the health benefits under this Plan including the Health Flexible Spending Account.

01. What is COBRA continuation coverage?

COBRA continuation coverage is the temporary extension of group health plan coverage that must be offered to certain Plan Participants and their eligible family members (called "Qualified Beneficiaries") at group rates. The right to COBRA continuation coverage is triggered by the occurrence of a life event that results in the loss of coverage under the terms of the Plan (the "Qualifying Event"). The coverage must be identical to the coverage that the Qualified Beneficiary had immediately before the Qualifying Event, or if the coverage has been changed, the coverage must be identical to the coverage provided to similarly situated active employees who have not experienced a Qualifying Event (in other words, similarly situated non-COBRA beneficiaries).

02. Who can become a Qualified Beneficiary?

In general, a Qualified Beneficiary can be:

- a. Any individual who, on the day before a Qualifying Event, is covered under a Plan by virtue of being on that day either a covered Employee, the Spouse of a covered Employee, or a Dependent child of a covered Employee. If, however, an individual who otherwise qualifies as a Qualified Beneficiary is denied or not offered coverage under the Plan under circumstances in which the denial or failure to offer constitutes a violation of applicable law, then the individual will be considered to have had the coverage and will be considered a Qualified Beneficiary if that individual experiences a Qualifying Event.
- b. Any child who is born to or placed for adoption with a covered Employee during a period of COBRA continuation coverage, and any individual who is covered by the Plan as an alternate recipient under a qualified medical support order. If, however, an individual who otherwise qualifies as a Qualified Beneficiary is denied or not offered coverage under the Plan under circumstances in which the denial or failure to offer constitutes a violation of applicable law, then the individual will be considered to have had the coverage and will be considered a Qualified Beneficiary if that individual experiences a Qualifying Event.

The term "covered Employee" includes any individual who is provided coverage under the Plan due to his or her performance of services for the employer sponsoring the Plan. However, this provision does not establish eligibility of these individuals. Eligibility for Plan coverage shall be determined in accordance with Plan Eligibility provisions.

An individual is not a Qualified Beneficiary if the individual's status as a covered Employee is attributable to a period in which the individual was a nonresident alien who received from the individual's Employer no earned income that constituted income from sources within the United States. If, on account of the preceding reason, an individual is not a Qualified Beneficiary, then a Spouse or Dependent child of the individual will also not be considered a Qualified Beneficiary by virtue of the relationship to the individual. A domestic partner is not a Qualified Beneficiary.

Each Qualified Beneficiary (including a child who is born to or placed for adoption with a covered Employee during a period of COBRA continuation coverage) must be offered the opportunity to make an independent election to receive COBRA continuation coverage.

03. What is a Qualifying Event?

A Qualifying Event is any of the following if the Plan provides that the Plan participant will lose coverage (i.e., cease to be covered under the same terms and conditions as in effect immediately before the Qualifying Event) in the absence of COBRA continuation coverage:

- a. The death of a covered Employee.

- b. The termination (other than by reason of the Employee's gross misconduct), or reduction of hours, of a covered Employee's employment.
- c. The divorce or legal separation of a covered Employee from the Employee's Spouse. If the Employee reduces or eliminates the Employee's Spouse's Plan coverage in anticipation of a divorce or legal separation, and a divorce or legal separation later occurs, then the divorce or legal separation may be considered a Qualifying Event even though the Spouse's coverage was reduced or eliminated before the divorce or legal separation.
- d. A covered Employee's enrollment in any part of the Medicare program.
- e. A Dependent child's ceasing to satisfy the Plan's requirements for a Dependent child (for example, attainment of the maximum age for dependency under the Plan).

If the Qualifying Event causes the covered Employee, or the covered Spouse or a Dependent child of the covered Employee, to cease to be covered under the Plan under the same terms and conditions as in effect immediately before the Qualifying Event, the persons losing such coverage become Qualified Beneficiaries under COBRA if all the other conditions of COBRA are also met. For example, any increase in contribution that must be paid by a covered Employee, or the Spouse, or a Dependent child of the covered Employee, for coverage under the Plan that results from the occurrence of one of the events listed above is a loss of coverage.

The taking of leave under the Family and Medical Leave Act of 1993 ("FMLA") does not constitute a Qualifying Event. A Qualifying Event will occur, however, if an Employee does not return to employment at the end of the FMLA leave and all other COBRA continuation coverage conditions are present. If a Qualifying Event occurs, it occurs on the last day of FMLA leave and the applicable maximum coverage period is measured from this date (unless coverage is lost at a later date and the Plan provides for the extension of the required periods, in which case the maximum coverage date is measured from the date when the coverage is lost.) Note that the covered Employee and family members will be entitled to COBRA continuation coverage even if they failed to pay the employee portion of premiums for coverage under the Plan during the FMLA leave.

04. **What factors should be considered when determining to elect COBRA continuation coverage?**

You should take into account that a failure to continue your group health coverage will affect your rights under federal law. You should be aware that you have special enrollment rights under federal law (HIPAA). You have the right to request special enrollment in another group health plan for which you are otherwise eligible (such as a plan sponsored by your Spouse's employer) within 30 days after Plan coverage ends due to a Qualifying Event listed above. You will also have the same special right at the end of COBRA continuation coverage if you get COBRA continuation coverage for the maximum time available to you.

05. **What is the procedure for obtaining COBRA continuation coverage?**

The Plan has conditioned the availability of COBRA continuation coverage upon the timely election of such coverage. An election is timely if it is made during the election period.

06. **What is the election period and how long must it last?**

The election period is the time period within which the Qualified Beneficiary must elect COBRA continuation coverage under the Plan. The election period must begin no later than the date the Qualified Beneficiary would lose coverage on account of the Qualifying Event and ends 60 days after the later of the date the Qualified Beneficiary would lose coverage on account of the Qualifying Event or the date notice is provided to the Qualified Beneficiary of her or his right to elect COBRA continuation coverage. If coverage is not elected within the 60 day period, all rights to elect COBRA continuation coverage are forfeited.

07. **Is a covered Employee or Qualified Beneficiary responsible for informing the Plan Administrator of the occurrence of a Qualifying Event?**

The Plan will offer COBRA continuation coverage to Qualified Beneficiaries only after the Plan Administrator or its designee has been timely notified that a Qualifying Event has occurred. The Employer (if the Employer is not the Plan Administrator) will notify the Plan Administrator or its designee of the Qualifying Event within 30 days following the date coverage ends when the Qualifying Event is:

- a. the end of employment or reduction of hours of employment,
- b. death of the employee,
- c. commencement of a proceeding in bankruptcy with respect to the Employer, or
- d. entitlement of the employee to any part of Medicare.

IMPORTANT:

For the other Qualifying Events (divorce or legal separation of the employee and spouse or a dependent child's losing eligibility for coverage as a dependent child), you or someone on your behalf must notify the Plan Administrator or its designee in writing within 60 days after the Qualifying Event occurs, using the procedures specified below. If these procedures are not followed or if the notice is not provided in writing to the Plan Administrator or its designee during the 60-day notice period, any spouse or dependent child who loses coverage will not be offered the option to elect continuation coverage. You must send this notice to the Plan Administrator or its designee.

NOTICE PROCEDURES: Any notice that you provide must be *in writing*. Oral notice, including notice by telephone, is not acceptable. You must mail, fax or hand-deliver your notice to the person, department or firm listed below, at the following address:

City of Anacortes

904 6th Street,
Anacortes, WA 98221
(360)-588-8299

If mailed, your notice must be postmarked no later than the last day of the required notice period. Any notice you provide must state:

- the **name of the plan or plans** under which you lost or are losing coverage,
- the **name and address of the employee** covered under the plan,
- the **name(s) and address(es) of the Qualified Beneficiary(ies)**, and
- the **Qualifying Event** and the **date** it happened.

If the Qualifying Event is a **divorce or legal separation**, your notice must include **a copy of the divorce decree or the legal separation agreement**.

Be aware that there are other notice requirements in other contexts, for example, in order to qualify for a disability extension.

Once the Plan Administrator or its designee receives *timely notice* that a Qualifying Event has occurred, COBRA continuation coverage will be offered to each of the qualified beneficiaries. Each Qualified Beneficiary will have an independent right to elect COBRA continuation coverage. Covered employees may elect COBRA continuation coverage for their spouses, and parents may elect COBRA continuation coverage on behalf of their children. For each Qualified Beneficiary who elects COBRA continuation coverage, COBRA continuation coverage will begin on the date that plan coverage would otherwise have been lost. If you or your spouse or dependent children do not elect continuation coverage within the 60-day election period described above, the right to elect continuation coverage will be lost.

08. **Is a waiver before the end of the election period effective to end a Qualified Beneficiary's election rights?**

If, during the election period, a Qualified Beneficiary waives COBRA continuation coverage, the waiver can be revoked at any time before the end of the election period. Revocation of the waiver is an election of COBRA continuation coverage. However, if a waiver is later revoked, coverage need not be provided retroactively (that is, from the date of the loss of coverage until the waiver is revoked). Waivers and revocations of waivers are considered made on the date they are sent to the Plan Administrator or its designee, as applicable.

09. **Is COBRA coverage available if a Qualified Beneficiary has other group health plan coverage or Medicare?**

Qualified Beneficiaries who are entitled to elect COBRA continuation coverage may do so even if they are covered under another group health plan or are entitled to Medicare benefits on or before the date on which COBRA is elected. However, a Qualified Beneficiary's COBRA coverage will terminate automatically if, after electing COBRA, they become entitled to Medicare or becomes covered under other group health plan coverage (but only after any applicable preexisting condition exclusions of that other plan have been exhausted or satisfied).

10. **When may a Qualified Beneficiary's COBRA continuation coverage be terminated?**

During the election period, a Qualified Beneficiary may waive COBRA continuation coverage. Except for an interruption of coverage in connection with a waiver, COBRA continuation coverage that has been elected for a Qualified Beneficiary must extend for at least the period beginning on the date of the Qualifying Event and ending not before the earliest of the following dates:

- a. The last day of the applicable maximum coverage period.
- b. The first day for which Timely Payment is not made to the Plan with respect to the Qualified Beneficiary.
- c. The date upon which the Employer ceases to provide any group health plan (including a successor plan) to any employee.
- d. The date, after the date of the election, that the Qualified Beneficiary first becomes covered under any other Plan that does not contain any exclusion or limitation with respect to any pre-existing condition, other than such an exclusion or limitation that does not apply to, or is satisfied by, the Qualified Beneficiary.
- e. The date, after the date of the election, that the Qualified Beneficiary first becomes entitled to Medicare (either part A or part B, whichever occurs earlier).
- f. In the case of a Qualified Beneficiary entitled to a disability extension, the later of:
 1. (i) 29 months after the date of the Qualifying Event, or (ii) the first day of the month that is more than 30 days after the date of a final determination under Title II or XVI of the Social Security Act that the disabled Qualified Beneficiary whose disability resulted in the Qualified Beneficiary's entitlement to the disability extension is no longer disabled, whichever is earlier; or
 2. the end of the maximum coverage period that applies to the Qualified Beneficiary without regard to the disability extension.

The Plan can terminate for cause the coverage of a Qualified Beneficiary on the same basis that the Plan terminates for cause the coverage of similarly situated non-COBRA beneficiaries, for example, for the submission of a fraudulent claim.

In the case of an individual who is not a Qualified Beneficiary and who is receiving coverage under the Plan solely because of the individual's relationship to a Qualified Beneficiary, if the Plan's obligation to make COBRA continuation coverage available to the Qualified Beneficiary ceases, the Plan is not obligated to make coverage available to the individual who is not a Qualified Beneficiary.

11. What are the maximum coverage periods for COBRA continuation coverage?

The maximum coverage periods are based on the type of the Qualifying Event and the status of the Qualified Beneficiary, as shown below.

- a. In the case of a Qualifying Event that is a termination of employment or reduction of hours of employment, the maximum coverage period ends 18 months after the Qualifying Event if there is not a disability extension and 29 months after the Qualifying Event if there is a disability extension.
- b. In the case of a covered Employee's enrollment in the Medicare program before experiencing a Qualifying Event that is a termination of employment or reduction of hours of employment, the maximum coverage period for Qualified Beneficiaries other than the covered Employee ends on the later of:
 1. 36 months after the date the covered Employee becomes enrolled in the Medicare program; or
 2. 18 months (or 29 months, if there is a disability extension) after the date of the covered Employee's termination of employment or reduction of hours of employment.
- c. In the case of a Qualified Beneficiary who is a child born to or placed for adoption with a covered Employee during a period of COBRA continuation coverage, the maximum coverage period is the maximum coverage period applicable to the Qualifying Event giving rise to the period of COBRA continuation coverage during which the child was born or placed for adoption.
- d. In the case of any other Qualifying Event than that described above, the maximum coverage period ends 36 months after the Qualifying Event.

12. Under what circumstances can the maximum coverage period be expanded?

If a Qualifying Event that gives rise to an 18-month or 29-month maximum coverage period is followed, within that 18- or 29-month period, by a second Qualifying Event that gives rise to a 36-months maximum coverage period, the original period is expanded to 36 months, but only for individuals who are Qualified Beneficiaries at the time of and with respect to both Qualifying Events. In no circumstance can the COBRA maximum coverage period be expanded to more than 36 months after the date of the first Qualifying Event. The Plan Administrator must be notified of the second qualifying event within 60 days of the second qualifying event. This notice must be

sent to the Plan Administrator or its designee in accordance with the procedures above.

13. How does a Qualified Beneficiary become entitled to a disability extension?

A disability extension will be granted if an individual (whether or not the covered Employee) who is a Qualified Beneficiary in connection with the Qualifying Event that is a termination or reduction of hours of a covered Employee's employment, is determined under Title II or XVI of the Social Security Act to have been disabled at any time during the first 60 days of COBRA continuation coverage. To qualify for the disability extension, the Qualified Beneficiary must also provide the Plan Administrator with notice of the disability determination on a date that is both within 60 days after the date of the determination and before the end of the original 18-month maximum coverage. This notice must be sent to the Plan Administrator or its designee in accordance with the procedures above.

14. Does the Plan require payment for COBRA continuation coverage?

For any period of COBRA continuation coverage under the Plan, Qualified Beneficiaries who elect COBRA continuation coverage may be required to pay up to 102% of the applicable premium and up to 150% of the applicable premium for any expanded period of COBRA continuation coverage covering a disabled Qualified Beneficiary due to a disability extension. Your Plan Administrator will inform you of the cost. The Plan will terminate a Qualified Beneficiary's COBRA continuation coverage as of the first day of any period for which timely payment is not made.

15. Must the Plan allow payment for COBRA continuation coverage to be made in monthly installments?

Yes. The Plan is also permitted to allow for payment at other intervals.

16. What is Timely Payment for COBRA continuation coverage?

Timely Payment means a payment made no later than 30 days after the first day of the coverage period. Payment that is made to the Plan by a later date is also considered Timely Payment if either under the terms of the Plan, covered Employees or Qualified Beneficiaries are allowed until that later date to pay for their coverage for the period or under the terms of an arrangement between the Employer and the entity that provides Plan benefits on the Employer's behalf, the Employer is allowed until that later date to pay for coverage of similarly situated non-COBRA beneficiaries for the period.

Notwithstanding the above paragraph, the Plan does not require payment for any period of COBRA continuation coverage for a Qualified Beneficiary earlier than 45 days after the date on which the election of COBRA continuation coverage is made for that Qualified Beneficiary. Payment is considered made on the date on which it is postmarked to the Plan.

If Timely Payment is made to the Plan in an amount that is not significantly less than the amount the Plan requires to be paid for a period of coverage, then the amount paid will be deemed to satisfy the Plan's requirement for the amount to be paid, unless the Plan notifies the Qualified Beneficiary of the amount of the deficiency and grants a reasonable period of time for payment of the deficiency to be made. A "reasonable period of time" is 30 days after the notice is provided. A shortfall in a Timely Payment is not significant if it is no greater than the lesser of \$50 or 10% of the required amount.

17. Are there other coverage options besides COBRA Continuation Coverage?

Yes. Instead of enrolling in COBRA continuation coverage, there may be other coverage options for you and your family through the Health Insurance Marketplace, Medicaid, or other group health plan coverage options (such as a spouse's plan) through what is called a "special enrollment period." Some of these options may cost less than COBRA continuation coverage. You can learn more about many of these options at www.healthcare.gov.

18. Must a Qualified Beneficiary be given the right to enroll in a conversion health plan at the end of the maximum coverage period for COBRA continuation coverage?

If a Qualified Beneficiary's COBRA continuation coverage under a group health plan ends as a result of the expiration of the applicable maximum coverage period, the Plan will, during the 180-day period that ends on that expiration date, provide the Qualified Beneficiary with the option of enrolling under a conversion health plan if such an option is otherwise generally available to similarly situated non-COBRA beneficiaries under the Plan. If such a conversion option is not otherwise generally available, it need not be made available to Qualified Beneficiaries.

19. How is my participation in the Health Flexible Spending Account affected?

You can elect to continue your participation in the Health Flexible Spending Account for the remainder of the Plan Year, subject to the following conditions. You may only continue to participate in the Health Flexible Spending Account if you have elected to contribute more money than you have taken out in claims. For example, if you elected to contribute an annual amount of

\$750 and, at the time you terminate employment, you have contributed \$400 but only claimed \$200, you may elect to continue coverage under the Health Flexible Spending Account. If you elect to continue coverage, then you would be able to continue to receive your health reimbursements up to the \$750. However, you must continue to pay for the coverage, just as the money has been taken out of your paycheck, but on an after-tax basis. The Plan can also charge you an extra amount (as explained above for other health benefits) to provide this benefit.

IF YOU HAVE QUESTIONS

If you have questions about your COBRA continuation coverage, you should contact the Plan Administrator or its designee. For more information about your rights under ERISA, including COBRA, the Health Insurance Portability and Accountability Act (HIPAA), and other laws affecting group health plans, contact the nearest Regional or District Office of the U.S. Department of Labor's Employee Benefits Security Administration (EBSA). Addresses and phone numbers of Regional and District EBSA Offices are available through EBSA's website at www.dol.gov/ebsa.

KEEP YOUR PLAN ADMINISTRATOR INFORMED OF ADDRESS CHANGES

In order to protect your and your family's rights, you should keep the Plan Administrator informed of any changes in the addresses of family members. You should also keep a copy, for your records, of any notices you send to the Plan Administrator or its designee.

Attachment A

****HIPAA NOTICE OF PRIVACY PRACTICES****

THIS NOTICE DESCRIBES HOW MEDICAL INFORMATION ABOUT YOU MAY BE USED AND DISCLOSED AND HOW YOU CAN GET ACCESS TO THIS INFORMATION. PLEASE REVIEW IT CAREFULLY.

Purpose

This notice is intended to inform you of the privacy practices followed by the Company's group health Plan. It also explains the Federal privacy rights afforded to you and the members of your family as Plan Participants covered under a group health plan.

As a Plan sponsor we often need access to health information in order to perform Plan Administrator functions. We want to assure the Plan Participants covered under our group health plan that we comply with Federal privacy laws and respect your right to privacy. We require all members of our workforce and third parties that are provided access to health information to comply with the privacy practices outlined below.

Your Rights

You have the right to:

- Get a copy of your health and claims records
- Correct your health and claims records
- Request confidential communication
- Ask us to limit the information we share
- Get a list of those with whom we've shared your information
- Get a copy of this privacy notice
- Choose someone to act for you
- File a complaint if you believe your privacy rights have been violated

Your Choices

You have some choices in the way that we use and share information as we:

- Answer coverage questions from your family and friends
- Provide disaster relief
- Market our services and sell your information

Our Uses and Disclosures

We may use and share your information as we:

- Help manage the health care treatment you receive
- Run our organization
- Pay for your health services
- Administer your health plan
- Help with public health and safety issues
- Do research
- Comply with the law
- Respond to organ and tissue donation requests and work with a medical examiner or funeral director
- Address workers' compensation, law enforcement, and other government requests
- Respond to lawsuits and legal actions

To the extent that we have your substance use disorder patient records, subject to 42 CFR part 2, we will not share that information for investigations or legal proceedings against you without (1) your written consent or (2) a court order and a subpoena.

Your Rights

When it comes to your health information, you have certain rights. This section explains your rights and some of our responsibilities to help you.

Get a copy of health and claims records

- You can ask to see or get a copy of your health and claims records and other health information we have about you. Ask us how to do this.
- We will provide a copy or a summary of your health and claims records, usually within 30 days of your request. We may charge a reasonable, cost-based fee.

Ask us to correct health and claims records

- You can ask us to correct your health and claims records if you think they are incorrect or incomplete. Ask us how to do this.
- We may say "no" to your request, but we'll tell you why in writing within 60 days.

Request confidential communications

- You can ask us to contact you in a specific way (for example, home, office, or mobile phone) or to send mail to a different address.
- We will consider all reasonable requests, and must say “yes” if you tell us you would be in danger if we do not.

Ask us to limit what we use or share

- You can ask us not to use or share certain health information for treatment, payment, or our operations.
- We are not required to agree to your request, and we may say “no,” for example, if it could affect your care. If we agree to your request, we may still share this information in the event that you need emergency treatment.

Get a list of those with whom we’ve shared information

- You can ask for a list (accounting) of the times we’ve shared your health information for six years prior to the date you ask, who we shared it with, and why.
- We will include all the disclosures except for those about treatment, payment, and health care operations, and certain other disclosures (such as any you asked us to make). We’ll provide one accounting a year for free but will charge a reasonable, cost-based fee if you ask for another one within 12 months.

Get a copy of this privacy notice

You can ask for a paper copy of this notice at any time, even if you have agreed to receive the notice electronically. We will provide you with a paper copy promptly.

Choose someone to act for you

- If someone has authority to act as your personal representative, such as if someone has your medical power of attorney or if someone is your legal guardian, that person can exercise your rights and make choices about your health information.
- We will make sure the person has this authority and can act for you before we take any action.

File a complaint if you feel your rights are violated

- You can complain if you feel we have violated your rights by contacting us using the information on page 1.
- You can file a complaint with the U.S. Department of Health and Human Services Office for Civil Rights by sending a letter to 200 Independence Avenue, S.W., Washington, D.C. 20201, calling 1-877-696-6775, or visiting <https://www.hhs.gov/hipaa/filing-a-complaint/index.html>.
- We will not retaliate against you for filing a complaint.

Your Choices

For certain health information, you can tell us your choices about what we share. If you have a clear preference for how we share your information in the situations described below, talk to us. Tell us what you want us to do, and we will follow your instructions.

In these cases, you have both the right and choice to tell us to:

- Share information with your family, close friends, or others involved in payment for your care
- Share information in a disaster relief situation

If you are not able to tell us your preference, for example if you are unconscious, we may go ahead and share your information if we believe it is in your best interest. We may also share your information when needed to lessen a serious and imminent threat to health or safety.

In these cases we *never* share your information unless you give us written permission:

- Marketing purposes
- Sale of your information

Our Uses and Disclosures

How do we typically use or share your health information?

We typically use or share your health information in the following ways.

Help manage the health care treatment you receive

We can use your health information and share it with professionals who are treating you.

Example: A doctor sends us information about your diagnosis and treatment plan so we can arrange additional services.

Run our organization

- We can use and disclose your information to run our organization and contact you when necessary.
- We are not allowed to use genetic information to decide whether we will give you coverage and the price of that coverage. This does not apply to long term care plans.

Example: We use health information about you to develop better services for you.

Pay for your health services

We can use and disclose your health information as we pay for your health services.

Example: We share information about you with your dental plan to coordinate payment for your dental work.

Administer your plan

We may disclose your health information to your health plan sponsor for plan administration.

Example: Your company contracts with us to provide a health plan, and we provide your company with certain statistics to explain the premiums we charge.

How else can we use or share your health information?

We are allowed or required to share your information in other ways – usually in ways that contribute to the public good, such as public health and research. We have to meet many conditions in the law before we can share your information for these purposes. And in all cases, if we have substance use disorder patient records about you, subject to 42 CFR part 2, we cannot use or share information in those records in civil, criminal, administrative, or legislative investigations or proceedings against you without (1) your consent or (2) a court order and a subpoena.

Help with public health and safety issues

We can share health information about you for certain situations such as:

- Preventing disease
- Helping with product recalls
- Reporting adverse reactions to medications
- Reporting suspected abuse, neglect, or domestic violence
- Preventing or reducing a serious threat to anyone's health or safety

Do research

We can use or share your information for health research.

Comply with the law

We will share information about you if state or federal laws require it, including with the Department of Health and Human Services if it wants to see that we're complying with federal privacy law.

Respond to organ and tissue donation requests and work with a medical examiner or funeral director

- We can share health information about you with organ procurement organizations.
- We can share health information with a coroner, medical examiner, or funeral director when an individual dies.

Address workers' compensation, law enforcement, and other government requests

We can use or share health information about you:

- For workers' compensation claims
- For law enforcement purposes or with a law enforcement official
- With health oversight agencies for activities authorized by law
- For special government functions such as military, national security, and presidential protective services

Respond to lawsuits and legal actions

We can share health information about you in response to a court or administrative order, or in response to a subpoena.

Our Responsibilities

- We are required by law to maintain the privacy and security of your protected health information.
- We will let you know promptly if a breach occurs that may have compromised the privacy or security of your information.
- We must follow the duties and privacy practices described in this notice and give you a copy of it.
- We will not use or share your information other than as described in this notice unless you tell us we can in writing. If you tell us we can, you may change your mind at any time. Let us know in writing if you change your mind.

For more information see: www.hhs.gov/ocr/privacy/hipaa/understanding/consumers/noticepp.html.

Legal Information

The Company is required by law to protect the privacy of your information, provide this notice about information practices, and follow the information practices that are described in this notice.

We may change our policies at any time. Before we make a significant change in our policies, we will provide you with a revised copy of this notice. You can also request a copy of our current notice at any time. For more information about our privacy practices, contact the person listed below:

City of Anacortes
Human Resources
904 6th Street,
Anacortes, WA 98221
(360)-588-8299

If you have any questions or complaints, please contact the Plan Administrator listed under the Article titled: "General Information About Our Plan".

Filing a Complaint If you are concerned that we have violated your privacy rights, or you disagree with a decision we made about access to your records, you may contact the person listed above. You also may send a written complaint to the U.S. Department of Health and Human Services; Office of Civil Rights. The person listed above can provide you with the appropriate address upon request or you may visit www.hhs.gov/ocr for further information.

Appendix A

Claims that are insured will be handled in accordance with procedures contained in the insurance policies. All other general requests should be directed to the Administrator of our Plan. This Appendix A is designed to supersede any FSA appeal language contrary to the below. If a Claim under the Plan is denied in whole or in part, you will receive written notification. The notification will include the reasons for the denial, with reference to the specific provisions of the Plan on which the denial was based, a description of any additional information needed to process the claim and an explanation of the claims review procedure.

A level one appeal must be submitted within 180 days of receipt of the denial. Any such request should be accompanied by documents or records in support of your appeal (for example, your original claim, denial, claim documentation, and other correspondence or records). You may review pertinent documents and submit issues and comments in writing. The claims administrator will review the claim and provide, within 30 days, a written response to the appeal (extended by reasonable time if necessary). In this response, the claims administrator will explain the reason for the decision, with specific reference to the provisions of the Plan on which the decision is based. If you disagree with the level one appeal decision you may submit a request for a level two appeal to be determined by the Employer. You must submit a request for a level two appeal within 60 days of receipt of the level one denial notice. You will be notified within 30 days after the Employer receives the level two appeal (extended by reasonable time if necessary). The Employer has the exclusive right to interpret the appropriate plan provisions. Decisions of the Employer are conclusive and binding.

In the case of a claim under the Plan, the following timetable for claims applies:

Notification of whether claim is accepted or denied: 30 days

Extension due to matters beyond the control of the Plan: 15 days

Denial or insufficient information on the claim:

Notification of: 15 days

Response by Participant: 45 days

Review of claim denial: 30 days

You must file your level one appeal by submitting a written request by email, fax, or mail. Indicate level one appeal on the email, fax, or letter. You must submit a level one appeal before you can submit a level two appeal. For the **level one appeal** submit to:

Email: claims@naviabenefits.com (please send via secure or encrypted message only)

Fax: 425-451-7002 or 866-535-9227

Mail: Navia Benefit Solutions, Inc. PO Box 53250 Bellevue, Washington 98015

The Plan Administrator will provide written or electronic notification of any claim denial. The notice will state:

- (a) The specific reason or reasons for the denial;
- (b) Reference to the specific Plan provisions on which the denial was based;
- (c) A description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary;
- (d) A description of the Plan's review procedures and the time limits applicable to such procedures. This will include a statement of your right to bring a civil action under section 502 of ERISA following a denial on review (if applicable);
- (e) A statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claim; and
- (f) If the denial was based on an internal rule, guideline, protocol, or other similar criterion, the specific rule, guideline, protocol, or criterion will be provided free of charge. If this is not practical, a statement will be included that such a rule, guideline, protocol, or criterion was relied upon in making the denial and a copy will be provided free of charge to the claimant upon request.

If your level one appeal is denied, you will have 60 days following receipt of the denial notification in which to appeal the decision in a level two appeal to your employer. You may submit written comments, documents, records, and other information relating to the claim (for example, your level one appeal, the original claim, denial, claim documentation, and other correspondence or records). If you request, you will be provided, free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claim.

You must file your level two appeal by submitting a written request by email, fax, or mail. Indicate level two appeal on the email, fax, or letter. For the **level two appeal** submit to:

Email: claims@naviabenefits.com (please send via secure or encrypted message only)

Fax: 425-451-7002 or 866-535-9227

Mail: Navia Benefit Solutions, Inc. PO Box 53250 Bellevue, Washington 98015

The period of time within which a denial on review is required to be made will begin at the time an appeal is filed in accordance with the procedures of the Plan. This timing is without regard to whether all the necessary information accompanies the filing.

A document, record, or other information shall be considered relevant to a claim if it:

- (a) was relied upon in making the claim determination;
- (b) was submitted, considered, or generated in the course of making the claim determination, without regard to

whether it was relied upon in making the claim determination;

(c) demonstrated compliance with the administrative processes and safeguards designed to ensure and to verify that claim determinations are made in accordance with Plan documents and Plan provisions have been applied consistently with respect to all claimants; or

(d) constituted a statement of policy or guidance with respect to the Plan concerning the denied claim.

The level two appeal review will take into account all comments, documents, records, and other information submitted by the claimant relating to the claim, without regard to whether such information was submitted or considered in the initial claim determination. The review will not afford deference to the initial denial and will be conducted by a fiduciary of the Plan who is neither the individual who made the adverse determination nor a subordinate of that individual. If applicable to your plan, you may have a right to bring a civil action under ERISA § 502(a) if you file a level two appeal and your request for benefits is denied.

Resolution 3219: AWC Employee Benefit Trust Employer Master Participation Agreement Update

Resolution 3220: Amended and Restated Navia Welfare Benefit Plan

Kendall Moyle, HR & Labor Relations Director

June 8, 2026





Background

Association of Washington Cities (AWC)

- City's benefit trust
- Pools resources from participating cities to provide employee benefits
- Benefits include health, dental, vision, life and EAP
- Updates to maintain current and compliant employee benefit plan documents

Navia

- Administrator for employee Flexible Spending Accounts (FSA's)
- Includes health care and dependent care FSA's
- Updates to required notices and disclosures



Resolution 3219: AWC Employee Benefit Trust Employer Master Participation Agreement Update

Why Update?

- Update employee enrollment counts
- Clarify employer contribution levels by FTE status which reflects current contribution practices
- Prepare for electronic benefits enrollment

Key Points

- Full-time employees: 0.75 – 1.0 FTE
- Part-time employees: 0.50 – 0.74 FTE
- Administrative update only for online enrollment build-out
- No changes to benefit offerings, employee eligibility, or plan design



Resolution 3220: Amended and Restated Navia Welfare Benefit Plan

Why Update?

- Plan documents have not been updated since 2016
- Ensure compliance with current federal requirements
- Update required notices and disclosures
- Meet Summary Plan Documentation (SPD) distribution requirements

Key Points

- Navia remains the City's FSA administrator
- Resolution required by Navia to adopt updated plan documents
- No changes to benefit offerings, employee eligibility, or plan design



City Council Agenda Bill

June 8, 2026

Action Type: Contract Award

Item: 7.d.

Title: Contract Approval: Whitmarsh Landfill Remediation Site Water Discharge Agreement #26-183-SEW-001

Staff Contact(s): Brian Walker

Approved for Submittal to Council by:

Tiffany Matson

Logan Lee

Summary:

City staff seeks approval to execute Agreement #26-183-SEW-001 with Skagit County. This Agreement is the result of a request from Skagit County to discharge water into the City's sanitary sewer system during their Whitmarsh Landfill cleanup project. The cleanup project is being completed as part of a MTCA Cleanup Action Plan, which requires dewatering the old landfill area. The Washington State Department of Ecology has indicated that the water cannot be discharged directly into the Salish Sea, and so the County reached out to the City requesting to discharge the water into the City's sewer system. Plant manager Brian Walker worked with the County's Public Works Department to identify reasonable limits on the discharge water. Staff have negotiated the attached Agreement, which includes a term of 600 days or substantial completion of the cleanup project, whichever occurs first. Staff recommends approval.

Key Terms:

Fees: Permit Application Fee = \$300, Monthly Administration Fee = \$100, Consumption charge at 2026 SIC 1 rate = \$.00966 per gallon.

Term: the lesser of six hundred (600) days from the date of this Agreement or substantial completion of the County's Project.

Budget Impact:

Previous Action: N/A

Recommended Motion: I move that City Council authorize the Mayor to execute Agreement #26-183-SEW-001 between the City of Anacortes and Skagit County.

Alternative Actions: Not approve the agreement.

Attachments (listed in order presented):

1. 26-183-SEW-001

**Agreement Regarding Discharge Water from the Whitmarsh Landfill Remediation Site
Between
The City of Anacortes
A Washington Municipal Corporation
And
Skagit County
A Washington Municipal Corporation**

This Agreement Regarding Discharge Water from the Whitmarsh Landfill Remediation Site (hereinafter the "Agreement"), by and between the City of Anacortes, a Washington City (hereinafter the "City"), and Skagit County, a Washington municipal corporation (hereinafter the "County"). The County and the City may be individually referenced as (the "Party") or collectively as (the "Parties").

RECITALS

WHEREAS the County is currently working on a cleanup project (the "Project") under the Model Toxics Cleanup Act ("MTCA") located on S. March Point Road at the Whitmarsh Landfill Remediation Site ("Site");

WHEREAS the County's cleanup project requires dewatering of the Site consistent with the site dewatering plan and approved temporary State Waste Discharge Permit No. ST0501386;

WHEREAS due to the nature of contaminants contained in the wastewater generated pursuant to the dewatering plan, the County may not directly discharge to the Salish Sea and has requested to be able to discharge dewatered water to the City's wastewater treatment plant;

WHEREAS the City has agreed to accept the County's dewatering water from the Site subject to the terms and conditions provided herein;

NOW THEREFORE, for and in consideration of the mutual terms and conditions contained herein, the City and the County hereby agree as follows:

AGREEMENT

1. **Recitals.** The above recitals are incorporated into and made a part of this Agreement by this reference.
2. **Acceptance of Wastewater.** During the term of this Agreement, the City will accept the County's dewatering discharge to the City's sanitary sewer system provided the County meets all of its obligations in this Agreement.
3. **Conditions.**
 - a. Points of discharge to the sanitary sewer and hydraulic limitations will be determined by the Wastewater Treatment Plant Manager ("WWTP Manager").
 - b. The WWTP Manager or designee may require that discharge to the sanitary sewer be reduced or ceased during periods of heavy or prolonged rainfall or for any reason necessary to maintain compliance with NPDES permit No. WA0020257.
 - c. Access to the excavation site and all treatment unit processes must be granted at all times to the City of Anacortes personnel.
 - d. Discharge limits to the sanitary sewer must be within the limits specified in **Table 1** or **Table 2** attached hereto as Exhibit A, which is hereby incorporated by

reference, whichever is more restrictive, both of which are referenced in the **Water Treatment Engineering Design Report**, drafted by WSP USA Feb 25, 2026 and submitted with the application for the above referenced State Waste Discharge Permit. Table 1 values represent standards derived from the City's municipal code and other historical dewatering projects within the sewershed. Table 2 values have been developed by WA Department of Ecology as standards for LUST cleanup actions and for this project specifically as reflected in State Waste Discharge Permit No. ST0501386.

- e. The City requires test results for all listed parameters prior to commencing discharge and additional testing may be required at any time during the project if water quality parameters are suspect, as determined by the WWTP Manager. Testing by an accredited laboratory is the responsibility of the County.
- f. A permanent flow monitoring device must be installed at the County's expense at each discharge point to the sanitary sewer. In addition to the discharge limitations in the discharge application the Anacortes wastewater treatment plant has a limited capacity to accept salt water. The limit of salt discharged to the sewer shall be less than 3,400 pounds per day. This is equivalent to approximately 20,000 gallons per day of water at a concentration of 20 ppt (The Puget Sound is approximately 30 ppt.). At a minimum, daily monitoring of the following discharge parameters is the responsibility of the Project Manager:
 - i. Flow rate
 - ii. Flow totals
 - iii. Effluent pH
 - iv. Effluent conductivity
 - v. Effluent turbidity
 - vi. Visual presence/absence of oily sheen.

Daily conductivity measurements in excess of 10mS/cm will trigger daily monitoring of salinity and calculation of mass loading values. Though there is no turbidity limit for discharge to the sanitary sewer, daily monitoring must occur as part of requirements for discharge eligibility to the stormwater system. No water may be discharged that has visible petroleum oil sheen on the surface.

- g. Failure to follow the approved dewatering plan or terms of SWD temporary permit No. ST0501386 may be considered cause for immediate termination of all discharge to the sanitary sewer.
- h. All charges are the responsibility of the County unless expressly waived by contract. As outlined in the Application for Discharge, fees incurred by this permit are as follows
 - i. Permit Application Fee = \$300
 - ii. Monthly Administration Fee = \$100
 - iii. Consumption charge at 2026 SIC 1 rate = \$.00966 per gallon.

- 4. **Term and Termination.** Unless terminated sooner or otherwise provided in this Agreement, the Term of this Agreement shall be for the lesser of six hundred (600) days from the date of this Agreement or substantial completion of the County's Project ("Term"), provided that this Agreement may be terminated or extended by mutual written agreement of the Parties.

- 5. **No Partnership or Joint Venture.** No partnership and/or joint venture exists between the Parties, and no partnership and/or joint venture is created by and between the Parties by virtue of this Agreement. No agent, employee, contractor, subcontractor, consultant, volunteer, and/or other representative of the Parties shall be deemed an agent, employee, contractor, subcontractor, consultant, volunteer, or other representative of the other Party.

6. **Treatment of Assets and Property.** No fixed assets or personal or real property will be jointly or cooperatively acquired, held used, or disposed of pursuant to this Agreement.
7. **Administration and Notice.** The following individuals are designated as representatives of the respective Parties. The representatives will be responsible for administration of this Agreement and for coordinating and monitoring performance under this Agreement. In the event such representatives are changed, the Party making the change must notify the other Party. All notices, demands, requests, consents and approvals which may, or are required to be given by any Party to any other Party hereunder, must be in writing and will be deemed to have been duly given if delivered personally, sent by email, sent by a nationally recognized overnight delivery service, or if deposited in the United States mail and sent by registered or certified mail, return receipt requested, postage paid to:

City of Anacortes: City of Anacortes
 ATTN: Brian Walker
 (360) 299-1501
 brianw@anacorteswa.gov
 And To Steve Doeblor
 (360) 299-0953
 steved@anacorteswa.gov
 cc: contracts@anacorteswa.gov

Skagit County Margo Gillaspy
 (360) 416-1578
 margog@co.skagit.wa.us
 And To Strider Construction
 Jeremy Cox
 (360) 303-2787
 jeremyc@striderconstruction.com

or to such other address as the foregoing Parties hereto may from time-to-time designate in writing and deliver in a like manner. All notices will be deemed complete upon actual receipt or refusal to accept delivery. Email transmission of any signed original document and retransmission of any signed email transmission shall be the same as delivery of an original document.

8. **Dispute Resolution.** The Parties will attempt to resolve all claims, disputes, and other matters in question, arising out of or related to this Agreement, first through informal discussions and then through formal written notification and cure, before resorting to the process in Section 13.40.300 AMC or litigation.
9. **Indemnification.** The County will defend, indemnify, and hold the City, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorneys fees arising out of or in connection with the performance of this Agreement, except for injuries and damages caused by the sole negligence of the City. However, 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 County and the City, its officers, officials, employees, and volunteers, the County's liability hereunder shall be only to the extent of the County's negligence. It is further specifically and expressly understood that the indemnification provided herein constitutes the County's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This

waiver has been mutually negotiated by the Parties. The provisions of this section shall survive the expiration or termination of this Agreement.

10. **Non-Transferable.** This Agreement may not be assigned or transferred to any other party.
11. **Severability.** In the event any term or condition of this Agreement or application thereof to any person or circumstance is held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other terms, conditions or applications of this Agreement and the Parties will reasonably cooperate to modify this Agreement to achieve the purposes set forth herein.
12. **Waiver.** No failure by the Parties to insist upon the strict performance of any term or condition of this Agreement, or to exercise any right or remedy upon a breach thereof, shall constitute a waiver or breach of any other term or condition of this Agreement.
13. **Governing Laws.** This Agreement and the rights of the Parties hereto will be governed by and construed in accordance with the laws of the State of Washington.
14. **No Third-Party Beneficiaries.** This Agreement is intended to be enforceable only by the County and the City. There are no third-party beneficiaries to this Agreement, nor does it create any third-party beneficiary.
15. **Captions.** The captions of this Agreement are for convenience or reference only and in no way define, limit, or describe the scope of intent of this Agreement.
16. **Entire Agreement.** This Agreement contains all terms and conditions agreed upon by the Parties. All items incorporated herein by reference are attached. No other understandings, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind either of the Parties hereto.
17. **Execution.** The persons signing below represent and warrant that they have the requisite authority to bind the Party on whose behalf they are signing. This Agreement may be executed in counterparts, each of which shall be deemed an original, all of which together shall constitute one and the same instrument.

CITY OF ANACORTES

By: Ryan Walters
Its: Mayor

Date: _____

DATED this ____ day of _____, 2026.

**BOARD OF COUNTY COMMISSIONERS
SKAGIT COUNTY, WASHINGTON**

Ron Wesen, Chair

Peter Browning, Commissioner

Attest:

Joe Burns, Commissioner

Clerk of the Board

Recommended:

Department Head

Approved as to form:

Civil Deputy Prosecuting Attorney

Approved as to indemnification:

Risk Manager

Approved as to budget:

Budget & Finance Director

EXHIBIT A

Table 1
COA Discharge Quality Maximum Concentration Levels

PARAMETER	WWTP Influent Limits
pH	6.0-9.0
TPH-G	1 ppm
TPH-D	1 ppm
Total Lead	2.0 ppm*
BTEX	100 ppb
Benzene	5 ppb
Toluene	N/A (see BTEX)
Ethylbenzene	N/A (see BTEX)
Xylene	N/A (see BTEX)
Settleable Solids	0
Salinity	3,400 lbs/day
Conductivity	10mS/cm
Total Suspended Solids (TSS)	50 mg/L
Oily Sheen	No Visible Sheen
Nuisance Odors	No Odors

Table 2
Discharge limits and monitoring frequencies by Ecology

Parameter	Limit	Monitoring Frequency	Method
Flow	88 gpm max.	Daily, meter	calibrated meter
PCB aroclors, total	15.8ug/L	Weekly, grab	EPA 608.3
Priority pollutant- Pesticides	N/A	Weekly, grab	EPA 608.3
pH	5.5-11.0 standard units	Daily, meter	SM 4500-H +B
Benzene	0.07 mg/L	Weekly, grab	EPA 624.1
Salinity	3400 lbs/day	Calculate Daily	SM 2520-B
Conductivity	10mS/cm	Daily, meter	calibrated meter
TPH-G	2.0 mg/L	Weekly, grab	NWTPH Gx
TPH-D	10.0 mg/L	Weekly, grab	NWTPH Dx
TTO	2 mg/L	Weekly, grab	EPA 624.1 & EPA 625.1
Arsenic, total	0.5 mg/L	Weekly, grab	EPA 200.8
Cadmium, total	0.5 mg/L	Weekly, grab	EPA 200.8

Chromium, total	2.75 mg/L	Weekly, grab	EPA 200.8
Copper, total	3.0 mg/L	Weekly, grab	EPA 200.8
Cyanide, total	2.0 mg/L	Weekly, grab	EPA 335.4
Lead, total	2.0 mg/L	Weekly, grab	EPA 200.8
Mercury, total	0.1 mg/L	Weekly, grab	EPA 1631E
Nickel, total	2.5 mg/L	Weekly, grab	EPA 200.8
Silver, total	1.0 mg/L	Weekly, grab	EPA 200.8
Zinc, total	5.0 mg/L	Weekly, grab	EPA 200.8
Oil and grease	75.0 mg/L	Weekly, grab	1664 A or B
Total suspended solids	N/A	Weekly, grab	SM 2540-D
Total dissolved solids	N/A	Weekly, grab	SM 2540-C

Closed Session

City Council will now enter Closed Session
per RCW 42.30.410(4)(b) collective bargaining topics

This session is expected to last 15 minutes
Council will return to adjourn the meeting

