



Anacortes City Council
Municipal Building Council Chambers
904 Sixth Street

TUESDAY, January 3, 2017
6:00 p.m.

*** REVISED * 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 December 19, 2016
 - b. Approval of Claims in the amount of: \$521,181.53
 - c. Drug Enforcement Multi-Jurisdictional Task Force Interlocal Agreement
 - d. Contract Award: 2017 Waterline Replacement Project (17-001-WTR-001)
6. **Public Hearings**
7. **Other Business**
 - a. Resolution 1980: Legislative Priorities (Discussion)
 - b. Regional Water Contracts: Skagit PUD and Shell Oil Products (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 9, 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 9, 2017

- Resolution ____ : Establishing Fees for the Storm Water Utility and Ordinance 2979 Removing Storm Rates from AMC (Discussion/Possible Action)
- Resolution ____: Establishing Fees for the Water Utility (Discussion/Possible Action)

January 17, 2017

Special Meeting: 4:00 PM Site Visit, CUP-2016-1002, Meeting onsite at south side of Blue Heron Circle east of Whistle Lake Road

- Closed Record Public Hearing, CUP-2016-1002, Conditional Use Permit, Variance request, & SEPA environmental review to permit the construction of two 1.5 million gallon water tanks/reservoirs at Blue Heron Circle

January 23, 2017

- Anacortes Bike/Pedestrian Advisory Committee Update Presentation
- Guemes Island Ferry Annual Shut Down Presentation/Discussion by County Officials

February 6, 2017

- Closed Record Public Hearing, Conditional Use Permit to Permit Construction of Private Parking Lot in the R4 Zoning District, CUP-2016-1003

February 13, 2017

February 21, 2017

- Closed Record Public Hearing, CUP-2016-1004, 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

March 6, 2017

Upcoming City Council Committee Meetings

The public is welcome to attend City Council Committee Meetings.

- Public Works, Tuesday, Jan 3, 2017, 4:30 PM, Mayor's Office, City Hall
- Housing Affordability & Community Services, Thursday, Jan 5, 2017, 1:30 PM, City Hall
- Planning, Monday, Jan 9, 2017, 3:00 PM, Main Conference Room, City Hall
- Public Safety, Tuesday, Jan 10, 2017, 4:30 PM, City Hall
- Finance, Wednesday, Jan 11, 2017, 5:00 PM, Johnny Picasso's, 501 Commercial Avenue
- 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

City Council Minutes – December 19, 2016

Special Meeting

Mayor Laurie Gere called to order an advertised special meeting of the Anacortes City Council on December 19, 2016 at 5:30 p.m. Councilmembers Ryan Walters, Erica Pickett, Brad Adams, Liz Lovelett, John Archibald and Matt Miller were present. Councilmember Eric Johnson was absent.

Executive Session (30 Minutes) per RCW 42.30.110 (i)

Mayor Gere announced that City Council and the City Attorney would convene in Executive Session for no more than 30 minutes to discuss potential litigation and that following the executive session the meeting would adjourn with no action being taken.

There being no further business, at approximately 5:56 p.m. the advertised special meeting of the Anacortes City Council for December 19, 2016 was adjourned.

Regular Meeting

Mayor Laurie Gere called to order the regular Anacortes City Council meeting of December 19, 2016 at 6:00 p.m. Councilmembers Ryan Walters, Erica Pickett, Brad Adams, Liz Lovelett, John Archibald and Matt Miller were present. Councilmember Eric Johnson was absent. The assembly joined in the Pledge of Allegiance.

Mr. Adams moved, seconded by Ms. Lovelett, to excuse the absence of Mr. Johnson who was traveling out of state. The motion passed unanimously by voice vote.

Announcements and Committee Reports

Dakota Creek Recognition: Mayor Gere recognized Dakota Creek Industries in honor of its national recognition as the best of the best, winning the Best Ships Award, continuing as a leader in state-of-the-art environmental and safety technology for the maritime industry, and the recent construction and design of the AGOR vessels, *Blue North* and *Fishermen's Finest*. She introduced DCI managers Holly Anthonyysz and Liz Stout. Ms. Anthonyysz and Ms. Stout shared a slide presentation illustrating the history of the 40-year-old company and the local shipyard, its employment impact, its model environmental practices, its specialized construction facilities, and noteworthy accomplishments including the 2016 Best Ship award for the F/V *Blue North*. They described recent and upcoming DCI projects, highlighted the cutting edge technology employed in these vessels, then discussed fleet modernization in the fishing industry and the potential economic impact of that work for Anacortes. Mayor Gere recognized other members of the DCI team including Judy Knight, CFO Nancy Loftis, Property Manager Kathy Pittis, Project Assistant John Beaumonte, Vice President Mike Nelson and President Dick Nelson as well as Kristian Uri, General Manager of *Fishermen's Finest*. The mayor presented DCI with an Award of Excellence and thanked the entire team for its contributions to the community and the industry.

Public Works Committee: Ms. Lovelett reported that the committee met briefly earlier in the evening to discuss stormwater utility rates. She advised that a presentation and public hearing on those were anticipated the second week of January.

Mr. Miller reported from the Skagit County Law and Justice Council meeting the prior Wednesday and said that the new Skagit County Jail was due to be complete in April 2017.

Public Comment

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

Consent Agenda

Mr. Walters removed Items 5d, 5e and 5f from the Consent Agenda. Ms. Lovelett moved, seconded by Mr. Adams, to approve the following Consent Agenda items. The motion passed unanimously by voice vote.

- a. Minutes of December 12, 2016
- b. Approval of Claims in the amount of: \$160,047.69
- c. Contract Award: Emissions Control Testing for WWTP Scrubber Installation

The following vouchers/checks were approved for payment:
Check numbers: 83169 through 83216, total \$148,409.16
EFT numbers: 83149 through 83168, total \$10,322.44
Wire transfer numbers: 210805 through 211253, total \$10,773.34

- d. Interlocal Agreement with Skagit County for Technology Services, 2017-2019
- f. Interlocal Cooperation Agreement for a Countywide Public Safety Communications Center

Mr. Walters disclosed that as a fixed salary employee of Skagit County, one of the contracting parties in both agreements, under RCW 42.23.040 he had a remote interest in the agreements and for the city to enter into the agreements his vote could not be counted. Ms. Lovelett moved, seconded by Mr. Archibald, to approve Consent Agenda Items 5d and 5f. The motion passed unanimously by voice vote with Mr. Walters abstaining.

- e. Contract Award: 2017 Prosecutor Services

Mr. Walters argued that the proposed contract was not worth entering into and said the money would be better spent by hiring a full time in house prosecutor who could work on other matters with the city attorney. Ms. Pickett recalled the previous testimony by police and legal department staff regarding how much they value Mr. Cammock's work. **Ms. Pickett moved, seconded by Mr. Adams, to approve the contract as presented.** Mr. Archibald suggested that the Finance Committee should investigate the option proposed by Mr. Walters. Mr. Walters emphasized that he had no concern with Mr. Cammock's performance but felt the contract was not the best use of city funds. He noted that the contract allowed for termination with 60 days' notice so the matter could be pursued during the coming year. **The motion passed unanimously by voice vote.**

PUBLIC HEARINGS

Ordinance 2992: Title 19, Land Use Permit Procedures

Planning Director Don Measamer reported that following the public hearing on Title 19 held before the Planning Commission on November 23, 2016 and November 30, 2016, the Planning Commission recommended approval of Ordinance 2992 with specific changes; and that staff had incorporated those changes into the December 7, 2016 draft of the document which had been reviewed by City Council at its December 12, 2016 meeting and was presented for continued review and public hearing at the present meeting. Mr. Measamer said that all public comments received since that draft had been distributed to Council and posted on the City website. He advised that the advertised public hearing on the ordinance at the present meeting would provide an additional opportunity for public comment and said that staff also had some recommended revisions.

At approximately 6:35 p.m. Mayor Gere opened the public hearing.

Cynthia Richardson, 315 V Avenue, reviewed her comments submitted earlier via email which were included in the packet materials for the meeting. She described many of her suggestions as minor edits but elaborated on two points. Regarding 19.44.040, Bed and Breakfasts, Ms. Richardson suggested flexibility to allow the rental unit to be outside the main house; she added that it need not be defined in

Title 19 and could be addressed in the zoning regulations instead. Regarding Boundary Line Adjustments, Ms. Richardson suggested splitting these into simple and more complex adjustments and defining that distinction more clearly in the zoning regulations.

Carol O'Hearn, 11039 Post Drive, referred to her written comments previously submitted. She said the December 7, 2016 revision of Title 19 showed an evolution in thinking. Ms. O'Hearn called the process matrix on page 28 a good work in progress. She praised the checks on the discretionary powers of the Director but said the code still left too much unchecked power in the hands of the director and the new hearing examiner positions. She said the draft was not perfect but gave citizens important and improved recourse. She urged Council to adopt the December 7, 2016 version at the present meeting.

Sara Holahan, 1511 38th Street, commented on rapid development in recent years and said it threatened to permanently change the character of the city. She urged code revisions that would protect the unique environment and neighborhoods and fully support crucial public participation and oversight. Ms. Holahan highlighted points from her written comments dated December 15, 2016 including a 21-day comment period for Level 2 applications, retaining Boundary Line Adjustments in Level 2 and moving ADUs to Level 2, explicitly acknowledging citizen rights to appeal to Superior Court, questioning appeal fees, and asking when the public could comment on and appeal final approval of a short subdivision.

Vernon Lauridsen, 2219 32nd Street, cautioned Council against adopting Title 19 by an arbitrary end of year deadline and said the public would like to see a final version reflecting all revisions before adoption. Mr. Lauridsen said that long subdivisions are significant land use developments and should include public process before City Council, allowing all persons of record to speak. Regarding Boundary Line Adjustments, Mr. Lauridsen said there was no such thing as underlying lots and that the RCW prevented BLAs from creating new tax parcels. Mr. Lauridsen said the code needed a mechanism to reduce the minimum lot size, for example in the R2 zone, in a simple way that was not a BLA. Mr. Lauridsen said that development impact fees had been removed from Title 19 but needed to be included and enforced. Mr. Lauridsen summarized his December 15, 2016 written comments regarding AMC 19.16.020C(3) regarding public process for the capital facilities plan as part of the Comprehensive Plan, and AMC 19.20.140B(11) regarding the Director's determination of consistency.

Marilyn Derig, 1302 K Avenue, read from her prepared remarks which were added to the packet materials for the meeting. Ms. Derig questioned the proposed limits on public notice requirements. She quoted extensively from the 2016 Comprehensive Plan regarding preservation of neighborhood character and said that not requiring notice for boundary line adjustments and ADUs posed risks to neighborhood character and integrity. She urged adopting land use regulations that observed the Comprehensive Plan goals and policies regarding neighborhood character.

Patrick O'Hearn, 11039 Post Drive, praised the development and review process for Title 19. He said the current draft was not perfect but it was flexible and could be amended in the future. He reminded councilmembers that underlying zoning and subdivision portions of the code would be written in the months ahead and urged them to err on the side of conservatism in order not to remove protections that might be needed later. He commended staff and councilmembers on the process to date and supported moving forward to the next phase.

No one else present wished to address the Council regarding proposed Ordinance 2992.

Mr. Measamer pointed out revised Section 2 of Ordinance 2992 regarding processing of development permit applications deemed complete prior to the effective date of the ordinance. He clarified that staff would add the 18-month duration of Building Permits to Table 19.28.020-1 *Permit Terms and Extensions*. Mr. Measamer discussed Boundary Line Adjustments and said staff supported leaving those Type 2 applications with public notice requirements while the community worked through the development regulations in the year ahead. Regarding AMC 16.28.090, Mr. Measamer recommended reverting to the current adopted language to allow for retail sales in an RV park at the discretion of City Council as part of the conditional use permit process. Mr. Walters recommended adding '... as part of the conditional use permit' to the end of the current language and Mr. Measamer concurred. Regarding Type 4 processes in

Table 19.20.030-1, *Review Classification and Process Matrix*, Mr. Measamer clarified that the public could speak at the open record public hearing before the Planning Commission and also before the City Council prior to its decision, but the Planning Commission *recommendation* would not be subject to appeal. City Attorney Darcy Swetnam added that per Table 19.20.160-1, *Types of hearing and meetings*, at a closed record decision hearing before City Council in such a case the applicant and any party of record could speak at the hearing. Mr. Walters suggested adding a row to Table 19.20.030-1 to indicate if there was a closed record decision hearing for each type of application. Mr. Measamer said that was the extent of the revisions proposed by staff to the December 7, 2016 version included in the packet materials for the meeting.

Councilmembers discussed ADUs at some length and whether those would more appropriately be considered Type 1 or Type 2 processes. Type 1 was generally supported.

Mayor Gere invited members of the audience to address the Council. No one else present wishing to speak, at approximately 7:18 p.m. the mayor closed the public hearing.

Mr. Walters responded to points raised in public comments earlier in the evening regarding final plat approvals, notice of appeal rights to Superior Court, adoption of the Capital Facilities Plan financing plan, Boundary Line Adjustments and impact fees moving to AMC Title 3. He encouraged adopting Ordinance 2992 at the present meeting to comply with the recently adopted stormwater code.

Mr. Archibald moved, seconded by Mr. Miller, to approve Ordinance 2992 adopting new AMC Title 19 with the following changes from the December 7, 2016 draft presented in the packet materials:

16.28.090 - ~~Commercial use~~Retail sales.

No retail sales uses should be allowed within the park unless a specific site for such use, limited to park users, is approved by the city council as part of the conditional use permit.

19.12.020 Definitions.

~~"Public meeting" means a quorum of city council or other decision making body gathering with the collective intent of transacting city business. A public meeting does not include an open record hearing.~~

Table 19.20.030-1. Review Classification and Process Matrix

Add row:

Closed-Record Decision Hearing - No - No - No - No - Yes, before City Council

Table 19.28.020-1. Permit Terms and Extensions

Add row:

Building permits - 18 month initial term – 1 extension allowed - 18 months extension length

Vote: Ayes – Pickett, Adams, Lovelett, Archibald, Miller and Walters. Motion carried.

OTHER BUSINESS

Swinomish Indian Tribal Community Presentation

Mayor Gere said the city had invited Tribal Chairman Brian Cladoosby and members of the Tribal Senate to explain the constitutional amendment they had applied for with the Bureau of Indian Affairs. The mayor welcomed Chairman Cladoosby and the tribal members present.

Tribal Chairman *spee pots*, Brian Cladoosby, introduced tribal senators *taleg tale II*, Barbara James (Treasurer), *sməkələ*, Leon John, and *wa lee hub*, Kevin Paul as well as tribal Attorney Steve LeCuyer, Intergovernmental Affairs Director Debra Lekanoff and Nina and Mary Cladoosby. Chairman Cladoosby expressed the tribe's disappointment about the letter mailed by Skagit County commissioners to Fidalgo Island property owners. He thanked Anacortes for its willingness to talk about issues and resolve disagreements. Chairman Cladoosby stated that nothing could happen through the constitutional

amendment process that would have any impact on the ownership of any land on March Point or Summit Park. He then outlined the history of the tribe's constitution, adopted in 1934 and amended in 1966 and 1985, and described the intention of the third proposed amendment to bring the constitution into the 21st century by removing outmoded, paternalistic provisions. Chairman Cladoosby then addressed the true nature of the tribe's issues with the federal government related to the reservation boundary. He displayed a map depicting the tribal boundary established by the Treaty of Point Elliott in 1855 and another map showing the less extensive boundary purportedly clarified by President Grant's 1873 Executive Order. Chairman Cladoosby reiterated the tribe's longstanding position that only Congress can diminish a reservation and that its boundary remained unchanged from 1855 but said the constitutional amendment would not affect or resolve that longstanding disagreement. Chairman Cladoosby described several of the tribe's recent land purchases in the March Point area, all made by willing sellers or at public sales. He referenced a letter from Skagit County Prosecuting Attorney Rich Weyrich to the Bureau of Indian Affairs opposing the tribe's fee-to-trust application for its gas station property which was currently assessed property tax by Skagit County. Chairman Cladoosby displayed a calculation of the payments in lieu of taxes that the tribe had made between 2010 and 2015 to the Anacortes Fire and Police departments, the Skagit County Sheriff's Office and County Prosecutor, and the Washington State Patrol, totaling over \$622K. He said this was far more than the \$5K of annual property tax assessed to the gas station property. The chairman closed by stating again that the tribe's action with its constitution was not going to have any impact whatsoever on the citizens of Anacortes and that converting its three properties to trust status would not impact the refineries, the Jerry Smith auto dealership, or area homeowners who would still continue to pay taxes to Skagit County and Anacortes and the other taxing districts in the area. Chairman Cladoosby restated that position in response to questions from several councilmembers and Mayor Gere. Mr. Walters observed the dramatic change overnight in the La Conner School District after a change in how federal law regarding taxation was interpreted there and concluded there was reasonable concern for Anacortes. The chairman said County taxation of reservation land since the 1950s was a big issue for the Swinomish and across the nation, but that was a longer discussion. Mayor Gere asked that the city and tribal legal departments work together to educate Anacortes about the documents and the issues. Mr. LeCuyer said he was happy to work with the City Attorney and councilmembers to share information. Mayor Gere invited members of the community to address any remaining concerns to the City Attorney if those had not been addressed by the presentation. Chairman Cladoosby invited the public to phone him at 360-708-7533 if they had questions and referred to the FAQs on the tribe's website.

At approximately 8:10 p.m. Mayor Gere called a brief recess. At approximately 8:18 p.m. the mayor called the meeting back to order.

Finance Update

Finance Director Steve Hoglund presented a year end update on the City's financial position through November (92% through the year), referring to the charts included in the packet materials for the meeting. He responded to councilmember questions regarding lower than expected utility tax revenue and reported strong receipts of sales tax, real estate excise tax, impact fees, and vehicle tab fees. Mr. Hoglund then displayed revenues and expenditures year to date by fund, highlighting items that would be addressed later in the agenda with a year-end budget amendment, and concluded that there had been no unusual or alarming performance in any fund.

Ordinance 2996: Amending the 2016 Budget (Year End)

Mr. Hoglund presented Ordinance 2996 to amend the 2016 budget. He reviewed each line in the proposed amendment as presented in the packet materials for the meeting. Mr. Hoglund noted that the 2016 budget had relied on nearly \$1M of general fund cash reserves but stronger than anticipated revenues meant that only approximately \$.5M would be needed. Mr. Walters moved, seconded by Mr. Adams, to approve Ordinance 2996 as presented. Vote: Ayes – Adams, Lovelett, Archibald, Miller, Walters and Pickett. Motion carried.

Ordinance 2990: Amending 2016 Budget for Equipment Rental & Replacement Transfer

Mr. Hoglund recalled prior discussions regarding this ordinance during the budget process. He displayed a projection of the general fund cash balance at year end which was added to the packet materials for the meeting. Mr. Hoglund demonstrated that after setting aside 20% of budgeted expenditures in the

Economic Stabilization Reserve Fund as prescribed by the recently adopted Fund Balance Policy, transferring \$2.2M to replenish the Equipment Rental Fund replacement reserve under Ordinance 2990 would leave sufficient cash to maintain the desired 10% unassigned fund balance with approximately \$.5M remaining. Mr. Hoglund reminded Council that the 2017/2018 Biennial budget included full annual funding for the equipment replacement fund but did not include any extraordinary amounts to replenish that fund for prior years of underfunding. Ms. Pickett moved, seconded by Mr. Archibald, to adopt Ordinance 2990 as presented. Vote: Ayes – Archibald, Miller, Walters, Pickett and Adams. Nays - Lovelett. Motion carried.

Contract Revision: Navia Benefit Solutions

Administrative Services Director Emily Schuh presented a revision to the city's existing contract with Navia Benefit Solutions, administrator of the city's Cafeteria Plan. She explained that the original contract used the WCIA blanket policy but that document was silent about the city's dual insurance incentive so the revision addressed that incentive in both the plan document and in the summary plan description. Ms. Lovelett moved, seconded by Mr. Miller, to approve the contract revision with Navia Benefit Solutions. Vote: Ayes – Archibald, Miller, Walters, Pickett, Adams and Lovelett. Motion carried.

Resolution 1979: Adopting New Travel and Business Meals Policies and Procedures for the City of Anacortes / Ordinance 3000 Repealing Ordinance 2825 Adopted June 21, 2010

Mr. Hoglund presented Resolution 1979 revised as requested by councilmembers at the December 12, 2016 meeting. He explained that all policies regarding non-travel meals had been consolidated at the end of the document and reviewed the revised language. Mr. Adams and Mr. Walters said the revised language achieved the clarity Council had been seeking. Mr. Walters moved, seconded by Ms. Pickett, to adopt **Resolution 1979** adopting the new travel policy and **Ordinance 3000** repealing Ordinance 2825. Vote: Ayes – Miller, Walters, Pickett, Adams, Lovelett and Archibald. Motion carried.

There being no further business, at approximately 8:57 p.m. the Anacortes City Council meeting of December 19, 2016 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 3, 2017 City Council meeting:
[Download this file in OpenDocument spreadsheet format.](#)

Invoice Doc #	Transaction Date	Invoice #	Vendor #	Vendor Full Name	Description	Total Amount
211489	7/25/2016	4362059	02841	U S BANK	AGENT SERVICE FEES ANAUTIBAB10 7/1/16-6/30/17	\$300.00
211490	7/25/2016	4362576	02841	U S BANK	AGENT SERVICE FEES ANAUTIREV12 7/1/16-6/30/17	\$300.00
211476	7/25/2016	4362592	02841	U S BANK	AGENT FEES ANAUTGOREF05 07/01/16-06/30/17	\$300.00
211488	7/25/2016	4362593	02841	U S BANK	AGENT SVC FEES ANALTGOREF09 7/1/16-6/30/17	\$300.00
211491	7/25/2016	4362641	02841	U S BANK	AGENT SERVICE FEES ANAUTISREF07 7/1/16-6/30/17	\$300.00
211519	10/1/2016	R2017-010	02916	WASHINGTON FIRE CHIEFS	2017 MEMBERSHIP DUES	\$1,000.00
210946	11/21/2016	1203481461	08590	NEWEGG BUSINESS INC	TRANSCEND 2.5" 64GB SATA II MLC	\$165.52
211039	11/29/2016	108-6077027-8517859	08811	AMAZON.COM	ZAGG RUGGED CASE FOR IPAD AIR 2, GLASS	\$121.36
211247	11/29/2016	230559	10440	MAZATLAN KENMORE	DINNER-PLAYGROUND SAFETY-RAINS	\$21.38
211244	11/29/2016	423/NKXU	10437	HAMPTON INN	ROOM FOR PLAYGROUND SAFETY CLASS-RAINS	\$262.22
210677	11/29/2016	6659 HR	02342	SAFEWAY INC	30-YEAR PRIDE IN SERVICE AWARD - CAROL YATES	\$150.00
211522	11/29/2016	6815326X	01835	NATIONAL FIRE PROTECTION ASSN.	2017 FIRE MARSHAL MEMBERSHIP	\$175.00
210947	11/30/2016	8294B	10434	WONDERSHARE SOFTWARE CO	DATA RECOVERY SOFTWARE	\$69.95
211572	12/1/2016	045-174900	00847	TYLER TECHNOLOGIES INC	TYLER SOFTWARE SUPPORT 1/1/17-12/31/17	\$73,777.96
211567	12/1/2016	045-174901	00847	TYLER TECHNOLOGIES INC	TYLER SUPPORT 1/1/17-12/31/17	\$1,302.21
210986	12/1/2016	1203420411	08590	NEWEGG BUSINESS INC	COURT KEYBOARD & MOUSE	\$47.98
211523	12/1/2016	18667	09163	LEXIPOL LLC	POLICY MANUAL PROGRAM 2017	\$4,675.00
211520	12/1/2016	2016-5765	05988	EMERGENCY REPORTING	2017 FIRE RECORDS MANAGEMENT	\$3,333.12
211245	12/1/2016	3051/3847	10439	CARL'S JR	LUNCH-PLAYGROUND SAFETY CLASS-RAINS	\$11.77
211486	12/1/2016	696410	05284	GUARDIAN SECURITY SYSTEMS INC	WTP FIRE ALARM MONITORING 1/1/17-3/31/17	\$96.00
210876	12/2/2016	54001462135	02342	SAFEWAY INC	COOKIES, NAPKINS, PLATES FOR ARTWALK	\$38.19
211518	12/3/2016	20170101	08563	CHOWANEC, BILL	STA 3 RENT JANUARY 2017	\$1,976.00
211066	12/4/2016	137120	09946	CASH & CARRY	CUPS & MARSHMALLOWS - WONDERLAND WALK	\$161.19
211162	12/5/2016	8130	10446	WALMART	AUDIO CABLE FOR COURT	\$5.29
211337	12/6/2016	7639564	02896	VISA	SUPPLIES - CARNEGIE	\$167.33
211158	12/7/2016	138323	09946	CASH & CARRY	3 CASES OF HOT CHOCOLATE-WWW	\$168.15
211566	12/8/2016	1142434	02681	SURETY PEST CONTROL	MONTHLY PEST MAINTENANCE- OPS	\$48.83
211448	12/8/2016	16-29742	00850	EDGE ANALYTICAL INC	FLUORIDE SAMPLE	\$24.00

Invoice Doc #	Transaction Date	Invoice #	Vendor #	Vendor Full Name	Description	Total Amount
211533	12/8/2016	2458498	01050	GAYLORD BROTHERS INC	CURATORIAL SUPPLIES	\$449.38
211395	12/8/2016	75451799	02243	RECORDED BOOKS LLC	BOOKS ON CD	\$34.72
211159	12/8/2016	904851/1	00021	ACE HARDWARE	LIGHTS FOR WWW	\$62.44
211186	12/8/2016	A1179786	02405	SEBO'S DO-IT CENTER	SPA SHOCK FOR WATERLINE	\$11.70
211338	12/8/2016	S20168004	02677	SUPERIOR SYSTEMS INC	DRILL AND TAP PUMP ADAPTER	\$138.34
211336	12/8/2016	S20168005	02677	SUPERIOR SYSTEMS INC	THREAD PIPE AT BOTH ENDS PLUS DRILL TAP	\$115.28
211300	12/8/2016	WAANA87598	00939	FASTENAL CO	HEX NUT	\$0.81
211405	12/9/2016	1134838	02681	SURETY PEST CONTROL	PEST CONTROL FOR FIDALGO CENTER	\$92.23
211398	12/9/2016	200000667218	02192	PUGET SOUND ENERGY	ELECTRICITY - LIBRARY 10TH & M STREET LIGHT	\$83.18
211180	12/9/2016	A1180213	02405	SEBO'S DO-IT CENTER	GLOVES	\$14.90
211493	12/9/2016	H71586	01253	HOLLINGER METAL EDGE INC	CURATORIAL SUPPLIES	\$212.21
211436	12/9/2016	R1090266	10451	PCM BUSINESS DIRECT	PRINTERS APD/AFD	\$454.50
211307	12/9/2016	xxxxx1	10346	IMPORTED P CARD TRANSACTION	Inf:BOOK STORES-AMAZON MKTPLACE PMTS	\$8.99
211499	12/10/2016	8042203282	08115	STAPLES ADVANTAGE	FLOOR CLEANER	\$151.88
211362	12/12/2016	001-355814	02109	PISTON SERVICE OF ANACORTES	FUSE	\$1.54
211363	12/12/2016	1988927833	06718	ARAMARK	LAUNDRY SERVICE FOR WWTP	\$73.93
211456	12/12/2016	24729	00715	DAHL ELECTRIC INC	REPAIR BAS TRAIN ELECTRICAL	\$105.25
211260	12/12/2016	255680	01023	FRONTIER BUILDING SUPPLY	PLYWOOD FOR SHOP	\$56.16
211276	12/12/2016	300000000343-pks	02192	PUGET SOUND ENERGY	ELECTRICITY - PARKS, CEM, DEPOT, SR.	\$3,829.08
211427	12/12/2016	3000000003909	02192	PUGET SOUND ENERGY	MAIN PLANT POWER	\$17,547.01
211397	12/12/2016	75452767	02243	RECORDED BOOKS LLC	BOOKS ON CD	\$43.40
211184	12/12/2016	A1180925	02405	SEBO'S DO-IT CENTER	SHOP TOWELS & GLASS CLEANER	\$11.23
211365	12/12/2016	A1181165	02405	SEBO'S DO-IT CENTER	WIRE	\$16.88
211391	12/12/2016	L117690	10394	STATE AUDITOR'S OFFICE	ACCOUNTABILITY AUDIT 15-15	\$21,339.30
211392	12/12/2016	L118051	10394	STATE AUDITOR'S OFFICE	ACCOUNTABILITY AUDIT 14-15	\$512.05
211301	12/12/2016	WAANA87664	00939	FASTENAL CO	FASTENERS	\$96.46
211590	12/13/2016	0106404	06543	PACIFIC TIRE	TIRES FOR SHOP STOCK	\$236.99
211151	12/13/2016	1098631	02137	POLYDYNE INC	CLARIFLOC POLYMER FOR SLUDGE INC.	\$2,265.48
211498	12/13/2016	1162154	02450	SIGNATURE FORMS INC	TAX FORMS	\$140.36
211384	12/13/2016	1563081	09961	CARDINAL HEALTH 411, INC.	PHARMACEUTICALS	\$526.60
211413	12/13/2016	16143217	00777	DEPT OF ENTERPRISE SVCS	ADMINISTRATIVE FEE FOR DEPT OF ENT SVC FEDERAL SURPLUS PROGRAM	\$600.00
211385	12/13/2016	16210844	10449	CAMBRO MANUFACTURING CO	REPLACEMENT LATCHES FOR CAMBROS	\$32.89
211459	12/13/2016	1988930985	06718	ARAMARK	WTP LAUNDRY SERVICE	\$41.95
211246	12/13/2016	230559	10438	SCUTTLEBUTT BREWING CO	DINNER-PLAYGROUND SAFETY CLASS-RAINS	\$19.65
211387	12/13/2016	97880000001	00494	CASCADE NATURAL GAS CORP.	STA 3: 11/9 - 12/12	\$150.65
211402	12/13/2016	A1181249	02405	SEBO'S DO-IT CENTER	PLUMBING REPAIRS FOR CITY HALL	\$30.03
211364	12/13/2016	A1181275	02405	SEBO'S DO-IT CENTER	CABLE TIE MOUNTING PAD AND FOIL	\$6.68

Invoice Doc #	Transaction Date	Invoice #	Vendor #	Vendor Full Name	Description	Total Amount
211373	12/13/2016	A1181468	02405	SEBO'S DO-IT CENTER	25' LIGHTED EXTNSION CORD FOR SOLID WASTE TRK	\$44.72
211268	12/13/2016	B352326	02405	SEBO'S DO-IT CENTER	GLUE, DOWELS, HACKSAW, SPADE BIT FOR	\$30.09
211296	12/13/2016	B4144	01132	GREEN RIVER COMMUNITY COLLEGE	TERRY NEMETH 2017 BAT RENEWAL	\$42.00
211526	12/13/2016	LTAC 2016 Reimburse	06006	ANACORTES FARMERS MARKET	LTAC 2016 FARMERS MRK	\$7,000.00
211433	12/13/2016	xxxxx1	10346	IMPORTED P CARD TRANSACTION	Inf:SCHOOLS/EDUCATIONAL SCHL-AMERICAN PLANNING ASSOCI	\$381.00
211434	12/13/2016	xxxxx2	10346	IMPORTED P CARD TRANSACTION	Inf:SCHOOLS/EDUCATIONAL SCHL-AMERICAN PLANNING ASSOCI	\$307.21
211399	12/14/2016	0188-477771	03816	CONSOLIDATED ELECTRICAL DIST	LIGHT BULBS	\$190.74
211406	12/14/2016	1021636	02519	SKAGIT PUBLISHING	PUBLISH AA-1555410 AA-1555423 AA-1555439 AA-1555458	\$302.48
211437	12/14/2016	121416	10184	US BANK	BELT CLIP HOLSTER FOR SAMSUNG PHONE	\$8.49
211532	12/14/2016	160501	01253	HOLLINGER METAL EDGE INC	CURATORIAL SUPPLIES	\$129.53
211423	12/14/2016	195648	02389	SEAWESTERN FIRE APPARATUS & EQ	MSA QUICK CONNECT (AIR FILL) GRANT	\$549.00
211439	12/14/2016	212719	02519	SKAGIT PUBLISHING	POSITION AD, CONTRACT SPEC, IS TECH & PT LIBRARY ASSIST.	\$576.89
211295	12/14/2016	256003	01023	FRONTIER BUILDING SUPPLY	TREATED LUMBER-VOLUNTEER PARK	\$199.90
211299	12/14/2016	256005	01023	FRONTIER BUILDING SUPPLY	CEDAR SHIMS	\$3.88
211416	12/14/2016	WAANA87746	00939	FASTENAL CO	DOCK REPAIR ITEMS - WA PARK	\$112.09
211420	12/15/2016	001-356104	02109	PISTON SERVICE OF ANACORTES	PART FOR VEH #030	\$47.01
211314	12/15/2016	1065419854	09209	GODADDY.COM LLC	WEB HOSTING - ANACORTES ARTS COMMISSION	\$95.88
211394	12/15/2016	14682	09617	FRONTLINE CLEANING SERVICES	CUSTODIAL SERVICE	\$1,314.78
211389	12/15/2016	14697	09617	FRONTLINE CLEANING SERVICES	JANITORIAL SERVICE FOR DECEMBER-OPERATIONS	\$336.00
211600	12/15/2016	24756	00715	DAHL ELECTRIC INC	ELECTRICAL ASSISTANCE	\$105.25
211334	12/15/2016	31967	00797	DIMENSIONAL COMMUNICATIONS INC	REMODEL COURT ROOM	\$11,902.35
211352	12/15/2016	706378	00306	BAYSHORE OFFICE PRODUCTS INC	AWARD FRAME	\$29.18
211576	12/15/2016	75455053	02243	RECORDED BOOKS LLC	CDS	\$21.65
211315	12/15/2016	A1181969	02405	SEBO'S DO-IT CENTER	GLOVES	\$10.82
211400	12/15/2016	A1182010	02405	SEBO'S DO-IT CENTER	HEATERS	\$93.70
211368	12/15/2016	A1182230	02405	SEBO'S DO-IT CENTER	FASTENERS	\$0.75
211351	12/15/2016	Pay App 3	10270	MCCLURE & SONS, INC, LES MCCLURE	INCINERATOR SCRUBBER PROJECT	\$40,470.50
211582	12/16/2016	0106531	06543	PACIFIC TIRE	SERVICE FOR VEH #512	\$120.98
211589	12/16/2016	0106533	06543	PACIFIC TIRE	TIRES AND SERVICE FOR VEH #512 AND STOCK	\$1,186.82

Invoice Doc #	Transaction Date	Invoice #	Vendor #	Vendor Full Name	Description	Total Amount
211379	12/16/2016	0529591-IN	02260	REISNER DISTRIBUTOR INC	OIL FOR THE WWTP	\$235.66
211599	12/16/2016	1140284	02681	SURETY PEST CONTROL	CITY HALL PEST CONTROL SERVICES	\$43.40
211421	12/16/2016	142	10141	SARAH SIBLEY	QUARTERLY POSTS FOR PUBLIC WORKS	\$800.00
210442	12/16/2016	16650	00842	COUNTRYWIDE FENCE CENTER	REPAIR EXISTING FENCE AT OPERATIONS	\$1,015.56
211388	12/16/2016	6168	09911	CRITICAL INFORMATICS INC	WEB SECURITY HARDWARE	\$5,343.63
211457	12/16/2016	9176000009-pks	00494	CASCADE NATURAL GAS CORP.	VOL. PK. - 11/16/16-12/15/16	\$86.24
211484	12/16/2016	91989818	01061	CHEMTRADE SOLUTIONS LLC	ALUM	\$4,257.12
211455	12/16/2016	96248	01939	NORTHSTAR CHEMICAL	SODIUM HYDROXIDE	\$4,707.57
211372	12/16/2016	A1182322	02405	SEBO'S DO-IT CENTER	HAMMER BIT, FASTENERS	(\$10.66)
211375	12/16/2016	A182302	02405	SEBO'S DO-IT CENTER	DOOR STOPS FOR VOL. PARK RESTROOMS	\$61.04
211378	12/16/2016	B352539	02405	SEBO'S DO-IT CENTER	EPOXY	\$8.42
211371	12/16/2016	LTAC Port Sum Concr	02141	PORT OF ANACORTES	LTAC PORT SUMMER CONCERT	\$12,000.00
211370	12/16/2016	LTAC VIC 4th Qrt	00148	ANACORTES CHAMBER OF COMMERCE	LTAC CHAMBER VIC 4TH QRT	\$20,537.50
211414	12/17/2016	00005W5A83516	02817	UNITED PARCEL SERVICE	UPS SHIPPING CHARGES WEEK ENDING 12-17-16	\$14.60
211443	12/17/2016	000099E018516	02817	UNITED PARCEL SERVICE	SHIPMENT TO HACH COMPANY	\$142.31
211444	12/17/2016	768 2	01616	LOWE'S BUSINESS ACCOUNT/GEMB	NOVEMBER/DECEMBER HARDWARE SUPPLIES	\$187.60
211435	12/17/2016	xxxxx3	10346	IMPORTED P CARD TRANSACTION	Inf:BOOK STORES-AMAZON MKTPLCE PMTS	\$210.99
211513	12/19/2016	038 200 0000 2	00494	CASCADE NATURAL GAS CORP.	NATURAL GAS	\$589.44
211503	12/19/2016	114-4582730	04834	UNITED SITE SERVICES	PORTABLE TOILET RENTAL @ ISLAND VIEW	\$148.73
211426	12/19/2016	1140330	02681	SURETY PEST CONTROL	STA 2: DECEMBER SERVICE	\$44.49
211515	12/19/2016	12182016	00180	ANACORTES TOWING LLC	TOWING; APD CAES 16-A09607	\$162.75
211409	12/19/2016	133600	02280	SCOTT RICHARDS INSURANCE	INSURE 2016 YANMAR EXCAVATOR ER423	\$38.08
211575	12/19/2016	154 700 0000 9	00494	CASCADE NATURAL GAS CORP.	NATURAL GAS 1220 10TH STREET	\$1,054.89
211531	12/19/2016	160556	01253	HOLLINGER METAL EDGE INC	CURATORIAL SUPPLIES	\$147.94
211422	12/19/2016	195734	02389	SEAWESTERN FIRE APPARATUS & EQ	COMPRESSOR & CASCADE STORAGE SYSTEM -	\$65,778.13
211419	12/19/2016	1988938479	06718	ARAMARK	LAUNDRY SERVICE FOR WWTP	\$73.05
211495	12/19/2016	19980000004	00494	CASCADE NATURAL GAS CORP.	NATURAL GAS - MHC/WTP	\$70.99
211407	12/19/2016	256312	01023	FRONTIER BUILDING SUPPLY	NAILS AND HANGERS	\$12.27
211449	12/19/2016	26003738221-pks	00494	CASCADE NATURAL GAS CORP.	DEPOT - 11/17/16-12/16/16	\$356.09
211560	12/19/2016	296656	06888	PROFORCE LAW ENFORCEMENT	PATROL FIREARMS	\$5,967.50
211442	12/19/2016	440 400 0000 0	00494	CASCADE NATURAL GAS CORP.	FIDALGO CENTER 11/17-12/16/16	\$733.89
211412	12/19/2016	5003126	00145	ANACORTES AMERICAN	SUBSCRIPTION TO ANACORTES AMERICAN	\$43.00

Invoice Doc #	Transaction Date	Invoice #	Vendor #	Vendor Full Name	Description	Total Amount
211464	12/19/2016	53800000001-pks	00494	CASCADE NATURAL GAS CORP.	CEMETERY - 11/17/16-12/16/16	\$33.23
211466	12/19/2016	63800000000	00494	CASCADE NATURAL GAS CORP.	CEMETERY - 11/17/16-12/16/16	\$106.58
211492	12/19/2016	710 300 0000 5	00494	CASCADE NATURAL GAS CORP.	NATURAL GAS FOR SHOP 11/17/16 - 12/16/16	\$834.88
211440	12/19/2016	795 700 0000 4	00494	CASCADE NATURAL GAS CORP.	CITY HALL 11/17-12/6/16	\$1,102.81
211415	12/19/2016	8/5121-10-16	00843	EDASC	MARITIME STRATEGIC PLAN	\$8,000.00
211496	12/19/2016	91280000000	00494	CASCADE NATURAL GAS CORP.	NATURAL GAS - CARNEGIE	\$385.33
211461	12/19/2016	98980000008	00494	CASCADE NATURAL GAS CORP.	NATURAL GAS FOR WWTP	\$10.00
211471	12/19/2016	A1183203	02405	SEBO'S DO-IT CENTER	TROWEL FOR CEMETERY	\$30.34
211469	12/19/2016	B352758	02405	SEBO'S DO-IT CENTER	5" MED 8 HOLE H & L PAD	\$57.49
211580	12/19/2016	MV154249	01801	MOTOR TRUCKS INC	PART FOR VEH #213	\$1,329.19
211577	12/20/2016	12/20/2016	00244	ASSN OF WASHINGTON CITIES	2017 MEMBERSHIP FEE	\$10,521.00
211462	12/20/2016	1988941632	06718	ARAMARK	WTP LAUNDRY SERVICE	\$41.95
211450	12/20/2016	5045831515	01351	RICOH USA, INC	COPY MACHINE	\$103.12
211554	12/20/2016	51133	02523	SKAGIT COUNTY GOVERNMENT	QUARTER 3, 2016; SPILLMAN	\$17,269.92
211470	12/20/2016	703381	00306	BAYSHORE OFFICE PRODUCTS INC	SIT STAND MAT - C. KAHNS	\$279.92
211447	12/20/2016	705534	00306	BAYSHORE OFFICE PRODUCTS INC	BAR BULLETIN, 48" FOR COURT ROOM BENCH	\$15.58
211418	12/20/2016	75290154	02154	150-PRAXAIR DISRIBUTION INC	CYLINDER RENTAL FOR WWTP	\$214.60
211539	12/20/2016	905710/1	00021	ACE HARDWARE	FASTENERS	\$1.66
211445	12/20/2016	A1183541	02405	SEBO'S DO-IT CENTER	FASTENERS	\$3.58
211454	12/20/2016	AR58136	09741	ELECTRONIC BUSINESS MACHINES	COPIER SERVICE FOR WWTP	\$297.87
211467	12/20/2016	B352913	02405	SEBO'S DO-IT CENTER	FASTENERS - TURSI PARK	\$4.88
211446	12/20/2016	E30277	02405	SEBO'S DO-IT CENTER	BLADE	\$8.50
211581	12/21/2016	001-356547	02109	PISTON SERVICE OF ANACORTES	PART FOR VEH #90009	\$8.91
211479	12/21/2016	004761	00763	DEPARTMENT OF HEALTH	OPERATOR CERTIFICATION RENEWAL FOR KARL FRANTZ	\$42.00
211573	12/21/2016	0188-477870	03816	CONSOLIDATED ELECTRICAL DIST	LIGHT BULBS	\$95.37
211547	12/21/2016	1022464	02519	SKAGIT PUBLISHING	PUBISH AA-1558110 AA-1558564 AA-1559355 AA-1559360	\$656.70
211505	12/21/2016	114-4783556	04834	UNITED SITE SERVICES	PORTABLE TOILET RENTAL - WA PARK LOWER	\$107.26
211574	12/21/2016	1140285	02681	SURETY PEST CONTROL	PEST CONTROL	\$66.19
211511	12/21/2016	12212016	10159	INK-HEAD INC	ECO WATER SAVER TIMER	\$908.69
211550	12/21/2016	1929	02144	WEST MARINE PRODUCTS, INC	PART FOR VEH #512	\$19.51
211525	12/21/2016	1988942899	06718	ARAMARK	STA 3 MAT SERVICE: 12/21	\$21.70
211494	12/21/2016	707367	00306	BAYSHORE OFFICE PRODUCTS INC	OFFICE SUPPLIES - CARNEGIE	\$12.28

Invoice Doc #	Transaction Date	Invoice #	Vendor #	Vendor Full Name	Description	Total Amount
211544	12/21/2016	8136 50 291 0005268	09989	WAVE	FIBER LEASE WTP TO CITY HALL 1/1-1/31/17	\$319.56
211543	12/21/2016	87871243	10088	GOTOCITRIX.COM	MONTHLY GOTOCITRIX PAYMENT	\$53.17
211551	12/21/2016	A1183848	02405	SEBO'S DO-IT CENTER	PARTS FOR VEH #512	\$18.37
211509	12/21/2016	A1183849	02405	SEBO'S DO-IT CENTER	SILICONE SEALANT	\$12.76
211595	12/21/2016	MV154434	01801	MOTOR TRUCKS INC	PART FOR VEH #511	\$27.52
211497	12/21/2016	SO-00017192	02896	VISA	CITY HALL REPAIR	\$136.71
211559	12/22/2016	001-356664	02109	PISTON SERVICE OF ANACORTES	PART FOR SHOP	\$17.71
211556	12/22/2016	001-356682	02109	PISTON SERVICE OF ANACORTES	PART FOR VEH #139	\$16.42
211564	12/22/2016	001-356690	02109	PISTON SERVICE OF ANACORTES	PART FOR #90009	\$32.47
211557	12/22/2016	001-356694	02109	PISTON SERVICE OF ANACORTES	PART FOR SHOP	\$8.65
211512	12/22/2016	0181019	00950	FIDALGO BAY COFFEE COMPANY	COFFEE FOR WWTP	\$93.00
211529	12/22/2016	0181020	00950	FIDALGO BAY COFFEE COMPANY	10 LBS. COFFEE: 12/22	\$93.00
211545	12/22/2016	11371	10037	TOTALTECH INTERNET AND NETWORK, SECURITY SOLUTIONS	3-YR ANTI-VIRUS SOPHOS SOFTWARE	\$12,538.12
211524	12/22/2016	15174	08874	ALADTEC INC	2017 SCHEDULING PROGRAM	\$2,191.00
211527	12/22/2016	1988945079	06718	ARAMARK	STA 2 MAT SERVICE: 12/22	\$21.70
211528	12/22/2016	1988945080	06718	ARAMARK	STA 1 MAT SERVICE: 12/22	\$21.70
211521	12/22/2016	1988945085	06718	ARAMARK	NYLON MATS CLEANED	\$16.28
211601	12/22/2016	1988945091	06718	ARAMARK	LAUNDRY SVC FOR OPS & PARKS	\$73.36
211592	12/22/2016	1988945092	06718	ARAMARK	NYLON MAT CLEANING FOR OPS/SHOP	\$23.07
211516	12/22/2016	2446182	02342	SAFEWAY INC	ICE FOR THE LAB	\$57.24
211514	12/22/2016	47650	02930	WASHINGTON STATE PATROL	ACCESS USER FEES	\$534.00
211329	12/22/2016	507668	10295	HASA, INC	SODIUM HYPOCHLORITE 12.5% SOLUTION	\$4,542.40
211510	12/22/2016	A1184115	02405	SEBO'S DO-IT CENTER	GLASS CLEANER & CAULK	\$6.94
211541	12/22/2016	A1184190	02405	SEBO'S DO-IT CENTER	HANGER	\$3.18
211540	12/22/2016	A1184310	02405	SEBO'S DO-IT CENTER	BALL VALVES, NIPPLES AND PLUGS	\$23.71
211584	12/22/2016	CD-1452-1012-1222165	09151	OVERDRIVE INC.	CHILDREN'S E-BOOKS	\$2,000.00
211530	12/22/2016	recsupplies	05222	GOPHER	BASKETBALL AND TRACK SUPPLIES	\$701.31
211555	12/23/2016	001-356778	02109	PISTON SERVICE OF ANACORTES	PART FOR VEH #6-970	\$31.65
211538	12/23/2016	113710	10177	INFOSEND, INC.	MONTHLY STATEMENT PROCESSING	\$4,022.31
209456	12/23/2016	NR17272001	00780	DEPARTMENT OF ECOLOGY	LAB ACCREDITATION RENEWAL	\$840.00
211586	12/25/2016	0105882	06543	PACIFIC TIRE	SERVICE FOR VEH #512	\$23.87
211588	12/27/2016	00007	09418	ZERVAS GROUP ARCHITECTS	WWTP REMODEL: BID DOCS AND CONST ENGINEERING	\$567.50
211594	12/27/2016	001-356825	02109	PISTON SERVICE OF ANACORTES	PART FOR VEH #15-906	\$4.30
211587	12/27/2016	0143567	06077	GEOENGINEERS INC	REVIEW CRITICAL AREA REGULATIONS	\$8,298.03
211597	12/27/2016	0181021	00950	FIDALGO BAY COFFEE COMPANY	ENG COFFEE	\$93.00

Invoice Doc #	Transaction Date	Invoice #	Vendor #	Vendor Full Name	Description	Total Amount
211593	12/27/2016	109792	08654	FIDALGO AUTO PARTS - NAPA	PARTS FOR VEH #510	\$65.94
211568	12/27/2016	1200022250	05880	HDR ENGINEERING INC	BLUE HERON RESERVOIR	\$52,417.11
211548	12/27/2016	2016-0941	10301	GONZALES LANDSCAPING	LANDSCAPE MAINTENANCE	\$5,425.00
211578	12/27/2016	71168B-X	10452	UNDERWOOD & ASSOCIATES	FEASIBILITY STUDY REMODEL OPS BUILDING	\$9,600.00
211569	12/27/2016	7521	07474	MACLEOD RECKORD PLLC	GUEMES TRAIL DESIGN - PHASE VI	\$150.26
211549	12/27/2016	Pay Application 2	02383	SCIMITAR CONSTRUCTION	ADA RAMP @ 19TH & N AVENUE	\$4,302.50
211583	12/29/2016	48051	00244	ASSN OF WASHINGTON CITIES	AWC WORKERS' COMP RETRO PROGRAM SERVICE	\$10,359.00
211561	1/1/2017	93200603	00898	ESRI INC	ESRI PRIMARY & ASSET MGMT 2017	\$18,390.75
211552	1/1/2017	SIN002336	09998	CARTEGRAPH	ASSET MANAGEMENT SYSTEM 2017	\$11,127.43

Total **\$521,181.53**



City Council Agenda Bill

Meeting Date:

Agenda Item: Consent Agenda

Subject: SCIDEU Agreement

Staff Contact: Chief Bowers

Approved for Submittal to Council by	
	Laurie Gere, Mayor
	Bonnie Bowers, Police Chief
	Darcy Swetnam

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

Summary Statement: Update Interlocal Agreement

Background: Periodic Updates to this agreement are made to comply with Federal Regulations. Note – APD will not have a detective in the Drug Task Force in 2017.

Budget Impact	
Amount Budgeted	0
Budget Account (BARS)	0
Proposed Expenditure	0
Budget Amendment Required?	0
Revenue Source	0

Proposed Contract	
Contractor	
Amount	
Start Date	
End Date	

Previous Council/Committee Action: Click here to enter text.

Competing Viewpoints Considered: Click here to enter text.

Recommended Motion: I move Click here to enter text.

Alternative Actions: Click here to enter text.

Attachments (listed in order presented): Click here to enter text.

**DRUG ENFORCEMENT
MULTI-JURISDICTIONAL TASK FORCE
INTERLOCAL AGREEMENT**

This Interlocal Agreement is entered into pursuant to the authority provided to each party under federal and state law and the state constitution including the provisions of RCW 39.34, between the City of Mount Vernon, the City of Anacortes, the City of Burlington, the City of Sedro-Woolley, Skagit County, San Juan County, Swinomish Indian Tribal Community, and the Washington State Patrol.

PROBLEM STATEMENT

Drug traffickers and the crime they generate do not respect jurisdictional boundaries of municipalities and counties. Law enforcement agencies have scarce resources to handle an increasing and pervasive need and responsibility for investigations involving controlled substances and crimes connected with drug abuse, including human trafficking, illegal gang activities, residential and commercial burglary, robbery, assault, computer crime, theft and forgery, and homicide.

Skagit and San Juan counties continue to experience a wide variety of crime that is fueled by drug abuse, including an ongoing problem with methamphetamine and a recent resurgence in heroin abuse. The increase in drug-related crime arises from an increase in local population and changing drug trends and is consistent with national trends that reveal a greater number of crimes committed by drug users and traffickers. From all indications, nationwide drug-fueled crimes, including crime caused by the current methamphetamine and heroin epidemics, will continue and will require ongoing resource commitment. Additionally, the increase in methamphetamine labs and dump sites continues to pose significant hazards to public health.

Since the late 1980s, the Skagit County Interlocal Drug Enforcement Task Force (Task Force) has successfully helped to reduce drug trafficking and related crime, in Skagit and San Juan counties by sharing resources and helping to direct scarce resources toward concentrated and coordinated law enforcement. This has led to numerous arrests for the sale and manufacture of controlled substances, removed a significant amount of controlled substances from the street, and identified sites for decontamination of hazardous chemicals. From all indications nationwide, the methamphetamine and heroin epidemics will continue and will require ongoing resource commitment.

Multi-agency Task Force operations have proven effective at all levels of investigation. An intensive and concentrated effort directed at offenders can result in significant crime reductions far in excess of the results of additional staffing devoted to traditional police patrol functions and/or investigative units.

NEEDS STATEMENT

The criminal justice system must do its part to reduce drug abuse and related problems in our communities. The Task Force's purpose is to reduce drug crime, drug abuse, and related problems through coordinated and concentrated effort, initiating and conducting drug investigations at all levels possible, and enforcing the criminal provisions of the Uniform Controlled Substance Act, chapter 69.50 RCW.

PROJECT DESCRIPTION

Nationwide, multi-agency task forces have proven their ability to make significant impacts on crime. This integrated law enforcement approach to investigations has been proven throughout the country as a positive approach to combating the increasing lawlessness that surrounds the abuse of controlled substances within our society. Such units are an extremely efficient use of law enforcement funding.

The Task Force was established on July 1, 1991, and has had a major impact on reducing drug trafficking and drug-related crimes. The Task Force is comprised of personnel assigned from law enforcement agencies that are parties to this agreement. The cost effectiveness of the Task Force is enhanced by the participation of the County Prosecutor's Office and Swinomish Indian Tribal Community. Consistent with agency minimum staffing requirements, one full-time investigative person will be assigned from each of the following agencies:

1. Mount Vernon Police Department;
2. Burlington Police Department;
3. Anacortes Police Department;
4. Skagit County Sheriff's Office; and
5. Washington State Patrol.

Participating agencies may assign additional officers on a full or part-time basis.

DEFINITIONS

The following terms shall have the following meanings, unless the context indicates otherwise:

1. "Applicant Agency" means the agency (Skagit County Sheriff's Office) responsible for applying for and administering grant funds and other monies.
2. "Agency with Primary Jurisdiction" means the law enforcement department within whose local geographical jurisdiction a drug investigation is taking place.

3. "Assisting Agency" means any or all law enforcement departments contacted for mutual aid by an Agency with Primary Jurisdiction.
4. "Task Force" means the consortium of officers from the law enforcement departments that is responsible for carrying out the terms of grants and drug investigations.
- 5.

TASK FORCE TASKS AND OBJECTIVES

The Task Force contemplates conducting investigations centering on trafficking and manufacturing of controlled substances to impact dealers at all levels, with the primary focus on mid- and upper-level dealers and persons engaged in crimes that further the abuse of controlled substances. The Task Force's objectives are to:

1. Identify, arrest, and assist in the prosecution of drug dealers;
2. Identify and seize unlawful marijuana grow operations;
3. Intercept illegal drugs and supplies in transit to or through Skagit and San Juan counties;
4. Identify and eliminate clandestine drug laboratories;
5. Seize assets and restrict use of structures known to be used by drug dealers and manufacturers;
6. Impact trafficking organizations such as gangs and human traffickers that promote the use of controlled substances; and
7. Assist in the resolution of major crimes that are fueled by controlled substances.

SECTION 1 – PURPOSE

The participating jurisdictions may:

1. Execute any and all necessary documents to obtain grant funds available under the Justice Assistance Act and similar federal programs for the purpose of establishing and supporting a multi-jurisdictional task force;
2. When required, authorize personnel from their respective law enforcement departments to participate in Task Force activities according to the work plan established in the application for grant funds; and
3. Enter into – or authorize personnel from their law enforcement departments to enter into – operation agreements, such as those pursuant to the Washington Mutual Aid

Peace Officers Act, chapter 10.93 RCW, if not already established, to enable agency officers and personnel to participate in Task Force activities.

SECTION 2 – EFFECTIVE DATE AND DURATION

This Agreement shall commence when fully executed by the participating jurisdictions and shall remain in effect until amended or terminated. When commenced, this Agreement shall supersede in-full all prior Agreements heretofore adopted by the parties relevant to the formation and operation of the Task Force.

SECTION 3 – FINANCING AND ASSETS

The Task Force will be funded by grants, including the Federal Justice Assistance Grant, the sale of seized assets, forfeited currency, funds received from the Department of Justice Asset Forfeiture Program, and similar sources, and may be supplemented by local funds. The Executive Board shall establish an annual budget. The Executive Board's chair shall account for Task Force Expenditures.

All cash seizures made by the Task Force shall, upon forfeiture, go to the Skagit County Interlocal Drug Fund to be made available to the Task Force for investigative use.

Forfeited assets seized through Task Force operations shall be retained by the Task Force, as the "seizing law enforcement agency" in accordance with RCW 69.50.505. In the event the Task Force is disbanded, task force equipment obtained from seizures will be held as pool equipment by the Skagit County Sheriff. However, if only one agency terminates from the Task Force, equipment derived from seizures will remain with the Task Force.

SECTION 4 – ADMINISTRATION

The Skagit County Sheriff's Office is the applicant agency. The applicant agency agrees to provide the necessary documentation to receive available grant funds and ensure that the provisions of any application, which is the basis for which a grant is awarded, are met.

The following officials, or their successors, shall sit on an Executive Board that will jointly administer this Agreement:

1. Skagit County Sheriff;
2. Skagit County Prosecuting Attorney;
3. City of Anacortes Chief of Police;
4. City of Burlington Chief of Police;
5. City of Sedro-Woolley Chief of Police;

6. City of Mount Vernon Chief of Police;
7. San Juan County Sheriff;
8. Swinomish Tribal Community Chief of Police; and
9. District Commander, Washington State Patrol.

The Executive Board may adopt rules and procedures for its activities, including rules for voting and making decisions.

The parties recognize and acknowledge that the Task Force is not a legal entity subject to legal process. The parties further recognize that it will be necessary for personnel assigned to the Task Force to maintain in a secure environment appropriate to the circumstances for all documents and records developed, received, or maintained by personnel assigned to the Task Force. This requires that all electronic reports of Task Force activities be filed under a Task Force number and that copies of records be forwarded to Task Force staff for retention. In accordance with the purposes of the Public Records Act, chapter 42.56 RCW, the parties to this agreement designate the Task Force Commander to coordinate requests for public records related to Task Force activities. The parties to this agreement shall forward to the Task Force Commander all such requests for public records in a timely manner consistent with RCW 42.56.520. Skagit County shall provide legal review of such requests and advice to the Task Force Commander on matters pertaining to the Public Records Act. Agencies shall promptly respond to requests for the identification of records from the Task Force Commander or his or her staff.

As a public body, the Task Force's Executive Board is subject to the Open Public Meetings Act.

SECTION 5 – ORGANIZATION

Overall governance of the Task Force's operations, including the setting of investigative priorities and general operating procedures, will be vested in the Executive Board.

Each member of the Executive Board shall have an equal vote in the conduct of its business. The members of the Executive Board will elect a Chairperson to serve a term of one year at an election to be held during the first meeting of any calendar year. The Chairperson shall be responsible for keeping the other members of the Executive Board informed on matters relating to the functions, expenditures, accomplishments, and problems of the Task Force. The Executive Board will convene at least quarterly to review the Task Force's activities. The Chairperson may call extra sessions, as necessary. A quorum of five members either present or participating by telephone is required before any action may be taken by the Executive Board, and a simple majority of the Executive Board members present is required to pass all motions. In emergency situations, the Chairperson may conduct a telephone poll of the Executive Board members to resolve an issue. Any such emergency action shall be ratified by a vote at the next meeting of the Executive Board.

The Executive Board shall approve the appointment of a Task Force Commander. Under the direction of the Executive Board, the Task Force Commander shall act as principal liaison and facilitator between the Executive Board and the Task Force and shall be responsible for keeping the Executive Board informed on all matters relating to the function, expenditures, accomplishments and problems of the Task Force, including managing the budget, overseeing personnel issues, maintaining relations between the Task Force and the participating agencies, and other matters as delegated by the Executive Board.

All persons assigned to the Task Force shall work under the immediate supervision and direction of a Task Force Supervisor, who shall be selected by the Task Force Commander, subject to approval of the Executive Board. All persons assigned to the Task Force shall adhere to the rules and regulations as set forth in the Task Force's Policy and Procedures Manual, as well as their individual agency or departmental rules, policies and procedures.

For the purpose of indemnification of participating jurisdictions against any losses, damages or liabilities arising out of the services and activities of the Task Force, the personnel assigned to the Task Force by any jurisdiction shall be deemed to be an employee of his or her parent jurisdiction or law enforcement agency, which will be solely responsible for that employee, including payment of salaries, benefits, overtime pay, etc.

SECTION 6 – CLANDESTINE LAB RESPONSE

With the increase of clandestine labs and the hazardous substances associated with the production of illegal controlled substances in Skagit and San Juan counties, there is a need to be prepared to respond and handle these types of cases in the most efficient and safe manner possible. One step was authorized in 2002 when the Executive Board authorized Task Force members to become trained in clandestine lab investigations.

The scope of clandestine lab investigations by the Task Force will be limited by each officer's specific training and experience and Task Force officers will comply with all applicable federal and state laws and regulations applicable to such investigations. Further, the Task Force will work in a partnership, performing a support role, with a fully-established Clandestine Lab Team when identifying, processing, and eradicating illegal drug labs.

The role of the Task Force will not be expanded to become a clandestine lab team.

SECTION 7 – ACQUISITION AND USE OF EQUIPMENT

In the event that any equipment, including furniture, is acquired with grant funds for Task Force use, the parties agree to use the equipment only for specified program purposes during the life of the grant. After the grant period ends, the parties agree to use the equipment only for approved law enforcement purposes and to dispose of the property subject to grant and applicable state and federal requirements.

SECTION 8 – INTEGRATION

This Agreement contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind any of the parties.

SECTION 9 – USE OF RESOURCES

It is intended that the Task Force be utilized to its fullest potential in combating the drug problem in Skagit and San Juan counties. Task Force operations shall be performed in full cooperation and coordination with the local jurisdictions in which the investigations are taking place. In all cases, local agencies will be kept apprised of the status of the cases within their jurisdiction and, the Task Force shall endeavor to work closely with the jurisdictions in whose areas the investigations are taking place in regards to staffing and resources.

When additional law enforcement personnel are needed to support a Task Force drug operation, the first law enforcement resources to be used after those of the Task Force shall be those of the agency with primary jurisdiction (e.g. Anacortes Police Department for enforcement in the City of Anacortes). In the event that these additional resources are deemed inadequate to control the situation, a request for mutual aid will be made directly to an assisting agency by the agency with primary jurisdiction in conjunction with the Task Force Supervisor. Such requests for assistance shall, if possible, specify the number of police officers and types of equipment required, and shall further specify where and to whom the equipment should be delivered.

SECTION 10 – PRESS RELEASES

All agencies participating in this Agreement will make all press releases involving Task Force activities through the Task Force Commander, or jointly, if requested by the agency with primary jurisdiction.

SECTION 11 – TRANSPORTATION OF PRISONERS

Transportation of prisoners to the County Jail will be coordinated by the supervising officer in charge of the incident.

SECTION 12 – INSURANCE COVERAGE

Each agency shall carry, obtain, and keep in force general liability, property damage and false arrest insurance with the following minimums:

General Liability	\$1,000,000
Property Damage	\$1,000,000
False Arrest	\$500,000

Each insurance policy shall have a ten-day cancellation notice in the event of termination or material modification of coverage. In lieu of the foregoing, a member agency may participate in

a shared risk pool or self-insurance program, which provides coverages that equal or exceed those set forth above.

The parties shall, to the best of their ability, coordinate their liability insurance coverages and/or self-insured coverages to the extent possible to fully implement and follow the agreement set forth herein. However, the consent of any liability insurance carrier or self-insured pool or organization is not required to make this Agreement effective as between the parties and the failure of any insurance carrier or self-insured pooling organization to agree or follow the terms of this provision on liability shall not relieve any party from its obligations under this agreement.

SECTION 13 – MUTUAL INDEMNIFICATION

It is the intent of the parties that by entering into this Agreement, each party shall only be responsible for the actions of its own employees.

To the extent of its comparative liability, each party agrees to indemnify, defend and hold the other party(s), its elected and appointed officials, employees, agents and volunteers, harmless from and against any and all claims, damages, losses and expenses, including but not limited to court costs, attorney's fees and alternative dispute resolution costs, for any personal injury, for any bodily injury, sickness, disease or death and for any damage to or destruction of any property (including the loss of use resulting therefrom) which are alleged or proven to be caused by an act or omission, negligent or otherwise, of its elected and appointed officials, employees, agents or volunteers.

In the event of any concurrent act or omission of the parties, each party shall pay its proportionate share of any damages awarded. The parties agree to maintain a consolidated defense to claims made against them and to reserve all indemnity claims against each other until after liability to the claimant and damages, if any, are adjudicated. If any claim is resolved by voluntary settlement and the parties cannot agree upon apportionment of damages and defense costs, they shall submit apportionment to binding arbitration.

Each party shall give written notice to the Executive Board and the Task Force Commander of any act or occurrence that the party reasonably believes may lead to a claim or demand, which may be subject to the indemnity provisions of this agreement. Such notice shall be given within five days after the incidence of such act or occurrence has come to the notifying party's knowledge.

Each party shall indemnify its employees in accordance with applicable law and in accordance with applicable provisions of that party's collective bargaining agreement. It is further mutually agreed by the participating agencies that any control exerted by the Task Force Commander and Task Force Supervisor shall not supersede this clause.

The parties agree all indemnity obligations shall survive the completion, expiration or termination of this Agreement.

SECTION 14 – DISPUTE RESOLUTION AND SWINOMISH INDIAN TRIBAL COMMUNITY LIMITED WAIVER OF SOVEREIGN IMMUNITY.

- A. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of Washington. Venue for the Washington State Superior Court shall be filed in Skagit or San Juan counties.
- B. The parties to any dispute or disagreement concerning property disposition, use or acquisition of resources, or any other claim arising from this agreement shall first attempt to settle the dispute or disagreement between themselves. If they cannot do so, the complaining agency shall put its complaint in writing, supported by exhibits as needed, and forward it to the Chair of the Executive Board with a copy to the other parties to the dispute, who may submit a written response, also supported by exhibits as needed within 30 days of receiving the written complaint. The Chair of the Executive Board will then submit the complaint and response to the Executive Board for review prior to meeting for consideration of the complaint. Subject to the doctrine of necessity, members of the Executive Board from the agencies involved in the dispute shall recuse themselves from the review, the parties to the dispute shall be allowed to explain their position at an open hearing, and the Executive Board will issue a ruling.
- C. Arbitration. Should the decision of the Executive Board fail to resolve a 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, the dispute shall be subject to mandatory arbitration conducted by a single arbitrator in Skagit County.
1. 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 provided further that the remaining provisions in RCW 7.04A.210 are subject to Section Eighteen of this Agreement.
 2. 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 Washington State Superior Court appoint an arbitrator. Each Party shall initially pay one-half the arbitrator's fee and each Party shall bear its own attorneys' fees, costs, and expenses.
 3. 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.
- D. Compelling, Enforcing, Reviewing, Modifying and Confirming Arbitration. The Parties agree that pursuant to Subsection 17.C. and in accordance with RCW 7.04A the Washington State 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 reasonable attorney's fees and costs incurred in compelling arbitration or confirming an arbitration award. To the extent that the Superior Courts of the State of Washington are determined not to have jurisdiction over this Agreement and its enforcement, the arbitration award herein may, in the alternative, be enforced in the U.S. District Court for the Western District of Washington pursuant to the Federal Arbitration Act, 9 U.S.C. § 1 *et seq.*

- E. Limited Waiver of Sovereign Immunity. Except as expressly provided in this Section 17, 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 from unconsented suit. The Tribe hereby waives its sovereign immunity only with regard to arbitration proceedings or proceedings in the Washington State Superior Court or U.S. District Court for the Western District of Washington described in this Section 17, "Dispute Resolution," entering judgment on an arbitrator's award and enforcing in Washington State Superior Court (pursuant to Title 6 RCW) or U.S. District Court for the Western District of Washington, such judgment. This limited waiver relates only to legal actions by parties to this Agreement seeking any relief or enforcement of rights authorized by this Agreement and not to legal actions by any other person, corporation, partnership, or entity whatsoever. This limited waiver authorizes relief compelling the Tribe to take action expressly required by this Agreement and/or awarding monetary damages against the Tribe for breach of this Agreement. The Tribe (as authorized by resolution[s]) does not waive, limit, or modify its sovereign immunity from uncontested suit except as expressly provided in this Section Seventeen. This limited waiver does not extend to proceedings in any other forum, regarding any other matter, or create any rights in any person who is not a party to the Agreement. This limited waiver does not authorize punitive damages against any parties to this Agreement. Upon execution of this Agreement, and if requested, the Tribe will provide to the parties to this agreement resolution(s) from the Swinomish Indian Senate ratifying this Agreement and this Limited Waiver of Sovereign Immunity.

SECTION 15 – DEFENSE FROM THIRD PARTY CLAIMS

The parties to this Agreement have concluded that they have certain common interests in connection with defending against any lawsuit brought against the parties. Accordingly, the parties hereby agree to the following provisions, constituting a Joint Defense Privilege and Confidentiality Agreement. In the event a claim should be brought or an action filed with respect to the subject matter of this agreement, the parties agree that they shall cooperate in the defense of such lawsuit or claim as follows:

- A. The parties to this Agreement have concluded that they have certain common interests in connection with defending against any lawsuit alleging negligence by any party to this Agreement based upon actions taken by that party in conformance with this.
- B. The parties have concluded that, from time to time, their mutual interests will be best served by having their respective counsel share documents, oral representations, factual material, mental impressions, memoranda, witness statements, interview reports, and other

information, including the confidences of the parties (hereinafter "joint defense materials"), on the understanding and agreement that: (a) joint defense materials transmitted among counsel may contain confidential and privileged attorney-client communications; (b) joint defense materials transmitted among counsel may contain attorney work product similarly privileged; and (c) joint defense materials transmitted among counsel may contain materials protected by otherwise applicable privileges and rules of confidentiality.

- C. From time to time, counsel for the parties may exchange joint defense materials in mutual understanding – that such exchanges or disclosures are not intended to diminish in any way the confidentiality of such materials. It is the additional understanding of the parties that exchanges pursuant to this Agreement of joint defense materials that are otherwise protected against disclosure as a result of the attorney-client privilege, the attorney work product protection, and other applicable privileges and rules of confidentiality will not waive any applicable privilege or protection from disclosure.
- D. The parties further agree that neither they nor their counsel will furnish or disclose joint defense materials received from each other, or the contents thereof, to anyone except attorneys, legal assistants, and other employees within the law firms representing the parties, without first obtaining the consent of counsel for all parties who may be entitled to claim any privileges with respect to such materials.
- E. Joint defense materials that are shared pursuant to this Agreement and the information contained therein, are to be used solely by counsel in the preparation of defenses and, if applicable, counterclaims on behalf of their clients in the above-mentioned matters. Neither the joint defense materials nor the information contained therein may be used for any other purpose and may not be disclosed without the express written consent of counsel for the parties.
- F. If another person or entity requests or demands, by subpoena or otherwise, any joint defense materials, counsel will immediately notify counsel for the party that provided the materials. All steps will be taken to permit the assertion of all applicable rights and privileges with regard to the joint defense materials, and the party receiving such requests or demands shall cooperate with the party providing the materials in the assertion of such rights and privileges. No joint defense materials shall be tendered to any person or entity not a party to this Agreement without either (1) the consent of all parties to this Agreement or (2) a lawful order of a court of competent jurisdiction which the party who furnished the information has declined to appeal.
- G. Provided that no use or disclosure is made of information contained in joint defense materials, nothing in this Agreement shall preclude counsel for any party from (a) pursuing independently any subject matter, including subjects reflected in joint defense materials, or (b) disclosing to a third party, at counsel's discretion, information which is developed independently of confidential information supplied to such counsel pursuant to this Agreement.

- H. It is further agreed that the confidentiality prescribed above will remain operative as to all previously furnished information if adversity should subsequently arise between the parties (or any of them), irrespective of any claim that the joint defense privilege may become prospectively inoperative by virtue of such claimed adversity. Upon the development of adversity between the parties, all written joint defense materials or other materials incorporating information contained in such joint defense materials shall be returned immediately upon demand to counsel for the party that provided the written materials, or in lieu thereof, a written statement may be supplied to counsel for the providing party that such writings and recordings and copies have been destroyed.
- I. Subject to the restrictions contained herein on disclosure of joint defense materials, nothing herein shall waive or limit the right of any party hereto to assert any present or future claim for relief or any cause of action against any other party hereto now or in the future.
- J. Each party understands that it is represented only by its own attorney in this matter; that while the attorneys representing the other members have a duty to preserve the confidences disclosed to them pursuant to this Agreement, they will not be acting as its attorney in this matter; and that the attorney representing the other party will owe a duty of loyalty only to his/her own respective clients.
- K. Nothing herein shall require or be interpreted to:
1. Waive any defense arising out of Title 51 RCW that is consistent with the provisions of subsection 15.3;
 2. Limit or restrict the ability of any agency or employee to exercise any right, defense or remedy which a party to a lawsuit may have with respect to claims of third parties, including, but not limited to, any good faith attempts to seek dismissal of legal claims against a party by any proper means allowed under the civil rules in either state or federal court; or
 3. Cover or apportion or require proportionate payment of any judgment against any individual or agency for intentionally wrongful conduct outside the scope of employment of any individual or for any judgment for punitive damages against any individual or Agency. Payment of punitive damage awards shall be the sole responsibility of the individual against whom said judgment is rendered and/or his or her municipal employer, should that employer elect to make said payment voluntarily. This agreement does not require pro rata sharing of any punitive damage awards.

SECTION 16 – INJURY COVERAGE FOR OFFICERS

Whenever any commissioned officer of a Participating Jurisdiction, acting pursuant to this Agreement, is injured and thus unable to perform his/her duties by reason of engaging in mutual aid, but is not at the time acting under the immediate direction of his/her employer, the officer or his/her dependents shall be accorded by his/her employer the same benefits he/she or they would have received had that officer been acting under the immediate direction of his/her employer in his/her own jurisdiction.

SECTION 17 – TRUSTEE

The applicant agency, as the base of Task Force operations and records, shall hold in trust all seized property on behalf of the Task Force, and shall have the authority, upon approval of the Executive Board, to sell, auction, or otherwise dispose of seized property.

All property seized by the Task Force or on behalf of the Task Force shall be stored under the care of the Task Force. All such property forfeited by a court or hearing examiner shall become the property of the Task Force. Unless otherwise required by state or federal law or regulation all seized cash or property converted to cash shall be deposited into the Skagit County Interlocal Drug Fund(s).

The Task Force Commander shall maintain an inventory indicating the nature, disposition, and location of all Task Force assets.

SECTION 18 – WITHDRAWAL FROM AGREEMENT

Any participating agency may withdraw from this Agreement for any reason after sending written notice of its intention to withdraw. Notification shall be made by registered letter to the other participating agencies at their normal business addresses. Withdrawal may be effective 30 days after notice is served or immediately upon written notification that said agency is unable to sustain the required funding. Withdrawal or non-execution of this Agreement by any one agency shall not affect the continued efficacy of the Agreement with regard to other participating agencies.

SECTION 19 – GOVERNING LAW AND VENUE

This Agreement has been and shall be construed to have been made and delivered in the State of Washington, and it is mutually understood and agreed by each party hereto that this Agreement shall be governed by the laws of the State of Washington, both as to interpretation and performance.

Any litigation to enforce this Agreement or any provision thereof shall be instituted and maintained only in the Skagit or San Juan superior courts.

SECTION 20 – MODIFICATION

No changes or modification to this Agreement shall be valid or binding upon parties to this Agreement unless such changes or modifications are in writing and executed by all parties.

SECTION 21 – SEVERABILITY

It is understood and agreed to by the parties hereto that if any part of this contract is illegal, the validity of the remaining provision shall not be affected and the rights and obligations of the parties shall be construed as if the Agreement did not contain the particular illegal part. If it should appear that any provision herein is in conflict with any statutory provisions of the State of Washington, said provision shall be deemed inoperative and null and void insofar as it may be in conflict therewith, and shall be modified to conform to such statutory provisions.

SECTION 22 – WAIVER

Waiver of any breach or condition of this Agreement shall not be deemed a waiver of any prior or subsequent breach. No terms or conditions of this Agreement shall be held to be waived, modified or deleted except by an instrument agreed by signatories hereto.

SECTION 23 – NONDISCRIMINATION

The participating agencies shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The agencies shall take affirmative action to ensure that applicants are considered for employment and treated during employment without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: upgrading, demotions or transfers; recruitment or recruitment advertising; layoffs or termination; rates of pay or other forms of compensation; selection for training, including apprenticeship; and participation in recreational and educational activities. The agencies agree to post, in conspicuous places available to employees and applicants for employment, notices identical to those used setting forth provisions of this nondiscrimination clause. In all solicitations or advertisement for employees placed by them or on their behalf, the agencies shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

SECTION 24 – HEADINGS

The headings to the paragraphs of this Agreement are solely for the convenience of the parties and are not an aid in the interpretation of the instrument.

SECTION 25 – SWINOMISH INDIAN TRIBAL COMMUNITY/JURISDICTIONAL UNDERSTANDING

Because the participation by the Swinomish Tribal Police Department on the Task Force is desirable and necessary to effectively reduce drug trafficking throughout Skagit County, the Swinomish Indian Community signs this Interlocal Agreement subject to the understanding of

the parties hereto, that the exercise of criminal jurisdiction within the exterior boundaries of the Swinomish Reservation is subject to and limited by Public Law 83-280 (RCW 37.12.010 et seq.). Accordingly, crimes committed on the Swinomish Reservation are not necessarily subject to State Law, but may be, depending on the particular crime, the status of the perpetrator and the victim – whether Indian or non-Indian, and the situs of the criminal act, within the exclusive jurisdiction of the Federal Government and/or the Swinomish Indian Tribal Community.

The Tribe hereby grants authority to Washington general authority officers performing their duties under this Agreement within the exterior boundaries of the Swinomish Indian Reservation to enforce the laws of the Swinomish Indian Tribal Community as they relate to the purpose of this Agreement; provided, however, that said officers are working under the immediate direction of an officer of the Swinomish Police Department when exercising such authority and performing such duties.

Nothing in this agreement shall be construed to make the Swinomish Indian Tribal Community subject to the mandates of laws that are inapplicable to the Tribe, including Washington's Public Records Act. However, the Swinomish Tribal Community agrees that it will produce any Task Force records that it may hold to the Skagit County Sheriff for disclosure under the Public Records Act.

SECTION 26 – EFFECTIVE DATE

This Agreement goes into effect, with respect to the parties that have signed the Agreement, when the five core parties who are designated to provide full-time investigators under "Project Description" have signed and approved the Agreement. Parties executing this Agreement after that date shall become participants upon receipt of an executed agreement by the Skagit County Sheriff.

Parties shall forward a copy of the Agreement along with their signature page to the Skagit County Sheriff upon execution. The Skagit County Sheriff shall collate the signature pages, forward them to each party when received, and ensure that the signature pages and the Agreement are filed in accordance with RCW 39.34.040.

CITY OF ANACORTES:

Dated this _____ day of _____, 2017.

LAURIE GERE, Mayor

Mailing Address:

City of Anacortes
City Hall
P.O. Box 547
Anacortes, WA 98221

Approved as to content:



BONNIE BOWERS CHIEF OF POLICE

Approved as to form:

DARCY SWETNAM CITY ATTORNEY

Attest:

MARCIA HUNT CITY CLERK

CITY OF BURLINGTON:

Dated this _____ day of _____, 2017.

STEVE SEXTON, Mayor

Mailing Address:

City of Burlington
833 s. Spruce St.
Burlington, WA 98233

Approved as to content:

CHIEF OF POLICE

Approved as to form:

CITY ATTORNEY

Attest:

CITY CLERK

CITY OF MOUNT VERNON:

Dated this _____ day of _____, 2017.

JILL BOUDREAU, Mayor

Mailing Address:

City of Mount Vernon
City Hall
P.O. Box 263
Mount Vernon, WA 98273

Approved as to content:

CHIEF OF POLICE

Approved as to form:

CITY ATTORNEY

Attest:

CITY CLERK

GOVERNMENT AGENCY:
Washington State Patrol

Dated this _____ day of _____, 2017.

JOHN R. BATISTE, Chief
Washington State Patrol

Mailing Address:

210 11th Ave. SE
P.O. Box 42602
Olympia, WA 98504-2016

CITY OF SEDRO-WOOLLEY:

Dated this _____ day of _____, 2017.

KEITH WAGONER, Mayor

Mailing Address:

City of Sedro-Woolley
City Hall
410 Talcott St.
Sedro-Woolley, WA 98284

Approved as to content:

CHIEF OF POLICE

Approved as to form:

CITY ATTORNEY

Attest:

CITY CLERK

IN WITNESS WHEREOF, The Swinomish Tribal Community has executed this Agreement this _____ day of _____, 2017.

THE SWINOMISH INDIAN TRIBAL COMMUNITY

Title of Signatory

Print Name of Signatory

Mailing Address:

11404 Moorage Way
LaConner, WA 98257
Phone: (360) 466-7200

ADOPTED this _____ day of _____ 2017.

ATTEST: Clerk of the Council

COUNTY COUNCIL
SAN JUAN COUNTY, WASHINGTON

Ingrid Gabriel, Clerk Date

REVIEWED BY COUNTY MANAGER

Michael J. Thomas Date

PROSECUTOR APPROVED
AS TO FORM ONLY

Randall Gaylord Date

Rick Hughes, Chair
District 2

Bill Watson, Vice Chair
District 1

Jamie Stephens, Member
District 3

DATED this _____ day of _____, 2017.

**BOARD OF COUNTY COMMISSIONERS
SKAGIT COUNTY, WASHINGTON**

Ron Wesen, Chair

Ken Dahlstedt, Commissioner

Attest:

Lisa Janicki, Commissioner

Clerk of the Board

Recommended:

Will Reichardt, Skagit County Sheriff

Approved as to form:

Civil Deputy Prosecuting Attorney

Approved as to indemnification:

Risk Manager

Approved as to budget:

Budget & Finance Director



City Council Agenda Bill

Meeting Date: 1/3/2017

Agenda Item: 5d

Subject: Contract Award – 2017 Waterline Replacement Project

Staff Contact: Fred Buckenmeyer

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

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

Summary Statement: City staff seeks Council consent to award a contract in the amount of \$303,170.53 to C. Johnson Construction, Inc. to construct the 2017 Waterline Replacement Project.

Background: On December 7, 2016 the City solicited bids for the subject project and on December 20, 2016 a bid opening was conducted and 16 bids were received. Bid results are provided as an attachment hereto.

Budget Impact	
Amount Budgeted	\$1,125,000
Budget Account (BARS)	401.000.594.34.63
Proposed Expenditure	\$303,170.53
Budget Amendment Required?	No
Revenue Source	Water fees

Proposed Contract	
Contractor	C Johnson Construction
Amount	\$303,170.53
Start Date	Notice to Proceed
End Date	90 days thereafter

Previous Council/Committee Action: N/A

Competing Viewpoints Considered: N/A

Recommended Motion: I move that City Council approve a contract award in the amount of \$303,170.53 to C. Johnson Construction, Inc. to construct the 2017 Waterline Replacement Project.

Alternative Actions: N/A

Attachments (listed in order presented): Bid Results, Contract

CITY OF ANACORTES TABULATION OF BIDS

Bid Item: 2017 Waterline Replacement Project

Department: Engineering

Location: City Hall - Main Conference Room

Date: 12/20/2016

Time: 10:00

TIME IN		COMPANY	BID AMOUNT	
1.	8:22	Welch Brothers Construction	11	\$ 425,683.79
2.	8:44	SRV Construction, Inc.	3	\$ 348,806.89
3.	9:26	Thomco Construction, Inc.	12	\$ 431,736.08
4.	9:29	Bianchi	4	\$ 350,710.39
5.	9:29	Dirt Works Bellingham Inc.	13	\$ 432,414.00
6.	9:42	Oceanside Construction, Inc.	6	\$ 355,707.49
7.	9:42	C. Johnson Construction, Inc.	1	\$ 303,170.53
8.	9:47	Tiger Construction, Ltd.	14	\$ 441,940.03
9.	9:48	Larry Brown Construction, Inc.	2	\$ 327,995.50
10.	9:49	Trico	9	\$ 387,095.45
11.	9:50	Carman's Construction	7	\$ 365,204.25
12.	9:51	Ariston Pacific, Inc.	5	\$ 354,589.87
13.	9:51	Strider Construction Co. Inc.	8	\$ 367,733.63
14.	9:53	Allied Construction Associates, Inc.	10	\$ 404,495.60
15.	9:53	Faber Construction	15	\$ 443,598.41
16.	9:54	Colacurcio Brothers Construction Company, Inc.	16	\$ 444,248.91
17.				

THIS AGREEMENT, made in three (3) copies, each of which shall be deemed original, and entered into this _____ day of January 2017, between the City of Anacortes Washington hereinafter called City, and **C Johnson Construction, Inc.** hereinafter called the Contractor.

WITNESSETH:

That in consideration of the terms and conditions contained herein and attached and made a part of this agreement, the parties hereto covenant and agree as follows:

- I. **WORK.** The Contractor shall do all work and furnish all tools, materials, equipment, and transportation required for the **2017 Waterline Replacement Project**, in accordance with and as described in the Invitation for Bid entitled the same and dated December 2016, Project No. PW-17-001-WTR as amended. Incorporated by reference, and made a part hereof, are the aforementioned Invitation for Bid, the current Washington State Department of Transportation *Standard Specifications for Road, Bridge, and Municipal Construction M 41-10* and Amendments, except as modified by the Special Provisions included in this Invitation to Bid. Any changes to the work contracted herein shall be subject to contract modification signed by the Parties.

The City hereby promises and agrees with the Contractor to retain and does retain the Contractor to provide the materials and to do and cause to be done the above-described work and to complete and finish the same according to the attached plans and specifications and the terms and conditions herein contained, and hereby contracts to pay for the same according to the attached specifications and the schedule of prices bid and hereto attached, at the time and in the manner and upon the conditions provided for in this contract.

The Contractor for himself/herself, and for his/her heirs, executors, administrators, successors, and assigns, does hereby agree to full performance of all covenants required of the Contractor in the contract.

- II. **PRICE.** The Total Contract Price is **Three Hundred Three Thousand One Hundred Seventy Dollars and Fifty-Three Cents (\$303,170.53)**. The Contractor's bid schedule is incorporated by reference and attached hereto as Exhibit A.
- III. **TIME.** Unless otherwise stated in the Invitation for Bid, all physical construction activities shall be completed **Ninety (90) calendar days** from the first working day following the Notice to Proceed. The Contractor shall supply the materials within the specified period of time after Notice to Proceed has been issued by the City.
- IV. **LIQUIDATED DAMAGES.** Under 1-08.9 of the current WSDOT *Standard Specifications for Road, Bridge, and Municipal Construction*, the City is entitled to liquidated damages for each and every calendar day said work remains uncompleted after expiration of the specified time. However, rather than using the Liquidated Damages Formula, the Contractor agrees to pay the City \$500.00 per day for each and every calendar day said work remains uncompleted. All other terms of WSDOT 1-08.9 remain unchanged.
- V. **INDEMNIFICATION/HOLD HARMLESS.** The Contractor 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.

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

- VI. **INSURANCE.** The Contractor shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, their agents, representatives, employees or subcontractors.

Contractor's maintenance of insurance, its scope of coverage and limits as required herein shall not be construed to limit the liability of the Contractor to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy available at law or in equity.

IN WITNESS WHEREOF the Contractor has executed this instrument on the day and year first below written and the Authorized Official has caused this instrument to be executed by and in the name of the City the day and year first above written.

C JOHNSON CONSTRUCTION, INC.

CITY OF ANACORTES

Signature

MAYOR

Printed Name

Date

Title

Date

2017 WATERLINE REPLACEMENT PROJECT
BID PROPOSAL
17-001-WTR-001
PAGE 1 OF 11

TO: City of Anacortes
City Hall
904 Sixth Street
Anacortes, WA 98221

Attention: Matt Reynolds, P.E. — Asst. City Public Works Director

The undersigned, hereinafter called the bidder, declares that the only persons or parties interested in this proposal are those named herein; that this proposal is in all respects fair and without fraud; that it is made without collusion with any official of the City of Anacortes; and that the proposal is made without any connection or collusion with any person making another proposal of this contract. **Moreover, the Bidder declares by signing the signature page of this Proposal that the following statement is true and correct:**

My firm, association or corporation has not, either directly or indirectly, entered into any agreement, participated in any collusion, or otherwise taken any action in restraint of free competitive bidding in connection with the project for which this proposal is submitted.

The bidder declares that he/she has carefully examined the contract documents for the construction of the project; that he/she has personally inspected the site; that he/she has satisfied him or herself as to the quantities involved, including materials and equipment and conditions of work involved, including the fact that the description of the quantities of work and materials, as included herein, is brief and is intended only to indicate the general nature of the work and to identify the said quantities with the detailed requirements of the contract documents and that this proposal is made according to the provisions and under the terms of the contract documents, which documents are hereby made a part of this proposal.

The bidder declares that he/she has exercised his/her own judgment regarding the interpretation of subsurface information and has utilized all data, which he/she believes pertinent from the Engineer, Owner and other sources in arriving at his/her conclusions.

The bidder agrees that if this proposal is accepted, he/she will, within ten calendar days after Notification of Award, execute the contract with the City of Anacortes in the form of contract included in the contract documents, and will, prior to the time of execution of the contract, deliver to the City of Anacortes the Performance and Payment Bonds and all Certificates of Insurance required therein and will, to the extent of his/her proposals, furnish all necessary labor, tools, materials, equipment, and services required to do the work in the manner, in the time, and according to the methods as specified in the contract documents and required by the Engineer or other Project Manager designated thereunder.

The bidder further agrees, if awarded the contract, to begin work the working day following the date of the Notice to Proceed and to (a) achieve **Physical Completion within Ninety (90) calendar days**, and (b) achieve **Contract Completion within One Hundred Twenty (120) calendar days** after the date of the Notice to Proceed.

In the event the bidder is awarded the contract and shall fail to complete the work within the time limit agreed upon as more particularly set forth in the contract documents, liquidated damages shall be paid to the owner per the specifications contained in the contract documents.

The bidder proposes to accept as full payment for the work proposed herein the amount computed under the provisions of the contract documents and based upon the unit price, it being expressly understood that the unit price is independent of the exact quantities involved. Bidder agrees that the unit prices shown represent a true measure of the labor and materials required to perform the work, including all allowances for overhead and profit for each type of work called for in these contract documents. The undersigned bids for complete construction of the following described project:

NOTICE TO BIDDERS:

IN ACCORDANCE WITH THE ADVERTISED INVITATION TO BID, BIDDERS ARE DIRECTED TO WWW.BXWA.COM TO ENSURE RECEIPT OF ENTIRE SOLICITATION.

**2017 WATERLINE REPLACEMENT PROJECT
BID PROPOSAL
17-001-WTR-001
PAGE 2 OF 11**

The work provided for this project will include all materials, equipment, labor and related items necessary to install approximately 260 Lf of 8" ductile iron water main, 1500 LF of 10" ductile iron water main, make tie-ins to the existing water system, install new and reconnect to existing fire hydrants, renew/reconnect existing water services, excavating and installing asphalt, and other work, all in accordance with the attached Contract Plans, these Contract Provisions, and the Standard Specifications.

**SCHEDULE A
2017 WATERLINE REPLACEMENT PROJECT
17-001-WTR-001**

ITEM NO.	QTY	UNIT OF MEASURE	ITEM DESCRIPTION	UNIT PRICE (Figures)	TOTAL AMOUNT (Figures)
1	1	LS	MINOR CHANGES 1-04.4(1)	\$15,000.00 Allowance	\$15,000.00
2	1	LS	MOBILIZATION 1-07.15(1)	At \$ <u>11,320.00</u> Per Lump Sum	\$ <u>11,320.00</u>
3	1	LS	TEMPORARY EROSION/ WATER POLLUTION CONTROL 8-01.5	At \$ <u>1,460.00</u> Per Lump Sum	\$ <u>1,460.00</u>
4	1	LS	SPCC PLAN 1-07.15(1)	At \$ <u>100.00</u> Per Lump Sum	\$ <u>100.00</u>
SUBTOTAL					\$ <u>27,880.00</u>

NOTICE TO BIDDERS:

15

IN ACCORDANCE WITH THE ADVERTISED INVITATION TO BID, BIDDERS ARE DIRECTED TO WWW.BXWA.COM TO ENSURE RECEIPT OF ENTIRE SOLICITATION.

2017 WATERLINE REPLACEMENT PROJECT
BID PROPOSAL
17-001-WTR-001
PAGE 3 OF 11

SCHEDULE B
2017 WATERLINE REPLACEMENT PROJECT
K AVENUE
17-001-WTR-001

ITEM NO.	QTY	UNIT OF MEASURE	ITEM DESCRIPTION	UNIT PRICE (Figures)	TOTAL AMOUNT (Figures)
5	1	LS	PROJECT TEMPORARY TRAFFIC CONTROL 1-10.5	At \$ <u>2,620.00</u> Per Lump Sum	\$ <u>2,620.00</u>
6	3700	LF	SAWCUTTING ASPHALT 2-02.5	At \$ <u>.75</u> Per Linear Foot	\$ <u>2,775.00</u>
7	9000	SF	ROADWAY EXCAVATION W/HAUL 2-03.5	At \$ <u>.25</u> Per Square Foot	\$ <u>2,250.00</u>
8	56	LF	DUCTILE IRON PIPE CL 50 6 IN. DIAM. 7-09.5	At \$ <u>26.69</u> Per Linear Foot	\$ <u>1,494.64</u>
9	72	LF	DUCTILE IRON PIPE CL 50 8 IN. DIAM. 7-09.5	At \$ <u>24.80</u> Per Linear Foot	\$ <u>1,785.60</u>
10	1500	LF	DUCTILE IRON PIPE CL 50 10 IN. DIAM. 7-09.5	At \$ <u>48.25</u> Per Linear Foot	\$ <u>72,375.00</u>
11	25	LF	DUCTILE IRON PIPE CL 50 12 IN. DIAM. 7-09.5	At \$ <u>62.70</u> Per Linear Foot	\$ <u>1,567.50</u>
12	1	LS	CONNECTION AS DESCRIBED WATER NOTE NO. 2	At \$ <u>2,760.00</u> Per Lump Sum	\$ <u>2,760.00</u>
13			INTENTIONALLY LEFT BLANK		
14	1	LS	CONNECTION AS DESCRIBED WATER NOTE NO. 4	At \$ <u>7,220.00</u> Per Lump Sum	\$ <u>7,220.00</u>

2017 WATERLINE REPLACEMENT PROJECT
BID PROPOSAL
17-001-WTR-001
PAGE 4 OF 11

SCHEDULE B
2017 WATERLINE REPLACEMENT PROJECT
K AVENUE
17-001-WTR-001
(Continued)

ITEM NO.	QTY	UNIT OF MEASURE	ITEM DESCRIPTION	UNIT PRICE (Figures)	TOTAL AMOUNT (Figures)
15	1	LS	CONNECTION AS DESCRIBED WATER NOTE NO. 5	At \$ <u>3,040.00</u> Per Lump Sum	\$ <u>3,040.00</u>
16	1	LS	CONNECTION AS DESCRIBED WATER NOTE NO. 6	At \$ <u>10,500.00</u> Per Lump Sum	\$ <u>10,500.00</u>
17	1	LS	RECONNECT FIRE HYDRANT AS DESCRIBED IN WATER NOTE NO. 7	At \$ <u>2,500.00</u> Per Lump Sum	\$ <u>2,500.00</u>
18	1	LS	CONNECTION AS DESCRIBED WATER NOTE NO. 8	At \$ <u>10,580.00</u> Per Lump Sum	\$ <u>10,580.00</u>
19	1	LS	RECONNECT FIRE HYDRANT AS DESCRIBED IN WATER NOTE NO. 9	At \$ <u>2,500.00</u> Per Each	\$ <u>2,500.00</u>
20	1	LS	CONNECTION AS DESCRIBED WATER NOTE NO. 10	At \$ <u>3,630.00</u> Per Lump Sum	\$ <u>3,630.00</u>
21	1	LS	CONNECTION AS DESCRIBED WATER NOTE NO. 11	At \$ <u>3,210.00</u> Per Lump Sum	\$ <u>3,210.00</u>
22	1	LS	CONNECTION AS DESCRIBED WATER NOTE NO. 12	At \$ <u>3,740.00</u> Per Lump Sum	\$ <u>3,740.00</u>
23	1	LS	CONNECTION AS DESCRIBED WATER NOTE NO. 13	At \$ <u>9,840.00</u> Per Lump Sum	\$ <u>9,840.00</u>

NOTICE TO BIDDERS:

IN ACCORDANCE WITH THE ADVERTISED INVITATION TO BID, BIDDERS ARE DIRECTED TO
WWW.BXWA.COM TO ENSURE RECEIPT OF ENTIRE SOLICITATION.

2017 WATERLINE REPLACEMENT PROJECT
BID PROPOSAL
17-001-WTR-001
PAGE 5 OF 11

SCHEDULE B
2017 WATERLINE REPLACEMENT PROJECT
K AVENUE
17-001-WTR-001
(Continued)

ITEM NO.	QTY	UNIT OF MEASURE	ITEM DESCRIPTION	UNIT PRICE (Figures)	TOTAL AMOUNT (Figures)
24	3	EA	RECONNECT SHORT SIDE WATER SERVICE WATER NOTE NO. 14	At \$ <u>788.00</u> Per Each	\$ <u>2,364.00</u>
25	7	EA	RECONNECT LONG SIDE WATER SERVICE WATER NOTE NO. 15	At \$ <u>700.00</u> Per Each	\$ <u>4,900.00</u>
26	2	EA	REPLACE SHORT SIDE WATER SERVICE WATER NOTE NO. 16	At \$ <u>1,040.00</u> Per Each	\$ <u>2,080.00</u>
27	1	EA	REPLACE LONG SIDE WATER SERVICE WATER NOTE NO. 17	At \$ <u>1,280.00</u> Per Each	\$ <u>1,280.00</u>
28	180	TN	3-INCH HMA CL. 1/2 INCH PG 64-22 (WATER TRENCH PATCHING) 5-04.5	At \$ <u>201.00</u> Per Ton	\$ <u>36,180.00</u>
29	1	LS	POTHOLING UTILITIES	At \$ <u>2,260.00</u> Per Lump Sum	\$ <u>2,260.00</u>
30	50	CY	CONTROLLED DENSITY FILL	At \$ <u>75.00</u> Per Cubic Yard	\$ <u>3,750.00</u>
31	1	LS	CUSTOMER NOTIFICATION	At \$ <u>35.10</u> Per Lump Sum	\$ <u>35.10</u>
SUBTOTAL					\$ <u>197,236.84</u>

NOTICE TO BIDDERS:

18

IN ACCORDANCE WITH THE ADVERTISED INVITATION TO BID, BIDDERS ARE DIRECTED TO
WWW.BXWA.COM TO ENSURE RECEIPT OF ENTIRE SOLICITATION.

2017 WATERLINE REPLACEMENT PROJECT
BID PROPOSAL
17-001-WTR-001
PAGE 6 OF 11

SCHEDULE C
2017 WATERLINE REPLACEMENT PROJECT
25TH AND L AVENUE
17-001-WTR-001

ITEM NO.	QTY	UNIT OF MEASURE	ITEM DESCRIPTION	UNIT PRICE (Figures)	TOTAL AMOUNT (Figures)
32	1	LS	PROJECT TEMPORARY TRAFFIC CONTROL 1-10.5	At \$ <u>185.00</u> Per Lump Sum	\$ <u>185.00</u>
33	400	LF	SAWCUTTING ASPHALT 2-02.5	At \$ <u>1.05</u> Per Linear Foot	\$ <u>420.00</u>
34	1400	SF	ROADWAY EXCAVATION W/HAUL 2-03.5	At \$ <u>.50</u> Per Square Foot	\$ <u>700.00</u>
35	260	LF	DUCTILE IRON PIPE CL 50 8 IN. DIAM. 7-09.5	At \$ <u>46.85</u> Per Linear Foot	\$ <u>12,181.00</u>
36	1	LS	CONNECTION AS DESCRIBED WATER NOTE NO. 22	At \$ <u>5,630.00</u> Per Lump Sum	\$ <u>5,630.00</u>
37	1	EA	FIRE HYDRANT ASSEMBLY WATER NOTE NO. 23	At \$ <u>3,560.00</u> Per Each	\$ <u>3,560.00</u>
38	6	EA	RECONNECT SHORT SIDE WATER SERVICES WATER NOTE NO. 24	At \$ <u>720.00</u> Per Each	\$ <u>4,320.00</u>
39	2	EA	RECONNECT LONG SIDE WATER SERVICES WATER NOTE NO. 25	At \$ <u>656.00</u> Per Each	\$ <u>1,312.00</u>

NOTICE TO BIDDERS:

19

IN ACCORDANCE WITH THE ADVERTISED INVITATION TO BID, BIDDERS ARE DIRECTED TO
WWW.BXWA.COM TO ENSURE RECEIPT OF ENTIRE SOLICITATION.

2017 WATERLINE REPLACEMENT PROJECT
BID PROPOSAL
17-001-WTR-001
PAGE 7 OF 11

SCHEDULE C
2017 WATERLINE REPLACEMENT PROJECT
25TH AND L AVENUE
17-001-WTR-001
(Continued)

40	1	LS	CONNECTION AS DESCRIBED WATER NOTE NO. 26	At \$ <u>19,200.00</u> Per Lump Sum	\$ <u>19,200.00</u>
41	30	TN	HMA CL ½ INCH PG 64-22 5-04.5 (3-INCH WATER TRENCH PATCHING)	At \$ <u>180.00</u> Per Ton	\$ <u>5,400.00</u>
42	1	LS	POTHOLING UTILITES	At \$ <u>1,360.00</u> Per Lump Sum	\$ <u>1,360.00</u>
43	1	LS	CUSTOMER NOTIFICATION	At \$ <u>35.00</u> Per Lump Sum	\$ <u>35.00</u>
SUBTOTAL					\$ <u>54,303.00</u>

NOTICE TO BIDDERS:

20

IN ACCORDANCE WITH THE ADVERTISED INVITATION TO BID, BIDDERS ARE DIRECTED TO
WWW.BXWA.COM TO ENSURE RECEIPT OF ENTIRE SOLICITATION.

2017 WATERLINE REPLACEMENT PROJECT
BID PROPOSAL
17-001-WTR-001
PAGE 8 OF 11

BID TOTALS FOR ALL SCHEDULES

SCHEDULE	DESCRIPTION	ITEM NO.	TOTALS	TOTAL BID AMOUNT
A	SCHEDULE A	1-4	\$ 27,880.00	27,880.00
B	K AVENUE WATERLINE AND SERVICES	5-31	\$ 197,236.84	197,236.84
C	25 TH & L AVENUE WATERLINE AND SERVICES	32-43	\$ 54,303.00	54,303.00
			SUBTOTAL	\$ 279,419.84
			SALES TAX (8.5%)	\$ 23,750.69
			TOTAL BID	\$ 303,170.53

 Signature of Authorized Representative	 Date
 Print Name of Signatory	 Title

*Note Rule WAC 458-20-170 applies. Sales tax is separately priced and added to the base bid price.

Proposal must be signed by an authorized representative of the firm submitting this bid.

NOTICE TO BIDDERS:

21

IN ACCORDANCE WITH THE ADVERTISED INVITATION TO BID, BIDDERS ARE DIRECTED TO WWW.BXWA.COM TO ENSURE RECEIPT OF ENTIRE SOLICITATION.

2017 WATERLINE REPLACEMENT PROJECT
BID PROPOSAL
17-001-WTR-001
PAGE 9 OF 11

ACKNOWLEDGMENT OF RECEIPT OF ADDENDA

I have received and examined the following addenda as part of the contract documents.

No.	<u>1</u>	Date	<u>12/8/16</u>	Initial	<u>CJ</u>
No.	<u>2</u>	Date	<u>12/15/16</u>	Initial	<u>CJ</u>
No.	<u> </u>	Date	<u> </u>	Initial	<u> </u>

NOTICE TO BIDDERS:

22

IN ACCORDANCE WITH THE ADVERTISED INVITATION TO BID, BIDDERS ARE DIRECTED TO
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2017 WATERLINE REPLACEMENT PROJECT
BID PROPOSAL
17-001-WTR-001
PAGE 10 OF 11

NON-COLLUSION DECLARATION

I, by signing the proposal, hereby declare, under penalty of perjury under the laws of the United States, that the following statements are true and correct:

1. That the undersigned person(s), firm, association or corporation has (have) not, either directly or indirectly, entered into any agreement, participated in any collusion, or otherwise taken any action in restraint of free competitive bidding in connection with the project for which this proposal is submitted.
2. That by signing the signature page of this proposal, I am deemed to have signed and to have agreed to the provisions of this declaration.

NOTICE TO ALL BIDDERS

To report bid rigging activities call:

1-800-424-9071

The U.S. Department of Transportation (USDOT) operates the above toll-free "hotline" Monday through Friday, 8:00 a.m. to 5:00 p.m., Eastern time. Anyone with knowledge of possible bid rigging, Bidder collusion, or other fraudulent activities should use the "hotline" to report activities.

The "hotline" is part of USDOT's continuing effort to identify and investigate highway construction contract fraud and abuse and is operated under the direction of the USDOT Inspector General. All information will be treated confidentially and caller anonymity will be respected.

Name of Bidder: C Johnson Construction, Inc.
Mailing Address: P.O. Box 1467
Contact Name: Corey Johnson
City, State, Zip: Oak Harbor, WA 98277
Business Telephone: 360-675-4848 Cell Phone: _____
Email Address: Corey@cjcinc.com
Contractor's State License No: CJOHNCI 954RB
UBI Number: 602-558-749
DUNS Number: 79-106-8211

NOTICE TO BIDDERS:

23

IN ACCORDANCE WITH THE ADVERTISED INVITATION TO BID, BIDDERS ARE DIRECTED TO WWW.BXWA.COM TO ENSURE RECEIPT OF ENTIRE SOLICITATION.

2017 WATERLINE REPLACEMENT PROJECT
BID PROPOSAL
17-001-WTR-001
PAGE 11 OF 11

By signing this proposal, the bidder agrees to all requirements contained in the contract documents.

(Corporate Seal)

Name of Bidder Corey Johnson Title President

12/19/16
Date

Corey Johnson
Signature of Bidder

Corey Johnson, President
Print Name and Title of Signatory

NOTICE TO BIDDERS:

24

IN ACCORDANCE WITH THE ADVERTISED INVITATION TO BID, BIDDERS ARE DIRECTED TO
WWW.BXWA.COM TO ENSURE RECEIPT OF ENTIRE SOLICITATION.



BID BOND

KNOW ALL MEN BY THESE PRESENTS:

That I/we, C. Johnson Construction, Inc., of Oak Harbor, as Principal and Travelers Casualty and Surety Company of America, Surety authorized to do business in the State of Washington, are held firmly bound unto the CITY OF ANACORTES (Owner), as Oblige, in the penal sum of five (5) percent of the total amount of the bid proposal of said principal for the work hereinafter described, for the payment of which the Principal and the Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, by these presents.

The condition of this obligation is such that if the Oblige shall make any award to the Principal for:

**2017 WATERLINE REPLACEMENT PROJECT
17-001-WTR-001**

according to the terms of the proposal or bid made by the Principal therefore and the Principal shall duly make and enter into a contract with the Oblige in accordance with the terms of said proposal or bid and award and shall give bond for the faithful performance thereof, with Surety or Sureties approved by the Oblige; or if the Principal shall, in case of failure to do so, pay and forfeit to the Oblige the penal sum amount of the deposit specified in the call for bids, then this obligation shall be null and void; otherwise it shall be and remain in full force and effect the Surety shall forthwith pay and forfeit to the Oblige, as penalty and liquidated damages, the amount of this bond.

SIGNED, SEALED AND DATED THIS 9th day of December, 2016.

C. Johnson Construction, Inc.

(Principal)

Corey Johnson

Corey Johnson, (Title) President

Travelers Casualty and Surety Company of America

(Surety)

Susie Spaeth

Susie Spaeth (Attorney-in-fact)

NOTICE TO BIDDERS:

26

IN ACCORDANCE WITH THE ADVERTISED INVITATION TO BID, BIDDERS ARE DIRECTED TO WWW.BXWA.COM TO ENSURE RECEIPT OF ENTIRE SOLICITATION.



City Council Agenda Bill

Meeting Date: 1/3/2017

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 look forward to your feedback in the development of the priorities.

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: In January 2016, City Council adopted legislative priorities by resolution. In April 2016, staff followed up with a report reflecting a status of the legislative priorities following the legislative session. 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; 2017 AWC Legislative Session City Priorities; 2016 City of Anacortes Adopted Legislative Priorities; 2016 Legislative Priorities Scorecard

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 starts 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 _____ 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



CITY OF ANACORTES LEGISLATIVE AGENDA 2017

Adopted by the City Council _____

The City of Anacortes is grateful to local legislators for the 2015 Transportation package funding commitments allocated toward the Guemes Channel Trail connection between Washington Park and the Sharpe's Corner Park and Ride and for the Sharpe's Corner Roundabout project. We seek your continued support of initiatives that will help Anacortes keep up with the demand for services, enhance economic development, and improve the quality of life for our citizens.

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.

- Maintain city-state budget partnerships
- Recognize local authority to respond to local needs
- 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 provide open and transparent government service

Legislative Priorities. The City of Anacortes supports:

- Development of a statewide solution to local infrastructure funding needs to fill the void created with the ending of the Public Works Assistance Account.
- Increasing the Property Tax cap from 1% to a rate that reflects inflation and the rate of growth.
- Increasing the Emergency Medical Services levy cap by \$.25/\$1000 assessed valuation (AV) to \$.75/\$1000 AV. Levies provide funds to local jurisdictions relative to the provision of emergency life safety efforts, has been capped at 50 cents for over 14 years, and has only been raised once since its inception in 1979. This allows local communities another option regarding maintaining or enhancing emergency medical services.
- Rededicating state revenues to support public safety programs such as the Basic Law Enforcement Academy for new police recruits.
- Financial assistance with the revitalization and redesign of Hwy 20/Commercial Ave corridor maintenance, and repair including road and pedestrian improvements.
- Planning for sustainable water resource allocations that allow the Anacortes to manage water rights and resources.
- Exploring tribal jurisdiction issues.

In order for Washington State to be its best and attract the best, our 281 cities and towns must be strong.

- Cities are where more than 4.6 million people call home, and this number is growing quickly.
- Cities are where the majority of the state's revenues are generated, including \$1.3 billion in property taxes, and \$7.5 billion in sales tax.
- Cities contain the state's economic engines, where 69% of job-generating businesses are located.

The 2017 legislative session will be lengthy and difficult. In light of competition for the state's limited resources, this session could be a game changer for cities and communities around the state. In order to help solve our shared critical challenges and maintain Washington's vibrant communities, the Legislature must:



Update the Public Records Act so cities can continue to provide open and transparent government services to Washington residents.



Respect city local authority with regards to revenue, taxes, licensing, and home rule; city officials are elected and must have the authority to solve local challenges.



Support and enhance actions to increase affordable housing, decrease homelessness, and improve a strained mental and behavioral health system.



Maintain the city-state partnership for shared revenues to fund key services.



Revitalize key infrastructure assistance programs to support job creation, our health and safety, economic vitality, and quality of life.



Provide adequate and sustainable funding to maintain high-quality statewide training for law enforcement personnel.



Maintain funding for the Municipal Research and Services Center (MRSC) to provide vital support for local government performance.

Founded in 1933, the Association of Washington Cities (AWC) is a private, nonprofit, nonpartisan corporation that represents Washington's cities and towns before the state legislature, the state executive branch and with regulatory agencies. Membership is voluntary. However, AWC consistently maintains 100% participation from Washington's 281 cities and towns.

Contact:

Dave Williams

Director of Government Relations
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CITY OF ANACORTES 2016 LEGISLATIVE AGENDA

The City of Anacortes is grateful to local legislators who supported a number of significant accomplishments in the 2015 session. Passage of the largest transportation investment package in Washington State History directly benefits the City of Anacortes. We are particularly appreciative for the ongoing funding commitments of \$4.5 million allocated toward the Guemes Channel Trail connection between Washington Park and the Sharpe's Corner Park and Ride. We also benefitted from the marked reversal of the trend of losing state shared revenues and the policy and funding enhancements associated with the growing and sale of recreational marijuana. Looking ahead, we ask for your support in 2016 of a number of initiatives that will help our City keep up with the demand for services, enhance economic development, and improve the quality of life for our citizens.

General Principles

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

- Protect shared state revenue sources available to the City.
- Oppose unfunded or underfunded mandates and no preemption of local control.
- Oppose any further shifting of costs or services from the State or County to Cities.
- Provide mechanisms to invest in necessary infrastructure requirements

Legislative Priorities. The City of Anacortes supports:

- Restoring innovative programs like the Public Works Trust Fund to fund the maintenance and improvements to essential infrastructures such as the Whistle Lake 3MG Water Tank through a revolving fund that is supported by real estate transactions.
- Ensuring sustainable revenue sources to fund essential public services such as public safety, infrastructure, and environmental protection through revenue sharing.
- Enhancing funding sources for mental health, social services, homelessness, and affordable housing programs to address issues that lead to increased homelessness and public safety costs.
- 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.
- Enhancing abilities for cities to be able to regulate and ban fireworks.
- Maintaining the Washington State Ferry services without further reductions to the Anacortes-Sidney, BC run.
- Clarification of recreational immunity for trails that may also be considered a part of a transportation corridor.
- Changing the property tax cap so that it reflects the rate of inflation or 1 percent, whichever is higher.
- Updating public disclosure laws so cities can improve their transparency without fear of crippling or overly broad disclosure request and lawsuits.

City of Anacortes' 2016 Legislative Priorities Scoresheet

Anacortes Legislative Priorities	House-Senate Compromise 3/28/2016
Anacortes supports legislation to promote the City Council's goals and protect the City's ability to provide municipal services to its citizens.	
<i>Protect shared state revenue sources available to the City.</i>	Largely left intact from the enacted 2015-2017 Operating Budget signed by Governor 6/30/2015. Cities will need to meet additional requirements to receive a distribution of the fire insurance premium tax in FY 2017 & some cities currently receiving distributions will not meet the new requirements.
<i>Oppose unfunded or underfunded mandates and no preemption of local control.</i>	
<i>Oppose any further shifting of costs or services from the State or County to Cities.</i>	
<i>Provide mechanisms to invest in necessary infrastructure requirements</i>	Public Works Trust Fund (including loan repayments) swept. Identifies intent to sweep all available revenue in the 2017-2019 biennium (\$154 million)

Legislative Priorities. The City of Anacortes supports:	
Restoring innovative programs like the Public Works Trust Fund to fund the maintenance and improvements to essential infrastructures such as the Whistle Lake 3MG Water Tank through a revolving fund that is supported by real estate transactions.	Public Works Trust Fund (including loan repayments) swept. Identifies intent to sweep all available revenue in the 2017-2019 biennium (\$154 million). Stormwater Financial Assistance Program cut \$30.1 million for stormwater projects and \$2.9 million for stormwater capacity grants.
Ensuring sustainable revenue sources to fund essential public services such as public safety, infrastructure, and environmental protection through revenue sharing.	Training for Law Enforcement During FY 2015-2017, agencies will directly pay 25% of the cost to send law enforcement and correctional officers to training. Agencies will also continue to pay the costs of ammunition. Funding is provided for two additional BLEA classes in FY 2016. Municipal Research & Services Center Continues to be fully funded without additional diversions of city and county liquor revenue.
Enhancing funding sources for mental health, social services, homelessness, and affordable housing programs to address issues that lead to increased homelessness and public safety costs.	No changes from enacted budget
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.	No changes from enacted budget. Funding provided to implement ESHB 1449 (Oil Train Safety): Utilities and Transportation Commission- \$2.849 million, Dept. of Ecology - \$1.044 million, Military Dept. - \$1 million, Dept. of Fish and Wildlife - \$72,000. and \$182,00 to provide legal assistance.
Enhancing abilities for cities to be able to regulate and ban fireworks.	Legislation failed.
Maintaining the Washington State Ferry services without further reductions to the Anacortes-Sidney, BC run.	Ferry service reductions were not a part of this year's legislative conversation.
Clarification of recreational immunity for trails that may also be considered a part of a transportation corridor.	Not addressed.
Changing the property tax cap so that it reflects the rate of inflation or 1 percent, whichever is higher.	Not addressed.
Updating public disclosure laws so cities can improve their transparency without fear of crippling or overly broad disclosure request and lawsuits.	No changes to public disclosure with exception of new language regarding body cameras. HB 2362 changes public disclosure laws surrounding video footage from police body cameras.



City Council Agenda Bill

Meeting Date: 1/3/2017

Agenda Item: 7b

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 are updated water supply agreements with regional water customers.

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 drafts before Council. At this point, the City has received signed agreements from Skagit PUD and Shell Oil Products. 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: n/a

Competing Viewpoints Considered: n/a

Recommended Motion: I move we authorize the Mayor to execute the enclosed Water Supply Agreements for 2017-2036 with Skagit PUD and Shell Oil Products.

Alternative Actions:

Attachments (listed in order presented): Signed agreement with Shell Oil Products; signed agreement with Skagit PUD

CITY OF ANACORTES, WASHINGTON
WATER SUPPLY AGREEMENT

2017 - 2036

TABLE OF CONTENTS

	<u>Page</u>
1. AGREEMENT	1
2. RECITALS	1
2.1 Water Supply	1
2.2 Capacity	1
2.3 Multiple Customers.....	1
3. DEFINITIONS.....	1
3.1 “Capital Costs”.....	1
3.2 “Debt Service Costs”	1
3.3 “Municipal customers”	1
3.4 “Operating Costs”.....	2
3.5 “Refinery customers”.....	2
3.6 “Regional customers”	2
3.7 “Retail water system”	2
3.8 “Water Supply System”	2
3.9 “Utility System”.....	2
4. WATER SUPPLY, USE AND QUANTITY.....	2
5. WATER DELIVERY POINTS	3
5.1 Approved Delivery Points.....	3
5.2 New Delivery Points	3
6. QUALITY OF WATER	3
6.1 Standards.....	3
6.2 Limits on Liability	3
7. RATES AND CHARGES	3
7.1 Charges for Operating Costs.....	4
7.1.1 Allocation Basis.....	4
7.1.2 Preliminary Operating Costs.....	4
7.1.3 Reconciliation to Actual Operating Costs.....	4
7.2 Charges for Capital Costs	4
7.2.1 Planning Period.....	4
7.2.2 Planned Capital Charges	4
7.2.3 Allocation Basis – General	4
7.2.4 Allocation Basis – Regional Facilities.....	5
7.2.5 Allocation Basis – Refinery Segment.....	5

	<u>Page</u>
7.2.6 Allocation Basis – Oak Harbor Segment	5
7.2.7 Regional Capital Account Balance	5
7.2.8 Supplemental Capital Charge	5
7.2.9 Debt Service Charges to Refinery Customers	5
7.3 Advisory Estimate.....	5
8. BILLING AND PAYMENT.....	6
8.1 Monthly Billing.....	6
8.2 Late Payment	6
9. METERING.....	6
9.1 Meters and Testing.....	6
9.2 Temporary Lapses in Water Meter Data.....	6
9.3 Documentation of Monthly Metering Results	6
10. FUTURE WATER SERVICE AND SUPPLY REQUIREMENTS.....	6
10.1 Service Area.....	6
10.2 Future Improvements	7
10.3 Other Service	7
11. TERM AND TERMINATION	7
11.1 Term	7
11.2 Termination.....	7
12. GENERAL	7
12.1 Conflicts.....	7
12.2 Records Inspection.....	7
12.3 Notices	7
12.4 Applicable Law	7
12.5 Assignment; Survival	7
12.6 Governing Law; Disputes	8
12.7 Non-Waiver.....	8
12.8 No Third Party Beneficiary.....	8
12.9 Severability	8
12.10 Construction	8
12.11 Captions	9
12.12 Complete Agreement	9
12.13 Execution in Counterparts.....	9
12.14 Certain Representations And Warranties Of The Parties	9

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AB

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 Shell Oil Products (“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.

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 for any Uncontrollable Circumstances. 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 sixty (60) days of the receipt of the bill.

8.2 Late Payment. If a bill remains unpaid after seventy-five (75) 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

Mailing: PO Box 547
Anacortes, WA 98221
Physical: 904 6th Street
Anacortes, WA 98221

CUSTOMER

PO Box 622
Anacortes, WA 98221
8505 S Texas Road
Anacortes, WA 98221

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 If the Parties cannot resolve the dispute at the first step within thirty (30) days, the second step in the process shall be mediation before a single mediator selected by mutual agreement of the Parties. If the Parties cannot agree on a mediator, either Party may apply to the presiding judge of the Skagit County Superior Court for appointment of a mediator.

12.6.3 If the Parties cannot resolve the dispute at the second step within ninety (90) days of the appointment of the mediator, any Party may commence an action under this Agreement.

Any dispute that cannot be resolved by the Parties shall be resolved in the Skagit County Superior Court with each Party preserving its right to trial by jury.

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. 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

DS
AB

EXHIBIT A

Water Supply Agreement between the City of Anacortes and Shell Oil Products US.

Approved Metered Service Connections:

No.	Size	Brand	Type	Location	Reading System
1	16"	Venturi		North Texas Road	Automated
2	6"	Sensus		North Texas Road	Manual
3	6"	Sensus	Turbine	North Texas Road	Manual
4	2"	Sensus	Turbine	North Texas Road	Manual
5	8"	Sensus		North Texas Road	Manual
6	3"	Sensus		North Texas Road	Automated

1. Contractual Water Volume:

Annual: 2,860 Million Gallons

2. Water Pressure: 90 psi

CITY OF ANACORTES, WASHINGTON

WATER SUPPLY AGREEMENT

2017 - 2036

TABLE OF CONTENTS

	<u>Page</u>
1. AGREEMENT	1
2. RECITALS	1
2.1 Water Supply	1
2.2 Capacity	1
2.3 Multiple Customers.....	1
3. DEFINITIONS.....	1
3.1 “Capital Costs”	1
3.2 “Debt Service Costs”	1
3.3 “Municipal customers”	1
3.4 “Operating Costs”	2
3.5 “Refinery customers”	2
3.6 “Regional customers”	2
3.7 “Retail water system”	2
3.8 “Water Supply System”	2
3.9 “Utility System”	2
4. WATER SUPPLY, USE AND QUANTITY.....	2
5. WATER DELIVERY POINTS	3
5.1 Approved Delivery Points.....	3
5.2 New Delivery Points	3
6. QUALITY OF WATER	3
6.1 Standards.....	3
6.2 Limits on Liability	3
7. RATES AND CHARGES	3
7.1 Charges for Operating Costs.....	4
7.1.1 Allocation Basis	4
7.1.2 Preliminary Operating Costs.....	4
7.1.3 Reconciliation to Actual Operating Costs.....	4
7.2 Charges for Capital Costs	4
7.2.1 Planning Period.....	4
7.2.2 Planned Capital Charges	4
7.2.3 Allocation Basis – General	4
7.2.4 Allocation Basis – Regional Facilities.....	5
7.2.5 Allocation Basis – Refinery Segment.....	5

	<u>Page</u>
7.2.6 Allocation Basis – Oak Harbor Segment	5
7.2.7 Regional Capital Account Balance	5
7.2.8 Supplemental Capital Charge	5
7.2.9 Debt Service Charges to Refinery Customers	5
7.3 Advisory Estimate.....	5
8. BILLING AND PAYMENT.....	6
8.1 Monthly Billing.....	6
8.2 Late Payment	6
9. METERING.....	6
9.1 Meters and Testing.....	6
9.2 Temporary Lapses in Water Meter Data.....	6
9.3 Documentation of Monthly Metering Results	6
10. FUTURE WATER SERVICE AND SUPPLY REQUIREMENTS.....	6
10.1 Service Area.....	6
10.2 Future Improvements	7
10.3 Other Service	7
11. TERM AND TERMINATION	7
11.1 Term	7
11.2 Termination.....	7
12. GENERAL.....	7
12.1 Conflicts	7
12.2 Records Inspection.....	7
12.3 Notices	7
12.4 Applicable Law	7
12.5 Assignment; Survival.....	7
12.6 Governing Law; Disputes	8
12.7 Non-Waiver.....	8
12.8 No Third Party Beneficiary.....	8
12.9 Severability	8
12.10 Construction.....	8
12.11 Captions	9
12.12 Complete Agreement	9
12.13 Execution in Counterparts.....	9
12.14 Certain Representations And Warranties Of The Parties	9

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 Public Utilities District No. 1 of Skagit County ("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.

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 for any Uncontrollable Circumstances. 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

Mailing: PO Box 547
Anacortes, WA 98221
Physical: 904 6th Street
Anacortes, WA 98221

CUSTOMER

Public Utilities District No. 1 of
Skagit County
1415 Freeway Drive
Mount Vernon, WA 98273

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 If the Parties cannot resolve the dispute at the first step within thirty (30) days, the second step in the process shall be mediation before a single mediator selected by mutual agreement of the Parties. If the Parties cannot agree on a mediator, either Party may apply to the presiding judge of the Skagit County Superior Court for appointment of a mediator.

12.6.3 If the Parties cannot resolve the dispute at the second step within ninety (90) days of the appointment of the mediator, any Party may commence an action under this Agreement.

Any dispute that cannot be resolved by the Parties shall be resolved in the Skagit County Superior Court with each Party preserving its right to trial by jury.

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. 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

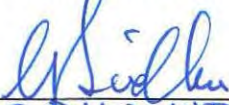
DATE: _____

ATTEST:

Steven D. Hoglund, City Clerk Treasurer

CUSTOMER: Public Utilities District No. 1 of Skagit County

By:


GEORGE SIDHU, INTERIM GENERAL MANAGER

DATE:

11/23/16

ATTEST:


Sally Saxton, Interim Treasurer

EXHIBIT A

Water Supply Agreement between the City of Anacortes and Skagit PUD #1.

Approved Metered Service Connections:

No.	Size	Brand	Type	Location	Reading System
1	10"	Sensus		14423 Riverbend Rd	Manual
2	8"	Sensus	Turbine	17098 Bennett Rd	Manual
3	2"	Sensus	Turbine	15379 State Rt 536	Automated
4	8"	Hersey		14281 State Rt 20	Manual
5	2"	Sensus		14423 Riverbend Rd	Manual
6	10"	Sensus	Turbine	15379 State Rt 536	Manual
7	3"	Sensus	Comp	15435 Deception Rd	Automated
8	4"	Hersey		14281 State Rt 20	Manual
9	1"	Hersey		14281 State Rt 20	Manual
10	2"	Sensus		6222 State Rt 20	Automated
11	6"			6222 State Rt 20 Fireline	Manual
12	8"	Sensus	Turbine	Thompson Rd	Automated
13	1.5"	Sensus		7427 State Rt 20	Automated
14	6"	Sensus		Satterlee Rd	Automated
15	2"	Sensus	Turbine	Thompson Rd	Automated
15	4"	Sensus	Turbine	7427 State Rd 20	Automated
16	2"	Sensus		Satterlee Rd	Automated
17	2"			10859 Josh Green Ln	Automated
18	4"	Sensus		Similk Bay Rd	Automated
19	8"			10859 Josh Green Ln	Automated
20	1.5"	Sensus		8800 Stevenson Ln	Automated
21	1.5"	Sensus		Similk Bay Rd	Automated
22	4"	Sensus		8800 Stevenson Rd	Manual
23	1.5"	Sensus		13593 Bayview-Edison	Automated
24	6"	Sensus		13593 Bayview-Edison	Automated

1. Contractual Water Volume:

Annual: 175 Million Gallons

2. Water Pressure: Dependent on service connection location

CITY OF ANACORTES WATER UTILITY

WHOLESALE WATER CONTRACTS

There are 6 wholesale water customers. 4 other water purveyors, and 2 industrial customers.

- City of Oak Harbor
- Town of La Conner
- Swinomish Utility Authority
- Skagit PUD
- Shell
- Tesoro

Each of the wholesale customers has an overarching 20 year agreement. The current contracts terms are 2006 – 2025.

The 6 wholesale customers use about 90% of the water the utility treats.

CITY OF ANACORTES WATER UTILITY

WHOLESALE WATER CONTRACTS

Primary changes in proposed contracts:

- Replaces committed volumes with the most recent 3 years average of actual consumption.
- Removes penalty to customer when consumption exceeds committed volume.
- Adds language to provide customer with preliminary operating costs by November 15th.

Reasons to change contracts:

- The Utility doesn't need the money from penalties. Rates are set to recover costs, the penalty was in place to discourage customers from providing an unrealistically low committed volume.
- Makes forecasting easier and more accurate, using actual history vs. estimates (committed volumes).
- Gives wholesale customers more freedom, during drought years e.g., to use the water needed without fear of exceeding committed volume.



Anacortes City Council

Proposed Agenda Items for the Next Eight Weeks Beginning January 9, 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 9, 2017

- Resolution ____ : Establishing Fees for the Storm Water Utility and Ordinance 2979 Removing Storm Rates from AMC (Discussion/Possible Action)
- Resolution ____: Establishing Fees for the Water Utility (Discussion/Possible Action)

January 17, 2017

Special Meeting: 4:00 PM Site Visit, CUP-2016-1002, Meeting onsite at south side of Blue Heron Circle east of Whistle Lake Road

- Closed Record Public Hearing, CUP-2016-1002, Conditional Use Permit, Variance request, & SEPA environmental review to permit the construction of two 1.5 million gallon water tanks/reservoirs at Blue Heron Circle

January 23, 2017

- Anacortes Bike/Pedestrian Advisory Committee Update Presentation
- Guemes Island Ferry Annual Shut Down Presentation/Discussion by County Officials

February 6, 2017

- Closed Record Public Hearing, Conditional Use Permit to Permit Construction of Private Parking Lot in the R4 Zoning District, CUP-2016-1003

February 13, 2017

February 21, 2017

- Closed Record Public Hearing, CUP-2016-1004, 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

March 6, 2017

Upcoming City Council Committee Meetings

The public is welcome to attend City Council Committee Meetings.

- Public Works, Tuesday, Jan 3, 2017, 4:30 PM, Mayor's Office, City Hall
- Housing Affordability & Community Services, Thursday, Jan 5, 2017, 1:30 PM, City Hall
- Planning, Monday, Jan 9, 2017, 3:00 PM, Main Conference Room, City Hall
- Public Safety, Tuesday, Jan 10, 2017, 4:30 PM, City Hall
- Finance, Wednesday, Jan 11, 2017, 5:00 PM, Johnny Picasso's, 501 Commercial Avenue
- 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
