Anacortes City Council

Municipal Building Council Chambers
904 Sixth Street

TUESDAY, January 17, 2017
6:00 p.m.

PRELIMINARY AGENDA

1. **Call to Order**

2. **Pledge of Allegiance**

3. **Announcements and Committee Reports**
   a. Public Works Committee

4. **Public Comment**

5. **Consent Agenda (Action)**
   a. Minutes of January 5, 2017 and January 9, 2017
   b. Approval of Claims in the amount of: $736,635.17
   c. Regional Water Contracts: Swinomish Indian Tribal Community

6. **Public Hearings**

7. **Other Business**
   a. * Resolution 1980: Legislative Priorities (Discussion/Possible Action)

8. **Adjournment**

Per Resolution 1949, citizens wishing to comment on items not on the agenda may do so under the Public Comment portion of the agenda. Citizens wishing to comment on agenda items indicated with an asterisk (*) may do so as those items are considered by Council during the course of the meeting. Citizens wishing to speak will please sign in at the back of the Council Chambers prior to the start of the meeting. The Mayor may limit comments to those who have signed in, and may limit the time allotted to each speaker to facilitate the orderly progress of the meeting.

The City of Anacortes encourages people with disabilities to participate in public meetings.
For assistance with special needs, please contact Cherri Kahns at 360-299-1950 at least 48 hours prior to this meeting.

Anacortes City Council

Proposed Agenda Items for the Next Eight Weeks Beginning January 23, 2017

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

January 23, 2017

•Guemes Island Ferry Annual Shut Down Presentation/Discussion by County Officials
•Resolution 1963: Establishing Fees for the Storm Water Utility and Ordinance 2979 Removing Storm Rates from AMC (Discussion)

****

February 6, 2017

Special Meeting: 4:00 PM Site Visit, meet onsite at south side of Blue Heron Circle east of Whistle Lake Road
•Closed Record Public Hearing, CUP-2016-1002, The City of Anacortes' Public Works Department has applied for a Conditional Use Permit, Variance request, & SEPA environmental review to permit the construction of two 1.5 million gallon water tanks /reservoirs on the subject property. The existing 47 foot tall 3 million gallon water tank/reservoir located onsite will be removed. The Variance request is to increase the maximum permitted height of 35 feet to approximately 50 feet above grade for the two new reservoirs.
•Presentation of Ideas to Incorporate into 2017 Overlay Project on Commercial Avenue

****

February 13, 2017

•Anacortes Bike/Pedestrian Advisory Committee Update Presentation

****

February 21, 2017

•Closed Record Public Hearing: CUP-2016-1004, Conditional Use Permit Application to Permit Lot #2 of a Proposed Two-lot Short Plat to be Served by a Twenty Foot Wide Private Street within a Twenty-two Foot Wide Private Easement

****

February 27, 2017

•Conservation Easement Program Update

****

March 6, 2017

****

March 13, 2017

****

March 20, 2017

****

Upcoming City Council Committee Meetings

The public is welcome to attend City Council Committee Meetings.
•Public Works, Tuesday, Jan 17, 2017, 4:30 PM, Mayor's Office, City Hall
•Planning, Monday, Jan 23, 2017, 5:00 PM, Main Conference Room, City Hall
•Finance, Wednesday, Jan 25, 2017, 5:00 PM, Johnny Picasso's, 501 Commercial Avenue
•Personnel Committee, Wednesday, Jan 25, 2017, 4:00 PM, Main Conference Room, City Hall
•Public Works, Monday, Feb 6, 2017, 4:30 PM, Mayor's Office, City Hall
•Finance, Wednesday, Feb 8, 2017, 5:00 PM, Johnny Picasso's, 501 Commercial Avenue
•Planning, Monday, Feb 13, 2017, 5:00 PM, Main Conference Room, City Hall

Special Meeting

From 7:00 to 8:55 p.m. Mayor Laurie Gere and City Council attended the annual joint meeting of the Port of Anacortes and Port of Skagit held in the Anacortes City Council Chambers. Councilmembers Ryan Walters, Brad Adams and Liz Lovelett were present. Mayor Gere presented to the Port Commissioners regarding the city's fiber optic network project. No testimony was received and no action was taken. At approximately 8:55 p.m. the special meeting adjourned.

Mayor Laurie Gere called to order the regular Anacortes City Council meeting of January 9, 2017 at 6:00 p.m. Councilmembers Eric Johnson, Erica Pickett, Brad Adams, Liz Lovelett, John Archibald and Matt Miller were present. Councilmember Ryan Walters was absent. Mr. Adams moved, seconded by Ms. Lovelett, to excuse the absence of Mr. Walters due to illness. The motion passed unanimously by voice vote. The assembly joined in the Pledge of Allegiance.

Announcements and Committee Reports
Mr. Adams reported that the Planning Committee meeting scheduled for earlier in the evening had been cancelled. Mr. Johnson reported that the Housing Affordability & Community Services Committee meeting scheduled for January 5, 2017 had been postponed to January 18, 2017.

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

Consent Agenda
Mr. Johnson moved, seconded by Ms. Lovelett, to approve the following Consent Agenda items. The motion passed unanimously by voice vote.

a. Minutes of January 3, 2017
b. Approval of Claims in the amount of: $306,571.96

The following vouchers/checks were approved for payment:
Check numbers: 83352 through 83396, total $250,663.65
EFT numbers: 83325 through 83351, total $32,273.02
Wire transfer numbers: 211277 through 211806, total $15,878.16

OTHER BUSINESS
Resolution 1982: Establishing Fees for the Water Utility
Finance Director Steve Hoglund presented Resolution 1982 to adopt revised water rates for 2017 as per the 2015 water rate study prepared by FCS Group. Mr. Hoglund recapped the findings of the study presented in 2015 and recalled that Council had at that time supported implementation of Option B which called for a front-loaded five-year series of increases between 2016 and 2021 to fund capital projects including waterline replacement and rehabilitation of the 3MG tank. He responded to councilmember questions regarding the annual CPI increase for all utility rates and the interplay of CPI increase with the separate, planned rate increases to fund capital projects.

Mr. Johnson moved, seconded by Mr. Adams, to approve **Resolution 1982** increasing the water rates to the levels used to create the 2017/2018 budget as well as per the FCS Study. Mr. Miller moved, seconded by Ms. Lovelett, to amend the motion to remove Section 1.2 from the resolution. City Attorney Darcy Swetnam concurred and suggested that Section 1.2 could be moved to the recitals of the resolution. Vote on motion to amend: Ayes – Pickett, Adams, Lovelett, Archibald, Miller and Johnson. Motion carried. Vote on amended motion: Ayes – Adams, Lovelett, Archibald, Miller, Johnson and Pickett. Motion carried.

There being no further business, at approximately 6:20 p.m. the Anacortes City Council meeting of January 9, 2017 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 January 17, 2017 City Council meeting:

Download this file in OpenDocument spreadsheet format.

Invoice Doc #	Transaction Date	Invoice #	Vendor #	Vendor Full Name	Description	Total Amount
212065	10/31/2016	3111822	01331	INTERNATIONAL CODE COUNCIL	DM MEMBERSHIP ICC	$170.00
211920	11/7/2016	12/7/16	02896	VISA	ACCOMMODATION & SUBSISTENCE - NW - BLUE	$783.21
211039	11/29/2016	108-6077027-8517859	08811	AMAZON.COM	ZAGG RUGGED CASE FOR IPAD AIR 2, GLASS	$121.36
211817	11/29/2016	B350780	02405	SEBO'S DO-IT CENTER	FASTENERS, ELECTRICAL TAPE	$3.46
211223	11/30/2016	3090751442	04296	LEXISNEXIS	ON-LINE LEGAL LIBRARY COSTS NOV. 2016	$270.17
212048	12/1/2016	704152	00306	BAYSHORE OFFICE PRODUCTS INC	CALENDARS FOR PLANNING DEPT	$53.34
211866	12/2/2016	700130	00306	BAYSHORE OFFICE PRODUCTS INC	DESK - JOSE	$917.89
211819	12/2/2016	A1177524	02405	SEBO'S DO-IT CENTER	TREE STAND	$10.84
211820	12/3/2016	A1177941	02405	SEBO'S DO-IT CENTER	FASTENERS	$4.32
211794	12/7/2016	904931/1	00021	ACE HARDWARE	BATTERIES, DISINFECTANT	$31.23
211796	12/9/2016	904974/1	00021	ACE HARDWARE	DROPCLOTH & STAPLES	$17.53
212016	12/13/2016	1555	02144	WEST MARINE PRODUCTS, INC	HEAD CHEM - HEART LAKE TOILETS	$47.70
211821	12/13/2016	A1181341	02405	SEBO'S DO-IT CENTER	NIGHT SENSOR LIGHTBULBS	$75.95
211825	12/13/2016	A1181460	02405	SEBO'S DO-IT CENTER	FASTENERS	$4.14
211296	12/13/2016	B4144	01132	GREEN RIVER COMMUNITY COLLEGE	TERRY NEMETH 2017 BAT RENEWAL	$42.00
211708	12/14/2016	114-4783392	04834	UNITED SITE SERVICES	DEWATERING	$67.74
211913	12/15/2016	1176128	09237	WASHINGTON TRACTOR	SERVICE TO VEH #704	$1,176.77
211325	12/15/2016	16-30734	00850	EDGE ANALYTICAL INC	FINAL EFFLUENT TESTING	$140.00
212063	12/15/2016	2016-80	07208	PIGSKIN UNIFORMS	UNIFORM JUMPSUIT; ALVES	$604.89
212047	12/15/2016	902221996	01903	NORTHERN SAFETY CO INC	GLOVES FOR CWP PROGRAM	$263.45
211841	12/16/2016	706601	00306	BAYSHORE OFFICE PRODUCTS INC	VARIOUS CALENDARS FOR ENGR	$110.78
211830	12/16/2016	A1182476	02405	SEBO'S DO-IT CENTER	PAINTING SUPPLIES, WALL PLATE (TRAINING	$33.35
211839	12/16/2016	B706601-1	00306	BAYSHORE OFFICE PRODUCTS INC	LAMINATING POUCHES - LETTER - PLANNING	$21.91
211838	12/17/2016	A1182636	02405	SEBO'S DO-IT CENTER	WALL PREP SUPPLIES, WIRING, SWITCH BOX	$73.90
211409	12/19/2016	133600	02280	SCOTT RICHARDS INSURANCE	INSURE 2016 YANMAR EXCAVATOR ER423	$38.08
211846	12/19/2016	352745	02405	SEBO'S DO-IT CENTER	PAINT FOR TRAINING ROOM	$145.38
211655	12/19/2016	356606-1	05765	ADRIFT	LUNCH WITH CITY ATTORNEY AND SHELL	$44.08
211847	12/19/2016	A1183358	02405	SEBO'S DO-IT CENTER	SHOWER CURTAIN - 29-2	$11.92
211848	12/19/2016	A1183424	02405	SEBO'S DO-IT CENTER	DUPLEX OUTLET, WALL PLATE	$4.64
211849	12/19/2016	B552753	02405	SEBO'S DO-IT CENTER	BATTERIES (GLUCOMETER)	$4.33

Invoice Doc #	Transaction Date	Invoice #	Vendor #	Vendor Full Name	Description	Total Amount
211497	12/21/2016	SO-00017192	08011	DERO	CITY HALL REPAIR	$136.71
212036	12/22/2016	2016-0944	10301	GONZALES LANDSCAPING	LANDSCAPE MAINTENANCE	$5,425.00
211826	12/23/2016	0106742	06543	PACIFIC TIRE	TIRES FOR SHOP STOCK	$1,091.85
211615	12/23/2016	1155981	00999	FOSTER PEPPER PLLC	WATER UTILITY ISSUES MATTER NO. 21	$1,770.00
211616	12/23/2016	1155995	00999	FOSTER PEPPER PLLC	SAMISH INDIAN NATION MATTER NO. 89	$172.50
211614	12/23/2016	1156007	00999	FOSTER PEPPER PLLC	WATER TREATMENT PLANT MATTER NO. 96	$30,616.31
211833	12/26/2016	9777756838	02879	VERIZON WIRELESS	WTP SCADA 11/27-12/26/16	$234.24
211809	12/27/2016	1474	06528	ECCOS DESIGN, LLC	STORVIK SPRAY PARK CONSTRUCTION MEETINGS	$445.00
211900	12/27/2016	50377/2	06246	H.B. JAEGER	PLUMBING SUPPLIES - STORVIK	$142.58
212078	12/27/2016	CDBG HA STOVES	08107	HOUSING AUTHORITY OF THE CITY	CDBG HA STOVE REPLACE PROJECT	$1,237.50
212024	12/27/2016	P1611-1	06985	QUALITY CONTROLS CORP.	PS 15, PS 8 & CSO #4	$16,533.73
211927	12/28/2016	206-020-3556	07909	FRONTIER	RADIO TONE LINE 1696: 12/28 - 1/27	$61.14
211926	12/28/2016	253-014-9093	07909	FRONTIER	RADIO TONE LINE 1683: 12/28 - 1/27	$61.14
211924	12/28/2016	293-0161	07909	FRONTIER	STA 2 FAX: 12/2/ - 1/27	$65.67
211923	12/28/2016	293-6955	07909	FRONTIER	GUEST INTERNET: 12/28 - 1/27	$67.02
211922	12/28/2016	293-9063	07909	FRONTIER	STATION 3: 12/28 - 1/27	$69.85
212062	12/28/2016	297580	06888	PROFORCE LAW ENFORCEMENT	PATROL SUPPLIES; TASER CARTRIDGES	$1,931.95
211789	12/28/2016	360-293-3725-050113-	07909	FRONTIER	DEPOT PHONE - 12/28-1/27/17	$56.52
211938	12/28/2016	3602990953-101791-5	07909	FRONTIER	TELEPHONE SERVICE FOR WWTP	$522.61
211610	12/28/2016	83090515	02798	ULINE	HEAVY DUTY POLY TUBING	$589.05
212029	12/28/2016	E247431	03027	WESTERN PETERBILT INC	PART FOR VEH #511	$759.50
212045	12/29/2016	0188-477906	03816	CONSOLIDATED ELECTRICAL DIST	FLUKE LIGHT TESTER	$248.94
211883	12/29/2016	050424	06246	H.B. JAEGER	FIBER OPTICS	$156.24
212000	12/29/2016	128207	10461	ABP TECH	APD DOOR SECURITY	$11,498.68
211691	12/29/2016	297506875	08590	NEWEGG BUSINESS INC	SWITCHES	$529.98
211824	12/29/2016	32096	00797	DIMENSIONAL COMMUNICATIONS INC	AUDIO/VIDEO UPGRADE COUNCIL CHAMBERS	$12,108.24
211393	12/29/2016	343961	10296	THATCHER COMPANY OF MONTANA,	CALCIUM NITRATE - PS 13	$10,357.49
212039	12/29/2016	50424/2	06246	H.B. JAEGER	300' POLY PIPE	$156.24
211858	12/29/2016	A1176551	02405	SEBO'S DO-IT CENTER	MAINTENANCE SUPPLIES - W.T. PRESTON	$11.65
211861	12/29/2016	S20168117	02677	SUPERIOR SYSTEMS INC	REPAIRS TO A DROP BOX LID	$2,075.04
211962	12/30/2016	014265-0006	10460	SOROPTIMIST	REFUND DONATION	$8,000.00
211859	12/30/2016	0188-478175	03816	CONSOLIDATED ELECTRICAL DIST	REPLACEMENT LAMPS FOR CITY HALL	$75.19
211966	12/30/2016	114-4581447	04834	UNITED SITE SERVICES	Portable toilet rental - Thompson Trail	$175.00

Invoice Doc #	Transaction Date	Invoice #	Vendor #	Vendor Full Name	Description	Total Amount
212004	12/30/2016	114-4851448	04834	UNITED SITE SERVICES	Portable toilet rental - Cemetery	$106.09
212005	12/30/2016	114-4851449	04834	UNITED SITE SERVICES	Portable toilet rental - WA Pk Loop #1	$71.84
212007	12/30/2016	114-4851491	04834	UNITED SITE SERVICES	Portable toilet rental - WA Pk - Loop 2	$93.00
212009	12/30/2016	114-4851535	04834	UNITED SITE SERVICES	Portable toilet rental - Edwards Way	$105.56
211865	12/30/2016	1638-1	06080	MAKERS	DEPOT MASTER PLAN	$5,299.74
210443	12/30/2016	16662	00842	COUNTRYWIDE FENCE CENTER	REPAIR AND MODIFY IMPOUND LOT FENCE	$2,392.43
211860	12/30/2016	1955	04817	NW CLEANERS	JANITORIAL SERVICES	$840.00
212032	12/30/2016	793	02470	SKAGIT CONSERVATION DISTRICT	NPDES II OUTREACH & EDUCATION 12/30/16	$237.69
211963	12/30/2016	808896	08818	REECE, STORMIE	DEPOT CLEANING DEC. 2016	$462.00
211857	12/30/2016	A1186112	02405	SEBO'S DO-IT CENTER	BIKE RACK REPAIRS	$24.30
212040	12/30/2016	AN 746523	00524	CENTRAL WELDING SUPPLY INC	WELDING SUPPLIES	$116.18
211656	12/30/2016	IN35927	02260	REISNER DISTRIBUTOR INC	INCINERATOR FUEL	$5,106.90
212022	12/31/2016	1034	02473	SKAGIT COUNCIL OF GOVERNMENTS	GROWTH MANAGEMENT ACT ADMINSTRATIVE SERVICES	$662.44
211964	12/31/2016	114-4851312	04834	UNITED SITE SERVICES	PORTABLE TOILET RENTAL FOR WONDERLAND	$72.25
212035	12/31/2016	114-4851319	02815	UNITED RENTALS NORTHWEST INC	SANTI CAN- MONTHLY RENTAL DEC 2016	$27.10
212053	12/31/2016	1162227	02450	SIGNATURE FORMS INC	FREIGHT CHARGES FOR REG CITY ENVELOPES	$18.65
212037	12/31/2016	26965	07996	REICHHARDT & EBE ENGINEERING	SHIP HARBOR & SR20 INTERSECTION-DEC 2016	$12,947.13
211945	12/31/2016	386000156	08528	US BANK NA - CUSTODY TREAS DIV	INVESTMENT FEES 12/01/2016 - 12/31/2016	$103.00
211881	12/31/2016	CL55537	02260	REISNER DISTRIBUTOR INC	VEHICLE FUEL DECEMBER	$15,660.54
212079	12/31/2016	LTAC Vintage Oct Sho	10255	DOYLE, STACY	LTAC 2016 VINTAGE MRK SHOW	$10,000.00
212073	12/31/2016	PO1/8A-17	00843	EDASC	EDASC 1/2 YEAR DUES	$3,600.00
212010	12/31/2016	rentalrefund	10458	CITIPOINT CHURCH	REFUND DAMAGE DEPOSIT DEPOT RENTAL	$100.00
212064	1/1/2017	010117	00955	FIDALGO CLEANING	CLEANING & SUPPLIES; 1/1-1/15/17	$576.00
212014	1/1/2017	103714	08325	VENTEK INTERNATIONAL	MONTHLY SERVER HOSTING AND CELLULAR	$135.00
211934	1/1/2017	1770359-0043-6	02997	WASTE MANAGEMENT	WTP SOLID WASTE DISPOSAL FOR DECEMBER	$135.12
212083	1/1/2017	3600777514	01480	KIPLINGER LETTER, THE	2017 RENEWAL FOR FINACE	$108.00
211834	1/1/2017	40007	02962	WASHINGTON CITIES INSURANCE	2017 LIBILITY/PROGRAM ASSESSMENTS	$339,981.00
212018	1/1/2017	504348791	01351	RICOH USA, INC	H/R S/N C86152062 12/1-12/31/16	$23.77
212020	1/1/2017	5046347953	01351	RICOH USA, INC	APD FRONT OFFICE COPIER/PRINTER12/1-12/31/16	$32.24
211868	1/1/2017	530	02141	PORT OF ANACORTES	DOCK RENTAL QD-13 QD-23 & QD-27	$98.88
211876	1/1/2017	8292	02141	PORT OF ANACORTES	MOORAGE - QUARTERLY - SOACE QD-01A	$66.60
211921	1/1/2017	87603116	03123	XEROX CORPORATION	XEROX COLOR CUBE PRINTER USAGE 11/21-12/21/16	$217.59

Invoice Doc #	Transaction Date	Invoice #	Vendor #	Vendor Full Name	Description	Total Amount
211869	1/1/2017	983	02141	PORT OF ANACORTES	Dock Rental - QD-19	$32.96
211870	1/1/2017	984	02141	PORT OF ANACORTES	DOCK RENTAL - QD24	$32.96
211871	1/1/2017	985	02141	PORT OF ANACORTES	Dock Rental - QD-21	$32.00
211872	1/1/2017	986	02141	PORT OF ANACORTES	DOCK RENTAL - QD-22	$32.96
211874	1/1/2017	987	02141	PORT OF ANACORTES	DOCK RENTAL	$32.96
211875	1/1/2017	989	02141	PORT OF ANACORTES	Doc rental - QD-25	$32.96
212055	1/2/2017	12345	00155	ANACORTES ANIMAL HOSPITAL	BOARD & DISTRAINER; DEC 2016	$156.70
211960	1/2/2017	1988959736	06718	ARAMARK	LAUNDRY SERVICES FOR WWTP	$73.05
211939	1/2/2017	779530	01588	LIFE ASSIST INC	EXAM GLOVES	$117.29
212003	1/2/2017	8498 30 017 0319913	04412	COMCAST	LIBRARY INTERNET ACCESS 1/9-2/8/17	$170.70
211851	1/3/2017	108-3939623-5561849	08811	AMAZON.COM	CELL PHONE COVER FOR NEW GALAXY S6	$22.95
211994	1/3/2017	1300072885	08590	NEWEGG BUSINESS INC	MONITOR FOR WTP 27" REFURBISHED	$134.99
211811	1/3/2017	708573	00306	BAYSHORE OFFICE PRODUCTS INC	FOLDERS, SPECIAL PAPER	$10.73
212013	1/3/2017	84001198298	02342	SAFEWAY INC	MESSY ME SUPPLIES	$13.34
211699	1/3/2017	G472549	02027	HD SUPPLY WATERWORKS	N12 AASHTO STIB SOLID 20'	$10,698.10
211808	1/3/2017	reimb-isa	04342	OICLES, DAVE	ISA MEMBERSHIP DUES AND PNW DUES FOR	$180.00
211906	1/4/2017	001-357450	02109	PISTON SERVICE OF ANACORTES	PARTS FOR VEH #027	$4.33
211845	1/4/2017	00186	03884	SKAGIT COUNTY BAR ASSN	PUB DEF SCBA 2017 DUES	$75.00
211854	1/4/2017	0106967	06543	PACIFIC TIRE	TIRE FOR SHOP STOCK	$338.39
211959	1/4/2017	016159	09169	LOU'S GLOVES, INC	SMALL AND LARGE NITRILE GLOVES	$231.00
211902	1/4/2017	0188-478270	03816	CONSOLIDATED ELECTRICAL DIST	LED LIGHTS - WA PARK HOUSE	$91.40
211905	1/4/2017	111976	01022	FRONTIER FORD	PARTS FOR VEH #047	$57.92
211996	1/4/2017	1300073355	08590	NEWEGG BUSINESS INC	ACCESSORIES FOR SURFACE TABLET WTP JEFF MARRS	$35.87
211936	1/4/2017	1629262	09961	CARDINAL HEALTH 411, INC.	PHARMACEUTICALS	$37.41
211930	1/4/2017	1988364189	06718	ARAMARK	MAT SERVICE 29:3: 1/4	$21.70
212019	1/4/2017	200000667101	02192	PUGET SOUND ENERGY	ELECTRICITY - LIBRARY	$2,975.67
211842	1/4/2017	2016RCW	01963	OFFICE OF THE CODE REVISER	PUB DEF LAW LIB RCW	$34.72
212066	1/4/2017	2017	09556	SPILLMAN NW USERS GROUP	SNUG 2017 ANNUAL MEMBERSHIP; RECORDS SUPER INGRAM	$100.00
211840	1/4/2017	201712537	02932	WASHINGTON STATE BAR ASSN.	PUB DEF WSBA DUES	$415.00
211844	1/4/2017	2017WACDL	09611	WACDL	PUB DEF 2017 WACDL DUES	$135.00
211843	1/4/2017	2017WDA	09633	WASHINGTON DEFENDER ASSOC.	PUB DEF WDA 2017 DUES	$150.00
212026	1/4/2017	7543	07474	MACLEOD RECKORD PLLC	GUEMES TRAIL DESIGN - PHASE VI	$893.80
211995	1/4/2017	9944797378	01746	MICROSOFT CORPORATION	SURFACE TABLET FOR WTP JEFF MARRS	$1,049.01
211852	1/4/2017	A1187486	02405	SEBO'S DO-IT CENTER	PARTS FOR STREET DEPT	$7.31
211853	1/4/2017	A1187490	02405	SEBO'S DO-IT CENTER	PARTS FOR WATER DEPT	$36.42

Invoice Doc #	Transaction Date	Invoice #	Vendor #	Vendor Full Name	Description	Total Amount
211925	1/4/2017	A1187627	02405	SEBO'S DO-IT CENTER	PARTS FOR VEH #203	$52.80
211864	1/4/2017	WAANA88080	00939	FASTENAL CO	PART FOR WATER DEPT	$4.71
211862	1/4/2017	WAANA88088	00939	FASTENAL CO	PARTS FOR WATER DEPT	$7.24
211907	1/5/2017	001-357503	02109	PISTON SERVICE OF ANACORTES	PART FOR VEH #027A	$16.46
211899	1/5/2017	001-357508	02109	PISTON SERVICE OF ANACORTES	SUPPLIES FOR SHOP INVENTORY	$92.28
211935	1/5/2017	0181370	00950	FIDALGO BAY COFFEE COMPANY	10 LBS. COFFEE	$94.10
211855	1/5/2017	0181371	00950	FIDALGO BAY COFFEE COMPANY	COFFEE FOR OPS/PARKS DEPT- 10LBS	$93.00
211950	1/5/2017	0200999-IN	02260	REISNER DISTRIBUTOR INC	WASHER FLUID	$15.59
212067	1/5/2017	10417	00180	ANACORTES TOWING LLC	TOWING; APD CASE 17-A00100	$162.75
211997	1/5/2017	1300074013	08590	NEWEGG BUSINESS INC	ACCESSORIES FOR SURFACE TABLET WTP JEFF MARRS	$26.85
211998	1/5/2017	1300076086	08590	NEWEGG BUSINESS INC	ACCESSORIES SURFACE TABLET WTP JEFF MARRS	$147.99
212038	1/5/2017	1633-2	06080	MAKERS	ZONING, DEV & DESIGN STDS	$3,591.47
211931	1/5/2017	1988966372	06718	ARAMARK	MAT SERVICE 29-2: 1/5	$21.70
211932	1/5/2017	1988966373	06718	ARAMARK	MAT SERVICE 29-1: 1/5	$21.70
211912	1/5/2017	1988966383	06718	ARAMARK	LAUNDRY SVC FOR OPS & PARKS	$73.06
211894	1/5/2017	1988966384	06718	ARAMARK	NYLON MAT CLEANING FOR OPS/SHOP	$23.07
211901	1/5/2017	708124	00306	BAYSHORE OFFICE PRODUCTS INC	WRITE IN THE RAIN NOTEBOOKS	$30.34
211928	1/5/2017	709102	00306	BAYSHORE OFFICE PRODUCTS INC	3 HOLE PUNCH COPY PAPER	$14.65
212043	1/5/2017	892668858-001	01962	OFFICE DEPOT	SCADE NETWORK WWTP	$1,307.24
211882	1/5/2017	A1137976	02405	SEBO'S DO-IT CENTER	1/2" C TUBE CAP FOR STREET DEPT.	$0.74
211877	1/5/2017	JANUARY 2017	01511	KORTERUD, WAYNE D	INDIGENT SERVICES CONTRACT	$375.00
211897	1/6/2017	0181406	00950	FIDALGO BAY COFFEE COMPANY	COFFEE ORDER FOR OPS/PARKS DEPT- 10LBS	$93.00
211884	1/6/2017	1015815747/771185	02932	WASHINGTON STATE BAR ASSN.	ANNUAL STATE BAR LICENSE	$475.00
211993	1/6/2017	111-4609085-9186646	08811	AMAZON.COM	HEAD SET ADAPTER CABLE - COUNCIL CHAMBERS	$5.85
211992	1/6/2017	111-9366291-1845016	08811	AMAZON.COM	3.3 FT AUX STERIO CABLE - COUNCIL CHAMBERS	$17.98
211999	1/6/2017	1300077420	08590	NEWEGG BUSINESS INC	SCADA WWTP	$361.96
211892	1/6/2017	1304284-641263531	02966	WPTA	WPTA MEMBERSHIP STEFFEN	$40.00
212071	1/6/2017	13259	01890	NORTH WEST INSTRUMENT SERVICES	ANNUAL BALANCE MAINTENANCE & CALIBRATION	$249.55
211904	1/6/2017	170009	04831	T-SHIRTS BY DESIGN	FIELDHOUSE FUN T-SHIRTS	$368.90
212061	1/6/2017	200015995380	02192	PUGET SOUND ENERGY	ELECTRICITY	$1,957.46
211919	1/6/2017	220009664396	02192	PUGET SOUND ENERGY	HEART OF ANACORTES PSE 12/6/16-1/5/17	$216.71
212015	1/6/2017	257941	01023	FRONTIER BUILDING SUPPLY	SHEATING - ISLAND VIEW BALLFIEDS	$25.58

Invoice Doc #	Transaction Date	Invoice #	Vendor #	Vendor Full Name	Description	Total Amount
211885	1/6/2017	2880	00129	AMERICAN WATER WORKS ASSN.	2017 ANNUAL DUES	$500.00
211890	1/6/2017	36051	01816	MUNICIPAL RESEARCH &	MRSC ROSTERS	$240.00
211893	1/6/2017	7001251924	00129	AMERICAN WATER WORKS ASSN.	ANNUAL DUES #0037701	$1,996.00
211889	1/6/2017	709191	00306	BAYSHORE OFFICE PRODUCTS INC	PUB DEF OFFICE SUPPLIES	$76.12
211898	1/6/2017	709207	00306	BAYSHORE OFFICE PRODUCTS INC	INK CARTRIDGES FOR CAMERA VAN	$98.71
211980	1/6/2017	906701/1	00021	ACE HARDWARE	SHOWER CURTAIN, ELECTRICAL, DUCT AND	$108.07
211968	1/6/2017	906719/1	00021	ACE HARDWARE	SHOWER CURTAIN	$16.59
212017	1/6/2017	A1188176	02405	SEBO'S DO-IT CENTER	BENCH SUPPLIES	$27.76
211967	1/6/2017	A1188203	02405	SEBO'S DO-IT CENTER	HOSES	$71.33
212012	1/6/2017	BBB012531-BB04	02178	PROSTOCK ATHLETIC SUPPLY	BASKETBALL LEAGUE SUPPLIES	$609.55
211888	1/6/2017	Dec Visa	01816	MUNICIPAL RESEARCH &	CITY ATTORNEY CONTRACT TRAINING	$90.00
211909	1/6/2017	P05887-09	08870	SONSRAY MACHINERY LLC	PARTS FOR VEH #406	$272.27
212086	1/6/2017	Pay Application 3	10357	ROOSENDAAL HONCOOP CONSTRUCTIO	STORVIK PARK SPRAYPAD & RESTROOM	$119,482.49
211956	1/6/2017	WAANA88108	00939	FASTENAL CO	XXL GLOVES	$250.64
211916	1/7/2017	200018631677	02192	PUGET SOUND ENERGY	ST. RT. 20 ELECTRICITY 12/7/16-1/6/17	$13.05
211940	1/7/2017	220006944312	02192	PUGET SOUND ENERGY	CASINO DRIVE UNDER TWIN BRIDGES,	$70.36
212011	1/9/2017	1094674542	02193	FERRELLGAS	PROPANE FOR WA PARK HOUSE	$513.55
212006	1/9/2017	114-4851450	04834	UNITED SITE SERVICES	Portable toilet rental - Ace of Hearts	$95.79
211961	1/9/2017	1988970448	06718	ARAMARK	LAUNDRY SERVICE FOR WWTP	$73.05
211957	1/9/2017	2017	00371	BOARD FOR VOLUNTEER FIREFIGHTR	2017 VOLUNTEER DISABILITY AND PENSION	$540.00
211929	1/9/2017	9777785100	07342	VERIZON BUSINESS	WIRELESS CHARGES 11/29-12/28/16	$7,764.82
211918	1/9/2017	January	07723	SKAGIT LAW GROUP PLLC	PROSECUTING ATTORNEY SERVICES JAN. 2017	$6,000.00
211948	1/9/2017	JS188460	10299	JH KELLY, LLC	ELECTRICAL WORK AT WWTP	$3,797.17
211947	1/9/2017	JS188463	10299	JH KELLY, LLC	PUMP STATION 7 REWIRING	$7,260.60
212060	1/9/2017	LTAC Chamber 2%	00148	ANACORTES CHAMBER OF COMMERCE	LTAC CHAMBER 2% FERRY	$25,239.26
212030	1/9/2017	Pay Application 5	01530	LAKESIDE INDUSTRIES	2016 OVERLAY PROJECT	$7,325.00
212058	1/10/2017	#9APD	01369	ISLAND FARM AND PET	K9 TBONE FOOD	$75.29
212057	1/10/2017	00005W5A83017	02817	UNITED PARCEL SERVICE	UPS SHIPPING CHARGES; ADJUSTMENT CHARGE	$0.79
212056	1/10/2017	00005W5A83536	02817	UNITED PARCEL SERVICE	UPS SHIPPING CHARGES; WEEK ENDING 12-31-16	$22.26
212042	1/10/2017	001-357561	02109	PISTON SERVICE OF ANACORTES	PIPE UNDERCOATING	$94.77
212025	1/10/2017	1094801211	02193	FERRELLGAS	PROPANE FOR SHOP STOCK	$229.94
212050	1/10/2017	3320690	00717	DAILY JOURNAL OF COMMERCE	2017 M AVE WATERLINE REPLACEMENT AD	$280.60

Invoice Doc #	Transaction Date	Invoice #	Vendor #	Vendor Full Name	Description	Total Amount
212082	1/10/2017	6165	08361	CONTEC SYSTEMS INDUSTRIAL CORP	H/W & S/W DAS SYSTEM FOR WWTP INCINERATOR	$6,350.00
212059	1/10/2017	8121426648	09706	SHRED-IT USA, LLC	OLD RECORDS DESTROYED	$38.50
212051	1/10/2017	A1187314	02405	SEBO'S DO-IT CENTER	GAS CAN & SUPPLY	$67.73
212074	1/10/2017	LTAC 1701	05726	STOUGHTON, MARY	LTAC HEART OF A RESTROOM CLEANING	$217.60
212068	1/10/2017	REIMB	01181	HANSEN, MIKE	UNIFORM BOOTS; OFC HANSEN	$200.00
212069	1/10/2017	REIMB	02179	PRUIETT, CHAD	UNIFORM BOOTS; DET SGT PRUIETT	$206.12
212084	1/11/2017	Pay App 3	10393	PEOPLES BANK FOR, ROOSENDAAL-HONCOOP CONST	RETAINAGE DEPOSIT TO ESCROW ACCOUNT 6013009219	$5,772.10

Total **$736,635.17**

City Council Agenda Bill

Meeting Date: 1/17/2017 **Agenda Item**: 5c

Subject: Regional Water Contracts

Staff Contact: Steve Hoglund, Darcy Swetnam

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

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

Summary Statement: Enclosed is an updated water supply agreement with the Swinomish Tribe, a regional water customer.

Background: City staff have been working to renegotiate the water supply agreements with the regional customers to improve administration of the contracts. The main change is that the new agreements eliminate the "committed volumes" concept in favor of a rolling 3-year average. Regional customers had other minor revisions, which have been incorporated into the draft before Council. Enclosed is the signed agreement from the Swinomish Tribe. The remaining agreements will be presented as staff receive them.

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

Proposed Contract	
Contractor	
Amount	
Start Date	
End Date	

Previous Council/Committee Action: Council approved agreements with Skagit PUD and Shell Oil Products on January 3, 2017.

Competing Viewpoints Considered: n/a

Recommended Motion: I move we authorize the Mayor to execute the enclosed Water Supply Agreement for 2017-2036 with the Swinomish Indian Tribal Community.

Alternative Actions:

Attachments (listed in order presented): Signed agreement with Swinomish Indian Tribal Community

CITY OF ANACORTES, WASHINGTON

WATER SUPPLY AGREEMENT

2017 - 2036

TABLE OF CONTENTS

Page

Page

CITY OF ANACORTES, WASHINGTON

WATER SUPPLY AGREEMENT

2017 - 2036

1. AGREEMENT

This Water Supply Agreement ("Agreement") is entered between the City of Anacortes, ("City") and Swinomish Indian Tribal Community ("Customer"). The City and Customer are each a "Party" and collectively the "Parties" to this Agreement. The Parties agree as follows.

2. RECITALS

2.1 Water Supply. The City owns and operates a Utility System, including a Water Supply System. The City has water available to serve the Customer and other wholesale customers. The City has in the past supplied and will continue to supply water according to the terms and conditions of this Agreement.

2.2 Capacity. The City operates its Water Supply System for the purpose of delivering an adequate supply of water to all of its customers. The City operates its Utility System to meet the volumes contracted for by its customers and to provide for future use or expansion of the Utility System.

2.3 Multiple Customers. This is one of a series of similar, non-exclusive water supply agreements. Through its Water Supply System, the City supplies water to the City's retail water system; and by contract to regional customers that include the Town of La Conner, City of Oak Harbor, Skagit Public Utilities District No. 1, Swinomish Utility Authority, Shell Oil Products US, and Tesoro Refining and Marketing Company. The intent of this Agreement is that the costs of the Water Supply System be shared by the regional customers in a reasonable and consistent manner, in light of the varying demands of the regional customers. The Customer enters this Agreement to continue the City supply of water for its industrial and/or municipal water supply requirements. This Agreement replaces and supersedes any previous Agreements or understandings between the parties; *provided, however*, that nothing in this Agreement replaces, supersedes, amends or otherwise alters the terms of the 1996 Memorandum of Agreement Regarding Utilization of Skagit River Basin Water Resources for Instream and Out of Stream Purposes or of the Easement for Water Pipelines And Agreement to Provide Water Supply (recorded at the U.S. Department of the Interior Bureau of Indian Affairs Land Titles and Records Office, Document Number: 0008651367, 2013APR 0411.32AM, LTRO: Portland).

3. DEFINITIONS

3.1 "Capital Costs" are costs incurred or planned for the betterment and rehabilitation of the Water Supply System, including amounts paid from current water system revenues, fund balances, and debt service costs.

3.2 "Debt Service Costs" are the cost of issuance, and principal and interest on outstanding bonds, loans or other Utility System debt

3.3 "Municipal customers" mean the Town of La Conner, City of Oak Harbor, Skagit Public Utilities District No. 1 and Swinomish Utility Authority.

3.4 "Operating Costs" are the cost of labor, supervision, supplies, utilities, services, taxes (including but not limited to State and City utility taxes), insurance, and all other direct or indirect expenses required to operate and maintain the Water Supply System.

3.5 "Refinery customers" mean Shell Oil Products and Tesoro Refining and Marketing Company.

3.6 "Regional customers" mean the Town of La Conner, City of Oak Harbor, Skagit Public Utilities District No. 1, Swinomish Utility Authority, Shell Oil Products US, and Tesoro Refining and Marketing Company.

3.7 "Retail water system" means the City's retail water service area.

3.8 "Uncontrollable Circumstances" includes, but is not limited to, acts of God, sabotage, war, fires, flood, earthquakes, power failure or other catastrophes, strikes, or failure or breakdown of the Water Supply System.

3.9 "Utility System" under this Agreement means the City's retail water system and the Water Supply System.

3.10 "Water Supply System" means the City water system improvements, for purposes of this Agreement, to include:

3.10.1 The water intake and treatment facilities near Avon on the Skagit River and the water transmission pipelines from the water intake and treatment facilities to Sharpe's Corner (collectively the "Regional Facilities");

3.10.2 The 20-inch water supply pipeline from South March Point Road to the refineries ("Refinery Segment"); and

3.10.3 The 10-inch water supply pipeline along SR20 from Sharpe's Corner to the Oak Harbor metering point just north of the Deception Pass Bridge ("Oak Harbor Segment").

4. WATER SUPPLY, USE AND QUANTITY

4.1 The City shall supply quantities and pressures of water at location(s) and in amounts as stated in this Agreement Exhibit A, and any subsequent amendments to this Agreement. With the exception of the Skagit Public Utilities District #1 service area east of the Swinomish Channel, Customer agrees that except for Uncontrollable Circumstances, the City shall be its sole supplier of water for municipal or industrial purposes. Customer shall only use delivered water for its own purposes. Refinery customers shall not use water for resale. A municipal customer shall not use water for service or resale outside of the municipal customer's service area as provided in Exhibit A.

4.2 The City shall use reasonable diligence to provide a regular and uninterrupted supply to the Customer's approved delivery point(s), but shall not be liable to the Customer for damages, breach of this Agreement, or otherwise for interruption of water service or curtailment of water supply as a result of any Uncontrollable Circumstances. In the event of Uncontrollable Circumstances interrupting the City's ability to provide water services or supply, the Customer shall have the right to obtain water from other sources until the City is able to resume water service. The Customer holds the City harmless from any claim for damages related to continuity of service by third parties served by the Customer, to the extent that the claim arises out of Customer's negligence.

5. WATER DELIVERY POINTS

5.1 Approved Delivery Points. The City shall deliver water to the Customer at the approved delivery points listed in Exhibit A.

5.2 New Delivery Points. The Customer may request service at additional delivery points subject to the approval of the City. Recognizing that the Water Supply System is not a distribution system but the Customer has complete responsibility for constructing, operating and maintaining, and repair and replacement, of Customer's distribution system adequate for its service area. The Customer shall be responsible for paying all costs associated with installing new service connections. The connection shall include the necessary piping and valves, metering equipment of standard manufacture, and suitable isolating or backflow prevention devices as appropriate. If required by the City, the meter shall be of a type capable of transmitting continuous readings to the City's Water Treatment Plant. For any proposed service connection, the Customer shall prepare and submit the design for City approval prior to installation. The City shall own the meter and be responsible for maintaining it in good repair.

6. QUALITY OF WATER

6.1 Standards. The City shall operate and maintain its Water Supply System in order to supply water for municipal and industrial purposes that meets the water quality standards of the Washington State Department of Health and the U.S. Environmental Protection Agency, including periodic revisions to these standards. The City shall employ the normal care and practices of water utilities with respect to meeting water quality standards.

6.2 Limits on Liability. The City shall not be liable to the Customer for failure to meet the water quality standards for reasons that are outside the control of the City. The Customer indemnifies and holds harmless the City from any water quality-related claim for damages by third parties served by the Customer, to the extent that the claim arises out of Customer's negligence.

7. RATES AND CHARGES. Customer shall pay its share of costs as determined by the City using the methodology identified in this Agreement. Exercising its sole discretion as manager of the Utility System, the City shall allocate overall water utility costs between its retail water system and the Water Supply System, using standard cost recovery principles, available accounting data, and reasonable approximations when necessary. The Water Supply System costs shall distinguish between Operating Costs and Capital Costs. Capital Costs shall be further allocated between Regional Facilities, the Refinery Segment, and the Oak Harbor Segment.

7.1 Charges for Operating Costs.

7.1.1 Allocation Basis. To calculate annual operating charges, Operating Costs for the Water Supply System shall be allocated to each regional customer based on each customer's percentage share of the total regional water usage for the three (3) years previous to the year to which the charges apply. For example, for 2020 operating charges the allocation would be based on 2017-2019 water usage.

A. Future Transfers of Service Area. If there are future transfers of service area between one regional customer and another, the historical data shall be adjusted accordingly, using the best estimates available of actual water usage in the transferred area.

B. Retail Water System Allocation. Under this Agreement, the water usage of the City's retail water system shall be calculated by taking the total annual metered usage of all meters, and then subtracting the metered usage of the regional customers and other non-retail water system customers.

C. No State utility tax will be included in Operating Costs assessed to wholesale Customers purchasing water for resale.

7.1.2 Preliminary Operating Costs. For any year, preliminary Operating Costs shall be calculated before January 30th of that year, based on the City's adopted budget. One-twelfth of the preliminary operating charge to each regional customer shall be payable each month. Billing is in arrears; it applies to service provided the previous month.

7.1.3 Reconciliation to Actual Operating Costs. After year-end, a reconciling charge or credit shall be calculated that accounts for the difference between the budgeted and actual Operating Costs of the Water Supply System during the given year. The reconciling charge or credit shall be allocated to regional customers based on the same relative percentages as the corresponding preliminary operating charge.

7.2 Charges for Capital Costs.

7.2.1 Planning Period. The planning period for Capital Costs is the period over which the City plans capital improvement projects for the Water Supply System, the cost of which is to be recovered from regional customers. The planning period may range from three to five years, as determined by the City.

7.2.2 Planned Capital Charges. Capital charges under this Agreement are fixed annual charges to regional customers, to recover the projected Capital Costs incurred during a planning period. The City shall segregate planned capital charges for Regional Facilities, the Refinery Segment, and the Oak Harbor Segment.

7.2.3 Allocation Basis – General. Capital Costs shall be allocated to each regional customer based on each customer's percentage share of the total regional water usage for the three (3) years previous to the year to which the charges apply. For example, for 2020 capital charges the allocation would be based on 2017-2019 water usage.

7.2.4 Allocation Basis – Regional Facilities. Capital Costs for Regional Facilities are based on each regional customer's percentage share of the total regional water usage as determined under Agreement Section 7.2.3.

7.2.5 Allocation Basis – Refinery Segment. Capital Costs for the Refinery Segment are allocated between the City retail water system and the refinery customers according to their respective percentages under Agreement Section 7.2.3.

7.2.6 Allocation Basis – Oak Harbor Segment. Capital Costs for the Oak Harbor Segment shall be divided between Oak Harbor and the City retail water system according to their respective percentages under Agreement Section 7.2.3.

7.2.7 Regional Capital Account Balance. For charges for Capital Costs, there is no reconciliation after a billing cycle. The City shall account for and maintain a "regional capital account balance" for money paid by regional customers for Capital Costs.

7.2.8 Supplemental Capital Charge. If unforeseen Capital Costs arise so that there will be no regional capital account balance within a given planning period, the City may either delay projects until the next planning period or charge for supplemental Capital Costs to be paid by regional customers for the remainder of the current planning period. If the cause of unexpected Capital Costs is the Refinery Segment or the Oak Harbor Segment, then the supplemental Capital Costs shall be allocated proportionately to the regional customers with an interest in the specific facilities. Otherwise, the supplemental Capital Costs shall be applied in the same percentage allocations used for the Capital Costs for the applicable planning period.

7.2.9 Debt Service Charges to Refinery Customers. Recognizing the variability of demand from the refinery customers and that regional customers may terminate the agreement with only three-year' notice, the City may maintain alternative schedule(s) for recovery of Debt Service Costs as a component of Capital Costs charged to the refinery customers.

7.3 Planning and Advisory Estimates. To assist Customer in its financial planning, the City shall provide information to Customer, at least as follows. Following the City administrative officer's submission of a preliminary annual budget to the City Council under RCW 35A.33.055, a copy of that preliminary budget, or excerpts related to the Utility System from that budget, shall be sent by City to Customer. In the event the City determines to operate under a biennial budget under Chapter 35A.34 RCW, the city shall provide to Customer such review and modification materials required under RCW 35A.34.130. By November 15th of each year, the City shall provide to Customer a further, non-binding, advisory estimate of charges for

Operating Costs and Capital Costs for the next year. The City shall provide to Customer advance notice of draft comprehensive plans, facility plans capital improvement plans or other planning documents relating to the Utility System, as soon as practicable following the publication or general availability of such plan drafts.

8. BILLING AND PAYMENT.

8.1 Monthly Billing. The City shall bill Customer monthly for one twelfth (1/12) of the annual charges calculated under Agreement Section 7. The bill shall identify the Capital Cost and Operating Cost, the volume of metered water delivered to the Customer during the month. Payment by the Customer is due within thirty (30) days of the receipt of the bill.

8.2 Late Payment. If a bill remains unpaid after forty-five (45) days, the City will assess interest on the delinquent amount at the rate of twelve percent (12%) per annum. If a bill still is not paid after ninety (90) days, the City may use other remedies legally available to it, including shutting off service to enforce payment. Nothing in this Agreement Section 8 relieves Customer of obligations for payment of Capital Costs and Operating Costs for the three (3) year period following notice of Agreement termination.

9. METERING.

9.1 Meters and Testing. The volume of water delivered to the Customer shall be measured at the metering equipment at the delivery points identified under Agreement Section 5. Meters shall be maintained and read monthly by the City. Meters shall be tested by the City periodically, but not less than once per year, to assure continuing accuracy and conformance to the standards of measurement and service accepted in the water industry. The Customer has the right to advance notice and to be present at any of the regularly scheduled tests. The cost of conducting such tests shall be borne by the City. Tests may also be conducted at other times at the request of the Customer and the Customer may elect to have a representative witness the meter test. If the meter is accurate, the Customer shall pay for the cost of the test; but if the test reveals an inaccuracy of more than 2 percent, the City shall pay for the test. If an inaccuracy of more than 2 percent is discovered, all billings for water furnished hereunder for one-half the time from the date of the preceding test shall be adjusted. The adjustment shall be for the full amount in excess of 2 percent.

9.2 Temporary Lapses in Water Meter Data. If metered water use is incomplete or inaccurate for any period of time, the City may bill the Customer for such period based on estimated water use. The City may estimate use on any reasonable basis. The City shall provide the Customer documentation of the method used to estimate Customer water use for such period.

9.3 Documentation of Monthly Metering Results. Even though monthly metered water use does not affect the customer bill during the current year, the City shall read the meters on a monthly basis and notify the Customer of its water use during the prior month

10. FUTURE WATER SERVICE AND SUPPLY REQUIREMENTS

10.1 Service Area. This Agreement between the City and the Customer is to supply water to the Customer's existing industrial operations and/or water service area. In this regard, the Customer agrees not to increase its industrial operations or to expand its service area in a manner that would increase its water requirements by more than ten (10) percent without the prior approval of the City.

10.2 Future Improvements. The City plans and develops water supply facilities that may become necessary in the future to replace existing facilities or to expand the capacity of its Water Supply System to meet growing demands. The City may require appropriate commitments from regional customers prior to proceeding with system improvements.

10.3 Other Service. Nothing in this Agreement limits the City's authority to expand its service area or serve other retail or wholesale customers, in addition to service provided to the regional customers.

11. TERM AND TERMINATION.

11.1 Term. Subject to Agreement Section 11.2, this Agreement shall take effect on January 1, 2017, and remain in full force and effect until December 31, 2036. Either party can request, no more frequently than annually, amendment or renegotiation of this Agreement.

11.2 Termination. Either Party has the right to terminate this Agreement by giving not less than three (3) years' written notice to the other Party.

12. GENERAL

12.1 Conflicts. To the extent that there is any inconsistency between the provisions of this Agreement, any exhibit incorporated as part of this Agreement, the provisions of this Agreement shall control.

12.2 Records Inspection. The City shall maintain and make available for inspection at reasonable times all records pertaining to the Utility System. These records shall be maintained for a minimum of three (3)-years.

12.3 Notices. All notices and billing required hereunder shall be sent to the following addresses:

CITY OF ANACORTES	CUSTOMER
Mailing: PO Box 547 Anacortes, WA 98221 Physical : 904 6th Street Anacortes, WA 98221	Swinomish Indian Tribal Community PO Box 340 17547 1st Street La Conner, WA 98257

The person and address to which the notices are to be given may be changed at any time by either Party upon written notice to the other Party. All notices given pursuant to this Agreement shall be deemed given upon receipt.

12.4 Applicable Law. This Agreement and all disputes arising thereunder shall be governed by Washington State Law.

12.5 Assignment; Survival. Except as otherwise provided herein, neither Party may assign its rights or obligations under this Agreement without the express written consent of the other Party, which consent may be withheld in the sole discretion of such Party. This Agreement shall be binding upon, and inure to the benefit of, the successors and permitted assigns of the Parties.

12.6 Dispute Resolution. The Parties shall seek to resolve amicably any disputes arising under this Agreement. If a dispute cannot be resolved by the Parties, any Party may invoke a formal conflict resolution process under this Section 12.6.

12.6.1 The first step in the process shall be a meeting including the City's Mayor and Public Works Director and the Customer's representative(s).

12.6.2 Arbitration. Any controversy, claim or dispute concerning the making, formation, validity, obligations under or breach of this Agreement and issues related to the existence, interpretation and enforceability of the arbitration provisions of this Agreement, shall be subject to mandatory arbitration conducted by a single arbitrator in either Skagit or King County, whichever is more efficient for the parties and the arbitrator.

12.6.3 Arbitration under this section shall be governed by the Washington Uniform Arbitration Act, RCW 7.04A; provided, however, that the consolidation provisions in RCW 7.04A.100, and punitive damages provisions in RCW 7.04A.210(1)(5) are not applicable to any arbitration under this section, and that the remaining provisions in RCW 7.04A.210 are subject to Subsection 12.6.7 of this Agreement.

12.6.4 A competent arbitrator shall be chosen by agreement of the Parties. If the Parties are unable to agree on an arbitrator within thirty (30) calendar days of a party demanding arbitration, either Party may request that a judge of the Superior Court appoint an arbitrator. Each party shall initially pay one-half the arbitrator's fee but the substantially prevailing party shall be awarded its share of such fees, in addition to its reasonable attorneys' fees, costs, and expenses.

12.6.5 The Parties may jointly agree to stay mandatory arbitration proceedings pending voluntary mediation of the controversy, claim or dispute before a mediator jointly chosen by the parties.

12.6.6 Compelling, Enforcing, Reviewing, Modifying, and Confirming Arbitration. The parties agree that pursuant to Subsection 12.6.2 of this Agreement and in accordance with RCW 7.04A the Superior Court shall have the authority to compel or enforce arbitration and to review, modify or confirm an arbitration award. In the event that any such judicial proceedings are initiated, the prevailing party shall be entitled to its attorney's fees and costs incurred in compelling arbitration or confirming an arbitration award.

12.6.7 Waiver of Sovereign Immunity. Except as expressly provided in this Subsection 12.6.7 nothing in this Agreement is intended to be or shall constitute or shall be construed as a waiver, limitation or modification of the sovereign immunity of the Swinomish Indian Tribal Community unconsented suit. The Tribe hereby waives its sovereign immunity only with regard to arbitration proceedings or proceedings in the Superior Court described in this Section 12.6, "Dispute Resolution". This waiver is applicable solely to claims by the City of Anacortes and its successors in interest, and not by any other person, corporation, partnership or entity whatsoever. This waiver does not extend to proceedings in any other forum or regarding any other matter.

12.7 Non-Waiver. A waiver by either Party of any breach of any provision hereof shall not be taken or held to be a waiver of any succeeding breach of such provision or as waiver of any provision itself. No payment or acceptance of compensation for any period subsequent to any breach shall be deemed a waiver of any right or acceptance of the breach. Where the condition to be waived is a material part of the Agreement such that its waiver would affect the essential bargains of the Parties, the waiver must be supported by consideration and take the form of an Agreement modification.

12.8 No Third Party Beneficiary. The rights and obligations created by this Agreement are for the sole benefit of the Parties, their successors or assigns and no person not a Party shall be a beneficiary, intended or otherwise, of any such rights or be entitled to enforce any of the obligations created by this Agreement.

12.9 Severability. If any term or provision of this Agreement, or the application thereof to any person or circumstances, shall to any extent be invalid or unenforceable, the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforced to the fullest extent permitted by law. Further, the Parties shall negotiate in good faith regarding amendments to this Agreement that would, to the maximum extent possible, effectuate the intent of any provision determined to be invalid or unenforceable.

12.10 Construction. This Agreement has been freely and fairly negotiated by the Parties hereto and has been reviewed and discussed by legal counsel for each of the Parties, each of whom has had the full opportunity to modify the draftsmanship hereof and, therefore, the terms of this Agreement shall be construed and interpreted without any presumption or other rule requiring constructional interpretation against the Party causing the drafting of the Agreement.

12.11 Captions. The captions and paragraphs headings contained in this Agreement are for convenience and reference purposes only and in no way define, describe, extend or limit the scope or intent of this Agreement, nor the intent of any provision hereof.

12.12 Prior Agreement Superseded; Complete Agreement. This Agreement supersedes that Water Supply Agreement between the Parties (effective January 1, 2006 for the term 2006 – 2026, the "Prior Agreement). The Prior Agreement has no further force or effect commencing January 1, 2017. This Agreement contains the complete statement of the understanding of the Parties with respect to the subject matter of this Agreement. There are no other representations, agreements, or understandings, oral or written, by the Parties relating to the subject matter of this Agreement that are not fully expressed in this Agreement; *provided, however*, that nothing in this Agreement replaces, supersedes, amends or otherwise alters the terms of the 1996 Memorandum of Agreement Regarding Utilization of Skagit River Basin Water Resources for Instream and Out of Stream Purposes or of the Easement for Water Pipelines and Agreement To Provide Water Supply (recorded at the U.S. Department of the Interior Bureau of Indian Affairs Land Titles and Records Office, Document Number: 0008651367, 2013APR 0411.32AM, LTRO: Portland). Each Party acknowledges and represents to the other Party that it is executing this Agreement solely in reliance upon its own judgment and knowledge and that it is not executing this Agreement based upon the representation or covenant of the other Party, or anyone acting on such Party's behalf, except as expressly stated herein. Any modifications or amendments to this Agreement shall be approved in writing by both Parties.

12.13 Execution in Counterparts. This Agreement may be executed in two or more counterparts, all of which, when taken together, shall constitute one and the same Agreement. Executed counterparts transmitted by facsimile or electronic means shall be binding on the Parties.

12.14 Certain Representations And Warranties Of The Parties. Each Party represents and warrants to the other that the execution, delivery and performance of this Agreement have been duly approved by all required government or corporate action, and that the person or persons signing on behalf of such Party have full authority to do so.

IN WITNESS WHEREOF, the Parties hereto have each executed this Agreement as of the day and year below written.

CITY OF ANACORTES

By: ____________________________
Laurie M. Gere, Mayor

DATE: ____________________________

ATTEST:

____
Steven D. Hoglund, City Clerk Treasurer

CUSTOMER: Swinomish Indian Tribal Community

By: Brian Cladoosby
Brian Cladoosby, Chairman

DATE: 12-13-16

ATTEST:
Wendy Otto

EXHIBIT A

Water Supply Agreement between the City of Anacortes and Swinomish Tribe.

Approved Metered Service Connections:

No.	Size	Brand	Type	Location	Reading System
1	6"	Rockwell	Compound	Intersection of Reservation Rd/Stevenson Rd	Automated
2	8"	Sensus	6" Fireline	12885 Casino Drive	Manual
3	2"			12885 Casino Drive	Manual
4	5/8 X 3/4			12885 Casino Drive	Automated
5	5/8 X 3/4			12885 Casino Drive	Automated

1. Contractual Water Volume:

    a. Annual: 50 Million Gallons

2. Water Pressure: 120 psi
3. The Swinomish Tribe is allowed to serve water to the Shelter Bay Community Designated Service area as identified in the Skagit County Coordinated Water System Plan.

City Council Agenda Bill

Meeting Date: 1/17/2017 **Agenda Item**: 7a

Subject: 2017 Legislative Priorities

Staff Contact: Emily Schuh

Approved for Submittal to Council by	
X	Laurie Gere, Mayor
	Steve Hoglund, Finance Director
	Darcy Swetnam, City Attorney
X	Emily Schuh, Admin Services Dir.

Action Type	
	Ordinance No.
	Code Revision?
X	Resolution No.1980
	Contract
	Public Hearing
	Staff Report

Summary Statement: In coordination with the Association of WA Cities, Mayor Gere and staff have compiled a list of legislative priorities for City Council's discussion. Council's adoption of legislative priorities guide staff on how best to represent the City's efforts to influence, affect, or guide the passage of legislation in the Washington State Legislature. We have incorporated Council feedback following discussion at the January 3, 2017 Council meeting.

Background:

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

Proposed Contract	
Contractor	
Amount	
Start Date	
End Date	

Previous Council/Committee Action: January 3, 2017 City Council provided input to the proposed legislative agenda which has been incorporated into the revised agenda. The 2017 proposed legislative priorities are influenced by the 2017 Association of WA Cities legislative priorities and the 2016 City of Anacortes legislative priorities.

Competing Viewpoints Considered:

Recommended Motion: I move to approve Resolution 1980 adopting the City's 2017 legislative priorities.

Alternative Actions:

Attachments (listed in order presented): Proposed Resolution 1980; 2017 Legislative Priorities

RESOLUTION NO. 1980

A RESOLUTION OF THE CITY OF ANACORTES, WASHINGTON REGARDING THE ADOPTION OF THE CITY'S 2017 WASHINGTON STATE LEGISLATIVE PRIORITIES

WHEREAS, the 2017 state legislative session began on January 9, 2017; and

WHEREAS, efforts of representation on behalf of the City of Anacortes to influence, affect or guide the passage of legislation in the Washington State legislature are enhanced by a comprehensive package of priorities that have been officially adopted by the City Council pursuant to this resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ANACORTES that City Council adopts the attached City of Anacortes 2017 Washington State Legislative Priorities as the position of the City of Anacortes on the items stated therein.

ADOPTED by the City Council this 17th day of January 2017.

CITY OF ANACORTES:

By

____
Laurie M. Gere, Mayor

ATTEST:

____
Steven D. Hoglund, City Clerk

APPROVED AS TO FORM:

____
Darcy Swetnam, WSBA# 40530
City Attorney

Top Priority

Acceleration of HWY 20/Commercial Ave Corridor Improvements The South Commercial Corridor plan is complete including a Health Impact Assessment report. The WSDOT overlay and ADA improvements are planned for completion in 2022. The City requests acceleration of the schedule. The City appreciates that other segments of HWY 20 are being repaired including Sharpe's Corner to the roundabout, and Oakes Ave to the ferry landing; however, this leaves the main Anacortes corridor with no improvements for another 5 years with significant pavement and ADA deficiencies.

General Principles

Anacortes supports legislation to promote the City Council's goals and protect the City's ability to provide municipal services to our residents.

- Protect shared state revenue sources available to the City and provide mechanisms to invest in necessary infrastructure requirement
- Revitalize key infrastructure assistance programs that support job creation, community health and safety, and quality of life
- Enhance efforts to increase affordable housing, decrease homelessness, and improve a strained behavioral health system
- Modernize the Public Records Act so that Anacortes can continue to provided open and transparent government service

Legislative Priorities. The City of Anacortes supports:

- Governor Inslee's shared revenue budget proposal which fully funds shared revenues including liquor profits and taxes, streamlined sales tax mitigation, criminal justice assistance including additional Basic Law Enforcement Academy classes for new recruits, the Fire Insurance Premium Tax, and continuing the current funding mechanism for the Municipal Research and Services Center (MRSC) through city and county liquor revenue. Development of a statewide solution to local infrastructure funding needs to fill the void created with the defunding of the Public Works Assistance Account.
- Increasing the Property Tax cap from 1% to a rate that reflects inflation and the rate of population growth.
- Enhancing funding sources such as the Housing Trust Fund for affordable housing and homeless programs. Anacortes specifically has concerns about housing for seniors.
- Additional resources for mental health and social services to address issues that lead to increased homelessness and public safety costs.
- Increasing the Emergency Medical Services levy cap by $.25/$1000 assessed valuation (AV) to $.75/$1000 AV.
- Maintaining the Washington State Ferry services without further reductions to the Anacortes-Sidney, BC run.
- Legislation to address freight rail safety and congestion issues, funding for hazardous materials first responder training, and funding for analysis of inland spill response planning and capability.
- Enhanced state shared services with cities for resources such as electronic records management systems and standardized website applications.

Anacortes City Council

Proposed Agenda Items for the Next Eight Weeks Beginning January 23, 2017

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

January 23, 2017

•Guemes Island Ferry Annual Shut Down Presentation/Discussion by County Officials
•Resolution 1963: Establishing Fees for the Storm Water Utility and Ordinance 2979 Removing Storm Rates from AMC (Discussion)

***

February 6, 2017

Special Meeting: 4:00 PM Site Visit, meet onsite at south side of Blue Heron Circle east of Whistle Lake Road

•Closed Record Public Hearing, CUP-2016-1002, The City of Anacortes' Public Works Department has applied for a Conditional Use Permit, Variance request, & SEPA environmental review to permit the construction of two 1.5 million gallon water tanks /reservoirs on the subject property. The existing 47 foot tall 3 million gallon water tank/reservoir located onsite will be removed. The Variance request is to increase the maximum permitted height of 35 feet to approximately 50 feet above grade for the two new reservoirs.
•Presentation of Ideas to Incorporate into 2017 Overlay Project on Commercial Avenue

***

February 13, 2017

•Anacortes Bike/Pedestrian Advisory Committee Update Presentation

***

February 21, 2017

•Closed Record Public Hearing: CUP-2016-1004, Conditional Use Permit Application to Permit Lot #2 of a Proposed Two-lot Short Plat to be Served by a Twenty Foot Wide Private Street within a Twenty-two Foot Wide Private Easement

***

February 27, 2017

•Conservation Easement Program Update

***

March 6, 2017

***

March 13, 2017

***

March 20, 2017

***

Upcoming City Council Committee Meetings

The public is welcome to attend City Council Committee Meetings.

•Public Works, Tuesday, Jan 17, 2017, 4:30 PM, Mayor's Office, City Hall
•Planning, Monday, Jan 23, 2017, 5:00 PM, Main Conference Room, City Hall
•Finance, Wednesday, Jan 25, 2017, 5:00 PM, Johnny Picasso's, 501 Commercial Avenue
•Personnel Committee, Wednesday, Jan 25, 2017, 4:00 PM, Main Conference Room, City Hall
•Public Works, Monday, Feb 6, 2017, 4:30 PM, Mayor's Office, City Hall
•Finance, Wednesday, Feb 8, 2017, 5:00 PM, Johnny Picasso's, 501 Commercial Avenue
•Planning, Monday, Feb 13, 2017, 5:00 PM, Main Conference Room, City Hall