



Council Chambers, 865 SE Barrington Drive

October 20, 2020

6:00 PM

**Due to COVID-19, there will be NO physical meeting location per WA Proclamation 20-28.**

**Meeting may be viewed live via YouTube.**

**To listen to the live meeting, please call (623) 404-9000, Meeting ID: 149 766 1467**

**(NOTE: Listen to audio only; No Comments. For Comments, follow directions below)**

#### **CALL TO ORDER**

Invocation - Led by Pastor Josh Hubbard, Life Church

Pledge of Allegiance - Led by Mayor Severns

Excuse Absent Councilmembers

#### **1. APPROVAL OF AGENDA**

#### **2. PRESENTATIONS**

- a. Proclamations
- b. Honors & Recognitions
- c. Community Presentations

#### **3. CITIZEN COMMENT PERIOD**

Citizens may comment on subjects of interest not listed on the agenda or items listed on the Consent Agenda. Public comment may be submitted electronically to the City Clerk at [jlindsey@oakharbor.org](mailto:jlindsey@oakharbor.org) or by calling 360-279-4539 (after 5 p.m. on the Friday preceding the meeting and prior to the agenda item). To ensure comments are recorded properly, state your name clearly when leaving a message. Please limit comments to three (3) minutes.

#### **4. CONSENT AGENDA**

Items on the Consent Agenda are considered to be routine by the Council and will be enacted with one motion unless separate discussion is requested. Approval of the Consent Agenda authorizes the Mayor to implement each item in accordance with staff recommendations.

Consent Items

- a. Approval of Payroll and Accounts Payable Vouchers
- b. Minutes: October 6, 2020 Regular Council Meeting
- c. Extension of the Professional Services Contract with Pacific Groundwater Group
- d. Purchase Authorization-Tyhuis Park Playground Equipment
- e. Sole Source – Purchase of additional CWF membrane units from Suez
- f. Resolution 20-17: Authorizing the Acquisition and Placement of the Sculpture Pieces known as "Tao" AMENDED

**5. MAYOR, COUNCIL & STAFF COMMENTS**

- a. Mayor
- b. Councilmembers
- c. City Administrator

**6. PUBLIC HEARINGS & MEETINGS**

To speak during a scheduled public hearing or meeting, please note the instructions for submitting public comment earlier in this agenda. Please state your name clearly when leaving a message. Please limit comments to three (3) minutes.

- a. Resolution 20-27: Approving the Interfund Transfer of \$400,000 from Excess Stabilization Funds to the Wastewater Utility Fund
- b. Ordinance No. 1899: Utilities Rate Adjustment

**7. ORDINANCES & RESOLUTIONS**

- a. None

**8. CONTRACTS & AGREEMENTS**

- a. Bayshore Watermain Emergency Repair

**9. OTHER ITEMS FOR CONSIDERATION**

- a. Annual Review LTAC Committee Membership

**10. REPORTS & DISCUSSION ITEMS**

- a. None

**11. EXECUTIVE SESSION**

- a. None

**ADJOURN**

**City of Oak Harbor  
City Council Agenda Bill**

Bill No. 4.a.  
Date: October 20, 2020  
Subject: Approval of Payroll and  
Accounts Payable Vouchers

**FROM: Finance**

**INITIALED AS APPROVED FOR SUBMITTAL TO THE COUNCIL BY:**

- Bob Severns, Mayor
- Blaine Oborn, City Administrator
- Vacant, Finance Director
- Grant Weed, City Attorney, as to form

**RECOMMENDED ACTION**

Approval of Accounts Payable Vouchers and Payroll Checks - See Voucher numbers listed in the attachments and Check numbers listed on the October 20, 2020 Regular Agenda.

**BACKGROUND / SUMMARY INFORMATION**

Oak Harbor Municipal Code Chapter 3.72 establishes procedures for claims (Vouchers) payment. The documentation that regularly supports the signature coversheets is attached. Claim coversheets will be provided prior to the City Council meeting for appropriate Council signatures.

**October 15, 2020**

Accounts Payable Voucher Numbers:

Voucher Numbers 184622-184786 in the amount of \$695,720.37

AP Credit Card Payments:

Voucher Numbers 184787-184797 in the amount of \$10,147.43

**October 15, 2020 Payroll:**

Direct Deposit # 54447-54586 \$303,024.72

EFT # 1274-1277 \$115,607.93

Checks # 101560-101564 \$93,551.43

**LEGAL AUTHORITY**

**FISCAL IMPACT**

**PREVIOUS COUNCIL / BOARD / CITIZEN INPUT**

**ATTACHMENTS**

1. [Accounts Payable Voucher List 10a](#)

Voucher List  
City of Oak Harbor

Bank code : bank

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
184622	10/5/2020	0000066 AWC EMPLOYEES BENEFITS TRUST	093020		SEPTEMBER 2020 PREMIUMS/LTD/EAF	3,530.99
					<b>Total :</b>	<b>3,530.99</b>
184623	10/8/2020	0010304 CREADA STYLES & CUTZ	092420		CARES GRANT	1,418.61
					<b>Total :</b>	<b>1,418.61</b>
184624	10/8/2020	0010305 NERFED OAK HARBOR	092820		CARES GRANT	10,000.00
					<b>Total :</b>	<b>10,000.00</b>
184625	10/8/2020	0010306 ELAINE'S PHOTO STUDIO	093020		CARES GRANT	3,800.00
					<b>Total :</b>	<b>3,800.00</b>
184626	10/8/2020	0010307 CLICK MUSIC LLC	092820		CARES GRANT	10,000.00
					<b>Total :</b>	<b>10,000.00</b>
184627	10/8/2020	0002272 WHIDBEY GOLF & COUNTRY CLUB	092420		CARES GRANT	10,000.00
					<b>Total :</b>	<b>10,000.00</b>
184628	10/8/2020	0010308 PERLAS LUMPIA ORIENTAL STORE	081720		CARES GRANT	120.62
					<b>Total :</b>	<b>120.62</b>
184629	10/8/2020	0010309 POSH PUPPIES PET SALON LLC	082420		CARES GRANT	7,526.28
					<b>Total :</b>	<b>7,526.28</b>
184630	10/8/2020	0010310 BAMF BREWING SUPPLY	092420		CARES GRANT	7,330.36
					<b>Total :</b>	<b>7,330.36</b>
184631	10/8/2020	0008369 CARMAN'S CONSTRUCTION, LLC	081220		CARES GRANT	10,000.00
					<b>Total :</b>	<b>10,000.00</b>
184632	10/8/2020	0010311 POSH SALON	082420		CARES GRANT	635.24
					<b>Total :</b>	<b>635.24</b>
184633	10/9/2020	0008821 PREMIER TITLE OF ISLAND COUNTY	10/062020		ESCROW/EARNEST MONEY/BUCHSIEE	1,500.00
					<b>Total :</b>	<b>1,500.00</b>
184634	10/14/2020	0000001 3M COMPANY	9408889379		PAVEMENT MARKING TAPE	751.14

Voucher List  
City of Oak Harbor

Bank code : bank

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
184634	10/14/2020	0000001 0000001 3M COMPANY			(Continued)	<b>Total : 751.14</b>
184635	10/14/2020	0007449 A-1 PERFORMANCE, INC	34111 34181		SEP 2020 JANITORIAL SERVICES MONTHLY CLEANING SERVICES	4,409.05 824.09 <b>Total : 5,233.14</b>
184636	10/14/2020	0007646 AGENDEASE, INC	2020-00121 2020-0126		MONTHLY LICENSE, SINGLE-BOARD MONTHLY LICENSE,SINGLE BOARD	199.00 199.00 <b>Total : 398.00</b>
184637	10/14/2020	0000028 ALL ISLAND LOCK & KEY	30029 62282 62628		DND KEYS REPAIR LOCK DEADBOLT	17.70 81.68 872.29 <b>Total : 971.67</b>
184638	10/14/2020	0007295 ALL PLAY SYSTEMS, LLC	2020-123F		ENGINEERED WOOD FIBER	4,949.51 <b>Total : 4,949.51</b>
184639	10/14/2020	0007320 ALLIED 100	1768183		DEFIB PADS	273.92 <b>Total : 273.92</b>
184640	10/14/2020	0001862 AMAZON/SYNCB	433535867376 438364966868 438485344477 438797474849 439847868363 444767684964 445543377669 446483665969 447846369487 453798796738 454377568377 458447864339 459867357394 467337764673 468454737983 469433777636 473657447348		WHITE SNAP SHUT BROCHURE XEROX DOCUMATE TIMEMIST OLYMPUS LI-2 RECHARGEABLE 30W GIGABIT GRABBER TOOL DISPLAY RISER ATD TOOLS FUEL PUMP USB CABLE AUTOMATIC HEAVY DUTY LABEL TAPE DISPOSABLE GLOVES FARIELYN-X 80 PCS ERICKSON PRO SERIES HIGH VISIBILITY ROUND LABEL PRINTER CABLE/ORBIT WIRELESS TTF	39.16 239.57 73.65 35.93 42.48 10.88 282.32 23.90 14.76 81.70 86.46 13.06 161.47 27.21 63.52 23.54 54.63

Bank code : bank

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
184640	10/14/2020	0001862	AMAZON/SYNCB		(Continued)	
			483385334577		DEER TRAIL CAMERA	294.02
			483674887938		UNIFI CLOUD KEY	107.81
			568859639949		TRUCK LITE	30.10
			659876797556		USB MICROPHONE/4 PORT USB	60.95
			663846973886		SURFACE PRO CAR CHARGER	43.54
			733747455883		ANITGRAVITY XP	249.62
			735546898645		TRUCK LITE MARKER	30.48
			735636759684		RETIRED PIN/PILLOWCASE	15.73
			744444738593		AMMEX MEDICAL GLOVES	264.18
			746476766694		FOOT REST	54.44
			755388649765		GENMITSU CNC BAKELIT	23.90
			758576374676		M18 18-VO/ M18 FUEL 3	322.35
			759465593864		YOOTECH WIRELESS CHAR	18.50
			778344385637		RETIREMENT PARTY SUPPLIES	121.14
			798399458774		GEAR WRENCH	162.13
			799379984894		HEADPHONES	45.72
			833569359388		4 PACK SECURITY ALERT	44.80
			843787485756		NIKON COOLPIX	118.70
			844935445435		OMRON D4A-1102-N	174.24
			853534747458		PRIVACY SIGN	14.10
			879649794394		YOOTECH WIRELESS CHAR	18.50
			899884583486		REFUND	-107.80
			936984357787		MONEYSWORTH TOE GUARD	16.26
			937645449474		WEBCAM	75.14
			949573687634		CABLE MATTERS	16.16
			954836563983		LOOP END SYNTHETIC	23.95
			958569989346		RAIN ALL WEATHER	42.78
					<b>Total :</b>	<b>3,555.68</b>
184641	10/14/2020	0000712	AMERIGAS	3112228452	TANK RENT	114.00
					<b>Total :</b>	<b>114.00</b>
184642	10/14/2020	0008435	ANDREANO, JEREMY	100720	REIMBURSEMENT	20.00
					<b>Total :</b>	<b>20.00</b>
184643	10/14/2020	0005001	ARAMARK	1991895330	UNIFORMS SERVICE	20.96

Bank code : bank

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
184643	10/14/2020	0005001 ARAMARK	(Continued)			
			1991895331		UNIFORMS SERVICE	31.10
			1991895332		UNIFORMS SERVICE	46.30
			1991895333		UNIFORMS SERVICE	22.28
			1991895334		UNIFORMS SERVICE	16.34
			1991895335		UNIFORMS SERVICE	16.34
			1991895336		UNIFORMS SERVICE	16.34
			1991895350		UNIFORMS SERVICE	83.32
			1991897279		UNIFORMS SERVICE	26.59
			1991904690		UNIFORMS SERVICE	20.96
			1991904691		UNIFORMS SERVICE	27.76
			1991904692		UNIFORMS SERVICE	46.30
			1991904693		UNIFORMS SERVICE	21.93
			1991904694		UNIFORMS SERVICE	16.34
			1991904695		UNIFORMS SERVICE	16.34
			1991904696		UNIFORMS SERVICE	16.34
			1991904708		UNIFORMS SERVICE	81.69
			1991913937		UNIFORMS SERVICE	20.96
			1991913938		UNIFORMS SERVICE	27.76
			1991913939		UNIFORMS SERVICE	46.30
			1991913940		UNIFORMS SERVICE	21.93
			1991913941		UNIFORMS SERVICE	20.16
			1991913942		UNIFORMS SERVICE	16.34
			1991913943		UNIFORMS SERVICE	16.34
			1991913957		UNIFORMS SERVICE	81.69
			1991915887		UNIFORMS SERVICE	26.59
			1991923295		UNIFORMS SERVICE	20.96
			1991923296		UNIFORMS SERVICE	27.76
			1991923297		UNIFORMS SERVICE	46.30
			1991923298		UNIFORMS SERVICE	21.93
			1991923299		UNIFORMS SERVICE	17.51
			1991923300		UNIFORMS SERVICE	16.34
			1991923301		UNIFORMS SERVICE	16.63
			1991923312		UNIFORMS SERVICE	81.69
			1991932569		UNIFORMS SERVICE	20.96
			1991932570		UNIFORMS SERVICE	27.76
			1991932571		UNIFORMS SERVICE	46.30

Bank code : bank

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
184643	10/14/2020	0005001 ARAMARK	(Continued)			
			1991932572		UNIFORMS SERVICE	21.93
			1991932573		UNIFORMS SERVICE	17.51
			1991932574		UNIFORMS SERVICE	16.34
			1991932575		UNIFORMS SERVICE	16.34
			1991932588		UNIFORMS SERVICE	86.10
			1991934556		UNIFORMS SERVICE	26.59
					<b>Total :</b>	<b>1,334.25</b>
184644	10/14/2020	0007839 ASHLEY'S DESIGN & LETTERMAN	6930		EMBROIDERED/SCREEN PRINTING	2,721.42
					<b>Total :</b>	<b>2,721.42</b>
184645	10/14/2020	0001489 ATCO INTERNATIONAL	I0564328		CENTURION II	415.50
					<b>Total :</b>	<b>415.50</b>
184646	10/14/2020	0000668 AUTO VALUE	77-00102155		OIL FILTER/SPIN-ON LUBE	32.31
			77-00102189		OIL FILTER	48.91
			77-00102309		GASOLINE FILLER NECK	13.98
			77-00102314		MOLDED GAS FILLE RETURN	-20.18
			77-00102339		AUTOMOTIVE BATTERY	76.22
			77-00102619		UNIVERSAL TRAILER	58.66
			77-00102725		STANDARD SPARK PL	64.19
					<b>Total :</b>	<b>274.09</b>
184647	10/14/2020	0001939 AXON ENTERPRISE, INC	SI-1686160		SIGNAL SIDEARM KIT/AXON BODY 3/SI	20,004.57
			SI-1686449		EVIDENCE A-LA CART STORAGE/ACCE	12,362.99
					<b>Total :</b>	<b>32,367.56</b>
184648	10/14/2020	0000083 BAZA, ALVIN	100720		REIMBURSEMENT (AUGUST)	20.00
					<b>Total :</b>	<b>20.00</b>
184649	10/14/2020	0000094 BERG VAULT COMPANY	91337		SEWER RING & COVER	3,430.35
					<b>Total :</b>	<b>3,430.35</b>
184650	10/14/2020	0004168 BLUETARP FINANCIAL, INC	46006926		M18 FUEL HTIW	542.32
					<b>Total :</b>	<b>542.32</b>
184651	10/14/2020	0002551 BOS, BRYON	100720		REIMBURSEMENT	20.00

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Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
184651	10/14/2020	0002551 0002551 BOS, BRYON			(Continued)	<b>Total : 20.00</b>
184652	10/14/2020	0001558 BOUND TREE MEDICAL, LLC	83788182 83790142 83790143		THERMOMETER SHEATHS/SPRAY BOT SPRAY BOTTLE/PULSE OX/GOWNS/TH TAPE/SURGICAL/DURAPORE/ADHESIV	223.15 823.02 98.50 <b>Total : 1,144.67</b>
184653	10/14/2020	0003097 BOYER, TALLIE	100720		REIMBURSEMENT	20.00 <b>Total : 20.00</b>
184654	10/14/2020	0009588 BRIDGES, JAMES L	100720		REIMBURSEMENT	20.00 <b>Total : 20.00</b>
184655	10/14/2020	0000153 CASCADE COLUMBIA DISTRIBUTION	788866		SODIUM FLUORIDE	2,639.23 <b>Total : 2,639.23</b>
184656	10/14/2020	0000160 CENTRAL WELDING SUPPLY	A2 13055		AMP MILLER/NOZZLE/GLOVES/ADAPTE	442.83 <b>Total : 442.83</b>
184657	10/14/2020	0000188 CODE PUBLISHING COMPANY	67845		MUNICIPAL CODE WEB UPDATES	348.95 <b>Total : 348.95</b>
184658	10/14/2020	0005773 COMCAST	8498300271287100		CURRENT SERVICES	157.46 <b>Total : 157.46</b>
184659	10/14/2020	0007692 CONTECH ENGINEERED SOLUTIONS	21439610		MAINTENANCE	290.00 <b>Total : 290.00</b>
184660	10/14/2020	0000201 CORAL SALES COMPANY	INV-68684		TRAFFIC COUNTING MATERIAL	15,594.25 <b>Total : 15,594.25</b>
184661	10/14/2020	0000694 CORE & MAIN	N104345		VHH72-18W-1133NL DPXDP SETTER	490.64 <b>Total : 490.64</b>
184662	10/14/2020	0010321 CROSSFIT AMETHYST	092920		CARES GRANT	2,105.75 <b>Total : 2,105.75</b>
184663	10/14/2020	0009091 CROUCHER, DUSTIN	100720		REIMBURSEMENT	20.00

Voucher List  
City of Oak Harbor

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Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
184663	10/14/2020	0009091 0009091 CROUCHER, DUSTIN	(Continued)			<b>Total : 20.00</b>
184664	10/14/2020	0008263 CURTIS BLUE LINE	INV427166		UNIFORM	74.22
						<b>Total : 74.22</b>
184665	10/14/2020	0000234 DAVID EVANS & ASSOCIATES, INC	474779		PROF SVC/HARBOR HEIGHTS SPORTS	9,554.10
						<b>Total : 9,554.10</b>
184666	10/14/2020	0010313 DOUG FARMEN	093020		RECRUITMENT SITE VISIT	191.71
						<b>Total : 191.71</b>
184667	10/14/2020	0000967 ECOLOGY, WASHINGTON STATE DEPT OF	21-WAR045554-1		STORMWATER ACTION MONITORING	3,998.40
						<b>Total : 3,998.40</b>
184668	10/14/2020	0006984 ECOLUBE RECOVERY, LLC	3504092820		USED OIL FILTERS	60.00
						<b>Total : 60.00</b>
184669	10/14/2020	0000273 EDGE ANALYTICAL, INC	20-20010 20-20011 20-33424		TESTING TESTING TESTING	1,478.00 26.00 31.86
						<b>Total : 1,535.86</b>
184670	10/14/2020	0009073 EMERGENCY REPORTING, LLC	INV202019128		NOV 2020 SUBSCRIPTION	263.72
						<b>Total : 263.72</b>
184671	10/14/2020	0008922 EMPLOYMENT SCREENING RESOURCES	215719		EMPLOYMENT SCREENING	217.35
						<b>Total : 217.35</b>
184672	10/14/2020	0006005 ENVIROISSUES, INC	180-004-000-19		AUGUST 2020 OAK HARBOR COMMUN	1,500.00
						<b>Total : 1,500.00</b>
184673	10/14/2020	0008082 EVIDENT, INC	158357B 161631C		TYVEK COVERALLS GUN BOXES	358.00 38.00
						<b>Total : 396.00</b>
184674	10/14/2020	0008752 EXACT SCIENTIFIC SERVICES, INC	20-13229		TESTING	161.00
						<b>Total : 161.00</b>

Voucher List  
City of Oak Harbor

Bank code : bank

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
184675	10/14/2020	0002900 FASTENAL	WAANA128770 WAANA128859		GALV L/W 1/NUT GALV GALV KEG/HEX NUT GALV	661.82 55.33 <b>Total : 717.15</b>
184676	10/14/2020	0000308 FEDERAL EXPRESS	7-133-95067		SHIPPING	53.34 <b>Total : 53.34</b>
184677	10/14/2020	0008880 FIZZ EVENTS, LLC	202016		POSTAGE/PACKET STUFFING	4,321.20 <b>Total : 4,321.20</b>
184678	10/14/2020	0000326 FRONTIER BUILDING SUPPLY	198354		WOOD	65.17 <b>Total : 65.17</b>
184679	10/14/2020	0000349 GRAINGER	9662764233 9667249735		WORK BOOT WINCH/WELDING ROD/WEB SLING	154.60 720.33 <b>Total : 874.93</b>
184680	10/14/2020	0008083 GRAPHIC PRODUCTS, INC	2624115		CLEAR PREMIUM/BLACK PREMIUM RIE	370.38 <b>Total : 370.38</b>
184681	10/14/2020	0000345 GREATER OAK HBR CHAMBER OF COM	30422		VISITOR CENTER OPERSTIONS GRAN	10,833.33 <b>Total : 10,833.33</b>
184682	10/14/2020	0002747 GUARDIAN SECURITY	1063762		ALARM MONITORING	62.08 <b>Total : 62.08</b>
184683	10/14/2020	0003682 HANSELMAN, JOHN	090220		EMERGENCY TREE REMOVAL	4,184.95 <b>Total : 4,184.95</b>
184684	10/14/2020	0000323 HD FOWLER COMPANY	I5597567		WATER METER	2,832.96 <b>Total : 2,832.96</b>
184685	10/14/2020	0006520 HOPKINS, CAMERON	100720		REIMBURSEMENT	20.00 <b>Total : 20.00</b>
184686	10/14/2020	0008852 HUCKE, TALMON	093020		FORAGE FISH SURVEY	23.40 <b>Total : 23.40</b>

Bank code : bank

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
184687	10/14/2020	0001307 INSIGHT PUBLIC SECTOR	1100774414		LEXMARK PRINTER	956.82
<b>Total :</b>						<b>956.82</b>
184688	10/14/2020	0008582 INTERPRETING TECHNOLOGY	IT36308		MANAGED CARE 2020	17,260.65
<b>Total :</b>						<b>17,260.65</b>
184689	10/14/2020	0010317 ISLAND ASSOCIATES	092820		WATER PERMIT DEPOSIT REFUND	1,148.69
<b>Total :</b>						<b>1,148.69</b>
184690	10/14/2020	0000411 ISLAND COUNTY TREASURER	100120		CRIME VICTIM ASSISTANCE	143.67
<b>Total :</b>						<b>143.67</b>
184691	10/14/2020	0005445 ISLAND DEFENSE, PLLC	069		PUBLIC DEFENSE	7,700.00
<b>Total :</b>						<b>7,700.00</b>
184692	10/14/2020	0010168 ISLAND DIVE 1	191		UNDERWATER SERVICES	467.18
<b>Total :</b>						<b>467.18</b>
184693	10/14/2020	0007162 JENNINGS, WILL	102720		WETRC WATER DISTRIBUTION MANAC	190.00
<b>Total :</b>						<b>190.00</b>
184694	10/14/2020	0000454 JET CITY EQUIPMENT RENTAL	35391		DUMP-BRUSH & STUMP	21.74
<b>Total :</b>						<b>21.74</b>
184695	10/14/2020	0010247 JOHNSON, SCOTT	100320		SWAT BASIC	237.50
<b>Total :</b>						<b>237.50</b>
184696	10/14/2020	0009311 JOHNSTONE, TRACY	6011		MOORAGE REFUND	134.63
<b>Total :</b>						<b>134.63</b>
184697	10/14/2020	0000476 KERR, JACK	09-20		SEPTEMBER PUBLIC DEFENSE SCREE	1,600.00
<b>Total :</b>						<b>1,600.00</b>
184698	10/14/2020	0010314 KUGEL CONSTRUCTION	10/08/20 100820		REIMBURSE BALANCE OF HYDRANT D REFUND BALANCE OF DEPOSIT	467.20 631.17
<b>Total :</b>						<b>1,098.37</b>
184699	10/14/2020	0000491 LABOR & INDUSTRIES, WASHINGTON STATE	329441		INSPECTION	25.40

Bank code : bank

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
184699	10/14/2020	0000491 0000491 LABOR & INDUSTRIES, WASHINGTON	€ (Continued)			<b>Total : 25.40</b>
184700	10/14/2020	0000494 LAKESIDE INDUSTRIES	137682 138352 138353		BELLEVILLE ASPHALT ASPHALT ASPHALT	1,263.76 295.31 618.45 <b>Total : 2,177.52</b>
184701	10/14/2020	0010315 LARSEN SIGN CO, INC	27696		VINYL LETTERING	1,109.99 <b>Total : 1,109.99</b>
184702	10/14/2020	0008926 LARSON, CARLY	100720		REIMBURSEMENT	20.00 <b>Total : 20.00</b>
184703	10/14/2020	0005277 LEE-SAUNDERS, STEPHANIE	100720		REIMBURSEMENT	20.00 <b>Total : 20.00</b>
184704	10/14/2020	0009997 LENNOX INSITES	20-22		MEETING/DEVELOP BUILDING GUIDLIN	720.00 <b>Total : 720.00</b>
184705	10/14/2020	0000979 LES SCHWAB	41400512283		RADIAL PASSENGER TUBE	29.39 <b>Total : 29.39</b>
184706	10/14/2020	0006941 LEXIPOL, LLC	INV6734		SUBSCRIPTION RENEWAL	9,020.00 <b>Total : 9,020.00</b>
184707	10/14/2020	0000950 LICENSING, WASHINGTON STATE DEPT OF	093020		CONCEALED WEAPON PERMITS	1,861.00 <b>Total : 1,861.00</b>
184708	10/14/2020	0010322 LYNK AIR, LLC	092820		CARES GRANT	10,000.00 <b>Total : 10,000.00</b>
184709	10/14/2020	0009139 MANGLONA-CHARLTON, BERNICE	10092020		EXERCISE CLASS VIRTUAL	138.00 <b>Total : 138.00</b>
184710	10/14/2020	0000660 MARKET PLACE FOOD & DRUG	532109 632176		GROCERIES GROCERIES	273.77 282.71 <b>Total : 556.48</b>

Bank code : bank

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
184711	10/14/2020	0000197 MILES SAND & GRAVEL COMPANY	1816460		LD OTHER R/M PRODUCTS	72.88
<b>Total :</b>						<b>72.88</b>
184712	10/14/2020	0000589 MUNICIPAL RESEARCH SERVICES	0004846-IN		MIKE BAILEY CONSULTING SEP-AUG/T	24,835.88
<b>Total :</b>						<b>24,835.88</b>
184713	10/14/2020	0000608 NC MACHINERY COMPANY	S3047601		CATERPILLAR BACKHOE LOADERS	136,814.17
<b>Total :</b>						<b>136,814.17</b>
184714	10/14/2020	0000610 NORTH CENTRAL LABORATORIES	444378		BUFFER SOLUTION/AMMONIA	949.42
<b>Total :</b>						<b>949.42</b>
184715	10/14/2020	0007653 NORTH ISLAND MEDICAL	9572		PRE-EMPLOYMENT	162.72
<b>Total :</b>						<b>162.72</b>
184716	10/14/2020	0003167 NORTHERN SAFETY CO, INC	904145265 904148918 904152595		FACE SHIELD/GLOVES/BITREX/CLR LE BITREX TEST SOLUTION GLOVES	5,542.23 37.47 261.25
<b>Total :</b>						<b>5,840.95</b>
184717	10/14/2020	0009867 NORTHWEST GRANITE & FLOORING,	092520		CARES GRANT	4,160.90
<b>Total :</b>						<b>4,160.90</b>
184718	10/14/2020	0000672 OAK HARBOR ACE	330063 330105 330290 330296 330305 330311 330313 330331 330364 330408 330411 330414 330417 330446 330452		BLADE SAWZALE ENGINE OIL TOILET GASKT/HOOK DBL WETPATCH ROOFCEMENT MOSS OUT TOILET SEAT RETURN WASHER BOLT TOILET/TOILET SEAT/F/ HOSEHANGOUT SPRAY FLUOR GRN HOSE BARB HOSE BARB GLUE/ROLLER/BLADE UTILITY ENGINE OIL/SCREWS PLUMBER SLOWFLOW LIQ PLUMBER	30.46 7.61 70.49 6.52 42.45 -28.30 47.86 130.59 11.96 5.00 5.43 133.89 20.76 16.53 16.53

Bank code : bank

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
184718	10/14/2020	0000672 OAK HARBOR ACE	(Continued)			
			330462		TORX INSERT	5.22
			330482		DRAIN OPENER	19.58
			330488		ACE CUTTER	32.55
			330526		CUT WHL4/MTL CUT WHL	22.80
			330543		200 AMP ELECTRODE HOLDER	18.50
					<b>Total :</b>	<b>616.43</b>
184719	10/14/2020	0000673 OAK HARBOR MOTORS	60167		TUBE FUEL FILLER	435.20
					<b>Total :</b>	<b>435.20</b>
184720	10/14/2020	0000676 OAK HARBOR POLICE DEPARTMENT	093020		HAIR NETS/ EVIDENCE/ AWARDS CEREMONY	18.83
					<b>Total :</b>	<b>18.83</b>
184721	10/14/2020	0003007 OFFICE DEPOT	120245511001		FOLDER/PAPER	86.88
			122975572001		PEN	9.31
			122976498001		CLIP BINDER	6.31
			122976500001		GLUE/POSTIT/NOTES	49.74
					<b>Total :</b>	<b>152.24</b>
184722	10/14/2020	0000089 OWEN EQUIPMENT COMPANY	00099303		RELIEF VALVE	201.52
			00099318		TOGGLE BOLT/HOSE END WELD/RUBBER	3,394.77
					<b>Total :</b>	<b>3,596.29</b>
184723	10/14/2020	0010130 PACIFIC CONSTRUCTION CONSULT	792-09-20		AUDIT WORK	5,693.75
					<b>Total :</b>	<b>5,693.75</b>
184724	10/14/2020	0010320 PAINT YOUR WORLD	081720		CARES GRANT	5,721.04
					<b>Total :</b>	<b>5,721.04</b>
184725	10/14/2020	0003164 PAINTERS ALLEY	P0027915		PRIMER	11.09
			P0028075		PAINT	115.82
					<b>Total :</b>	<b>126.91</b>
184726	10/14/2020	0000699 PATRICK & COMPANY	976600		PET LICENSE TAGS	323.75
					<b>Total :</b>	<b>323.75</b>
184727	10/14/2020	0001218 PBY MEMORIAL FOUNDATION	100720		REIMBURSEMENT	2,250.00

Bank code : bank

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
184727	10/14/2020	0001218 0001218 PBY MEMORIAL FOUNDATION	(Continued)			<b>Total : 2,250.00</b>
184728	10/14/2020	0000299 PLACE, SANDRA	100720		REIMBURSEMENT	20.00
						<b>Total : 20.00</b>
184729	10/14/2020	0007877 POLLOCK, JONATHAN	100720		REIMBURSEMENT	20.00
						<b>Total : 20.00</b>
184730	10/14/2020	0000724 PONY MAILING & BUSINESS CENTER	327861		SHIPPING	18.87
						<b>Total : 18.87</b>
184731	10/14/2020	0005069 PROFORCE LAW ENFORCEMENT	426078		OC STREAM/TUBED FOAM/TRAINING II	503.19
						<b>Total : 503.19</b>
184732	10/14/2020	0009968 PRUSHA, CORY	093020		FORAGE FISH SURVEY	135.70
						<b>Total : 135.70</b>
184733	10/14/2020	0000743 PUGET SOUND ENERGY	200002036917 200007268135 220002247165 300000005003 300000010409		ELECTRICITY/BTWN BAYSHORE DR & I ELECTRICITY/SW ERIE ST SW BARRIN ELECTRICITY/SW FAIRWAY POINT DR & ELECTRICITY/PARKS ELECTRICITY/PARKS	68.76 175.24 10.66 130.95 55.80
						<b>Total : 441.41</b>
184734	10/14/2020	0002997 QUINTON DESIGN & ELECTRICAL	ROSARIO PL LIFTSTATI		LIFTSTATION VFD UPGRADE	4,603.75
						<b>Total : 4,603.75</b>
184735	10/14/2020	0009633 RED FLANNEL CONSTRUCTION	100820		REFUND BALANCE OF DEPOSIT	539.33
						<b>Total : 539.33</b>
184736	10/14/2020	0000960 REVENUE, WASHINGTON STATE DEPT OF	101320		EXCISE TAX	67,224.55
						<b>Total : 67,224.55</b>
184737	10/14/2020	0000965 REVENUE, WASHINGTON STATE DEPT OF	101320		3RD QUARTER LEASEHOLD TAX	42,190.77
						<b>Total : 42,190.77</b>
184738	10/14/2020	0009627 RINGCENTRAL, INC	CD_000169221		ANNUAL RENEWAL/SEP 2020-SEP 2021	54,643.59

Voucher List  
City of Oak Harbor

Bank code : bank

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
184738	10/14/2020	0009627 0009627 RINGCENTRAL, INC			(Continued)	<b>Total : 54,643.59</b>
184739	10/14/2020	0005827 ROBINSON, JACK	092920		TOUR OF HAARSLEY DRYER UNIT	165.00
					<b>Total :</b>	<b>165.00</b>
184740	10/14/2020	0010319 ROGGE, LELAND	5656		MOORAGE REFUND	220.59
					<b>Total :</b>	<b>220.59</b>
184741	10/14/2020	0006689 ROPPOS WOOD & ENGRAVING	15754		EMBROIDERY	32.67
					<b>Total :</b>	<b>32.67</b>
184742	10/14/2020	0000781 SAFEWAY	430125 436907 669318 729412 806510 807091		RX FOOD CAPTAIN ASSESSMENT PHARMACY HYDRANGEA CUPCAKES	18.97 20.98 54.31 11.01 15.22 120.00
					<b>Total :</b>	<b>240.49</b>
184743	10/14/2020	0000796 SCHROER, PAUL	100720		REIMBURSEMENT	20.00
					<b>Total :</b>	<b>20.00</b>
184744	10/14/2020	0000799 SCOTTIES PLUMBING AND REPAIR	51225		REPAIR SHOWER VALVE	186.19
					<b>Total :</b>	<b>186.19</b>
184745	10/14/2020	0000801 SEA WESTERN, INC	INV7723		ELKHART BRASS SHUTOFF/HANDLINE	1,085.84
					<b>Total :</b>	<b>1,085.84</b>
184746	10/14/2020	0008963 SEMRAU ENGINEERING AND SURVEY	5749C-4 5749D-24 5749I-13 5749U-3 5749W-20 5749X-2 5923I-6 5923O-4 5923T-2		GENTLE DENTISTRY GARY OAKS HARBOR STATION UHAUL HILLSIDE PRD COLIN LANE SP TOWN & COUNTRY WEST BROWN BECKETT	67.50 236.25 202.50 708.75 202.50 168.75 337.50 67.50 101.25

Voucher List  
City of Oak Harbor

Bank code : bank

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
184746	10/14/2020	0008963	0008963 SEMRAU ENGINEERING AND SURVEY (Continued)			<b>Total : 2,092.50</b>
184747	10/14/2020	0008395	SHELLEY, JR, TIM	20201006	RECORDING SERVICES	977.14
						<b>Total : 977.14</b>
184748	10/14/2020	0010032	SHOEMAKER, CHRISTINA	4746	MOORAGE REFUND	62.06
						<b>Total : 62.06</b>
184749	10/14/2020	0000822	SHRED-IT USA, INC	8180556118	SHREDDING	133.00
						<b>Total : 133.00</b>
184750	10/14/2020	0000814	SKAGIT FARMERS SUPPLY	552302	ETHANOL FREE UNLEADED	29.95
						<b>Total : 29.95</b>
184751	10/14/2020	0000853	SKAGIT RIVER STEEL & RECYCLING	109372	PLATE CUTTING/SURPLUS PIPE	578.49
						<b>Total : 578.49</b>
184752	10/14/2020	0007890	SMARSH, INC	INV00621933	ANNUAL ARCHIVING PLATFORM 9/1/20	2,792.73
						<b>Total : 2,792.73</b>
184753	10/14/2020	0000846	SOUND PUBLISHING, INC	7996272	AUG 2020/PUBLICATIONS-ACCT#80125	651.75
						<b>Total : 651.75</b>
184754	10/14/2020	0003883	STAPLES BUSINESS ADVANTAGE	3456900340 3456900342 3456900344	REFUND TONER HP MAGENTA TONER POS ROLLS	-111.20 111.20 48.71
						<b>Total : 48.71</b>
184755	10/14/2020	0008470	STEAM WEB HOSTING	4126 4228	WORDPRESS WEBSITE HOSTING WEB HOSTING	19.95 19.95
						<b>Total : 39.90</b>
184756	10/14/2020	0007572	STOVER, JEFF	5870	MOORAGE REFUND	53.59
						<b>Total : 53.59</b>
184757	10/14/2020	0010316	SUPERIOR CONCRETE INC	100620	REFUND BUSINESS LICENSE	12.50
						<b>Total : 12.50</b>

Bank code : bank

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
184758	10/14/2020	0000874 SURETY PEST CONTROL	1365449		PEST CONTROL	54.45
<b>Total :</b>						<b>54.45</b>
184759	10/14/2020	0008026 TOM-N-JERRYS BOAT CENTER, INC	620050		ENGINE/MOTORS	8,054.85
<b>Total :</b>						<b>8,054.85</b>
184760	10/14/2020	0008337 TRACTOR SUPPLY COMPANY	100256117		RATCHETX	80.55
<b>Total :</b>						<b>80.55</b>
184761	10/14/2020	0000986 TRANSPORTATION, WASHINGTON STATE DE RE 41 JZ0891 L001			PROF SVC/SR20	579.24
<b>Total :</b>						<b>579.24</b>
184762	10/14/2020	0001053 TREASURER, WASHINGTON STATE	100120		SEPTEMBER 2020 COURT/BC FEES	8,959.65
<b>Total :</b>						<b>8,959.65</b>
184763	10/14/2020	0000923 UNITED PARCEL SERVICE	0000A0182W190 0000A0182W200 0000A0182W390		ADJ ADJ SHIPPING	-12.72 -1.88 26.04
<b>Total :</b>						<b>11.44</b>
184764	10/14/2020	0000922 UNUM LIFE INSURANCE COMPANY	091820		LONG-TERM CARE	405.86
<b>Total :</b>						<b>405.86</b>
184765	10/14/2020	0000934 UTILITIES UNDERGROUND LOCATION	0090189		SEP 2020 LOCATES	189.63
<b>Total :</b>						<b>189.63</b>
184766	10/14/2020	0000978 WALLACE, RICHARD	EXP REIMB		3RD QTR 2020 PREMIUMS	402.00
<b>Total :</b>						<b>402.00</b>
184767	10/14/2020	0001056 WASHINGTON IRON WORKS, INC	28016		CUT 20" PIPE	92.57
<b>Total :</b>						<b>92.57</b>
184768	10/14/2020	0001052 WASHINGTON STATE PATROL	I21001491 I21001641		SEPTEMBER 2020 BACKGROUND CHE SEPTEMBER 2020 BACKGROUND CHE	11.00 511.25
<b>Total :</b>						<b>522.25</b>
184769	10/14/2020	0006853 WEED, GRAAFSTRA & BENSON, INC, LAW OI	102 73		PROF SVC/GENERAL PROF SVC/LITIGATION	21,849.00 1,039.50

Bank code : bank

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
184769	10/14/2020	0006853 WEED, GRAAFSTRA & BENSON, INC, L/	0006853		(Continued)	<b>Total : 22,888.50</b>
184770	10/14/2020	0007094 WESTERN EQUIPMENT, INC	7139276-01 7141396-00		BLADE ROTARY HOSE HYDRAULIC	52.25 945.16 <b>Total : 997.41</b>
184771	10/14/2020	0004644 WESTERN SAFETY PRODUCTS, INC	194451-1		SANI WIPES	803.42 <b>Total : 803.42</b>
184772	10/14/2020	0004786 WESTERN SYSTEMS, INC	0000044471		EMS-2 ENERGY MNG	584.00 <b>Total : 584.00</b>
184773	10/14/2020	0001039 WESTERN TRUCK CENTER	026P11013 026P12260 026P13848 026P14178 026P9719		CONDENSER AC RADIATOR AX CORE TBRB CLAMP VALVE PRESSURE RELIEF LGHT/HARN-ROOF MARKR LAMP	310.45 -175.92 252.50 333.19 153.62 <b>Total : 873.84</b>
184774	10/14/2020	0000816 WEX BANK	67406014 67921488		FUEL FINANCE CHARGE	80.45 39.00 <b>Total : 119.45</b>
184775	10/14/2020	0003067 WHIDBEY ANIMALS' IMPROVEMENT	1374		SEPTEMBER 2020 CITY CONTRACT	4,166.67 <b>Total : 4,166.67</b>
184776	10/14/2020	0001000 WHIDBEY AUTO PARTS, INC.	433480 434163 434197 434292		NEO SHEET HX SKT SET/PULLER BARREL AIR HAMMER/CUTTER/CHISEL BATTERY CABLE	75.79 218.20 187.16 78.43 <b>Total : 559.58</b>
184777	10/14/2020	0010312 WHIDBEY ISLAND PLACE, LLC, C/O SETH ST	100720 100820		WATER PERMIT DEPOSIT REFUND WATER/SEWER SYSTEM DEVELOPMEI	1,227.57 16,713.03 <b>Total : 17,940.60</b>
184778	10/14/2020	0001010 WHIDBEY TELECOM	996-100-1001		OCT 2020 ALARM MONITORING	43.48

Bank code : bank

Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
184778	10/14/2020	0001010 0001010 WHIDBEY TELECOM	(Continued)			<b>Total : 43.48</b>
184779	10/14/2020	0001005 WHIDBEYHEALTH MEDICAL CENTER	CPS258579 WAK49303 WAK49304 WAK49750 WAK50327		DOT EVAL INMATE SERVICES INMATE SERVICES INMATE SERVICES INMATE SERVICES	150.00 414.80 18.70 2,204.90 1,351.50 <b>Total : 4,139.90</b>
184780	10/14/2020	0010318 WICKLUND, JASON	3953		MOORAGE REFUND	88.48 <b>Total : 88.48</b>
184781	10/14/2020	0006969 WITMER PUBLIC SAFETY GROUP	E1999135		STRUCTURAL BUNKER BOOT	374.60 <b>Total : 374.60</b>
184782	10/14/2020	0006775 WORKSAFE SERVICE, INC	295985		DRUG TESTING	55.00 <b>Total : 55.00</b>
184783	10/14/2020	0001061 XEROX CORPORATION	011294695 011294696 011294698 011294699 011294701		AUGUST 2020 COPIER RENTAL AUGUST 2020 COPIER RENTAL AUGUST 2020 COPIER RENTAL AUGUST 2020 COPIER RENTAL AUGUST 2020 COPIER RENTAL	336.06 363.79 694.60 578.22 637.98 <b>Total : 2,610.65</b>
184784	10/14/2020	0009092 XEROX FINANCIAL SERVICES	2271078		SEP 2020 COPIER RENTAL	615.50 <b>Total : 615.50</b>
184785	10/14/2020	0009005 YELLOW JACKET DRILLING	100920		REIMBURSE BALANCE OF HYDRANT D	1,500.00 <b>Total : 1,500.00</b>
184786	10/14/2020	0000355 ZIPLY FIBER	197-0410 675-1669 675-5190 679-2530		FIBER CONNECTION CURRENT PHONE CHARGES CURRENT PHONE CHARGES CURRENT PHONE CHARGES	822.92 55.27 45.02 71.26 <b>Total : 994.47</b>
<b>165 Vouchers for bank code : bank</b>						<b>Bank total : 695,720.37</b>

Bank code : bank

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Voucher	Date	Vendor	Invoice	PO #	Description/Account	Amount
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165 Vouchers in this report

Total vouchers : 695,720.37

City of Oak Harbor  
City Council Agenda Bill

Bill No. 4.b.  
Date: October 20, 2020  
Subject: Minutes: October 6, 2020  
Regular Council Meeting

**FROM:** Administration - Julie Lindsey, City Clerk

**INITIALED AS APPROVED FOR SUBMITTAL TO THE COUNCIL BY:**

- Bob Severns, Mayor
- Blaine Oborn, City Administrator
- Vacant, Finance Director
- Grant Weed, City Attorney, as to form

**RECOMMENDED ACTION**

Approval of Minutes of the Regular Council Meeting of October 6, 2020.

**BACKGROUND / SUMMARY INFORMATION**

**LEGAL AUTHORITY**

**FISCAL IMPACT**

**PREVIOUS COUNCIL / BOARD / CITIZEN INPUT**

**ATTACHMENTS**

1. [Minutes of October 6, 2020 Regular Council Meeting](#)

Oak Harbor City Council  
Regular Meeting Minutes  
October 6, 2020

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**Due to COVID-19, there was no physical meeting per WA Proclamation 20-28. The meeting was available to view via YouTube**

**CALL TO ORDER**

Mayor Severns called the meeting to order at 6:00 p.m.

**Invocation** – Led by Pastor Kevin Scott, Seventh Day Adventist Church

**Pledge of Allegiance** – Led by Mayor Severns

**ROLL CALL**

City Council Present: Videoconference

Mayor Robert Severns  
Mayor Pro Tem Munns  
Councilmember Tara Hizon  
Councilmember Joel Servatius  
Councilmember Erica Wasinger  
Councilmember Jim Woessner  
Councilmember Goebel  
Councilmember Jeff Mack - Absent

Staff Present: Videoconference

City Administrator Blaine Oborn  
Public Works Director Cathy Rosen  
Development Services Director David Kuhl  
City Engineer Jim Bridges  
Project Engineer Brett Arvidson  
Fire Chief Ray Merrill  
Police Chief Kevin Dresker  
Human Resources Director Emma House  
Central Services Supervisor Sandra Place  
Assistant City Attorney Anna Thompson  
Accountant Tallie Boyer  
Accountant Jessica Dela Cruz  
City Administrator Assistant Lisa Felix  
Public Information Officer Sabrina Combs  
City Clerk Julie Lindsey

Also in attendance: City Consulting Attorney  
Grant Weed of Weed, Graafstra & Associates  
Finance Consultant Mike Bailey, CPA

Mayor Severns explained that Due to COVID-19, there was no physical meeting location per WA Proclamation 20-28. Tonight's meeting could be viewed live via YouTube. In addition, to listen to the live meeting, the public could call 623-404-9000 for audio only. He noted Councilmembers and City staff were participating via teleconference. The staff sitting in Council Chambers were all physically distanced at least six feet apart and wearing masks when not speaking. Mayor Severns thanked the public, City Council, and staff as the City continues to follow the requirements related to COVID-19. Island County is currently in modified and reduced Phase 3. He asked citizens to remember to wear masks and maintain physical distance in public spaces.

More details about COVID-19 and its impact on City services can be found on the City's website, [www.oakharbor.org/covid19](http://www.oakharbor.org/covid19). Island County Human Services is providing assistance for rent, mortgage payments and utilities. Contact them by phone at (360) 678-8284.

## EXCUSE ABSENT COUNCILMEMBERS

Mayor Severns noted Councilmember Mack had requested to be excused from the meeting.

**Motion:** Councilmember Servatius moved to excuse Councilmember Mack, seconded by Woessner, motion was approved by a unanimous vote.

### 1. APPROVAL OF AGENDA

There being no changes, the agenda was approved as presented.

### 2. PRESENTATIONS

- a. Proclamations – None.
- b. Honors & Recognitions
  - i. Fire Department Chief Ray Merrill – 30 years: Mayor Severns thanked Chief Merrill, attending via videoconference, for his dedication, hard work and leadership. Chief Merrill thanked everyone and especially his wife for her support of his now 44 years of fire department service.
- c. Community Presentations
  - i. Greater Oak Harbor Chamber of Commerce Presentation – Vicki Graham, Executive Director and Event Coordinator, attending via videoconference, provided an update on Chamber activities, budget, and board membership.

### 3. CITIZEN COMMENT PERIOD

Mayor Severns noted citizens could comment of subjects of interest not listed on the agenda or items listed on the Consent Agenda. Comments could be submitted electronically to the City Clerk at [jlindsey@oakharbor.org](mailto:jlindsey@oakharbor.org) or by calling 360-279-4539 after 5:00 p.m. on the Friday preceding the meeting and prior to the start of the meeting.

No public comment was received.

### 4. CONSENT AGENDA

#### Consent Items

- a. Approval of Payroll and Accounts Payable Vouchers
- b. Minutes of Regular Council Meeting of September 15, 2020 and Council Workshop Meeting of September 23, 2020
- c. Bid Award – Odor Control Unit – Continental Carbon Group, Inc.
- d. Historic Preservation Commission Appointment of Lorraine Johnson-Coleman
- e. Interlocal Agreement – NPP GOV
- f. Interlocal Agreement – TIPS purchasing cooperative
- g. Interlocal Agreement with Oak Harbor School District – School Resource Officer for 2020-2021 School Year
- h. Purchase Authorization – Automated Solid Waste Replacements
- i. Purchase Authorization – Camera Van Equipment
- j. Purchase Authorization – Dump Truck Replacement
- k. Purchase Authorization – Hybrid Patrol SUV

- I. Resolution 20-24: Island County Multi-Jurisdiction Hazard Mitigation Plan
- m. Waterfront Pedestrian Improvements – Final Contract Voucher Certificate

Mayor Pro Tem Munns requested to pull Item 4.k. Purchase Authorization – Hybrid Patrol SUV for additional information. Meeting no objection, all other consent agenda items were approved as presented. Central Services Supervisor Place responded to questions from Mayor Pro Tem Munns to note an all electric SUV was not available.

**Motion:** Mayor Pro Tem Munns moved to approve consent agenda item 4.k. – Purchase Authorization – Hybrid Patrol SUV, seconded by Councilmember Servatius. The motion carried unanimously.

## 5. MAYOR, COUNCIL & STAFF COMMENTS

### a. Mayor

#### 2021-2022 Budget

Mayor Severns noted at the February 1 Council Retreat, Council revised the overall City “mission, vision, and goals” and drafted the 2021-2022 Budget Goals. Subsequently at the February 26 Council Workshop, Council reviewed the draft revised “mission, vision and goals” and the 2021-2022 Budget Goals. At the March 17 Council Meeting, Council adopted the revised City “mission, vision and goals” via Resolution 20-10, and reviewed the 2021-2022 Budget Goals as updated from the previous workshop. Mayor Severns observed the Budget Goals did not have to be formally adopted, but if Council would like to do so, they can be adopted via motion or via Resolution. He explained he had been working on revising the Budget Goals in preparation of his mayoral budget to take into account the impacts of COVID-19. Mayor Severns noted if Council would like to review the revised 2021-2022 Budget Goals and offer feedback and/or adopt them, he will add the item to the October 20 City Council Meeting Agenda. No request for this addition was made by Council.

#### Utility Rate Adjustments Public Comment

As was discussed at the September 23 workshop, the Utility Rate Adjustments will be brought forward to the City Council Meeting on October 20 for a public hearing. Staff has been working on outreach to obtain public comment for the hearing; the public comment methods will be:

- Complete comment form on City website
- Send City Clerk an email
- Leave City Clerk a voicemail message to be played at the Council Meeting
- Complete a written comment card at the Utilities office

Information on the proposed rate adjustments will be provided on the City website.

#### CARES North Whidbey Island Small Business Relief Grant Update

As of this week, the City has issued \$228,110 to 38 businesses. 22 additional businesses have reimbursements pending. Questions about reimbursements should be directed to the CARES Grant Program Assistant, Jay Lovelady, via email to [cares@oakharbor.org](mailto:cares@oakharbor.org). Mayor Severns thanked Island County and City of Oak Harbor staff for their continued work on this process.

#### Governor Inslee Extends Proclamations for COVID-19 and Wildfires

Today the Governor extended 26 proclamations until November 9. The City shared this information on social media and the City’s website COVID page. The City will continue to hold Council and Committee meetings virtually.

#### Special Events

Due to Governor Inslee’s “Safe Start - Washington’s Phased Reopening” plan and related mandates, the City of Oak Harbor is not permitting Special Events at this time. Island County is still in modified Phase 3, which limits gatherings to 10 people.

Regular Meeting Minutes- October 6, 2020

Page 3 of 8

### Island County Health Update

COVID-19 cases have increased in Island County, for details about the case counts please see the Island County Public Health website. Please remember to wear your mask over your nose and mouth while in public and abide by the rules that local businesses must adhere to in accordance with the Governor's reopening plan.

### Register to Vote

The deadline to register to vote is October 26, go to [www.votewa.gov](http://www.votewa.gov) to register or confirm your voter registration.

#### b. Councilmembers

Councilmember Woessner provided his respective comments and announcements to recognize the service of Ms. Johnson-Coleman and congratulate Chief Merrill.

#### c. City Administrator

City Administrator Oborn provided his respective comments and announcements noting the filling of the Finance Director position was on this evening's agenda and the opening for Operations Manager - Parks was in the interview stage.

## **6. PUBLIC HEARINGS & PUBLIC MEETINGS**

#### a. None.

## **7. ORDINANCES & RESOLUTIONS**

#### a. Resolution No. 20-25: 2021-2022 Cost of Living Adjustment (COLA) Contingent for Non-Represented Employees

Human Resources Director House provided the background regarding the Resolution, which authorized implementation of Cost of Living Adjustment wage increase for non-represented employees, contingent on available funding. The City and its unions are scheduled for negotiations of collective bargaining agreements for represented employees. Non-represented employees do not have a COLA for 2021-2022 established at this time. It is the intent of the Council to adjust wages and salaries of non-represented employees with a COLA that is comparable to the percentage increase of represented employees.

Mayor Pro Tem Munns, and Councilmember Servatius provided their respective questions and comments. City Attorney Weed provided additional clarification.

No public comment was received regarding the Resolution.

**Motion:** Councilmember Servatius moved to approve Resolution 20-25 as presented. The motion was seconded by Councilmember Wasinger. The motion passed unanimously.

## **8. CONTRACTS & AGREEMENTS**

#### a. Finance Director Employment Contract

Mayor Severns introduced nominee David Goldman. Human Resource Director House reviewed the City's recruitment process and expressed thanks to Interim Finance Director Bailey. She presented the employment contract with David Goldman to the Council and responded to questions and comments.

Councilmember Servatius provided his respective questions and comments.

**Motion:** Councilmember Servatius moved to confirm the Mayor's appointment of David Goldman to the position of Finance Director. The motion was seconded by Mayor Pro Tem Munns and passed unanimously.

**Motion:** Councilmember Servatius moved to approve the employment agreement with David Goldman as Finance Director for the City of Oak Harbor authorize the Mayor to sign the agreement. Councilmember Wasinger seconded the motion, which passed unanimously.

b. Gray and Osborne, Inc. - Professional Services Agreement – Water System Plan Limited Update

City Engineer Bridges provided the background regarding the limited update. The Washington State Department of Health requires that the City update the Water System Plan every six years. The Water System Plan provides a planning strategy for the City's water utility over six year and twenty year periods. The Plan must be consistent with Department of Health requirements as specified in the Washington Administrative Code (WAC) Chapter 246-290. There have been limited system improvements since the prior plan was prepared in 2014, so a limited update is allowed. The City has selected Gray & Osborne to prepare the update per the Scope of Services proposed.

Councilmembers Woessner provided his respective questions and comments.

**Motion:** Councilmember Woessner moved to authorize the Mayor to sign a Professional Services Agreement for the Water System Plan Limited Update with Gray and Osborne, Inc., seconded by Mayor Pro Tem Munns. The motion passed unanimously.

c. Interlocal Agreement with South Correctional Entity (SCORE) – Inmate Housing

Chief of Police Dresker provided information regarding the item. He explained the City of Oak Harbor entered into an agreement with the Yakima County in May of 2019 for inmate housing. Due primarily to COVID-19, Yakima County has informed the City they will terminating their contract and not taking any more inmates this year. The Police Department has explored options and wish to enter into an interlocal agreement with SCORE, located near the SeaTac airport. The one-year contract reserves one bed for the year but with the regulations for COVID-19, the City will only pay when that bed is used. There is a charge for additional inmates.

Councilmembers Servatius, Wasinger, and Mayor Pro Tem Munns provided their respective questions and comments.

**Motion:** Mayor Pro Tem Munns moved to authorize the Mayor to sign the Interlocal Agreement with the South Correctional Entity (SCORE) for inmate housing. The motion was seconded by Councilmember Wasinger and passed unanimously.

d. Interagency Agreement with the Washington State Department of Commerce, CARES Act Funds for Local Governments, Amendment 1: Date Extension and Additional Funds

Public Information Officer Combs reviewed the item, which authorized the Mayor to sign the amendment to the Interagency Agreement for extending the Coronavirus Relief Fund for Local Governments Grant to November 30, 2020 and increasing the total grant amount to \$1,033,650.00. She provided background information on the initial funding and additional funding.

There were no questions or comments from the Council.

**Motion:** Councilmember Servatius moved to authorize Mayor Severns to sign the Amendment to the Interagency Agreement for the Coronavirus Relief Fund for Local Governments Grant, increasing the local grant amount to \$1,033,650.00 and extending the end date to November 30, 2020. The motion was seconded by Mayor Pro Tem Munns and passed unanimously.

e. Purchase Authorization – Aries Modular Office Space with CARES Act Funds –

Central Services Supervisor Place, City Engineer Bridges, and Public Works Director Rosen reviewed the item that would authorize use of CARES Act funding to pay for a modular office unit for use by the Engineering staff. Of note were Labor & Industry requirements and Engineering projects in motion. A new modular is available from the Oak Harbor School District, which had ordered one they will not be using due to COVID-19. This provides a savings for both entities.

Councilmembers Wasinger, Goebel, and Mayor Pro Tem Munns provided their respective questions and comments.

**Motion:** Mayor Pro Tem Munns moved to authorize staff to purchase and install one (1) Aries Modular Building from KCDA Contract Number 19-255 in an amount not to exceed \$315,000.00, seconded by Councilmember Wasinger. The motion passed unanimously.

f. Agreement with Island County, for Coronavirus Relief Fund Grant (CARES) Amendment 1: Date Extension -

Public Information Officer Combs reviewed the item, which authorized the Mayor to sign the Amendment to the Agreement with Island County for an extended period from October 31, 2020 to November 30, 2020.

Mayor Pro Tem Munns provided her respective questions and comments.

**Motion:** Mayor Pro Tem Munns moved to authorize Mayor Severns to sign Amendment 1 to the Inter-local Cooperation Agreement with Island County for the Coronavirus Relief Fund for Local Governments Grant, extending the date of the Agreement to November 30, 2020. The motion was seconded by Councilmember Servatius and passed unanimously.

## 9. OTHER ITEMS FOR CONSIDERATION

a. 2021 LTAC 2% Grant Program Referral to Council -

Accountant Delacruz provided the Council with a presentation and summary regarding the LTAC program, along with two motions for Council consideration. Staff is recommending reaffirmation of the following three prior commitments for the 2021 Lodging Tax 2% Funds Budget of:

- 1) Multi-Year Grants for \$157,000 (issued October 15, 2019 via Resolution 19-38
- 2) \$20,000 for the annual agreement with Joint Island County Tourism
- 3) 2020 Amendment #1 carryovers in the amount of \$118,424 awarded in 2020 and delayed due to COVID-19

Secondly, Accountant Delacruz reviewed a proposed second motion to refer additional funding of Lodging Tax 2% Funds in the amount of one of 5 proposed options in 2021 to the Lodging Tax Advisory Committee (LTAC) for review of single year applications for those funds and their recommendation to City Council. Those options were:

- Option A: \$0
- Option B: \$9,576
- Option C: \$78,000
- Option D: \$156,000
- Option E: An amount to be determined by Council

Staff is recommending Option B.

Councilmember Servatius thanked Accountant Dela Cruz for her work in presenting the information succinctly. Mayor Pro Tem Munns, and Councilmembers Wasinger and Woessner provided their respective questions and comments.

**Motion #1:** Mayor Pro Tem Munns moved to reaffirm the three prior commitments as noted for the 2021 Lodging Tax (2%) Fund Budget. The motion was seconded by Councilmember Hizon and passed unanimously.

**Motion #2:** Mayor Pro Tem Munns moved to refer additional funding of Lodging Tax (2%) Funds in the amount of \$9.576, per Option B, in 2021 to the Lodging Tax Advisory Committee (LTAC) for review for review of single year applications for those funds and their recommendation to City Council. The motion was seconded by Councilmember Hizon and passed unanimously.

b. Annual Review of the Lodging Tax Advisory Committee Membership –

Public Information Officer Combs noted this item was added per the September 15, 2020 Council Meeting motion by Councilmember Servatius. She provided a review of the current LTAC membership roster and suggested replacements or additions for open seats. She noted the Oak Harbor Municipal Code requires the City Council to review the Committee annually and make changes as appropriate. State law requires the Committee have seven members, one of whom is an elected official of the City who serves as chair, three representatives of businesses required to collect the tax (collectors) and three involved in activities authorized to be funded by the tax (receivers). Historically, the Mayor recommend a qualified candidate or candidates and the Council confirms the appointment(s).

There are currently 5 active members and two vacancies, both of which are collector positions. Mayor Severns recommended appointing Karli Garner-Smith with Candlewood Suites to the Collector 1 position beginning October 6, 2020 and ending October 1, 2023. The Mayor is actively recruiting the second open collector position and will provide an update at the October 6, 2020 Council meeting.

Councilmembers Hizon, Servatius, Woessner, Wasinger, and Mayor Pro Tem Munns provided their respective questions and comments.

Following a discussion regarding the length of terms and start dates of Committee membership and clarification from City Attorney Weed, the Council was of a consensus to have staff bring this item back to Council at the October 20, 2020 meeting.

## 10. REPORTS & ITEMS FOR DISCUSSION

None.

## 11. EXECUTIVE SESSION

Mayor Severns announced that the City Council would go into executive session for the purpose of discussing Real Estate matters and hold a discussion of real estate acquisition pursuant to RCW

42.30.110 (1) (ii) (b) (c). Those factors that bear upon price included property location, condition, possible uses and economic development.

Mayor Severns noted the anticipated duration was up to twenty minutes and that Council might or might not take action upon return to the open session. Executive Sessions are not open to the public.

The Council entered into Executive Session at 8:35 p.m.

At 8:54 p.m. Mayor Severns reconvened the regular meeting and requested a motion to extend the meeting past 9:00 p.m.

**Motion:** Councilmember Servatius moved to suspend the time limitation and extend the regular meeting past 9:00 p.m. to 9:30 p.m. Mayor Pro Tem Munns seconded the motion, which passed unanimously.

Mayor Severns announced that the Executive Session would be extended to approximately 9:15 p.m. The Council re-entered executive session.

At 9:15 p.m. the Council came out of the executive session and reconvened the regular meeting at 9:16 p.m.

Mayor Severns asked for a motion and any discussion regarding the real estate matter(s) discussed.

**Motion:** Councilmember Servatius moved to authorize the Mayor to sign the Purchase and Sale Agreement discussed in Executive Session. Mayor Pro Tem Munns seconded the motion. City Administrator Oborn asked City Attorney Weed to explain the key points of discussion by the Council. Attorney Weed noted the City has been in negotiation for a five (5) acre parcel located on Koetje Street for a purchase price of \$40,000, subject to Council authorization to the Mayor, with two contingencies, the confirmation of the title as unencumbered, and an inspection by the City for due diligence for environmental inspection. The Agreement will allow the City a limited right of access for inspection.

Hearing no further discussion, Mayor Severns called for a vote on the motion, which carried unanimously.

## **ADJOURN**

**Motion:** There being no further business, Councilmember Servatius moved to adjourn, seconded by Mayor Pro Tem Munns. The motion was approved by a unanimous vote, therefore the meeting adjourned at 9:21 p.m.

Certified by Julie Lindsey, City Clerk

**City of Oak Harbor  
City Council Agenda Bill**

Bill No. 4.c.  
Date: October 20, 2020  
Subject: Extension of the Professional Services Contract with Pacific Groundwater Group

**FROM: Cathy Rosen, Public Works Director and James Bridges, City Engineer**

**INITIALED AS APPROVED FOR SUBMITTAL TO THE COUNCIL BY:**

- Bob Severns, Mayor
- Blaine Oborn, City Administrator
- Vacant, Finance Director
- Grant Weed, City Attorney, as to form

**RECOMMENDED ACTION**

Authorize the Mayor to sign the no cost Contract Amendment No. 1 to the Professional Services Agreement for rehabilitation of Well #9 with Pacific Groundwater Group, Inc.

**BACKGROUND / SUMMARY INFORMATION**

On October 15, 2019, City Council approved a professional services contract with Pacific Groundwater Group, Inc. for work involving rehabilitation of Water Well #9. With the onset of the COVID crisis, much of the work associated with this rehabilitation was delayed. With the contract set to expire, staff recommends extending the contract to a timeframe where the activities can take place.

The original Contract amount is \$55,228 and with this Amendment No. 1 the amount remains unchanged.

**LEGAL AUTHORITY**

**FISCAL IMPACT**

Funds Required: \_\_\_\_\_ \$0.00 \_\_\_\_\_

Appropriation Source: \_\_\_\_\_ Water Utility Fund

**PREVIOUS COUNCIL / BOARD / CITIZEN INPUT**

- October 15, 2019 - City Council authorized the Mayor to sign the Professional Services Agreement with Pacific Groundwater Group, Inc. for work related to rehabilitation of Well #9 in the amount of \$55,228.

**ATTACHMENTS**

1. [Original Professional Services Agreement with Pacific Groundwater Group, Inc.](#)
2. [Contract Amendment No. 1 with Pacific Groundwater Group, Inc.](#)

**ON-CALL PROFESSIONAL SERVICES AGREEMENT BETWEEN  
CITY OF OAK HARBOR  
AND PACIFIC GROUNDWATER GROUP, INC.  
FOR CONSULTANT SERVICES**

**THIS AGREEMENT** ("Agreement") is made and entered into by and between the City of Oak Harbor, a Washington State municipal corporation ("City"), and Pacific Groundwater Group, Inc. a Washington Corporation ("Consultant").

**NOW, THEREFORE**, in consideration of the terms, conditions, covenants and performances contained herein, the parties hereto agree as follows:

**ARTICLE I. PURPOSE**

The purpose of this Agreement is to provide the City with consultant administration services on an as-needed basis, as described in Article II. The general terms and conditions of the relationship between the City and the Consultant are specified in this Agreement.

**ARTICLE II. SCOPE OF SERVICES**

A general Scope of Services is attached as Exhibit A . All services and materials necessary to accomplish each Task Order will be stated in each Task Order Scope of Services and shall be provided by the Consultant unless noted otherwise in the Task Order Scope of Services or this Agreement. All such services shall be provided in accordance with the standards of the Consultant's profession.

**ARTICLE III. OBLIGATIONS OF THE CONSULTANT**

**III.1 MINOR CHANGES IN SCOPE.** Minor changes, amendments, or revision in the detail of a Task Order Scope of Services as may be required by the City, with no impact to service costs or proposed schedules, shall be discussed and agreed upon between the Consultant and the City. Extra work, if any, involving substantial changes and/or changes in cost or schedules will be addressed as follows:

**Extra Work.** The City may desire to have the Consultant perform work or render services in connection with each Task Order in addition to or other than work provided for by the expressed intent of the Task Order Scope of Services. Such work will be considered as Extra Work and will be specified in a written supplement to the Task Order Scope of Services, to be signed by both parties, which will set forth the nature and the scope thereof. All proposals for extra work or services shall be prepared by the Consultant at no cost to the City. Work under a supplemental agreement shall not proceed until executed in writing by the parties.

**III.2 WORK PRODUCT AND DOCUMENTS.** The work product and all documents produced under this Agreement shall be furnished by the Consultant to the City, and upon

completion of the work shall become the property of the City, except that the Consultant may retain one copy of the work product and documents for its records. The Consultant will be responsible for the accuracy of the work, even though the work has been accepted by the City.

In the event that the Consultant shall default on this Agreement or Task order in the event that this Agreement or Task Order shall be terminated prior to its completion as herein provided, all work product of the Consultant, along with a summary of work as of the date of default or termination, shall become the property of the City. Upon request, the Consultant shall tender the work product and summary to the City. Tender of said work product shall be a prerequisite to final payment under this Agreement. The summary of work done shall be prepared at no additional cost to the City.

Consultant will not be held liable for reuse of documents produced under this Agreement or modifications thereof for any purpose other than those authorized under this Agreement without the written authorization of Consultant.

**III.3 TERM.** The term of this Agreement shall commence upon contract execution and shall terminate at midnight, October 31, 2020. The parties may extend the term of this Agreement by written mutual agreement.

**III.4 NONASSIGNABLE.** The services to be provided by the Consultant shall not be assigned or subcontracted without the express written consent of the City.

**III.5 EMPLOYMENT.** Any and all employees of the Consultant, while engaged in the performance of any work or services required by the Consultant under this Agreement, shall be considered employees of the Consultant only and not of the City, and any and all claims that may or might arise under the Workman's Compensation Act on behalf of any said employees while so engaged, and any and all claims made by any third party as a consequence of any negligent act or omission on the part of the Consultant or its employees while so engaged in any of the work or services provided herein shall be the sole obligation of the Consultant.

**III.6 INDEMNITY.** Indemnification/Hold Harmless Consultant 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 reasonable attorney fees and costs of defense, to the extent caused by the negligent acts, errors or omissions of the Consultant in performance of this Agreement, except for injuries and damages caused by the sole negligence of the City. Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Consultant and the City, its officers, officials, employees, and volunteers, the Consultant's liability, including the indemnity for the costs to defend, hereunder shall be only to the extent of the Consultant's negligence. It is further specifically and expressly understood that the indemnification provided herein constitutes the Consultant's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. The provisions of this section shall survive the expiration or termination of this Agreement.

### III.7 INSURANCE.

a. **Minimum Limits of Insurance.** The Consultant 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 and services hereunder by the Consultant, its agents, representatives, employees or subcontractors. The Consultant shall, before commencing work under this agreement, file with the City certificates of insurance coverage and the policy endorsement to be kept in force continuously during this Agreement, in a form acceptable to the City. Said certificates and policy endorsement shall name the City, its officers, elected officials, agents and/or employees as an additional named insured with respect to all coverages except professional liability insurance and workers' compensation. The minimum insurance requirements shall be as follows:

(1) Comprehensive General Liability. \$1,000,000 combined single limit per occurrence for bodily injury personal injury and property damage; \$2,000,000 general aggregate.

(2) Automobile Liability. \$300,000 combined single limit per accident for bodily injury and property damage.

(3) Workers' Compensation. Workers' compensation limits as required by the Workers' Compensation Act of Washington.

(4) Consultant's Errors and Omissions Liability. \$1,000,000 per occurrence and as an annual aggregate.

b. **Notice of Cancellation.** In the event that the Consultant receives notice (written, electronic or otherwise) that any of the above required insurance coverage is being cancelled and/or terminated, the Consultant shall immediately (within forty-eight (48) hours) provide written notification of such cancellation/termination to the City.

c. **Acceptability of Insurers.** Insurance to be provided by Consultant shall be with a Bests rating of no less than A:VII, or if not rated by Bests, with minimum surpluses the equivalent of Bests' VII rating.

d. **Verification of Coverage.** In signing this agreement, the Consultant is acknowledging and representing that required insurance is active and current. Further, throughout the term of this Agreement, the Consultant shall provide the City with proof of insurance upon request by the City.

e. **Insurance shall be Primary.** The Consultant's insurance coverage shall be primary insurance as respect the City. Any insurance, self-insurance, or insurance pool coverage maintained by the City shall be excess of the Consultant's insurance and shall not contribute with it.

f. **No Limitation.** Consultant's maintenance of insurance as required by this Agreement shall not be construed to limit the liability of the Consultant to the coverage provided by such insurance or otherwise limit the recourse to any remedy available at law or in equity.

g. **Claims-made Basis.** Unless approved by the City all insurance policies, with the exception of the Professional Liability, shall be written on an "Occurrence" policy as opposed to a "Claims-made" policy. The City may require an extended reporting endorsement on any approved "Claims-made" policy.

**III.8 DISCRIMINATION PROHIBITED AND COMPLIANCE WITH EQUAL OPPORTUNITY LEGISLATION.** The Consultant agrees to comply with equal opportunity employment and not to discriminate against client, employee, or applicant for employment or for services because of race, creed, color, religion, national origin, marital status, sex, sexual orientation, age or handicap except for a bona fide occupational qualification with regard, but not limited to, the following: employment upgrading; demotion or transfer; recruitment or any recruitment advertising; layoff or terminations; rates of pay or other forms of compensation; selection for training, rendition of services. The Consultant further agrees to maintain (as appropriate) notices, posted in conspicuous places, setting forth the provisions of this nondiscrimination clause. The Consultant understands and agrees that if it violates this nondiscrimination provision, this Agreement may be terminated by the City, and further that the Consultant will be barred from performing any services for the City now or in the future, unless a showing is made satisfactory to the City that discriminatory practices have been terminated and that recurrence of such action is unlikely.

**III.9 UNFAIR EMPLOYMENT PRACTICES.** During the performance of this Agreement, the Consultant agrees to comply with RCW 49.60.180, prohibiting unfair employment practices.

**III.10 LEGAL RELATIONS.** The Consultant shall comply with all federal, state and local laws and ordinances applicable to work to be done under this Agreement. The Consultant represents that the firm and all employees assigned to work on any City project are in full compliance with the statutes of the State of Washington governing activities to be performed and that all personnel to be assigned to the work required under this Agreement are fully qualified and properly licensed to perform the work to which they will be assigned. This Agreement shall be interpreted and construed in accordance with the laws of Washington. Venue for any litigation commenced relating to this Agreement shall be in Snohomish County Superior Court.

**III.11 INDEPENDENT CONTRACTOR.**

a. The Consultant and the City understand and expressly agree that the Consultant is an independent contractor in the performance of each and every part of this Agreement. The Consultant expressly represents, warrants and agrees that his status as an independent contractor in the performance of the work and services required under this Agreement is consistent with and meets the six-part independent contractor test set forth in RCW 51.08.195 or as hereafter amended. The Consultant, as an independent contractor,

assumes the entire responsibility for carrying out and accomplishing the services required under this Agreement. The Consultant shall make no claim of City employment nor shall claim any related employment benefits, social security, and/or retirement benefits.

b. The Consultant shall be solely responsible for paying all taxes, deductions, and assessments, including but not limited to federal income tax, FICA, social security tax, assessments for unemployment and industrial injury, and other deductions from income which may be required by law or assessed against either party as a result of this Agreement. In the event the City is assessed a tax or assessment as a result of this Agreement, the Consultant shall pay the same before it becomes due.

c. The City may, during the term of this Agreement, engage other independent contractors to perform the same or similar work that the Consultant performs hereunder.

d. Prior to commencement of work, the Consultant shall obtain a business license from the City.

**III.12 CONFLICTS OF INTEREST.** The Consultant agrees to and shall notify the City of any potential conflicts of interest in Consultant's client base and shall obtain written permission from the City prior to providing services to third parties where a conflict or potential conflict of interest is apparent. If the City determines in its sole discretion that a conflict is irreconcilable, the City reserves the right to terminate this Agreement.

**III.13 CITY CONFIDENCES.** The Consultant agrees to and will keep in strict confidence, and will not disclose, communicate or advertise to third parties without specific prior written consent from the City in each instance, the confidences of the City or any information regarding the City or services provided to the City.

**III.14 SUBCONTRACTORS/SUBCONSULTANTS.**

a. The Consultant shall is responsible for all work performed by subcontractors/subconsultants pursuant to the terms of this Agreement.

b. The Consultant must verify that any subcontractors/subconsultants they directly hire meet the responsibility criteria for the project. Verification that a subcontractor/subconsultant has proper license and bonding, if required by statute, must be included in the verification process. The Consultant will use the following Subcontractors/Subconsultants: Davido Consulting Group, Inc.

c. The Consultant may not substitute or add subcontractors/subconsultants without the written approval of the City.

d. All Subcontractors/Subconsultants shall have the same insurance coverages and limits as set forth in this Agreement and the Consultant shall provide verification of said insurance coverage.

## ARTICLE IV. OBLIGATIONS OF THE CITY

### IV.1 PAYMENTS.

a. The Consultant shall be paid by the City on a time and materials basis for services rendered under this Agreement as described in each Task Order and as provided in this section. In no event shall the total compensation paid to Consultant under this Agreement exceed \$55,228, without the written agreement of the Consultant and the City. Such payment shall be full compensation for work performed and services rendered and for all labor, materials, supplies, equipment and incidentals necessary to complete the work under each Task Order. In the event the City elects to expand the scope of services from that set forth in Exhibit A, the City shall pay Consultant a mutually agreed amount.

b. The Consultant shall submit a combined monthly invoice to the City for services performed under all active Task Orders in the previous calendar month. Each active Task Order will be broken out separately in Consultant's invoice. At a minimum, invoices shall include (1) a summary of previous invoices; (2) current invoice amount; (3) total current monthly billing; (4) amount authorized under this agreement; and (5) total authorized amount still remaining under the agreement. The Consultant shall maintain time and expense records and provide them to the City upon request.

c. The City will pay timely submitted and approved invoices received before the 20th of each month within thirty (30) days of receipt.

IV.2 **CITY APPROVAL.** Notwithstanding the Consultant's status as an independent contractor, results of the work performed pursuant to this Agreement must meet the approval of the City, which shall not be unreasonably withheld if work has been completed in compliance with the Scope of Services and City requirements.

IV.3 **MAINTENANCE/INSPECTION OF RECORDS.** The Consultant shall maintain all books, records, documents and other evidence pertaining to the costs and expenses allowable under this Agreement in accordance with generally accepted accounting practices. All such books and records required to be maintained by this Agreement shall be subject to inspection and audit by representatives of the City and/or the Washington State Auditor at all reasonable times, and the Consultant shall afford the proper facilities for such inspection and audit. Representatives of the City and/or the Washington State Auditor may copy such books, accounts and records where necessary to conduct or document an audit. The Consultant shall preserve and make available all such books of account and records for a period of three (3) years after final payment under this Agreement. In the event that any audit or inspection identifies any discrepancy in such financial records, the Consultant shall provide the City with appropriate clarification and/or financial adjustments within thirty (30) calendar days of notification of the discrepancy.

## ARTICLE V. GENERAL

V.1 **NOTICES.** Notices to the City shall be sent to the following address:

**Brett Arvidson, PE, Project Engineer**  
**City of Oak Harbor**  
**865 SE Barrington Drive**  
**Oak Harbor, WA 98277-4092**  
**360-279-4521**  
**barvidson@oakharbor.org**

Notices to the Consultant shall be sent to the following address:

Receipt of any notice shall be deemed effective three (3) days after deposit of written notice in the U.S. mail with proper postage and address, and/or via email communication with delivery and read receipts.

V.2 **TERMINATION.** The right is reserved by the City to terminate this Agreement in whole or in part at any time upon ten (10) calendar days' written notice to the Consultant.

If this Agreement is terminated in its entirety by the City for its convenience, the City shall pay the Consultant for satisfactory services performed through the date of termination in accordance with payment provisions of Section VI.1.

V.3 **DISPUTES.** The parties agree that, following reasonable attempts at negotiation and compromise, any unresolved dispute arising under this Agreement may be resolved by a mutually agreed-upon alternative dispute resolution of arbitration or mediation.

V.4 **EXTENT OF AGREEMENT/MODIFICATION.** This Agreement, together with attachments or addenda, represents the entire and integrated Agreement between the parties and supersedes all prior negotiations, representations, or agreements, either written or oral. This Agreement may be amended, modified or added to only by written instrument properly signed by both parties.

### V.5 **SEVERABILITY**

a. If a court of competent jurisdiction holds any part, term or provision of this Agreement to be illegal or invalid, in whole or in part, the validity of the remaining provisions shall not be affected, and the parties' rights and obligations shall be construed and enforced as if the Agreement did not contain the particular provision held to be invalid.

b. If any provision of this Agreement is in direct conflict with any statutory provision of the State of Washington, that provision which may conflict shall be deemed inoperative and null and void insofar as it may conflict, and shall be deemed modified to conform to such statutory provision.

V.6 **NONWAIVER.** A waiver by either party hereto of a breach by the other party hereto of any covenant or condition of this Agreement shall not impair the right of the party not in default to avail itself of any subsequent breach thereof. Leniency, delay or failure of either party to insist upon strict performance of any agreement, covenant or condition of this Agreement, or to exercise any right herein given in any one or more instances, shall not be construed as a waiver or relinquishment of any such agreement, covenant, condition or right.

V.7 **FAIR MEANING.** The terms of this Agreement shall be given their fair meaning and shall not be construed in favor of or against either party hereto because of authorship. This Agreement shall be deemed to have been drafted by both of the parties.

V.8 **GOVERNING LAW.** This Agreement shall be governed by and construed in accordance with the laws of the State of Washington.

V.9 **VENUE.** The venue for any action to enforce or interpret this Agreement shall lie in the Superior Court of Washington for Snohomish County, Washington.

V.10 **COUNTERPARTS.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same Agreement.

V.11 **AUTHORITY TO BIND PARTIES AND ENTER INTO AGREEMENT.** The undersigned represent that they have full authority to enter into this Agreement and to bind the parties for and on behalf of the legal entities set forth below.

DATED this 16<sup>th</sup> day of October, 2019.

**CITY OF OAK HARBOR**

By   
Robert Severns, Mayor

**Pacific Groundwater Group, Inc.**

By   
Peter Schwartzman, Principal

Approved as to form:

  
City Attorney

PACIFIC groundwater GROUP

September 10, 2019

City of Oak Harbor  
865 SE Barrington Drive  
Oak Harbor, WA 98277

Attn: Mr. Brett Arvidson

Re: Design, Construction and Testing of Well #9 Replacement Well

Dear Brett:

It is our understanding that the City of Oak Harbor would like to construct a new well to replace the City's existing Well 9 which has experienced a reduction in production capacity. Based on information provided to us by the City, it appears that the capacity loss has resulted from plugging of the formation near the well screen by fine soil particles. It is our understanding that the City has made several attempts to redevelop the well with surging methods, but these efforts have failed to correct the problem and stabilize the output from the well.

The replacement well design will utilize a larger diameter borehole (16-inches) and a 12-inch screen, with an artificial sand pack placed between the borehole wall (formation) and the screen during well construction. The larger outside diameter coupled with the sand pack design should reduce water velocity in the formation and sand pack, and increase the efficiency and performance of the well.

In addition to PGG's hydrogeologic services, engineering services are required to select an appropriate pump, design piping to convey well discharge into the City's distribution system, and design electrical service between the new well and the existing wellhouse. Island County must approve the well location, Washington State Department of Ecology (WDOE) must be notified of the replacement point of withdrawal for the water right, and Washington State Department of Health (WDOH) must approve the new drinking water source.

After construction and testing of the replacement well, we understand that the City wishes to decommission Well #9. This will slightly increase PGG's cost to develop specifications which are budgeted herein, and will significantly increase construction costs which will be borne directly by the City.

This proposal provides information about the team members working on the project, project task descriptions and a project cost estimate.

## PROJECT TEAM

PGG is teaming with Davido Consulting Group (DCG) to provide the City with the hydrogeologic and engineering components of this project. As the City is already aware, PGG is a water-resource and environmental consulting firm that specializes in groundwater-resource management, water-rights acquisition, water-system planning, wellhead protection planning, and development of groundwater sources (including design, drilling-oversight and testing of production wells). We work with state and local governments, municipalities, public utility districts, developers and private industries. Our environmental services address contaminant delineation and navigating environmental regulations. We also specialize in infiltration and sub-surface management of stormwater and reclaimed water.

DCG is a local engineering firm with an office on Whidbey Island. Their water-services consultants specialize in water system source approval, treatment, optimization, capacity expansions, pump and distribution design, and planning. Since its inception, DCG has served water system clients, consulting on such projects as water quality treatment facilities, long range and comprehensive planning efforts, distribution system expansion and replacement projects, source development and rehabilitation, and project funding assistance. DCG's Statement of Qualifications, along with resumes for key DCG staff, is included in this proposal as Attachment C.

Key project staff include:

Peter Schwartzman (LHG) is a Principal Hydrogeologist at PGG, and will serve as lead project hydrogeologist, project manager, and primary point of contact with City Staff. Peter has 30 years of groundwater consulting experience with an emphasis on water supply and groundwater-resource management. He has overseen the design, construction and testing of numerous water-supply wells, and has performed supporting analysis to acquire associated water rights. Peter has successfully supported multiple groundwater-supply projects on Whidbey Island. He is PGG's lead groundwater flow modeler and can address any questions raised by Ecology about hydrologic impacts of the proposed replacement well.

Charles (Pony) Ellingson (LHG) is a Senior Hydrogeologist at PGG, and will provide technical input and project review. Pony has 35 years of groundwater consulting experience with significant expertise in well design, water supply and groundwater-resource management.

Travis Klauss (LG) is a Staff Hydrogeologist at PGG, and will perform the bulk of field activities associated with drilling and testing the new well. Travis has performed hydrogeologic logging on numerous wells, including: water-supply wells, injection wells and monitoring wells. He is highly skilled in the field and with the equipment used to perform pumping tests on water-supply wells.

Jeff Tasoff (PE) is a Principal Civil Engineer at DCG, and will oversee/perform all engineering tasks for the project. Jeff's expertise in civil-engineering services includes: pump station design, water system approval, source approval, well site selection, planning documents, capital improvement planning, waterline design, hydraulic analysis, pilot testing, operational support, and installation support.

The key personnel listed above will be assisted by other staff as needed. PGG auxiliary staff include: Jill Van Hulle (water-rights expert) and Wayne Rennick (GIS/mapping/graphics). DCG's Jeff Tasoff will be assisted by Raquel Callens and/or Kris Keenan (Engineers in Training). Raquel and Kris assist with drinking water source approval, conveyance and treatment projects, water system design, capacity analysis, hydrologic and hydraulic analysis, and construction inspections.

## **SCOPE OF WORK**

### **Task 1 – Project Kickoff and Well Siting**

PGG and DCG will meet with City Staff at the proposed location of the new well to assess conditions for drilling, existing infrastructure, acceptable drilling locations, and required infrastructure updates. This meeting will inform development of specifications for drilling/testing the new well (Task 2) and engineering requirements.

### **Task 2 - Prepare Technical Specification for Drilling/Testing New Well and Decommissioning Existing Well**

It is our understanding that the City intends to contract with the selected well driller directly. PGG will prepare a set of technical specifications that will identify the required materials, methods, and procedures that will be employed in the construction and testing of the new well. PGG will provide the City a copy of these specifications, which will be included in a general set of specifications and bid documents. PGG will also provide an estimate of the well construction cost.

We will review all bids that are submitted to the City for completeness and will offer appropriate advice to aid in final selection of a contractor. We will also review all invoices submitted by the driller during the course of the project for accuracy and adherence to the technical specifications.

### **Task 3 – Well Drilling, Design, Construction and Development**

A PGG representative will be onsite during the drilling through the aquifer interval (final ~50 feet) and will make periodic visits while other construction activity occurs. While not onsite, PGG will maintain frequent contact with the driller on the progress of the project.

Soil samples will be collected and cataloged every five feet or more often. The surficial soils (i.e. those above the water table) will be evaluated to assess their relative permeability and identify any zones that could provide some overlying protection for the supply aquifer.

The well screen assembly and sand pack will be designed based on the interpretative log developed by the on-site geologist, and other hydrogeologic information. PGG will monitor the installation and development of the well through phone contact with the driller and if necessary through site visits to confirm construction activities and progress. In addition, we will make one visit to confirm that well development is complete.

### **Task 4 – Well Testing**

PGG will cooperate with the drilling contractor to perform step-rate and constant-rate pumping tests of the new supply well. The step-rate test will be used to complete well development, assess well efficiency, and to select an appropriate rate for the constant-rate test. The constant-rate test will be

used to assess water quality, aquifer properties, boundary conditions, and the yield potential of the well.

We have assumed that the testing equipment provided by the drilling contractor can be powered from the City's Well 9 electrical panel. This will reduce testing cost since the drilling contractor will only need to be onsite at pump startup.

The step-rate test will involve pumping the well at three to four incremental rates over a one to two-hour period. The constant-rate test will involve pumping the well for a period of 24 hours.

For the step-rate test, we will be onsite during the pumping phase of testing to collect water-level and discharge measurements. For the 24-hour test, we will be on site during test startup and shutdown for confirmatory water-level measurements and water-quality sampling. We have assumed that at other times, City personnel will be onsite to monitor the pump operation and the discharge water given potential liabilities with neighboring properties. In the event that the City would like PGG to provide staffing during the entire testing period, then we would need to adjust the budget accordingly.

Water-level measurements will be collected with data loggers and transducers from both the pumped well (new well) and Well 9. Backup / confirmatory measurements will also occasionally be collected manually with a well sounder. Monitoring equipment will be activated at least one day prior to the initiation of testing to define pretest trends. Water-level monitoring will continue for between one- and three-days following pump shutdown to assess water level recovery trends. We have assumed that there is either existing access for a pressure transducer in Well 9 or that the pump could be removed to provide access.

A water quality sample will be collected at the end of the constant-rate pumping test and submitted for analysis of the following:

- ❑ Inorganic Chemicals (IOCs) including total metals, nitrate, nitrite, ammonia, fluoride, chloride, sulfate, hardness, conductivity, turbidity, color, TDS, potassium, orthophosphate, silica, alkalinity, carbonate, and bicarbonate
- ❑ Volatile Organic Compounds (VOCs) by method 524.2
- ❑ Synthetic Organic Compounds (SOCs) by methods 508.1, 515.4, 525.2,
- ❑ Radiological parameters (gross alpha and radon)
- ❑ Coliform bacteria

This scope of work assumes that the City will pay the laboratory directly for water-quality testing.

#### **Task 5 – Hydrogeologic Data Reduction and Analysis**

The data collected during the drilling, installation, and testing of the well will be reduced and analyzed to evaluate the following:

- Aquifer properties (transmissivity, hydraulic conductivity, storage coefficient)
- Well efficiency
- Long-term sustainable well yield
- Water-quality conditions as they relate to public drinking water criteria and possible treatment needs

PGG's hydrogeologic analysis will support source approval by WDOH by addressing such required elements as: description of hydrogeologic conditions, establishing recommended pump setting and adequacy of supply, preliminary susceptibility assessment, and documentation of water quality. PGG will provide documentation of these source-approval elements to DCG for inclusion in their Project Report, which will be submitted to WDOH (see Task 8). Because the replacement well will be located close to existing Well 9, and will withdraw similar volumes of groundwater, PGG assumes that prior delineation of wellhead protection areas and contaminant source inventory will be directly applicable to the replacement well (i.e. no additional analysis required).

#### **Task 6 – Engineering Analysis and Construction Plans**

Engineering analysis will be performed by DCG, and includes the design, sizing and equipment selection needed for incorporating the new well into the City's existing infrastructure. Engineered construction plans will be created to detail the equipment needed, provide the proposed system configuration, and provide installation details to complete the project in accordance with the Washington Administrative Code requirements. The construction plans will also include site and vicinity plans showing the well location, pumphouse, waterlines, source meter location, source sample tap location, site topography, sanitary protection area and location of potential contamination sources. Project certifications will be Construction oversight of modifications to the electrical feed, control equipment and conveyance piping to accommodate the new well will also be provided. Assumes that new well pump can be supplied from existing electrical supply and controls and improvements to monitoring and telemetry equipment is not needed. Assumes that the City will provide a topographical survey of the well site that includes existing structures, utilities, and other features.

#### **Task 7 – Water-Rights Assistance**

The water-right certificate for Well 9 specifies that the approved point of withdrawal is within the SWSWSE (SW quarter of the SW quarter of the SE quarter) of Section 26. A "quarter-quarter-quarter" (QQQ) section dimension is 660 feet square. Assuming that this QQQ section correctly represents the location of Well 9, and that a replacement well can be installed in the same QQQ section, minimal water-right assistance is needed to get regulatory approval for the replacement well. The City simply needs to submit an application form for "Showing of Compliance" to replace an existing well. PGG will assist the City in obtaining and filling out the required paperwork. This scope assumes that Showing of Compliance is applicable. If the City desires to locate the replacement well outside the approved QQQ section, additional water-rights assistance would be required to support a water-right change. PGG can provide a scope and cost estimate for such additional assistance if needed. PGG will also prepare a water-right self assessment for submittal to WDOH, as required for source approval. PGG will provide documentation of the Showing of Compliance and the Water-Right Self Assessment to DCG for inclusion in their project report.

#### **Task 8 - Documentation**

Following the drilling and testing of the new supply well, PGG will prepare a Hydrogeologic Report that incorporates all the hydrogeologic data and analyses described above. The report will document well installation and testing procedures, predicted well yield, and water quality conditions and will include:

- Site plan showing well location and sanitary control radius
- Geologic log and well as-built
- Estimation of aquifer parameters
- Analysis of pumping test data
- Predicted time-drawdown and distance-drawdown response curves
- Analysis of well yield and water quality
- Recommendations for future operation of the well

DCG will prepare a Project Report to allow the well to be utilized as public water system source and confirming that the new source meets the requirements established by WDOH, WDOE and Island County.

- Recommendations for infrastructure required to incorporate the new well
- Legal Documentation such as Declaration of Covenant for the required sanitary protection
- Construction Documents and Engineered Plans as noted in Task 6
- Hydraulic Analysis to confirm pipe and pump selection
- Well Head Protection Plans
- Hydrogeological and water-right assessment completed by PGG.

Along with PGG's dedicated text regarding hydrogeologic considerations required by WDOH for source approval, the Project Report will include PGG's Hydrogeologic Report as an appendix. This arrangement maximizes project efficiency by allowing PGG to reference sections of their Hydrogeologic Report in the dedicated text for source approval.

#### **Task 9 – Project Management**

Project management includes contracting, task tracking, progress reporting, invoicing and general client communications:

#### **COST ESTIMATE**

The estimated total cost for these tasks is \$55,228 as shown in Attachment A.

This work will be completed on a time and materials basis, but the estimated cost will not be exceeded without the approval of City. PGG will immediately bring to your attention any indication that the estimate would be exceeded.

#### **TERMS AND CONDITIONS**

Our costs will be invoiced monthly on a time-and-materials basis, in accordance with the terms and conditions provided in Attachment B. The estimated cost will not be exceeded without your authorization. In the event that unexpected information is encountered that appears to require additional work, PGG will bring them to your attention and seek your approval for any added expenditures. The Terms and Conditions are incorporated into our agreement with you, and by your authorization to proceed, you are accepting them.

Our professional services will be performed, our findings obtained, and our report prepared in accordance with generally accepted hydrogeologic practices. This warranty is in lieu of all other warranties, either express or implied.

If you agree to authorize this work, please sign both copies and return them to us for signature. We will then send you one of the copies for your records.

We appreciate this opportunity to submit this proposal and look forward to working with you. Please call me at 360 301-3989, if you have any questions.

Sincerely,

**Pacific Groundwater Group**



**Peter Schwartzman  
Principal Hydrogeologist**

enclosures: Attachment A – Project Cost Estimate  
Attachment B – PGG 2019 Terms and Conditions  
Attachment C – Davido Consulting Group Statement of Qualifications

**PROJECT APPROVAL:**

**For Pacific Groundwater Group:**



Peter Schwartzman  
Principal Hydrogeologist, LHG

Date 9-10-19

**For City of Oak Harbor:**

Approved By: \_\_\_\_\_

Name and Title: \_\_\_\_\_

Date: \_\_\_\_\_

ATTACHMENT A  
PROJECT COST ESTIMATE

TASKS/SUBTASK	PGG HOURS					DCG HOURS			TOTAL LABOR COST	PGG DIRECT COSTS		TOTAL COSTS	
	PRINC HYDROGEO \$175	STAFF HYDROGEO \$125	WATER RIGHTS \$140	GIS ANALYST \$70	ACC'TG \$70	PRINC ENGINEER \$215	ASSISTANT ENGINEER \$97	AUTOCAD TECHNICIAN \$72		ITEM	CUST	SUFTASK	TASK TOTAL
1 PROJECT KICKOFF MTG & INITIAL WELL SITTING													
1.1 SITE VISIT & MEET WITH CITY STAFF (INC. TRANSPORTATION)	6					3			\$1,695 \$0	PGG TRANSPORTATION \$40 DCG TRANSPORTATION \$20	\$1,735 \$20	\$1,755	
2 PREPARE TECHNICAL SPECIFICATIONS													
2.1 PREPARE TECHNICAL SPECIFICATIONS	14	1		2					\$2,825 \$700		\$2,825 \$700	\$3,525	
2.2 REVIEW BIDS AND INVOICES	4												
3 WELL DRILLING, DESIGN, CONSTRUCTION & DEVELOPMENT													
3.1 ON-SITE GEOLOGIC LOGGING, DOCUMENT CONSTRUCTION	6	32							\$5,050 \$1,100	PGG TRANSPORTATION \$200 PGG PER DIEM \$200	\$5,250 \$1,300	\$6,550	
3.2 PHONE COMMUNICATION WITH DRILLER	2	6											
4 WELL TESTING													
4.1 STEP-RATE AND CONSTANT RATE TESTING	2	24							\$3,350 \$250	PGG TRANSPORTATION \$200 PGG PER DIEM \$200	\$3,550 \$450	\$4,000	
4.2 MANAGE WATER-QUALITY SAMPLING	2												
5 HYDROGEOLOGIC DATA REDUCTION & ANALYSIS													
5.1 WELL AS-BUILT AND GEOLOGIC LOG	1	5							\$800		\$800	\$4,175	
5.2 AQUIFER TEST ANALYSIS & WELL YIELD EVALUATION	10	4							\$2,250 \$300		\$2,550 \$300	\$16,936	
5.3 WATER-QUALITY EVALUATION	1	1							\$825		\$825		
5.4 SUPPLEMENTAL ANALYSIS TO SUPPORT WISCONSIN SOURCE APPROVAL	4			1									
6 ENGINEERING ANALYSIS & CONSTRUCTION PLANS													
6.1 DESIGN, SIZING, & EQUIPMENT SELECTION													
6.2 60% CONSTRUCTION PLANS	12	24				12	24		\$4,900 \$6,640		\$4,900 \$6,640	\$11,462	
6.3 100% CONSTRUCTION PLANS	8	24				8	24		\$2,880 \$2,880		\$2,880 \$2,880		
6.4 PROJECT CERTIFICATION AND AS-BUILT PLANS	4	12				4	12		\$2,500		\$2,500		
7 WATER-RIGHT ASSISTANCE													
7.1 SHOWING OF COMPLIANCE PAPERWORKS	1		1						\$315		\$315	\$735	
7.2 WATER-RIGHT SELF ASSESSMENT			3						\$420		\$420		
8 DOCUMENTATION													
8.1 PREPARE DRAFT HYDROGEOLOGIC REPORT	10	16		2					\$4,000 \$300		\$4,000 \$300	\$11,462	
8.2 CONFERENCE CALL TO DISCUSS CITY'S COMMENTS	1	1							\$850		\$850		
8.3 FINALIZE HYDROGEOLOGIC REPORT & PROVIDE DIGITAL FILES	2	2		2					\$5,174		\$5,174		
8.4 PREPARE DRAFT ENGINEERING SOURCE-APPROVAL REPORT	2					8	32		\$195		\$195		
8.5 CONFERENCE CALL TO DISCUSS CITY'S COMMENTS	0.5					0.5	2		\$943		\$943		
8.6 FINALIZE ENGINEERING SOURCE-APPROVAL REPORT & PROVIDE DIGITAL FILES	1					2	2						
9 PROJECT MANAGEMENT													
9.1 GENERAL PROJECT MANAGEMENT	14			4		4			\$13,590		\$13,590	\$3,590	
TOTAL LABOR ESTIMATES	81.5	94	4	7	4	45.5	102	62					
SUBTOTAL DOLLARS	\$14,263	\$11,750	\$560	\$875	\$280	\$9,783	\$9,894	\$4,464				\$52,728	
SUB-CONTRACT & DIRECT COST HANDLING FEE (10%)						\$978	\$989	\$446				\$2,590	
<b>ESTIMATED TOTAL COST</b>												<b>\$55,328</b>	

<b>Consultant Agreement Amendment No. 1</b>	Organization and Address	
Original Agreement Title: Professional Services Agreement with Pacific Groundwater Group, Inc. for Rehabilitation of Well No. 9	City of Oak Harbor 865 SE Barrington Drive Oak Harbor, WA 98239  Phone: 360-279-4500	
Project Numbers:	Original Execution Date  October 15, 2019	Completion Date Prior: March 31, 2020 New: March 31, 2021
Project Title City of Oak Harbor Water Well No. 9 Rehabilitation	New Maximum Amount Payable  <b>\$55,280 (no change)</b>	
Description of Work Provide professional services for rehabilitation of Well #9.		

The City of Oak Harbor desires to supplement the agreement entered into with Pacific Groundwater Group, Inc. and executed on October 15, 2019 and identified as Professional Services Agreement with Pacific Groundwater Group, Inc for rehabilitation of Well #9.

All provisions in the basic agreement remain in effect except as expressly modified by this supplement

The changes to the agreement are described as follows:

**SCOPE OF WORK** is hereby amended to add the following:

No Change

**PROJECT COMPLETION DATE AMENDED TO:** Time of completion for this Agreement is amended from March 31, 2020 to March 31, 2021.

**PAYMENT** shall be amended as follows:

No change.

If you concur with this amendment and agree to the changes as stated above, please sign in the appropriate spaces and return to this office for final action.

By: Pacific Groundwater Group, Inc.

By: Robert Severns, Mayor

\_\_\_\_\_  
Consultant Signature

\_\_\_\_\_  
Approving Authority Signature

\_\_\_\_\_  
Date

**City of Oak Harbor  
City Council Agenda Bill**

Bill No. 4.d.  
Date: October 20, 2020  
Subject: Purchase Authorization-Tyhuis  
Park Playground Equipment

**FROM: Cathy Rosen, Public Works Director**

**INITIALED AS APPROVED FOR SUBMITTAL TO THE COUNCIL BY:**

- Bob Severns, Mayor
- Blaine Oborn, City Administrator
- Vacant, Finance Director
- Grant Weed, City Attorney, as to form

**RECOMMENDED ACTION**

A motion authorizing staff to purchase playground equipment for Tyhuis park from All Play Systems utilizing State Contract #6479 in the amount of \$45,493.02.

**BACKGROUND / SUMMARY INFORMATION**

The 2019-2020 biennial budgets include funds to purchase and install new playground equipment for Tyhuis park. The current playground equipment is out dated and over 25 years old. Replacing the equipment will help raise the level of attention in this park, equal to the playgrounds in new developments, and helps the City meet the six-year Comprehensive Park Plan goals.

Staff held a virtual neighborhood meeting to gain input from the residents that live near Tyhuis park. Poster size signs were placed at the park for weeks. The signs had a link to the City's website, as well as a QR code to submit in their comments, suggestions and/or ideas based on the renderings provided by All Play Systems. The comment period has now ended. The comments were positive on the design and the only requested change was to add a bench for parents to enjoy. Staff contacted the vendor and a bench has been added to the design and final quote.

Staff is proposing to utilize NASPO ValuePoint Master Agreement #6479. Therefore, by purchasing from the State Contract for this playground equipment, the City fulfills our bidding obligations as required by City ordinance and saves costs by allowing the State to perform the bidding process.

Funding for this project will come from General Fund and REET 2 funds. The budgeted amount is \$80,500.00 for the playground equipment replacement at Tyhuis and Koetje parks. Staff is currently working on the renderings for review for Koetje park.

**LEGAL AUTHORITY**

**FISCAL IMPACT**

Funds Required: \_\_\_\_\_ \$45,493.02 \_\_\_\_\_

Appropriation Source: \_\_\_\_\_ 007.70.594.76.6400 (M&E) \_\_\_\_\_

**PREVIOUS COUNCIL / BOARD / CITIZEN INPUT**

**ATTACHMENTS**

1. [Virtual Meeting Sign and Renderings](#)
2. [All Play Systems Quotation](#)



# New Park Play Equipment

The City of Oak Harbor is planning to replace the play equipment at this park. Proposed layouts for the new park equipment are provided below. Submit comments about the new park play equipment at:

**[www.oakharbor.org/playgroundequipment](http://www.oakharbor.org/playgroundequipment) by [date at 5 p.m.].**

**Comment and  
learn more about  
the equipment at**





AllPlay Systems, LLC  
 P.O. Box 1886  
 Sequim, WA 98382

# Quotation

Toll Free: 888.531.4881  
 Fax: 888.655.6412  
 Email:

Project: Tyhuis Park Playground - UPDATED  
 Date: 10/9/2020

Bill To:	
City of Oak Harbor 865 SE Barrington Drive Oak Harbor, WA 98277	
Contact:	Sandra Place
Phone:	360-279-4757
Email:	splace@oakharbor.org

Ship To:	
Oak Harbor Public Works Shop 1400 16th Avenue Oak Harbor, WA 98277	
Contact:	
Phone:	
Email:	

This quote and purchase will be administered in accordance with the terms of NASPO ValuePoint Master Agreement #6479, executed 12/1/2016. The customer is responsible for final quantity count and unloading of freight at site,

Vendor	Item Description	Model	Qty	Unit Price	Total Price
Playcraft	Custom R3-5 Hybrid Structure, ages 5-12	R35722F0A	1	\$20,548.00	\$20,548.00
	Spin Max Tower	PC 2476	1	\$5,361.00	\$5,361.00
	Bucket Swing Seat		1	\$118.00	\$118.00
	Borders, Plastic, with steel stake	540407	55	\$44.00	\$2,420.00
	ADA Access Ramp		1	\$1,010.00	\$1,010.00
	Classic Bench, with back, 6', in ground	4286-6G	1	\$651.00	\$651.00
	FREIGHT		1	\$1,200.00	\$1,200.00
	NASPO State Contract Discount (12%)		1	-\$3,612.96	-\$3,612.96
	Install Equipment, borders and surfacing		1	\$14,080.00	\$14,080.00

Additional Info:

--

Subtotal \$41,775.04  
 Tax 8.9% \$3,717.98  
**Total \$45,493.02**

Sincerely,

Accepted By: \_\_\_\_\_

Date: \_\_\_\_\_

City of Oak Harbor  
City Council Agenda Bill

Bill No. 4.e.  
Date: October 20, 2020  
Subject: Sole Source – Purchase of  
additional CWF membrane  
units from Suez

**FROM: Cathy Rosen, Public Works Director**

**INITIALED AS APPROVED FOR SUBMITTAL TO THE COUNCIL BY:**

- Bob Severns, Mayor
- Blaine Oborn, City Administrator
- Vacant, Finance Director
- Grant Weed, City Attorney, as to form

**RECOMMENDED ACTION**

It is recommended that the City Council authorize the Mayor to sign an agreement with Suez Water and Technology Solutions in the amount of \$550,216 plus tax.

**BACKGROUND / SUMMARY INFORMATION**

The City of Oak Harbor Clean Water Facility started operation in November of 2018. The facility is a Membrane Bioreactor plant with the membrane technology manufactured by Suez Water and Technology Solutions.

In February 2020 the city experienced a unique rainfall event that saturated the groundwater and created extremely high infiltration and inflow sewage flow to the plant. While the treatment plant operated flawlessly, the plant capacity was exceeded, and a bypass occurred. While designed and approved in accordance with state and federal standards, the rainfall event was beyond historical experience or expectations.

In evaluating the plant after the event, the main limitation was in the membrane capacity. These filter units while extremely efficient at solids removal provide a hard flow capacity limitation. Though the flow exceeded the capacity, the Clean Water Facility was designed for easy expansion for city growth.

The existing 4 membrane trains can be expanded by 1000 gpm by adding membrane modules/piping and upsizing the scour blower motors. These improvements would maximize the capacity of the existing trains. Two additional basins remain available for future growth.

While these improvements increase the plant's peak flow capacity, the dry weather capacity also increases. An additional benefit is that additional units also lengthen the life of the membranes since normal loading is spread over more modules. Since these additions promote growth in the city, systems development funds can be used for this installation.

Attached is a proposal from Suez Water and Technology Solutions for the membrane expansion. Since the membrane system was originally supplied by Suez Water and Technology Solutions, no other vendor can provide the membranes. While this purchase necessitates a sole-source procurement, the original contract contained price guarantees for 6 years. This proposal reflects our original pricing.

Sole Source procurement is a purchasing tool that allows the City to waive the formal bid requirements when the purchase is clearly and legitimately limited to a single source or supply. In order to utilize this purchasing tool a resolution must be passed, and the sole source justification documented. The sole source justification and resolution have been completed and attached for your review.

The proposal includes two options to purchase the capacity in one procurement or in two phases. With the cost savings and additional reliability, staff recommends a single procurement.

Suez proposes a cost of \$545,716 plus \$4500 extended warranty and replacement rider for a total cost of \$550,216 (plus \$49,519 in sales tax). This proposal includes supplying the modules, the associated mechanical and electrical equipment, installation support and control modifications. The installation will be installed by staff except for the electrical hookup. An estimated additional \$50,000 will be required for electrical and control modifications to the system.

## **LEGAL AUTHORITY**

**OHMC 2.320.120 Sole source procurement.**

A contract for the purchase of materials, supplies or equipment may be awarded without complying with the bidding requirements of this chapter when the purchasing coordinator determines in writing, subject to the approval of the finance director or such other person appointed by the mayor to review the determination, after conducting a good faith review of available sources, that there is only one source for the required materials, supplies or equipment. The purchasing coordinator shall conduct negotiations, as appropriate, as to price, terms, and delivery time. A record of sole source procurements shall be maintained that lists each contractor's name, the amount and type of each contract, and a listing of the item(s) procured under each contract. Sole source determinations in excess of \$30,000 shall be made by the city council. (Ord. 1470 § 3, 2006).

**FISCAL IMPACT**

Funds Required: \_\_\_\_\_ \$599,735 \_\_\_\_\_

Appropriation Source: \_\_\_\_\_ Fund 412 Sewer Cumulative Reserve (system development fees) \_\_\_\_\_

**PREVIOUS COUNCIL / BOARD / CITIZEN INPUT**

This action was discussed at the February 24, 2020 and September 23, 2020 City Council Workshops.

**ATTACHMENTS**

1. [Sole Source Justification](#)
2. [Resolution 20-28](#)
3. [Attachment A - Suez Water and Technology Solutions proposal](#)



**REQUEST FOR SOLE SOURCE**

To: City Council

From: Cathy Rosen, Public Works Director

Subject: Sole Source Request for the Purchase Of: Membrane Expansion Materials

Requested Supplier: Suez Water Technologies and Solutions

Cost Estimate: \$599,735.00

Sole source purchases are defined as clearly and legitimately limited to a single supplier. Sole source purchases are normally not allowed except when based upon strong technological ground such as operational compatibility with existing equipment and related parts or upon a clearly unique and cost effective feature requirement. The use of sole source purchases shall be limited only to those specific instances which are totally justified to satisfy compatibility or technical performance needs.

**STATEMENT OF NEED:**

My department's recommendation for sole source is based upon an objective review of the product/service required and appears to be in the best interest of the City. I know of no conflict of interest on my part or personal involvement in any way with this request. No gratuities, favors or compromising action have taken place. Neither has my personal familiarity with particular brands, types of equipment, materials or firms been a deciding influence on my request to sole source this purchase when there are other known suppliers to exist.

Refer to the attached sole source justification as prepared by our department, to the attached review of available products/services and to my completed Purchase Requisition.

<p><b>Requestor</b></p>  <p>_____ / _____</p> <p align="center">Signature                      Date</p>	<p><b>Department Head</b></p>  <p>_____ / _____</p> <p align="center">Signature                      Date</p>
---	---

<p><b>Finance Director</b></p>  <p>_____ / _____</p> <p align="center">Signature                      Date</p>	<p><b>City Administrator</b></p>  <p>_____ / _____</p> <p align="center">Signature                      Date</p>
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## **SOLE SOURCE JUSTIFICATION**

**Requisition Item:** Membrane Expansion- This proposal includes supplying the modules, the associated mechanical and electrical equipment, installation support and control modifications.

**Requisition Number:** 10719

○ **Please describe the item and its function:**

The City of Oak Harbor Clean Water Facility started operation in November of 2018. The facility is a Membrane Bioreactor plant with the membrane technology manufactured by Suez Water and Technology Solutions.

In February 2020 the city experienced a unique rainfall event that saturated the groundwater and created extremely high infiltration and inflow sewage flow to the plant. While the treatment plant operated flawlessly, the plant capacity was exceeded, and a bypass occurred. While designed and approved in accordance with state and federal standards, the rainfall event was beyond historical experience or expectations.

In evaluating the plant after the event, the main limitation was in the membrane capacity. These filter units while extremely efficient at solids removal provide a hard flow capacity limitation. Though the flow exceeded the capacity, the Clean Water Facility was designed for easy expansion for city growth.

The existing 4 membrane trains can be expanded by 1000 gpm by adding membrane modules/piping and upsizing the scour blower motors. These improvements would maximize the capacity of the existing trains. Two additional basins remain available for future growth.

While these improvements increase the plant's peak flow capacity, the dry weather capacity also increases. An additional benefit is that additional units also lengthen the life of the membranes since normal loading is spread over more modules. Since these additions promote growth in the city, systems development funds can be used for this installation.

**2. This is a sole source\* because:**

- X sole provider of a licensed or patented good or service
- X sole provider of items that are compatible with existing equipment, inventory, systems, programs or services
- sole provider of goods and services for which the City has established a standard"
- X sole provider of factory-authorized warranty service sole provider of goods or services that will meet the specialized needs of the City or perform the intended function (please detail below or in an attachment)
- the vendor/distributor is a holder of a used item that would represent good value and is advantageous to the City (please attach information on market price survey, availability, etc.)

**3. What necessary features does this vendor provide which are not available from other vendors?**

*Please be specific.*

There are other providers of this type of system, however they are not compatible with our existing system which is needs to be expanded to accommodate the potential needs in the future.

**4. What steps were taken to verify that these features are not available elsewhere?**

Since the membrane system was originally supplied by Suez Water and Technology Solutions, no other vendor can provide the membranes. Documents provided by Suez indicate trademarks and warranty as pertaining to the existing membranes installed.

*\*Sole Source: only one vendor possesses the unique and singularly available capability to meet the requirement of the solicitation. Procurements of items for which the City has established a standard by designating a brand or manufacturer or by pre-approving via a testing shall be competitively bid if there is more than one vendor of the item.*

RESOLUTION NO. 20-28

RESOLUTION DECLARING SUEZ WATER AND TECHNOLOGY SOLUTIONS A SOLE SOURCE FOR PURPOSES OF PURCHASING ITEMS FOR THE MEMBRANE EXPANSION THAT ARE COMPATIBLE WITH OUR EXISTING SYSTEM.

WHEREAS, the City is interested in purchasing certain property described in Exhibit "A" hereto attached; and

WHEREAS, the Central Services Supervisor has determined in writing, subject to the approval of the Finance Director, that the items specified in Exhibit "A" subject to the approval of the Finance Director, that the items specified in Exhibit "A" are only reasonably obtainable from Suez Water Technologies and Solutions; now, therefore

BE IT RESOLVED by the City Council of the City of Oak Harbor as follows:

1. That the supplier above-named is the sole source supplier of the property identified in Exhibit "A" hereto attached;
2. That the City is authorized to purchase the same without proceeding to secure competitive bids.

PASSED and approved by the City Council this 20th day of October, 2020.

THE CITY OF OAK HARBOR

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Mayor

Attest:

---

City Clerk

Approved as to Form:

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City Attorney

<b>membrane expansion proposal</b>
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<b>to:</b>	City of Oak Harbor referred to here as Oak Harbor or Buyer	<b>date:</b>	July 9, 2020
		<b>no. of pages:</b>	36 including cover
<b>attention:</b>	Michael Borrero, PE	<b>email:</b>	<a href="mailto:MBorrero@carollo.com">MBorrero@carollo.com</a>
<b>plant address:</b>	1501 SE City Beach Street Oak Harbor, WA 98277	<b>telephone no.:</b>	206 684 6532
		<b>cell no.:</b>	732 616 7845
<b>from:</b>	Chris Allen, PE western regional manager	<b>email:</b>	<a href="mailto:chris.allen@suez.com">chris.allen@suez.com</a>
		<b>telephone no.:</b>	503 307 2238
<b>cc:</b>	Jason Diamond		
<b>subject:</b>	membrane expansion: 4 x ZW500D 52M cassettes	<b>proposal no.:</b>	406368-1
		<b>original project no.:</b>	00-501419
<b>plant data:</b>	Please provide corrections if inaccurate City of Oak Harbor WWTP, municipal sanitary wastewater treatment, 4 trains, 2 x 48/48M + 1 x 36/48M ZW500D LEAPmbr cassettes with 370ft <sup>2</sup> modules. Substantial completion date: November 5 <sup>th</sup> , 2018.		

### proposal provisos

This proposal has been issued based on the information provided by the customer and on information currently available to SUEZ Water Technologies & Solutions at the time of proposal issuance. Any changes or discrepancies in site conditions, including but not limited to changes in system influent water characteristics, changes in environmental health and safety (EH&S) conditions, changes in the reissued state/provincial disposal system permit, changes in buyer financial standing, buyer requirements, or any other relevant change or discrepancy in the factual basis upon which this proposal was created may lead to changes in the offering, including but not limited to changes in pricing, guarantees, quoted specifications, or terms and conditions.

### confidential and proprietary information

The enclosed materials are considered proprietary property of SUEZ Water Technologies & Solutions (SUEZ). No assignments, either implied or expressed, of intellectual property rights, data, know how, trade secrets or licenses of use thereof are given. All information is provided exclusively to the addressee and agents of the addressee for the purposes of evaluation and is not to be reproduced or divulged to other parties, nor used for manufacture or other means, without the express written consent of SUEZ. The acceptance of this document will be construed as an acceptance of the foregoing.

### trademarks

The following are trademarks of SUEZ Water Technologies & Solutions and may be registered in one or more countries:

+100, ABMet, Absolute.Z, Absolute.Za, AccuSensor, AccuTrak, AccuTrak PLUS, ActNow, Acufeed, ALGAECAP, AmmCycle, Apogee, APPLICATIONS ATLAS, AquaFloc, AquaMax, Aquamite, Aquaplex, AquaSel, Aquatrex, Argo Analyzer, AutoSDI, BENCHMARK, Betz, BetzDearborn, BEV Rite, BioHealth, BioMate, BioPlus, BIOSCAN, Bio-Trol, Butaclean, Certified Plus, CheckPoint, ChemFeed, ChemSensor, ChemSure, CHEX, CleanBlade, CLOROMAT, CoalPlus, COMP-METER, COMP-RATE, COMS (Crude Overhead Monitoring System), Continuum, CopperTrol, CorrShield, CorTrol, Custom Clean, Custom Flo, Cyto3, DataGuard, DataPlus, DataPro, De:Odor, DELTAFLOW, DEOX, DeposiTrol, Desal, Dianodic, Dimetallic, Dispatch Restore, Durasan, DuraSlick, Durasolv, Duratherm, DusTreat, E-Cell, E-Cellerator, ELECTROMAT, Embreak, EndCor, EXACT, FACT-FINDER, Feedwater First, Ferrameen, Ferroquest, FilterMate, Fleet View, FloGard, Flotrex, Flotronics, FoamTrol, FoodPro, Fore4Sight, ForeSight, FRONTIER, FS CLEAN FLOW, FuelSolv, Full-Fit, G.T.M., GenGard, GEWaterSource, Glegg, Heat-Rate Pro, High Flow Z, HPC, HPD Process, HyperSpense, Hypure, Hytrex, InfoCalc, InfoScan, InfoTrac, InnovOx, InSight, IONICS, IONICS EDR 2020, IPER (Integrated Pump & Energy Recovery), iService, ISR (Integrated Solutions for Refining), JelClear, KlarAid, Kleen, LayUp, Leak Trac, Leakwise, LEAPmbr, LEAPprimary, Learning Source, LOGIX, LoSALT, M-PAK, MACCarrier, Mace, Max-Amine, MegaFlo, Membrex, MemChem, Memtrex, MerCURxE, MetClear, MiniWizard, MK-3, MOBILEFLOW, MobileRO, Modular Pro, ModuleTrac, MonitAll, Monitor, Monitor Plus, Monsal, MP-MBR, MULTIFLOW, Muni.Z, NEWater, NGC (Next Generation Cassette), Novus, NTBC (Non Thermal Brine Concentrator), OptiGuard, OptiSpense, OptiTherm, Osmo, Osmo PRO, Osmo Titan, Osmonics, Pacesetter, PaceSetter, Petroflo, Petromeen, pHlimPLUS, PICOPORE, PlantGuard, PolyFloc, PowerTreat, Predator, PRO E-Cell, Pro Elite, ProCare, Procera, ProChem, Proof Not Promises, ProPAK, ProShield, ProSolv, ProSweet, Purtrex, QSO (Quality System Optimization), QuickShip, RCC, RE:Sep, Rec-Oil, Recurrent, RediFeed, ReNEW, Renewell, Return on Environment, RMS (Rackless Modular System), ROSave.Z, SalesEdge, ScaleTrol, SeaPAK, SeaPRO, SeaSMART, Seasoft, SeaTECH, Selex, Sencisore, Sentinel, Sepa, Sevenbore, Shield, SIDTECH, SIEVERS, SmartScan, SoliSep, SolSet, Solus, Spec-Aid, Spectrus, SPLASH, Steamate, SteriSafe, Styrex, SUCROSOFT, SUCROTEST, Super Westchar, SuperStar, TFM (Thin Film Membrane), Terminator, Thermoflo, Titan RO, TLC, Tonkaflo, Travelab, Trend, TruAir, TrueSense, TurboFlo, Turboline, Ultrafilic, UsedtoUseful, Vape-Sorber, VeriFeed, VersaFlo, Versamate, VICI (Virtual Intelligent Communication Interface), V-Star, WasteWizard, WATER FOR THE WORLD, Water Island, Water-Energy Nexus Game, WaterGenie, WaterNODE, WaterNOW, WaterPOINT, WellPro.Z, Xpleat, YieldUp, Z-BOX, Z-MOD, Z-PAK, Z-POD, ZCore, ZeeBlok, ZeeLung, ZeeWeed, ZENON, and Z.Plex.

**table of contents**

**1 introduction.....4**

**2 SUEZ scope & price.....5**

2.1 optional adder – extended warranty .....7

**3 material description.....8**

3.1 ZeeWeed cassette .....8

3.2 loose-shipped equipment and cassette hardware .....8

**4 SUEZ support.....9**

4.1 off-site support .....9

4.2 on-site technical services .....10

**5 delivery .....11**

**6 ZeeWeed configuration .....13**

**7 scope - Oak Harbor.....14**

7.1 installation preparation .....14

7.2 installation.....14

**8 solution design notes.....15**

8.1 permits .....15

8.2 maintenance notes for replacement membranes.....16

8.3 technical.....17

**9 health & safety .....18**

**10 Seller’s warranty - ZeeWeed membrane module .....20**

**11 terms and conditions of sale .....23**

**12 signed agreement .....25**

**attachment a SUEZ standard terms and conditions .....26**

**attachment b optional adder: Seller’s warranty – ZeeWeed membrane  
modules extended prorated replacement – Oak Harbor .....32**

**attachment c capital proposal MMRP excerpt.....35**

# 1 introduction

SUEZ Water Technologies & Solutions is pleased to present this proposal at the request of the City of Oak Harbor to provide wastewater membrane modules and cassettes to expand the full plant capacity at the Oak Harbor WWTP to meet a peak hour capacity of 6.44 MGD.

Per discussions with City of Oak Harbor and Carollo, SUEZ has presented two options with this proposal:

- ❑ **option 1:** single phased expansion, plant will be able to meet 6.44 MGD peak hour capacity following completion;
- ❑ **option 2:** two-phased expansion, plant will only be able to meet 6.44 MGD peak hour capacity following second phase completion.

SUEZ is a proven leader in delivering tangible value to our clients over the life of the plant. Our measure of success is how well we deliver **solutions** that help our clients meet their critical business objectives.

Through long-acquired technical experience, SUEZ has clearly distinguished itself from other membrane manufacturers. A mature service culture and deep technical expertise are ready to serve and support Oak Harbor through this next membrane upgrade.

*SWTS would like to note that under the current exceptional circumstances under the COVID 19 Pandemic situation, SWTS may not be in a position to guarantee and comply with the planned schedule for project delivery or performance and that should there be any new measures taken by any governmental authority which may impede or delay the said schedule or performance, SWTS reserves the right to modify the schedule / contract accordingly. SWTS will promptly inform you of any changes which may impact the contract or the project.*

## 2 SUEZ scope & price

SUEZ’s scope includes the material and services outlined in the table below. The sections that follow provide additional detail regarding each scope item.

### option 1

item description	part #	quantity	price
ZW500D 52/52M cassettes, 370ft² modules, section 3.1	3157511	2	485,780
ZW500D 40/52M cassettes, 370ft² modules, section 3.1	3161834	1	
ZW500D 32/52M cassettes, 370ft² modules, section 3.1	3164976	1	
2-year full replacement membrane warranty, section 10		incl.	
replacement blower motor/sheave, section 3.2 & 8.3	CFO	5	
ZeeWeed cassette hardware, section 3.2		lot	
in-house support, project management, engineering, programming/controls section 4.1		incl.	21,889
freight, DDP project site, section 5	3095534	incl.	27,895
<b>material, in-house labor, freight</b>		<b>sub-total</b>	<b>535,564</b>
on-site support, 5x10-hr days on-site plus travel & living, section 4.2	135491	1 FSR	10,152
<b>on-site support</b>		<b>sub-total</b>	<b>10,152</b>
<b>All figures are in USD, plus applicable taxes.</b>		<b>total price</b>	<b>545,716</b>
<b>Please make purchase order to ZENON Environmental Corporation.</b>			

invoicing schedule	approximate % of sub-total	invoice value, excluding tax
An invoice will be issued upon acceptance by SUEZ of customer purchase order. Approximate percent calculation based on the <b>material, in-house labor, freight sub-total</b> of the purchase order. Shipment of membranes is contingent on receipt of this initial milestone payment.	30%	160,669
An invoice for the balance of the <b>material, in-house labor, freight sub-total</b> will be issued when membrane module shipping documents are supplied to the carrier.	70%	374,895
A final invoice for the <b>on-site support sub-total</b> will be issued upon completion of installation.	100%	10,152
		<b>545,716</b>

option 2

scope	part #	phase 1 quantity	phase 2 quantity
ZW500D 32/52M cassettes, 370ft² modules, section 3.1	3164976	2	---
ZW500D 52/52M cassettes, 370ft² modules, section 3.1	3157511	---	2
membrane modules, ZW500D 370 ft² bagged and boxed	3111047	---	8
2-year full replacement membrane warranty, section 10		included	
replacement blower motor/sheave, section 3.2 & 8.3	CFO	5	---
blower sheave kit, section 3.2 & 8.3	CFO	---	5
ZeeWeed cassette hardware, section 3.2		lot	---
in-house support, project management, engineering, programming/controls section 4.1		included	
delivery		DDP Plant Site	
<b>material, in-house labor, freight sub-total</b>		<b>270,718</b>	<b>298,368</b>
on-site support, section 4.2: <ul style="list-style-type: none"> <li>phase 1 visit = 5x10-hr days on-site plus T&amp;L</li> <li>phase 2 visit = 3x10-hr days on-site plus T&amp;L</li> </ul>	135491	1 FSR	1 FSR
<b>on-site support sub-total</b>		<b>10,152</b>	<b>7,182</b>
<b>total price</b>		<b>280,870</b>	<b>305,550</b>
<b>total price (phase 1 and 2)</b>		<b>586,420</b>	
<b>All figures are in USD, plus applicable taxes.</b>			
<b>Please make purchase order to ZENON Environmental Corporation.</b>			

invoicing schedule	approximate % of sub-total	phase 1	phase 2
		invoice value, excluding tax	
An invoice will be issued upon acceptance by SUEZ of customer purchase order. Approximate percent calculation based on the <b>material, in-house labor, freight sub-total</b> of the purchase order. Shipment of membranes is contingent on receipt of this initial milestone payment.	30%	81,215	89,510
An invoice for the balance of the <b>material, in-house labor, freight sub-total</b> will be issued when membrane module shipping documents are supplied to the carrier.	70%	189,503	208,858
A final invoice for the <b>on-site support sub-total</b> will be issued upon completion of installation.	100%	10,152	7,182
		<b>280,870</b>	<b>305,550</b>

## 2.1 optional adder – extended warranty

The modules sold under the original capital sale were provided with an extended warranty, as outlined in the table below.

<b>milestone</b>	<b>date</b>	<b>notes</b>
module delivery	November 20, 2017	
substantial completion	November 5, 2018	
warranty start	July 20, 2018	8 months following delivery of membranes
full replacement expiry	July 20, 2023	full replacement period - 60 months
prorated expiry	July 20, 2028	prorated replacement period - 60 months

Oak Harbor can elect to purchase an extended warranty for the expansion modules supplied under this proposal that will align with the existing module warranty and membrane module replacement price (MMRP) terms offered with the capital sale (attachment c), modified only to align with existing expiry dates for full and prorated replacement. Refer to attachment b for warranty details.

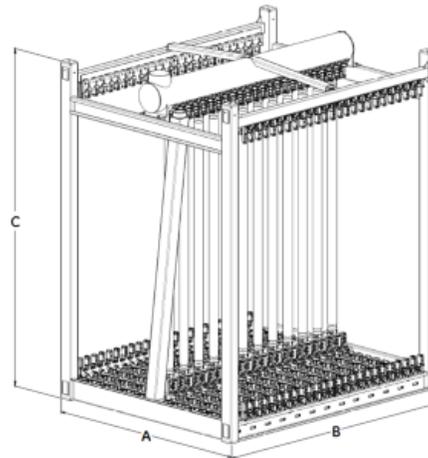
**optional adder price:** ZeeWeed membrane module extended cliff and prorated replacement per attachment b and this section = **\$4,500 USD**.

### 3 material description

#### 3.1 ZeeWeed cassette

#### ZeeWeed\* 500D LEAP Cassette

Cassette Dimensions			
Product	Width (A) mm (in)	Length (B) mm (in)	Height (C) mm (in)
52M	1,744 (68.7)	2,136 (84.1)	2,561 (100.8)



Cassette Tie-Points & Weights							
Application	Product	Max. # of ZW Modules	Min. # of ZW Modules	Permeate Connection	Air Connection	Max. Shipping Weight <sup>1</sup> kg (lb)	Lifting Weight <sup>1</sup> kg (lb)
LEAPmbr	52M	52	26	1 x 6" vert. pipe	1 x 3" FNPT half coupling	1,892 (4,172)	2,184 – 4,250 (4,816 – 9,370)

#### 3.2 loose-shipped equipment and cassette hardware

##### option 1 and option 2 – phase 1

Supply associated loose-shipped equipment and hardware as follows:

- 5 x replacement blower motors (40 HP) and belt/sheave kits (for final required membrane flow under Option 1 and for intermediate required membrane air flow under Option 2 Phase 1) to increase membrane aeration flow rate;
- 4 sets x train permeate header extension spool, 316L, 10" x 6", with isolation valves;
- 4 sets x train air header extension spool, 316L, 8" x 3", with isolation valves;
- 4 sets x 6" spool connection between new cassettes and permeate header, including 316L spool, straub fittings, etc.;
- 4 sets x 4" spool connection between new cassettes and air header, including CPVC spool, straub fittings, etc.;
- 4 sets x hanging arms, hanging arm cross braces, double split shaft collar, and all hardware that connects the arms to the cassettes;
- 1 x ZW500D 52M cassette lifting bracket;
- 1 x eye bolt kit for turning the cassettes upright prior to installation;

- 1 x cassette stand for LEAPmbr (to access bottom of cassettes);
- spare hardware:
  - o 40 x #118 EPDM permeate spigot o-rings;
  - o 10 x ZW500D element end cap keys.

**option 2 - phase 2**

- 5 x blower belt/sheave kits to increase to final required membrane aeration flow rate.

## 4 SUEZ support

### 4.1 off-site support

**controls**

Provide system controls programming adjustments as required for the new membranes including adjustment of set points for permeate and air flow.

If there is a requirement for the EEPROM (Electrically Erasable Programmable Read-Only Memory) to be stored, a period of plant shutdown must be arranged by Oak Harbor.

**documentation**

The base level of documentation updates will include:

- programmer's table of code changes (change description recorded by tag with one distinct marker bit per change)
- Update the relevant process (piping) & instrumentation drawings (P&ID) and reissue electronically – for option 1 or following option 2 – phase 2 completion.

These updates should be filed in the O&M manual as interim documentation.

Due to the very high cost of comprehensive updating of plant documentation with each system upgrade, SUEZ recommends planning a complete documentation update every 1-4 years to coincide with a selected system upgrade.

SUEZ will be pleased to develop a documentation update price quotation on request which may include some or all of the following scope according to its relevance:

- O&M manual** - Provide a fully updated version of the operation & maintenance manual that indicates the changes made with this membrane expansion upgrade.
- electrical drawings** – Update the electrical drawings and reissue electronically.
- controls documents** – Update control narrative (CN), controls logic sequence chart (CLSC, also known as CSC) and the operation sequence chart (OSC)

**project management**

Provide planning and off-site assistance during the membrane expansion project.

## 4.2 on-site technical services

The proposal includes technical services during installation and commissioning process to Oak Harbor’s staff as outlined in section 2. SUEZ strongly recommends that Oak Harbor consider having at least one experienced person on site during this period.

Installation and commissioning of membranes will be executed one train at a time to minimize down-time and to return each train to beneficial use in a timely manner.

The following activities will be executed and completed jointly by SUEZ personnel and plant staff:

- relocate membranes, LEAP aerators, LEAP aerator plugs and blank module headers according to the ZeeWeed configuration in section 6:
- install the new membrane cassettes with spools and hanger arms;
- upload required revisions to the PLC program with adjusted set-points;
- perform bubble test where applicable to test membrane integrity and review trans membrane pressure (TMP) on the installed membranes and compare to expected values for new membranes.

**operating responsibility** - Oak Harbor retains control of the work site and retains final responsibility for the installation and commissioning process.

SUEZ will perform the services specified in the scope section of this document, but SUEZ will not operate the system. For the purposes of this agreement, the term “operate the system” shall mean to run or control the functioning of the equipment or to otherwise conduct or manage the affairs of any aspect of water or wastewater treatment or other functions at Oak Harbor’s site, and shall include functions such as providing operators or laborers to adjust or control water treatment (“WT”) equipment, wastewater treatment (“WWT”) equipment or sludge management facilities (“SMF”), providing program oversight or directing on-site or contract operators/laborers to adjust or control WWT or SMF, providing personnel responsible for or providing oversight of water treatment residual quality, wastewater effluent quality, sludge quality, waste characterization, or waste disposal activities, or providing personnel with continual or daily operational responsibilities with respect to water or wastewater treatment, influent or effluent compliance monitoring, process monitoring, government reporting or notification, or permit compliance.

**waiting time** - Any overtime or waiting times required due to unforeseen site events outside the control of SUEZ will be invoiced according to the prevailing SUEZ service labor rates sheet, available on request.

**reporting** - Before leaving site, SUEZ will record observations and discuss with operators concerning the condition of the equipment, tasks accomplished during the visit, and key operating and maintenance issues requiring further attention. SUEZ will provide a copy of a written report before leaving site and/or provide a service visit report to the plant operator within a reasonable timeframe of the SUEZ service representative’s return to the office. In any case, Oak Harbor will be asked to sign a work order that describes the hours on site and tasks accomplished.

**SUEZ duties for on-site services**

- ❑ SUEZ will coordinate its work under this agreement in a reasonable manner with the operating staff of the facility.
- ❑ SUEZ will maintain public liability and property damage insurance covering all operations undertaken by SUEZ and its sub-contractors with a limit of \$5,000,000 inclusive for any one accident or occurrence. If for any reason additional insurance coverage (e.g. general construction/erection all risk, general liability) is required above and beyond SUEZ’s standard insurance terms for on-site commissioning supervision, Oak Harbor must inform SUEZ in writing 60 days prior to work commencement at site. Oak Harbor will be billed for all additional insurance costs and processing fees.
- ❑ SUEZ will maintain workers compensation and employers’ liability coverage as per statutory requirements.

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## 5 delivery

- ❑ **packaging** - Factory-installed in operational cassettes (all options), and individually bagged, boxed and crated, ready for ocean shipment (option 2 – phase 2 only).
- ❑ **DDP** - Delivery will be by standard ocean/ground on the basis of DDP City of Oak Harbor WWTP , 1501 SE City Beach Street, Oak Harbor, WA 98277 or other named place of destination; Incoterms 2020. DDP = delivery duty paid. Partial shipments will be acceptable unless otherwise specified. Where delivery cannot be accepted at this destination, Oak Harbor shall specify an alternate, equivalent destination without delay.  

Due to varying origins and availability, non-membrane items included in this proposal may be shipped separately from the membranes. Should separate shipments be required, where possible, SUEZ will strive to provide these items on or before the delivery of the membranes.
- ❑ **origin** - Delivery of ZeeWeed membranes originates from the SUEZ Water Technologies & Solutions, ZENON Membrane Products (ZEM), Bláthy Ottó u 4, Oroszlány, 2840 Hungary facility.
- ❑ **title & risk** - Title and risk of loss or damage to membrane modules, cassette frames, ancillary equipment and crating shall pass to Oak Harbor upon delivery at the named place of destination.
- ❑ **export documents** - All ZeeWeed membrane module shipments into the USA require clearance documentation from the EPA. SUEZ will prepare and provide the required EPA documentation to the Carrier.
- ❑ **MPF** - Merchandise processing fee is a fee assessed for formal custom entries based on 0.35% of the invoice value, with a minimum of USD \$25 per formal entry and a maximum of USD \$485. On the basis of DDP terms, this fee will be paid by SUEZ within the quoted price.

- ❑ **duty** - A US Customs duty of 3.9% applies to all ZeeWeed membranes shipped individually or in shipping frames; not in operational cassette frames. On the basis of DDP terms, this duty will be paid by SUEZ within the quoted price (option 2 – phase 2 only). Any new duty imposed after the date of this proposal is the responsibility of Oak Harbor.
- ❑ **taxes** - All applicable local, state, or federal taxes are the responsibility of Oak Harbor.
- ❑ **temperature** - UF membranes cannot be allowed to freeze or overheat and may require temperature-controlled freight and handling according to the season and the planned routing. If required, the price of temperature control will be included within the firm quote on freight by SUEZ.
- ❑ **unloading** - may require one of or a combination of a loading dock, extended forks and an experienced fork lift driver at delivery destination. Please consult with SUEZ at the time of purchase order (PO) preparation on this.

shipping crate information (estimated)

qty	description	dimensions (in)	weight (lb)
4	ZW500D 52M cassette crates	L=110 x W=89 x H=83	4,172

Notes:

- Only crates for membrane/cassette transport have been shown above to identify the largest and heaviest items that will need to be unloaded;
- Smaller crates/skids will be used for loose-shipped modules and hardware items (hanger arms, spool connection components, etc.).
- ❑ **handling** – ZW500D 52M membrane cassette frames are shipped and will arrive on-site on their sides. An eye bolt kit, included in this proposal, should be used to safely turn the cassettes upright. Adequate work area and height and equipment will also be needed to be available to safely turn the cassettes upright for installation.
- ❑ **availability** - Delivery of membrane modules is typically 10 - 20 weeks after receipt of order. Definitive membrane module availability will be confirmed once a purchase order is received from Oak Harbor and acknowledgement of a purchase order is issued by SUEZ.

## 6 ZeeWeed configuration

configuration data	units	existing plant configuration	proposed configurations				
			option 1 & option 2 – phase 2		option 2 – phase 1		
number of trains, plant		4	4		4		
number of trains as configured		4	3	1	2	2	
type of ZeeWeed membrane		ZW500D	ZW500D		ZW500D		
module surface area	ft <sup>2</sup>	370	370		370		
total number of cassette spaces per train		5	5		5		
maximum number of modules per cassette		48	48	52	48	48	52
fully populated cassettes installed per train		2	3	2	2	2	1
flex cassettes installed per train		1	1	2	2	---	---
installed number of modules per flex cassette #1		36	32	40	26	---	---
installed number of modules per flex cassette #2		---	---	32	---	---	---
total module count, train		132	176	176	148	148	
total surface area in operation, train	ft <sup>2</sup>	48,840	65,120	65,120	54,760	54,760	
total module count, plant		528	528	176	296	296	
total surface area in operation, plant	ft <sup>2</sup>	195,360	195,360	65,120	109,520	109,520	
			260,480		219,040		
% surface area change from existing, plant	%	---	33%		12%		
design temperature	°C	12	12		12		
flow capacity, peak hour flow, PHF	MGD	5.1	6.44		5.75		

## 7 scope - Oak Harbor

### 7.1 installation preparation

- ❑ Receive, off-load, handle and provide temperature-controlled storage of the equipment and materials required for Seller to perform the duties outlined in the Seller's scope of supply. Prior to off-loading, Buyer to confirm temperature indicators have not been tripped.
- ❑ Membranes must be stored in a sheltered area, protected from freezing, direct sunlight or extreme heat, and sealed as shipped until ready for use. Storage should be in a dark, dry, level area at a temperature of 5-30°C (41-86°F). Membranes have a shelf life of 1 year before requiring re-preservation and should not be stored longer than necessary prior to installation. Oak Harbor is responsible for risk of loss of Seller's parts while in storage at the customer's plant.
- ❑ The following work is to be completed by Oak Harbor, or their third-party designate prior to SUEZ arriving at site:
  - inspect, evaluate and make repairs as required for the membrane tanks, mounting brackets, hoses and all connections;
  - installation, flushing and hydrotesting of new aeration and permeate train header extensions and valves;
  - completion of mechanical and electrical installation of blower motors and replacing belts and sheaves.
- ❑ Oak Harbor is responsible for all installation labor and supply of fittings, conduit, wire, interconnecting piping & supports, etc.
- ❑ Provide all access structures (such as scaffolding) and mechanical lifting equipment including cranes, forklifts and scissor lifts.
- ❑ Assure availability of a copy of the operating manual, all process and instrumentation drawings, and all electrical drawings on site and accessible for reference.
- ❑ Maintain adequate insurance coverage for the risks of fire, theft, vandalism, floods and personal injury to authorized or unauthorized visitors.

### 7.2 installation

- ❑ Provide 1 or more plant personnel to work continuously with the SUEZ service representative during installation and commissioning of the modules for the full duration of the site visit.
- ❑ Oak Harbor will afford Seller's personnel free access and egress of the facility for all authorized work. Oak Harbor will provide reasonable access to workshop facilities with standard workshop tools and equipment as is necessary to meet any repair and maintenance requirements of the system during installation.

- Provide adequate illumination and emergency lighting for all areas in which the Seller will be executing the scope of supply. Provide all site utilities such as raw water, instrument quality air, potable water and power required for operation of the proposed equipment included in this scope of supply. Assure that adequate quantities of membrane cleaning and neutralizing chemicals are on hand for wash procedures including sodium hypochlorite, sodium bisulphite, citric acid and sodium hydroxide. Supply telephone/fax/modem access while Seller's staff members are on-site.
- Provide assistance to remove cassettes from the system as required;
- Provide assistance to clean each cassette as it is removed from the system;
- Provide assistance to relocate modules within cassettes and relocate LEAPmbr aerators, saddle plugs and module blanks as required;
- Provide assistance to relocate/return existing cassettes with hanger arms and spools;
- Provide assistance to install new cassettes with hanger arms and spools;
- Dispose of shipping and packaging materials unless specifically requested not to do so by SUEZ.

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## 8 solution design notes

### 8.1 permits

#### regulatory requirements

Oak Harbor is responsible to review and report to the permit granting agency on the impact of any of the proposed changes on the regulatory permit. SUEZ will provide the necessary manufacturer's technical support on regulatory issues.

***Please speak with your regional lifecycle manager (RLM) if there are any regulatory requirements or concerns.***

#### utilization

SUEZ understands that at the completion of option 1 or option 2, these modules are required to expand the peak hour flow capacity of the existing treatment plant to 6.44 MGD.

It is SUEZ's understanding that the cassette support system (beams and brackets etc.) is already installed in the spare space. If this is not so, please advise SUEZ and request that this be added to the proposal.

#### production interruption

During installation of the ZeeWeed cassettes, trains will be shut down which will affect Oak Harbor treatment capacity. After the purchase order is acknowledged, SUEZ's project manager for the installation will consult with Oak Harbor to jointly develop the installation plan and work schedule with due regard for membrane delivery to the plant and plant preparation.

## 8.2 maintenance notes for replacement membranes

At the time of any full plant or full train membrane replacement, it is recommended to evaluate whether it is the right time to address any tank coating repairs which may be required.

### preferential flow

Preferential flows can create a risk of over-fluxing of new modules when they are installed in the same train with older modules. The mixing of old and new modules in the same cassette also makes management of slack adjustment more difficult. SUEZ recommends that Oak Harbor plan membrane module replacement on a complete cassette and complete train basis wherever possible to achieve both optimal performance and best value from the new membrane modules.

For option 1, by relocating all existing membrane modules in trains 1-3 and installing all new modules in train 4, this risk has been neutralized.

### membrane slack

SUEZ's membranes are supplied and shipped with an initial factory fiber slack designed to optimize membrane air scouring during operation as well as accommodate a degree of shrinkage. Membranes shrink in length early in their lifecycle when exposed to higher temperature water. The pace of shrinkage slows with age. With the installation of new membranes, the requirements for slack adjustment start a new cycle.

Due to the wide variety of operating environments in which our products can be utilized, it is difficult to generally predict the rate of shrinkage. If membranes operate in a condition of insufficient slack for an extended period of time, irreversible damage to the fiber-urethane bond may occur. Please refer below to the recommended inspection frequencies based on your plant's membrane tank operating temperature. Visual inspections should begin during the membrane installation and be repeated over time on the same cassette. Digital pictures will allow for comparative analysis of the fiber slack over time.

maximum operating temperature	recommended slack inspection frequency
0-24 °C / 32-76 °F	every 2 years
25-30 °C / 77-86 °F	once per year
>30 °C / > 86 °F	twice per year

### bubble test pressure

The bubble test pressure for the purchased membranes is 2 psi horizontally and 3 psi vertically.

### 8.3 technical

#### lifting weight & height

The lifting weight ranges for ZW500D 52M cassettes differ from the current ZW500D 48M cassettes and need to be considered to ensure that the site has adequate lifting capacity available to install and later remove the cassettes safely.

Cassette type	lifting weight range (lb.)	cassette height (in.)
ZW500D 48M	4,320 – 8,757	100.8
ZW500D 52M	4,816 – 9,370	100.8

Cassette lifting weight ratings have a range as weights may vary due to the number of modules in the cassette and the degree of solids accumulation in an upset condition.

#### Hoses & fittings

SUEZ has assumed for this proposal that the existing aeration and permeate cassette connections for the ZW500D 48M cassettes do not need replacing at this time. If this is not so, please advise SUEZ and request that they be added to this proposal.

#### Blowers

Upsized motors and replacing belts and sheaves are required for the existing blowers to meet the expansion air flow requirements and have been included in SUEZ's scope of supply.

Mechanical and electrical adjustments required to meet new air flow will be completed by Oak Harbor or their 3rd party designate. SUEZ will assist Oak Harbor in determining correct air flow requirements for the new plant configuration.

#### process pumps

Following a preliminary review, the capacity of the existing process pumps is sufficient for this expansion.

#### RAS pumps and biological system

RAS and biological system expansion design, including equipment, will be completed by Oak Harbor or their 3rd party designate.

#### pre-screen

Trash and non-biodegradable solids, such as hair, lint, grit and plastics may foul or damage the membranes if allowed to pass into the membrane chamber. SUEZ recommends that an internally-fed screen with mesh or punched-hole openings less than or equal to 2 mm with no possibility of bypass or carryover be operated upstream of the new membranes to ensure effective operation and to maximize membrane life.

## 9 health & safety

### Oak Harbor

- ❑ Oak Harbor will provide orientation to Seller's personnel to ensure site-specific safety protocols are known. Oak Harbor will identify and inform Seller's personnel of any site-specific hazards present in the work place that could impact the delivery of Seller's scope of supply and agrees to work with Seller to remove, monitor, and control the hazards to a practical level.
- ❑ Oak Harbor will provide any site-specific or standard company operating procedures and practices for Seller's personnel to perform work on site, if required by Oak Harbor's policies. Such programs may include, but are not limited to, general environmental health & safety (EHS), HAZOP, fire protection, drug testing, incident notice, site conduct, standard first aid, chemical receiving, electrical safety, etc. Oak Harbor will provide a certificate of program completion for Seller's personnel. This program will be fully documented, training materials will be provided, and attendance list will be kept.
- ❑ If any type of lifting devices will be used on site, Oak Harbor will provide proof of its maintenance, inspection and certification documentation upon request and will assist the SUEZ service representative to complete a safety inspection checklist.
- ❑ Where confined space entry may be required, Oak Harbor will provide early notice and will collaborate with SUEZ in planning adequate staffing and in advising the local fire/rescue department as required.
- ❑ No time or cost provision has been made for preparations such as safety record clearances, drug testing, insurance confirmations or pre-job-training in excess of 1 hour. Prior to finalizing the Purchase Order and the work schedule, Oak Harbor will advise SUEZ of any pre-job or pre-mobilization requirements. Where these requirements exceed 1 hour, this time will be charged to Oak Harbor at rates set out in the prevailing SUEZ labor rate sheet.
- ❑ Where certain short duration activities require two people for safety and the SUEZ Service representative is alone at site, Oak Harbor will cooperate as required to assure that correct safety precautions are taken.
- ❑ Oak Harbor is responsible for the following environmental provisions:
  - environmental use and discharge permits for all chemicals at Oak Harbor's facility either listed in this document or proposed for use at a later date;
  - any special permits required for Seller's or Oak Harbor's employees to perform work related to the water treatment system at the facility;
  - all site testing, including soil, ground and surface water, air emissions, etc.;
  - disposal of all solid and liquid waste from the Seller's system including waste materials generated during construction, start up and operation.

- ❑ Oak Harbor is responsible for provision of health and safety facilities to Seller's field service representatives to the same extent that they are provided to Oak Harbor's own employees, including provision of:
  - eyewash and safety showers in the water treatment area;
  - chemical spill response;
  - security and fire protection systems per local codes,

**SUEZ**

- ❑ All work on site will be performed in accordance with applicable law and will be performed reasonably, in a clean and safe manner. The SUEZ service representative will abide by the more stringent of the applicable health, safety and environmental policies and procedures of either Oak Harbor or SUEZ.
- ❑ SUEZ will provide all applicable safety training required by SUEZ policies or by state or national health and safety regulations. The SUEZ service representative will have undergone workplace hazardous material information system (WHMIS) training and will come equipped with necessary personal protective equipment (PPE).
- ❑ Emergencies - In emergencies affecting the safety of persons, work or property at the site and adjacent thereto, SUEZ will act, without previous instructions from Oak Harbor, as the situation warrants. SUEZ will notify Oak Harbor immediately thereafter.

# 10 Seller's warranty - ZeeWeed membrane module

## 2-year full replacement – standard

This schedule sets out the warranty with respect to ZeeWeed membrane modules (“membrane modules”). No other warranties, expressed or implied are made in connection with the sale of these products, including, without limitation, warranties as to fitness for any particular purpose or use or merchantability of these products. The warranty provided herein will be the exclusive and sole remedy of Buyer, and in no event will the Seller be liable for any special, direct, indirect or consequential damages, including, without limitation, loss of profits. This warranty is not transferable.

### 1 product

This warranty applies to only the membrane modules supplied under the contract of sale. Membrane module means the fibers and the potted plastic headers. This warranty does not cover air piping to the membrane module, permeate piping from the membrane module, piping connection fittings, connecting hardware and cassette frames with their associated components including but not limited to spacers, aerator tubes, aerator assemblies, screen, module dummies or module blanks.

Identification: membrane modules are shipped by the Seller with a serial number identification which confirms their place in the cohort set of membrane modules covered by this membrane module warranty.

### 2 Seller

**ZENON Environmental Corporation** is the name of the Seller, and means a business component of, or legal entity within the SUEZ Water Technologies & Solutions business (SUEZ) which is selling ZeeWeed modules and is the Seller offering this warranty. The Seller may assign this warranty to other SUEZ affiliates.

### 3 Buyer

Buyer means City of Oak Harbor.

### 4 project

Project means the membrane modules sold under this proposal number 406368-1.

### 5 contract of sale

Contract of sale means the sales contract governing the sale of membrane module(s) for the project between Buyer and the Seller or its SUEZ affiliate.

### 6 scope of warranty

The Seller warrants that its membrane module(s) will be free of defects due to faulty materials or errors in manufacturing workmanship.

Regular membrane module inspection and normal fiber repair shall be the responsibility of Buyer.

All replacement membrane modules will be shipped on the basis of INCOTERMS 2020 FCA SUEZ manufacturing facility.

All ancillary costs including but not limited to bagging, boxing, crating, freight, freight insurance, applicable taxes, import duties, certifications, brokerage, receiving, forklift services, storage at site, reattachment hardware, hose/clamp/camlock replacement, crane services, installation, fiber repair materials, glycerin flushing, commissioning and waste disposal are the responsibility of Buyer.

**full replacement** – Full replacement means that in the case of a valid warranty claim for a membrane module failure, Buyer receives a replacement membrane module and does not pay for the value of use of the membrane module prior to failure.

**prorated replacement** – Prorated replacement means Buyer pays for actual use of a membrane module from which Buyer has derived value over time. Prorated replacement allows the Seller to pay reasonable compensation under warranty for any product use not enjoyed by Buyer due to premature failure.

The ratio of full replacement to prorated replacement in this warranty is set out in item 8 of this section.

## 7 warranty start date

For the original membrane modules in a plant, this membrane warranty will start on the earlier of:

- a. The date that installation of the original membrane module(s) has been substantially completed, or
- b. Six months from the date of shipment of the original membrane module(s) to Buyer.

For replacement or expansion membranes, this membrane warranty will start on the earlier of:

- a. The date of installation, or
- b. 1 month from the date of delivery to site.

## 8 warranty duration

**total warranty duration:** a total of **24** months composed of a base period and an extended period.

**base period with full replacement:** **24** months

All purchasers of ZeeWeed membrane modules are entitled to this base period of full replacement warranty coverage without purchasing an extended Seller's warranty.

**extended period with full replacement:** a total of **0** months following the base period

Replacement membrane modules are covered by warranty only to the extent of the warranty of the original membrane module which has been replaced. At all events, this warranty shall expire and be of no force or effect **24** months following the warranty start date.

## 9 notification of claim

All claims filed under this warranty shall be made in writing by Buyer within 30 days of identifying a defect.

Buyer shall provide the following information:

- a. A description of the defect giving rise to the claim;
- b. Photographs showing the manufacturing defect;
- c. The serial number(s) of the membrane module(s) which is (are) the subject of the warranty claim; and
- d. Operating data and repair history for the life of membrane modules which are the subject of a warranty claim.

## 10 verification of claim

After receipt of written notification of a defect, the Seller will promptly undertake such investigations as, in the Seller's opinion, are necessary to verify whether a defect exists. The Seller reserves the right to require additional data as necessary to validate claims. Buyer may, in the course of these investigations, be requested to return membrane module(s) to the Seller for examination. The Seller may also conduct reasonable tests and inspections at Buyer's plant or premises. If the results of the investigation do not validate the defect claimed, Buyer will reimburse the Seller for all reasonable expenses associated with said investigation, including expenses for all tests, inspections, and associated travel.

## 11 satisfaction of claims

The Seller will have the right to satisfy claims under this warranty in a flexible manner. Such flexibility may include the repair of existing membrane modules or changes in operating protocols or membrane module replacement or by upgrading failed membrane modules with newer membrane module(s) that may embody design and efficiency improvements. Buyer consents to the supply of replacement membrane modules which may be of a different design than original membrane modules.

## 12 operating information

To maintain the membrane module warranty, membrane system operation records from initial start-up date until claim must be maintained by Buyer and made available to the Seller upon request. Records must be provided in sufficient detail to verify uninterrupted compliance with the Seller's operations and maintenance manual prepared by the Seller and supplied to Buyer as part of the contract. At a minimum, operation data must include information on feed water quality, temperatures, flows, trans-membrane pressures, aeration rates, permeate quality, cleaning intervals, cleaning chemical concentrations, elapsed time since start-up, relevant analytical data and reporting of any screen bypass events.

Buyer shall maintain and share access to a single reference copy in electronic form of a membrane module map containing the history of activity by membrane module. Buyer shall log its procedures performed related to a membrane module including relocation of membrane modules, repairs, replacements and any other noteworthy events.

Buyer authorizes the Seller to conduct any reasonable review of operation and maintenance records or to inspect facilities where membrane modules are installed, upon reasonable notice to Buyer. Such reviews and/or inspections are intended to also assist the Seller and Buyer in detection of membrane system faults and to optimize the care and operation of the membrane modules.

### 13 limitation of warranties

Occurrence of any of the following as reasonably determined by the Seller will void this warranty:

- a. A material failure to operate the membrane system in accordance with Seller's operations and maintenance manual supplied to Buyer as part of the contract, including material failure to adhere to the Seller's specified membrane module cleaning procedures and the use of anything other than Seller-approved membrane module cleaning agents.
- b. Failure to adhere to the preventive maintenance program as presented in the Seller's operations and maintenance manual, in published product manuals and in specifications.
- c. Failure to adhere to all transportation and module storage recommendations outlined by Seller.
- d. Failure to ensure correct operation and/or functioning of the screening equipment.
- e. Introduction of destructive foreign materials into the membrane module tanks. Destructive foreign materials may include natural or human-made materials that are introduced into the membrane system influent channel or tanks originating from construction and maintenance activities or from inadequate pretreatment or from aquatic species including clams and snails or from damage to the tank or tank coating. Buyer shall be responsible to maintain correct function of the screen mechanism, to flush accumulated grit from the tank bottom and to flush accumulated foreign materials from the membrane modules.
- f. Failure to install and maintain operating data acquisition and electronic data transmission functions at the plant.
- g. Physical abuse or misuse, incorrect removal or installation of membrane modules by non-Seller personnel including fiber damage caused by operator error in handling of membrane modules or cassettes.
- h. Unauthorized alteration of any components or parts originally supplied by the Seller.
- i. Intentional damage.

### 14 return procedure

In the event that the return of a membrane module is required pursuant to this warranty, Buyer will first obtain a return goods authorization (RGA) number from the Seller. Membrane module(s) shipped to the Seller for warranty examination must be shipped freight prepaid. If Buyer desires temporary replacement membrane module(s) to replace those alleged to be defective and returned to the Seller for warranty examination, Buyer shall be responsible for the cost associated with any such replacements until examination of the returned membrane modules pursuant to this warranty is complete. Any membrane module examined by Seller as part of a warranty claim where the membrane module is subsequently found to be performing as warranted or where a membrane module failure is not covered under the warranty will be returned to Buyer, freight collect.

# 11 terms and conditions of sale

## a - specific terms and conditions of sale

These terms take precedence over the general terms and conditions of sale.

### 1 legal entity for contracting

**ZENON Environmental Corporation** is the name of the Seller, and means a business component of, or legal entity within the SUEZ Water Technologies & Solutions business (SUEZ) which is selling ZeeWeed modules.

Please advise us if this SUEZ entity is not set up in your purchasing system as a vendor and you do have another SUEZ entity set up. We are keen to make the purchase process as convenient as possible for Oak Harbor.

**short form:** Where a short reference is required in this document, for convenience, we are called simply **SUEZ**.

### 2 payment terms

**On approved credit**, payment terms are net 30 days from customer receipt of invoice. Please see the invoicing schedule in the price section.

### 3 proposal validity

Prices quoted and proposal terms are valid up to thirty (30) days after the date of issue of this proposal unless confirmed with a purchase order.

### 4 bonds

Performance or payment bonds are not included in the price. These bonds can be purchased on request but will be at an additional cost.

### 5 assignment of membrane warranty

The Buyer will be entitled to assign to a subsequent owner of the membranes the warranties of the Seller under this Agreement, provided that a prior written notification is sent to the Seller and the assignment agreement contains terms and conditions which provide the Seller with the protections of the warranties and limitations on liability contained in the Agreement. Subject to Buyer's compliance with the foregoing requirement, such warranty rights are expressly assignable by the Buyer to a subsequent owner of the membranes. Except as provided herein, Buyer is not entitled to extend or transfer this warranty to any other party.

### 6 flight booking

Prices quoted for installation which include airfare are either based on timely confirmation of a visit schedule or based on receipt of a purchase order in time to book any flights seven days in advance. Additional airfare charges related to late arrival of a purchase order will be extra and billed through to Oak Harbor without mark-up.

### 7 warranty on programming

SUEZ warrants that the PLC program will conform to the specifications in the relevant sections of the CLSC and OSC (revised for the project) and will be free from defects in workmanship when operated at all times in accordance with SUEZ's written instructions. If any defects are found and reported by Oak Harbor within a period not exceeding twelve (12) months beyond the completion of the site acceptance test, SUEZ will make modifications to the PLC code as deemed necessary. Any changes requested by Oak Harbor after this period will be at the customer's expense.

### 8 purchase order guidelines

Please ensure that your purchase order has covered the following points. This will ensure accurate and prompt order entry, product delivery, invoicing and accounts receivables processing and will prevent administrative delays for all parties.

- legal entity** – Please be sure your purchase order is issued in the name of the specific SUEZ legal entity issuing this proposal cited above. We will be glad to work with your purchasing department to set this entity up as an approved supplier/vendor. Please advise us if this SUEZ entity is not set up in your purchasing system as a vendor and you do have another SUEZ entity set up.

- ❑ **hard copy** – Our strong preference is to receive a hard copy of your purchase order rather than a PO number alone.
- ❑ **proposal number and date** – Please reference the 6-digit proposal number and the proposal date which are found in the footer of each page.
- ❑ **price** – State the total price you are accepting for this order.
- ❑ **taxes** – Provide any required tax exemption certificates.
- ❑ **ship-to address** – Please clearly define the plant site address or delivery location and the receiver's email & telephone. Please specify receiving hours and any special off-loading requirements.
- ❑ **delivery date** – Please include your requested delivery date or agreement start date.
- ❑ **purchase order** – Please send your purchase order to SUEZ by email to [service.pocentral.wts@suez.com](mailto:service.pocentral.wts@suez.com).

### **b – general terms and conditions of sale**

SUEZ's standard terms and conditions apply. See attachment a.

Note to purchasing agent: The SUEZ's standard set of commercial terms & conditions are written for moderate value transactions to allow an efficient and rapid provision of services and parts. Where corporate agreement terms have been previously agreed, these may be brought forward by either party and applied by mutual consent. If either of these terms sets are not immediately acceptable, please expect a typical 6-10 week cycle of mutual review to build agreement on changes.

## 12 signed agreement

Through the issue of this proposal, SUEZ signals their intent to enter into an agreement with Oak Harbor. Oak Harbor and SUEZ acknowledge that they have read and understood this agreement and agree to be bound by the terms and conditions specified in it.

**offered by legal entity:** ZENON Environmental Corporation, also known as SUEZ or Seller

**accepted by legal entity:** City of Oak Harbor, also known as Oak Harbor or Buyer

**authorized signature by:** \_\_\_\_\_

**title:** \_\_\_\_\_

**signature date:** \_\_\_\_\_

**signature:** x \_\_\_\_\_

**purchase order no:** \_\_\_\_\_

Upon acceptance of this proposal, please forward the following either

• by email with .pdf attachments or • by postal mail or • by fax.

1) this signature page completed

to:

2) a hard copy of your purchase order, and

3) any required tax exemption certificates

[service.pocentral.wts@suez.com](mailto:service.pocentral.wts@suez.com)

or

SUEZ Water Technologies & Solutions

attention: Contracts Administrator

Please contact

[service.pocentral.wts@suez.com](mailto:service.pocentral.wts@suez.com)

for correct address

or

fax no.: 905 465 3030

This agreement comes into force when SUEZ has issued a formal acceptance of Oak Harbor's Purchase order or formal acceptance of this Oak Harbor signed agreement.

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## attachment a SUEZ standard terms and conditions

- 1. exclusive terms and conditions.** Together with any other terms the Parties agree to in writing, these General Terms and Conditions – together with the last proposal in order of time issued by the Seller – form the exclusive terms (“Agreement”) whereby Buyer agrees to purchase, and Seller agrees to sell products and equipment (jointly “Equipment”) and to provide advice, instruction and other services in connection with the sale of that Equipment (“Services”). If Buyer sends to Seller other terms and conditions to which Seller may not respond, including but not limited to those contained in Buyer’s purchase order, such shall not apply. This Agreement may only be revised by a change order approved in writing by both Parties. All terms not defined herein shall be defined in Seller’s proposal.
- 2. equipment and services.** The Equipment to be delivered and the Services to be provided shall be as set out in this Agreement. Unloading, handling, storage, installation, and operation of Buyer’s systems or the Equipment are the responsibility of Buyer. Buyer shall not require or permit Seller’s personnel to operate Buyer’s systems or the Equipment at Buyer’s site.
- 3. prices and payment.** Buyer shall pay Seller for the Equipment and Services in accordance with the payment schedule (as set forth in Seller’s proposal or, if applicable, in any special conditions agreed to in writing by the Parties). Unless otherwise specified in writing, payment is due net thirty (30) days from the date of Seller’s invoice. Seller may require a Letter of Credit or other payment guarantee, in which case the stated amount of the guarantee will be adjusted by Buyer in the event of any currency-based adjustment to prices or payment amounts per the Payment Schedule, and Buyer shall deliver the adjusted guarantee within five (5) days of request by Seller. Buyer agrees to reimburse Seller for collection costs, including 2% (two percent) interest per month (not to exceed the maximum amount permitted by applicable law), should Buyer fail to timely pay. Buyer shall have no rights to make any deduction, retention, withholding or setoff relating to any payments due under this Agreement.
- 4. taxes and duties.** Seller shall be responsible for all corporate taxes measured by net income due to performance of or payment for work under this Agreement (“Seller Taxes”). Buyer shall be responsible for all taxes, duties, fees, or other charges of any nature (including, but not limited to, consumption, gross receipts, import, property, sales, stamp, turnover, use, or value-added taxes, and all items of withholding, deficiency, penalty, addition to tax, interest, or assessment related thereto, imposed by any governmental authority on Buyer or Seller or its subcontractors) in relation to the Agreement or the performance of or payment for work under the Agreement other than Seller Taxes (“Buyer Taxes”). The Agreement prices do not include the amount of any Buyer Taxes. If Buyer deducts or withholds Buyer Taxes, Buyer shall pay additional amounts so that Seller receives the full Agreement price without reduction for Buyer Taxes. Buyer shall provide to Seller, within one month of payment, official receipts from the applicable governmental authority for deducted or withheld taxes. Buyer shall furnish Seller with evidence of tax exemption acceptable to taxing authorities if applicable, prior to execution of the Agreement by both Parties or issuance by the Seller of the order acceptance. Buyer’s failure to provide evidence of exemption at time of order will relieve Seller of any obligation to refund taxes paid by Seller.
- 5. delivery, title, risk of loss.** Unless otherwise specified in this Agreement, Seller shall deliver all Equipment to Buyer FCA (Incoterms 2020) Seller’s facility. The time for delivery of the Equipment to Buyer shall be specified in this Agreement. Seller’s sole liability for any delay in delivery of the Equipment shall be as expressly set out in this Agreement. The place of delivery specified herein shall be firm and fixed, provided that Buyer may notify Seller no later than forty-five (45) days prior to the scheduled shipment date of the Equipment of an alternate point of delivery, Buyer shall compensate Seller for any additional cost in implementing the change. If any part of the Equipment cannot be delivered when ready due to any cause not attributable to Seller, Buyer shall designate a climate-controlled storage location, and Seller shall ship such Equipment to storage. Title and risk of loss shall thereupon pass to Buyer, and amounts payable to Seller upon delivery or shipment shall be paid by Buyer along with expenses incurred by Seller. Services provided herein shall be charged at the rate prevailing at the time of actual use and Buyer shall pay any increase, and Buyer shall pay directly all costs for storage and subsequent transportation. Failure by Buyer to take delivery of the Equipment shall be a material breach of this Agreement.

Title and risk of loss to the Equipment shall be transferred from Seller to Buyer at the point of delivery upon handover in accordance with this Agreement. Title and risk of loss to the Services shall pass as they are performed.
- 6. warranties and remedies.** Seller warrants that Equipment shall be delivered free from defects in material, workmanship and title and that Services shall be performed in a competent, diligent manner in accordance with any mutually agreed specifications. Seller’s warranty does not cover the results of improper handling, storage, installation, commissioning, operation or maintenance of the Equipment by Buyer or third parties, repairs or alterations made by

Buyer without Seller's written consent, influent water which does not comply with agreed parameters, or fair wear and tear.

Unless otherwise expressly provided in this Agreement, the foregoing warranties are valid for:

- (a) chemicals and Services, for six (6) months from their date of delivery or the provision of Services;
- (b) consumables, including filters and spiral wound membranes (other than spiral wound membranes for process treatment), the earlier of twelve (12) months from date of first use or fifteen (15) months from their date of delivery;
- (c) spiral wound membranes for process fluid treatment, ninety (90) days from their date of first use;
- (d) ultrafiltration membranes (ZW500, ZW700B, ZW1000, ZW1500), twelve (12) months from their date of delivery;
- (e) Equipment other than chemicals and consumables, the earlier of, fifteen (15) months from delivery or shipment to storage, or twelve (12) months from start-up/first use;
- (f) software, ninety (90) days from the date of receipt;
- (g) Equipment not manufactured by Seller, the warranty shall be the manufacturer's transferable warranty only,

Any claim for breach of these warranties must be promptly notified in writing, and Buyer shall make the defective item available to the Seller, or the claim will be void. Seller's sole responsibility and Buyer's exclusive remedy arising out of or relating to the Equipment or Services or any breach of these warranties is limited to repair at Seller's facility or (at Seller's option) replace at Seller's facility the defective item of Equipment, and re-perform defective Services. In performance of its obligations hereunder, Seller will not control the actual operation of either Buyer's systems or the Equipment at the Buyer's site.

Warranty repair, replacement or re-performance by Seller shall not extend or renew the applicable warranty period.

The warranties and remedies are conditioned upon (a) proper unloading, handling, storage, installation, use, operation, and maintenance of the Equipment and Buyer's facility and all related system in accordance with Seller's instructions and, in the absence, generally accepted industry practice, (b) Buyer keeping accurate and complete records of operation and maintenance during the warranty period and providing Seller access to those records, and (c) modification or repair of Equipment or Services only as authorized by Seller in writing. Failure to meet any such conditions renders the warranty null and void.

The Buyer will be entitled to assign to a subsequent owner of the Equipment the warranties of the Seller under this Agreement, provided that a prior written notification is sent to the Seller and the assignment agreement contains terms and conditions which provide the Seller with the protections of the warranties and limitations on liability contained in the Agreement. Subject to Buyer's compliance with the foregoing requirement, such warranty rights are expressly assignable by the Buyer to a subsequent owner of the Equipment. Except as provided herein, Buyer is not entitled to extend or transfer this warranty to any other party. The warranties and remedies set forth in this article are in lieu of and exclude all other warranties and remedies, statutory, express or implied, including any warranty of merchantability or of fitness for a particular purpose.

Unless otherwise expressly stipulated in this Agreement, Seller gives no warranty or guarantee as to process results or performance of the Equipment, including but not limited to product quality, flow, production, capacity, membrane life, chemical consumption, regulatory compliance or energy consumption.

**7. general indemnity.** Seller shall indemnify and hold harmless Buyer from claims for physical damage to third party property or injury to persons, including death, to the extent caused by the negligence of Seller or its officers, agents, employees, and/or assigns while engaged in activities under this Agreement. Buyer shall likewise indemnify and hold harmless Seller from claims for physical damage to third party property or injury to persons, including death, to the extent caused by the negligence of the Buyer, its officers, agents, employees, and/or assigns. In the event such damage or injury is caused by the joint or concurrent negligence of Seller and Buyer, the loss shall be borne by each Party in proportion to its negligence. For the purposes of this article (i) "Third party" shall not include Buyer or any subsequent owner of the Equipment, their subsidiaries, parents, affiliates, agents, successors or assigns including any operation or maintenance contractor, or their insurer; and (ii) no portion of the Equipment is "third party property".

**8. compliance with laws and permits.** All permits, authorizations, and licenses which are required to construct, install and/or operate Buyer's facility or equipment, to use the Equipment, or to manage and dispose of any wastes, discharges, and residues resulting from Buyer's use of the Equipment, shall be obtained and maintained by Buyer at Buyer's sole expense. Buyer is responsible for compliance with all laws and regulations applicable to the storage, use, handling, installation, maintenance, removal, registration, and labeling of all Equipment after delivery of the Equipment, as well as for the proper management and disposal of all wastes, discharges, and residues.

**9. buyer's site conditions.** Buyer warrants that any data furnished to the Seller concerning conditions at Buyer's site (including but not limited to any existing Buyer facility, equipment or processes, influent water or other substances to be treated or measured with the Equipment) is accurate and complete, and the Seller reserves the right to utilize the most appropriate design compatible with generally accepted engineering practices, and to make changes in details of design, manufacture and arrangement of Equipment unless precluded by any limitations specified in this Agreement. Seller shall notify Buyer of (1) any conditions at Buyer's site which materially differ from those indicated in the data furnished by Buyer, (2) any previously unknown physical conditions at Buyer's site of an unusual nature, not revealed by previous investigations and differing from those ordinarily encountered in the type of work provided for in this Agreement, and (3) the presence of any Hazardous Materials (as defined below), the existence of a contaminated soil, unexploded ordinance, or archaeological remains. If such conditions cause an increase in Seller's cost or in the time required for the performance of Seller's obligations, Seller shall be entitled to an equitable adjustment in the Agreement price and an extension in the time for performance.

**10. hazardous materials and wastes.** In the event that Seller encounters any Hazardous Materials (meaning toxic substances, hazardous substances, pollutants, contaminants, regulated wastes, or hazardous wastes as such terms may be defined or classified in any law, statute, directive, ordinance or regulations promulgated by any applicable governmental entity) at Buyer's site, other than Hazardous Materials introduced by Seller or that are otherwise the express responsibility of Seller under this Agreement, Buyer shall immediately take whatever precautions are required to legally eliminate such Hazardous Materials so that the Seller's work under this Agreement may safely proceed. At no time shall Seller be deemed to have taken title to or the responsibility for the management or disposal of any wastes, Hazardous Materials, influent water, any resultant product streams, wastewater streams, discharges, cleaning materials, or any other materials or substances processed by the Equipment or otherwise located at Buyer's site. Seller does not take responsibility for and hereby expressly disclaims responsibility for the characterization or disposal of wastes, Hazardous Materials, or for the identification, selection, or management of disposal facilities for any wastes.

**11. excusable delays.** Seller shall not be liable nor in breach or default of its obligations under this Agreement to the extent performance of such obligations is delayed or prevented, directly or indirectly, due to causes beyond the reasonable control of Seller, including, but not limited to: acts of God, natural disasters, unusually severe weather, fire, terrorism, war (declared or undeclared) epidemics, material shortages, insurrection, act (or omissions) of Buyer or Buyer's contractors/suppliers or agents, any act (or omission) by any governmental authority, strikes, labor disputes, transportation shortages, or vendor non-performance. The delivery or performance date shall be extended for a period equal to the time lost by reason of delay or non-performance, plus such additional time as may be necessary to overcome the effect of the delay or non-performance. If delivery or performance is delayed for a period exceeding 180 (one hundred and eighty) days, either Party may terminate this Agreement without further liability provided that Seller shall be paid an amount equal to that which would be payable to Seller under the article entitled "Termination". If Seller is delayed by any acts (or omissions) of Buyer, or by the prerequisite work of Buyer's other contractors or suppliers, Seller shall be entitled to an equitable adjustment in schedule, price and/or performance, as applicable.

**12. emergencies.** If the safety of Seller's personnel is threatened or likely to be threatened by circumstances outside the reasonable control of Seller, including but not limited to war, armed conflict, civil unrest, riots, terrorism, kidnapping, presence of or exposure to hazardous materials, unsafe working conditions, or by the threat of such circumstances or a lack of adequate protections against such circumstances, Seller shall be entitled to take all necessary steps to ensure the security and safety of its personnel including the evacuation of personnel until such circumstances no longer apply. Any such occurrence shall be considered an excusable delay event. Buyer shall reasonably assist in the event of any such evacuation.

**13. confidentiality, intellectual property.** Both Parties agree to keep confidential the other Party's proprietary non-public information, if any, which may be acquired in connection with this Agreement. Buyer will not, without Seller's advance written consent, subject Equipment to testing, analysis, or any type of reverse engineering. Seller retains all intellectual property rights including copyright which it has in all drawings and data or other deliverables (including the Equipment) supplied or developed under this Agreement. Buyer agrees that it will not file patent applications on the Equipment or any development or enhancement of the Equipment, or of processes and methods of using the Equipment, without Seller's express prior written permission. Buyer further agrees that in any event any such patents will not be asserted against Seller or its other buyers based upon purchase and use of such Equipment. Seller grants to Buyer a non-exclusive, non-terminable, royalty free license to use the intellectual property embedded in Equipment delivered to and paid for by the Buyer, as well as any drawings, design or data delivered to and paid for by the Buyer, for the purposes of owning, financing, using, operating and maintaining the relevant Equipment at Buyer's site. Such license may only be assigned to a subsequent owner of the Equipment or to an operations and maintenance subcontractor. Such license does not extend to the re-creation of the Equipment or the manufacture of spares or consumables by Buyer or third parties.

Any software Seller owns and provides pursuant to this Agreement shall remain Seller's property. Seller provides to Buyer a limited, non-exclusive and terminable royalty free project-specific license to such software for the use, operation or maintenance at Buyer's site of any Equipment purchased hereunder to which the software is a necessary component. Buyer agrees not to copy, sub-license, translate, transfer, reverse engineer, or decode the software.

Seller shall indemnify and hold harmless Buyer from any rightful claim of any third party that any Equipment or Service infringe a patent in effect in the USA, or country of delivery (provided there is a corresponding patent issued by the USA), or USA copyright or copyright registered in the country of delivery. If the Buyer notifies the Seller promptly of the receipt of any such claim, does not take any position adverse to the Seller regarding such claim and gives the Seller information, assistance and exclusive authority to settle and defend the claim, the Seller shall, at its own expense and choice, either (i) settle or defend the claim and pay all damages and costs awarded in it against the Buyer, or (ii) procure for the Buyer the right to continue using the Equipment or Service, or (iii) modify or replace the Equipment or Service so that it becomes non-infringing, or (iv) remove the infringing Equipment and refund the price. The above paragraph shall not apply to any misuse of Equipment or Equipment which is manufactured to the Buyer's design, or to alleged infringement arising from the combination, operation, or use of any Equipment or Services with other equipment or services when such combination is part of any allegedly infringing subject matter. The foregoing list of sub-sections (i), (ii), (iii), and (iv) and related terms state the entire liability of the Seller for intellectual property infringement by any Equipment or Service.

**14. limitations on liability.** Notwithstanding anything else contained in this Agreement, to the maximum extent permitted by law, and regardless of whether a claim is based in contract (including warranty or indemnity), extra-contractual liability, tort (including negligence or strict liability), statute, equity or any other legal theory:

- (a) THE TOTAL LIABILITY OF THE SELLER AND OF ITS INSURER FOR ALL CLAIMS ARISING OUT OF OR RELATING TO THE PERFORMANCE OR BREACH OF THIS AGREEMENT OR USE OF ANY EQUIPMENT OR SERVICES SHALL NOT EXCEED THE TOTAL PRICE PAID BY BUYER UNDER THIS AGREEMENT OR (IN THE CASE OF AN AGREEMENT FOR SERVICES WITH A TERM OF MORE THAN ONE YEAR) THE ANNUAL PRICE PAYABLE BY BUYER UNDER THIS AGREEMENT;
- (b) IN NO EVENT SHALL SELLER BE LIABLE FOR ANY LOSS OF PROFIT OR REVENUES, LOSS OF PRODUCTION, LOSS OF USE OF EQUIPMENT OR SERVICES OR ANY ASSOCIATED EQUIPMENT, INTERRUPTION OF BUSINESS, COST OF CAPITAL, COST OF REPLACEMENT WATER OR POWER, DOWNTIME COSTS, INCREASED OPERATING COSTS, CLAIMS OF BUYER'S CUSTOMERS FOR SUCH DAMAGES, OR FOR ANY SPECIAL, CONSEQUENTIAL, INCIDENTAL, INDIRECT, PUNITIVE OR EXEMPLARY DAMAGES;
- (c) SELLER'S LIABILITY SHALL END UPON EXPIRATION OF THE APPLICABLE WARRANTY PERIOD, PROVIDED THAT BUYER MAY CONTINUE TO ENFORCE A CLAIM FOR WHICH IT HAS GIVEN NOTICE PRIOR TO THAT DATE BY COMMENCING AN ACTION OR ARBITRATION, AS APPLICABLE UNDER THIS AGREEMENT, BEFORE EXPIRATION OF ANY STATUTE OF LIMITATIONS OR OTHER LEGAL TIME LIMITATION BUT IN NO EVENT – TO THE EXTENT PERMITTED BY APPLICABLE LAW – LATER THAN FIVE (5) MONTHS AFTER EXPIRATION OF SUCH WARRANTY PERIOD.

For the purposes of this article, "Seller" shall mean Seller, its affiliates, subcontractors and suppliers of any tier, and their respective agents and employees, individually or collectively. If Buyer is supplying Seller's Equipment or Services to a third party, Buyer shall require the third party to agree to be bound by this article. If Buyer does not obtain this agreement for Seller's benefit for any reason, Buyer shall indemnify and hold Seller harmless from all liability arising out of claims made by the third party in excess of the limitations and exclusion of this article.

**15. termination.** This Agreement and any performance pursuant to it may be terminated by either Party, and the consequences of such termination shall be as set out in the next paragraph, if the other Party

- (a) becomes insolvent, makes an assignment for the benefit of its creditors, has a receiver or trustee appointed for the benefit of its creditors, or files for protection from creditors under any bankruptcy or insolvency laws; or
- (b) fails to make any payment when due or to establish any payment security required by this Agreement, or commits a material breach or defaults in its material obligations under this Agreement, and such default is not cured within thirty (30) days of written notice from the other Party.

Upon the termination of this Agreement by Buyer for cause (i) Seller shall reimburse Buyer the difference between that portion of the Agreement price allocable to the terminated scope and the actual amounts reasonably incurred by Buyer to complete that scope, and (ii) Buyer shall pay to Seller (a) the portion of the Agreement price allocable to Equipment completed, and (b) amounts for Services performed before the effective date of termination. Upon the termination of

this Agreement by Seller for cause Buyer shall pay to Seller within thirty (30) days of receipt of invoice the price of all Equipment or Services delivered at the date of termination, plus an amount equal to all costs and expenses incurred in the engineering, sourcing, financing, procurement, manufacture, storage and transportation of the Equipment including materials, work in progress and any cancellation charges assessed against Seller by Seller's suppliers including reasonable overhead and profit on all such costs and expenses. Alternatively, if any schedule of termination payments has been agreed between the Parties, Buyer shall pay to Seller within thirty (30) days of receipt of invoice the amounts set out in that schedule.

Seller shall have the right to suspend performance upon written notice to Buyer in any case where Seller would have the right to terminate the Agreement under this article, without prejudice to Seller's right to terminate this Agreement for cause. Any cost incurred by Seller in accordance with any such suspension (including storage costs) shall be payable by Buyer upon submission of the Seller's invoice(s). Performance of the Seller's obligations shall be extended for a period of time reasonably necessary to overcome the effects of such suspension.

**16. governing law, dispute resolution.** This Agreement shall be governed by the substantive laws of the State of Michigan. In the event of a dispute concerning this Agreement, the complaining Party shall notify the other Party in writing thereof. Management level representatives of both Parties shall meet at an agreed location to attempt to resolve the dispute in good faith. Should the dispute not be resolved within thirty (30) days after such notice, the complaining Party shall seek remedies exclusively through arbitration. The seat of arbitration shall be the federal district court closest to the Buyer and the rules of the arbitration will be the Commercial Arbitration Rules of the American Arbitration Association, which are incorporated by reference into this article.

Notwithstanding the foregoing, each Party shall have the right to commence an action or proceeding in a court of competent jurisdiction, subject to the terms of this Agreement, in order to seek and obtain a restraining order or injunction to enforce the confidentiality intellectual property provisions set forth in the first two paragraphs of article 13; nuclear use restrictions set forth in article 17, or to seek interim or conservatory measures not involving monetary damages.

**17. no nuclear use.** Equipment and Services sold by Seller are not intended for use in connection with any nuclear facility or activity, the Buyer warrants that it shall not use or permit others to use the Equipment or Services for such purposes, without the advance written consent of Seller. If, in breach of this, any such use occurs, Seller (and its parent, affiliates, suppliers and subcontractors) disclaims all liability for any nuclear or other damage, injury or contamination, and, in addition to any other rights of Seller, Buyer shall indemnify and hold Seller (and its parent, affiliates, suppliers and subcontractors) harmless against all such liability.

**18. export control.** Seller's obligations are conditioned upon Buyer's compliance with all USA and other applicable trade control laws and regulations. Buyer shall not trans-ship, re-export, divert or direct Equipment (including software and technical data) other than in and to the ultimate country of destination declared by Buyer and specified as the country of ultimate destination on Seller's invoice.

**19. changes.** Each Party may at any time propose changes in the schedule or scope of Equipment or Services. All changes to the Equipment or Services shall be subject to mutual agreement via a written change order or variation, which shall only become effective once signed by both Parties. The scope, Agreement price, schedule, and other provisions will be equitably adjusted to reflect additional costs or obligations incurred by Seller resulting from a change, after Seller's proposal date, in Buyer's site-specific requirements or procedures, or in industry specifications, codes, standards, applicable laws or regulations. It shall be acceptable and not considered a change if Seller delivers Equipment (including Equipment replacement under warranty) that bears a different, superseding or new part or version number compared to the part or version number listed in the Agreement, provided that in no circumstance shall this affect any other of Seller's obligations including those set forth in article 6.

**20. conflicts; survival, assignment.** If there is any conflict between this Agreement and any written proposal or quotation provided by Seller, then the terms and conditions set forth in this Agreement shall prevail. If any term or condition of this Agreement or any accompanying terms and conditions are held invalid or illegal, then such terms and conditions shall be reformed to be made legal or valid, or deleted, but the remaining terms and conditions shall remain in full force and effect, and this Agreement shall be interpreted and implemented in a manner which best fulfills Parties' intended agreement. Those provisions which by their nature remain applicable after termination shall survive the termination of this Agreement for any reason. Seller may assign or novate its rights and obligations under the Agreement, in whole or in part, to any of its affiliates or may assign any of its accounts receivable under this Agreement to any party without Buyer's consent, and the Buyer hereby agrees, by signing this Agreement, to such assignment and to execute any document that may be necessary to complete Seller's assignment or novation. This Agreement shall not otherwise be assigned by either Party without the other Party's prior written consent, and any assignment without such consent shall be void.

Seller may (i) manufacture and source the Equipment and any part thereof globally in the country or countries of its choosing; and (ii) may subcontract portions of the Services, so long as Seller remains responsible for such.

**21. no third party beneficiary.** Except as specifically set forth in the article entitled "Limitations on Liability" and "No Nuclear Use", this Agreement is not intended to, and does not, give to any person who is not a party to this Agreement any rights to enforce any provisions contained in this Agreement.

**22. entire agreement.** This Agreement embodies the entire agreement between Buyer and Seller and supersedes any previous documents, correspondence or agreements between them. No modification, amendment, revision, waiver, or other change shall be binding on either Party unless agreed in writing by the Party's authorized representative. Any oral or written representation, warranty, course of dealing, or trade usage not specified herein shall not be binding on either Party. Each Party agrees that it has not relied on, or been induced by, any representations of the other Party not contained in this Agreement

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## attachment b optional adder: Seller's warranty – ZeeWeed membrane modules extended prorated replacement – Oak Harbor

This schedule sets out the warranty with respect to ZeeWeed membrane modules (“membrane modules”). No other warranties, expressed or implied are made in connection with the sale of these products, including, without limitation, warranties as to fitness for any particular purpose or use or merchantability of these products. The warranty provided herein will be the exclusive and sole remedy of the Buyer, and in no event will the Seller be liable for any special, direct, indirect or consequential damages, including, without limitation, loss of profits. Buyer is not entitled to extend or transfer this warranty to any other party, without the express written consent of Seller.

### 1 product

This warranty applies to only the membrane modules supplied under the contract of sale. Membrane module means the fibers and potted plastic header(s). This warranty does not cover air piping to the membrane module, permeate piping from the membrane module, piping connection fittings, connecting hardware and cassette frames with their associated components including but not limited to spacers, aerator tubes, aerator assemblies, screen, module dummies or module blanks.

Identification: Membrane modules are shipped by the Seller with a serial number identification which confirms their place in the cohort set of Membrane modules covered by this membrane module warranty.

### 2 Seller

**ZENON Environmental Corporation** is the name of the Seller, and means a business component of, or legal entity within the SUEZ Water Technologies & Solutions business (SUEZ) which is selling ZeeWeed modules and is the Seller offering this warranty. The Seller may assign this warranty to other SUEZ affiliates.

### 3 Buyer

Buyer means City of Oak Harbor.

### 4 project

Project means the membrane modules sold under this proposal number 406368-1 with adder,

### 5 contract of sale

Contract of sale means the sales contract governing the sale of membrane module(s) between the Buyer and the Seller or its SUEZ affiliate.

### 6 scope of warranty

The Seller warrants that its membrane module(s) will be free of defects due to faulty materials or errors in manufacturing workmanship.

Regular membrane module inspection and normal fiber repair shall be the responsibility of the Buyer.

All replacement membrane modules will be shipped on the basis of INCOTERMS 2020 FCA SUEZ membrane manufacturing facility.

All ancillary costs including but not limited to bagging, boxing, crating, freight, freight insurance, applicable taxes, import duties, brokerage, receiving, forklift services, storage at site, re-attachment hardware, hose/clamp/camlock replacement, crane services, installation, fiber repair materials, glycerin flushing, commissioning and waste disposal are the responsibility of Buyer.

**full replacement** – Full replacement means that in the case of a valid warranty claim for a membrane module failure, the buyer receives a replacement membrane module and does not pay for the value of use of the membrane module prior to failure.

**prorated replacement** – Prorated replacement means the Buyer pays for actual use of a membrane module from which the Buyer has derived value over time. See **section 12** for the formula for calculating the prorated amount payable. Prorated replacement allows the Seller to pay reasonable compensation under warranty for any product use not enjoyed by the Buyer due to premature failure.

The ratio of full replacement to prorated replacement in this warranty is set out in **section 8 warranty duration**.

## 7 warranty start date

This warranty will start on the earlier of:

- a) the date that installation of the original membrane module(s) has been substantially completed, or
- b) six (6) months from the date of shipment of the original membrane module(s) to the Buyer as per supplied bill of lading date

For replacement membrane modules, this warranty will start the earlier of:

- a) the date of installation as provided in writing by Buyer to Seller, or
- b) one (1) month from the date of delivery by Seller to the plant site

## 8 warranty duration

**total warranty duration:** composed of a base period and an extended period expiring July 20, 2028.

**base period with full replacement:** expires July 20, 2023

All purchasers of ZeeWeed membrane modules are entitled to this base period of full replacement warranty coverage without purchasing an extended Seller's warranty.

**extended period with prorated replacement:** a total of sixty-months (60) months following the base period, expiring July 20, 2028.

Replacement membrane modules are covered by warranty only for the balance of the warranty of the original membrane module which has been replaced. At all events, this warranty shall expire and be of no force or effect as of July 20, 2028.

## 9 notification of claim

All claims filed under this warranty shall be made in writing by the Buyer within thirty (30) days of identifying a defect.

The Buyer shall provide the following information:

- a) a description of the defect giving rise to the claim
- b) photographs showing the manufacturing defect
- c) the serial number(s) of the membrane module(s) which is (are) the subject of the warranty claim and
- d) operating data and repair history for the life of membrane modules which are the subject of a warranty claim

## 10 verification of claim

After receipt of written notification of a defect, the Seller will promptly undertake such investigations as, in the Seller's opinion, are necessary to verify whether a defect exists. The Seller reserves the right to require additional data as necessary to validate claims. Buyer may, in the course of these investigations, be requested to return membrane module(s) to the Seller for examination. The Seller may also conduct reasonable tests and inspections at the Buyer's plant or premises. If the results of the investigation do not validate the defect claimed, the Buyer will reimburse the Seller for all reasonable expenses associated with said investigation, including expenses for all tests, inspections, and associated travel.

## 11 satisfaction of claims

The Seller will have the right to satisfy claims under this warranty in a flexible manner. Such flexibility may include the repair of existing membrane modules or changes in operating protocols or membrane module replacement or by upgrading failed membrane modules with newer membrane module(s) that may embody design and efficiency improvements. The Buyer consents to the supply of replacement membrane modules which may be of a different design than original membrane modules.

## 12 membrane module replacement price – prorated replacement

The base Membrane Module Replacement Price (MMRP) used to calculate the prorated amount to be paid by the Buyer to replace defective Membrane Modules under warranty shall be **\$1,050.00USD/module** + adjustment for inflation. The inflation adjustment will be calculated according to changes in the Consumer Price Index (CPI), US City Average, All Urban Consumers, All Items less Food and Energy, as published by the US Bureau of Labor Statistics, + one percent (1.0%) from the warranty start date for modules sold with the capital sale (July 20, 2018) through to the latest available CPI index report.

For Membrane Modules supplied under valid warranty claims, the prorated share that the Buyer will pay is calculated as follows:

$\frac{\text{prorated share of price}}{\text{number of whole months elapsed between the membrane module replacement date and the warranty start date}} \times \text{membrane module replacement price} \times \text{changes in CPI index} + 1.0\%$
warranty duration in months

Note - This Membrane Module Replacement Price (MMRP) is not applicable for Membrane Modules requested for purchase by Buyer for any non-warranty or other purposes, including but not limited to flux reduction, or plant hydraulic capacity increases. Modules purchased under these or other scenario's will be sold to Buyer by Seller at the list price in effect at the time of order.

### 13 operating information

To maintain the membrane module warranty, membrane system operation records from initial start-up date until claim must be maintained by the Buyer and made available to the Seller upon request. Records must be provided in sufficient detail to verify uninterrupted compliance with the Seller's operations and maintenance manual prepared by the Seller and supplied to the Buyer as part of the contract. At a minimum, operation data must include information on feedwater quality, temperatures, flows, trans-membrane pressures, aeration rates, permeate quality, cleaning intervals, cleaning chemical concentrations, elapsed time since start-up, relevant analytical data and reporting of any screen bypass events.

The Buyer shall maintain and share access to a single reference copy in electronic form of a membrane module map containing the history of activity by membrane module. The Buyer shall log its procedures performed related to a membrane module including relocation of Membrane modules, repairs, replacements and any other noteworthy events.

The Buyer authorizes the Seller to conduct any reasonable review of operation and maintenance records or to inspect facilities where Membrane modules are installed, upon reasonable notice to the Buyer. Such reviews and/or inspections are intended to also assist the Seller and the Buyer in detection of membrane system faults and to optimize the care and operation of the Membrane modules.

### 14 limitation of warranties

Occurrence of any of the following as reasonably determined by the Seller will void this warranty:

- a. a material failure to operate the membrane system in accordance with Seller's operations and maintenance manual supplied to the Buyer as part of the contract, including material failure to adhere to the Seller's specified Membrane module cleaning procedures and the use of anything other than Seller-approved membrane module cleaning agents
- b. failure to adhere to the preventive maintenance program as presented in the Seller's operations and maintenance manual, and all published product manuals & specifications
- c. failure to adhere to all transportation and module storage recommendations as outlined by Seller
- d. failure to ensure correct operation and/or functioning of the screening equipment.
- e. introduction of destructive foreign materials into the membrane modules and/or associated membrane tanks. Destructive foreign materials may include natural or man-made materials that are introduced into the membranes originating from construction and maintenance activities or from inadequate pretreatment or from aquatic species including clams and snails or from damage to the tank or tank coating. The Buyer shall be responsible to maintain correct function of the screen mechanism and to flush membranes and tanks of any accumulated foreign materials.
- f. failure to install and maintain operating data acquisition and electronic data transmission functions at the plant
- g. physical abuse or misuse, incorrect removal or installation of Membrane modules by non-Seller personnel including fiber damage caused by operator error in handling of Membrane modules or cassettes
- h. unauthorized alteration of any components or parts originally supplied by the Seller
- i. intentional damage

### 15 return procedure

In the event that the return of a Membrane module is required pursuant to this warranty, the Buyer will first obtain a Return Goods Authorization (RGA) number from the Seller. Membrane module(s) shipped to the Seller for warranty examination must be shipped freight prepaid. If the Buyer desires temporary replacement membrane module(s) to replace those alleged to be defective and returned to the Seller for warranty examination, the Buyer shall be responsible for the cost associated with any such replacements until examination of the returned Membrane modules pursuant to this warranty is complete. Any Membrane module examined by Seller as part of a warranty claim where the Membrane module is subsequently found to be performing as warranted or where a membrane module failure is not covered under the warranty will be returned to the Buyer, freight collect.

## attachment c capital proposal MMRP excerpt

If the optional extended warranty option is included, warranty for all membranes provided (for either the single phase expansion or two-phase expansion) will align with the original membrane warranty dates and utilize the same MMRP.

### 2.3.3 Membrane Module Replacement Price (MMRP)

The price of replacement ZeeWeed® 500 membrane modules for this project is \$ 1050 USD per module, including freight & packaging for the first 5 years. The replacement price from years 6-10 will be \$1050 USD per module with freight not included. Applicable freight charges to be added at time of shipment based on quantity shipped. Seller will guarantee this MMRP for ten (10) years subject to adjustment for inflation according to the North American Consumer Price Index (CPI) + 1.0% or a maximum equivalent price per gallon of treatment capacity in the event that the module area/permeability etc. changes such that the same amount of feed water can be treated with fewer modules of the next generation design.

For the first five (5) year term, the full replacement period, years 1-5 the membrane module replacement price provided herein includes applicable bagging; boxing, crating, and replacement modules will be shipped on the basis of INCOTERMS 2010 DDP Oak Harbor WWTP, WA. For the full replacement membrane warranty period freight is included by Seller.

For the second five (5) year term the prorated period, years 6-10, the membrane module replacement price includes bagging, boxing, crating, and will be shipped on the basis of INCOTERMS 2010 FCA GE Manufacturing Facility . For the prorated replacement warranty period freight will be included by Seller as outlined below.

Based on a minimum shipment of sixteen (16) modules, the applicable freight charge will be \$250.00 USD per module. Seller will guarantee this freight cost for ten (10) years subject to adjust for inflation according to the North American Consumer Price Index +1%. The freight price per module will be added to the applicable MMRP price at time of shipment. The freight



## GE Water & Process Technologies

price will not be pro-rated and will be adjusted based on the actual number of modules shipped.

With respect to membrane modules replaced by Seller, the membrane replacement price quoted refers to replacement of installed membranes under the following two scenarios;

- Replacement of membrane modules under warranty,
- Replacement of membrane modules no longer under warranty per the original terms and conditions of sale.

Under the first scenario, membrane modules replaced under warranty shall assume the remainder of the warranty for the membrane modules being replaced, with such warranty to be not less than a two (2) year full replacement warranty from the date of replacement with a new membrane module.

Under the second scenario, unless specified otherwise, membrane modules purchased to replace a membrane module whose warranty has expired shall be provided with a standard two (2) year full replacement warranty.

The membrane module replacement price is not applicable for membrane modules purchased for any non-warranty purposes, such as for flux reduction or hydraulic capacity increase. Modules purchased under these scenarios will be purchased at the list price at the time of order.

Membrane module replacement price is quoted without taxes.

City of Oak Harbor  
City Council Agenda Bill

Bill No. 4.f.  
Date: October 20, 2020  
Subject: Resolution 20-17: Authorizing  
the Acquisition and Placement  
of the Sculpture Pieces known  
as "Tao" AMENDED

**FROM: Blaine Oborn, City Administrator**

**INITIALED AS APPROVED FOR SUBMITTAL TO THE COUNCIL BY:**

- Bob Severns, Mayor
- Blaine Oborn, City Administrator
- Vacant, Finance Director
- Grant Weed, City Attorney, as to form

**RECOMMENDED ACTION**

Recommended motion:

*Move to approve amended Resolution 20-17 authorizing the acquisition of the "Tao" sculptures, correcting the placement of the pieces to the landing the on west side of the Scenic Heights trail designated for the placement of artwork, and the addition of taxes for a new total of \$8,675, to be paid from the Creative Arts Fund.*

**BACKGROUND / SUMMARY INFORMATION**

The Arts Commission has been working to purchase two pieces of sculpture titled "Tao" from artist Verena Schwippert. The Arts Commission presented the pieces to City Council at the April 22, 2020 workshop. Staff brought forward Resolution 20-17 to the June 2, 2020 City Council Meeting where it was approved to purchase the sculptures, a plaque, and installation for an amount not to exceed \$8,000, to be located at the pocket park on the Southwest corner of State Route 20 and NE Koetje Street. The tax for the purchase was not calculated into the Resolution, and an additional \$675.00 is being requested to cover the taxes paid to the artist. The Arts Commission preferred the Scenic Heights trailhead area as a location, and worked with the Park Board and Parks Department staff to determine that the best placement would be at the landing the on west side of the Scenic Heights trail designated for the placement of artwork.

Amended Resolution 20-17 reflects the change in location and the addition of \$675.00 in taxes.

**LEGAL AUTHORITY**

OHMC Section 2.29.120 “City funding of the arts” and OHMC Chapter 3.26 “Creative Arts Fund”.

**FISCAL IMPACT**

Acquisition, placement, and plaque creation for the “Tao” Sculpture Pieces: not to exceed \$8,675

Fund 115 Creative Arts Fund balance as of March 31, 2020: \$160,491.77.

**PREVIOUS COUNCIL / BOARD / CITIZEN INPUT**

May 9, 2019: Arts Commission Meeting

February 13, 2020: Arts Commission Meeting

April 22, 2020: City Council Workshop

June 2, 2020: City Council Meeting (originally adopted)

June 11, 2020: Arts Commission Meeting

July 16, 2020: Arts Commission Meeting

August 20, 2020: Arts Commission Meeting

September 10, 2020: Arts Commission Meeting

September 23, 2020: City Council Workshop

October 8, 2020: Arts Commission Meeting

**ATTACHMENTS**

1. [Amended Resolution 20-17 Correcting the location and purchase amount of the "Tao" Sculpture Pieces](#)
2. [Diagram showing the placement of the "Tao" Sculpture Pieces](#)
3. [Photos and sculpture information provided by artist Verena Schwippert](#)

AMENDED RESOLUTION 20-17

A RESOLUTION OF THE CITY OF OAK HARBOR AUTHORIZING THE ACQUISITION OF THE SCULPTURE PIECES KNOWN AS “TAO”.

WHEREAS, the City finds that public artistic expression of all kinds enhances the historical, cultural, economic, educational and social life of the community and benefits the health and welfare of the City’s residents; and,

WHEREAS, the City finds it appropriate, necessary, and desirable to promote and support public experiences of the visual arts and artistic disciplines for the good of the citizens of Oak Harbor; and,

WHEREAS, the City of Oak Harbor Arts Commission has been working to obtain a set of pieces created by sculptor Verena Schwippert known as the “Tao” sculptures; and,

~~WHEREAS, staff has vetted multiple locations for the placement of the “Tao” sculptures and determined that the most appropriate location is the pocket park on the Southwest corner of State Route 20 and NE Koetje Street; and,~~

WHEREAS, the Arts Commission and Park Board have recommended the placement of the “Tao” Sculptures at the landing the on west side of the Scenic Heights trail designated for the placement of artwork, and have worked with the Parks Department on the logistics of installing the art pieces at this location; and,

WHEREAS, the purchase price of the sculptures from artist Verena Schwippert is \$7,000, plus \$675.00 tax, and staff estimates \$500 for transportation of the pieces, and \$500 for creation of a plaque and appropriate base for the pieces;

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Oak Harbor Washington, that the City Council authorizes the acquisition of the “Tao” sculptures, the placement of the pieces ~~in the pocket part on the Southwest corner of State Route 20 and NE Koetje Street~~ at the landing the on west side of the Scenic Heights trail designated for the placement of artwork, and the creation of an appropriate base and plaque for the pieces, for a total amount not to exceed ~~\$8,000~~, 8,675 to be paid from the Creative Arts Fund.

PASSED by the City Council and approved by its Mayor this ~~2nd day of June, 2020~~ 20<sup>th</sup> day of October, 2020.

CITY OF OAK HARBOR

\_\_\_\_\_  
Robert Severns, Mayor

Attest:

\_\_\_\_\_  
Julie Lindsey, City Clerk

Approved as to Form:

\_\_\_\_\_  
~~Anna Thompson, Interim~~ Grant Weed, City Attorney

# “Tao” Sculptures

New location reflected in Amended Resolution 20-17  
Landing the on west side of the Scenic Heights trail  
designated for the placement of artwork.



# “Tao” Sculptures

## **Verena Schwippert, artist**

Dimensions: H 38" and H 31", width: 55", depth: 26"

Weight: 850 Lbs and 550 Lbs , estimated weights.

Material is Cascade granite, the taller vessel has a reddish tint, smaller one is a soft black and white.

Each vessel has a 2" hole drilled in the top, surrounded by a polished area ( which shows off the granite nicely )

Below the shoulder of each vessel is a band of also polished stone.

The granite is virtually maintenance free and not affected by weathering, it can be scrubbed with Dow Foam cleaner every 3 years or so.



City of Oak Harbor  
City Council Agenda Bill

Bill No. 6.a.  
Date: October 20, 2020  
Subject: Resolution 20-27: Approving  
the Interfund Transfer of  
\$400,000 from Excess  
Stabilization Funds to the  
Wastewater Utility Fund

**FROM:** Tallie Boyer, Finance Accountant

**INITIALED AS APPROVED FOR SUBMITTAL TO THE COUNCIL BY:**

- Bob Severns, Mayor
- Blaine Oborn, City Administrator
- Vacant, Finance Director
- Grant Weed, City Attorney, as to form

**RECOMMENDED ACTION**

Motion to approve Resolution 20-27: Approving the Interfund Transfer of \$400,000 from Excess Stabilization Funds to the Wastewater Utility Fund.

**BACKGROUND / SUMMARY INFORMATION**

The subsequent agenda item at the October 20, 2020 City Council Meeting is Ordinance No. 1899, establishing Utility Rates for 2021 and 2022, including the Wastewater Utility Rate. The passage of Ordinance No. 1899 is dependent upon Resolution 20-27.

Ordinance No. 1843, adopted December 4, 2018, amended Oak Harbor Municipal Code (OHMC) Section 3.09.040 entitled "Operation of Fund", and made \$1,569,343 available in the General Fund earmarked as excess stabilization funds. In 2019, \$184,493 of these excess stabilization funds was used for repairs to the Ladder Truck for the Fire Department. The available balance in this account as of September 30, 2020 is \$1,384,850.

Resolution 20-27 authorizes the transfer of \$400,000 from the excess stabilization funds to the Wastewater Utility Fund in order to mitigate the necessary rate increase. The Wastewater Utility Rate increase, established in proposed Ordinance No. 1899, is still necessary as this transfer of funds is one-time revenue and does not change the overall revenue needs or debt coverage requirements.

**LEGAL AUTHORITY**

Ordinance No. 1843 amended OHMC Section 3.09.040 which gave City Council flexibility to channel the use of \$1,569,343 excess stabilization funds.

**FISCAL IMPACT**

The excess stabilization funds created by Ordinance No. 1843 will be reduced by \$400,000, creating a remaining balance of \$984,850.

The Wastewater Utility Fund (402) will be increased by \$400,000.

**PREVIOUS COUNCIL / BOARD / CITIZEN INPUT**

December 4, 2018 City Council Meeting

May 5, 2020 City Council Meeting

June 2, 2020 City Council Meeting

September 23, 2020 City Council Workshop

**ATTACHMENTS**

1. [Ordinance No. 1843 amending OHMC Section 3.09.040 entitled "Operation of Fund"](#)
2. [Resolution 20-27 Approving the Interfund Transfer of \\$400,000 from Excess Stabilization Funds to the Wastewater Utility Fund](#)

ORDINANCE NO. 1843

AN ORDINANCE OF THE CITY OF OAK HARBOR AMENDING SECTION 3.09.040 OF THE OAK HARBOR MUNICIPAL CODE ENTITLED "OPERATION OF FUND"

**WHEREAS**, the City of Oak Harbor established a General Fund Revenue Stabilization Fund on July 3, 2012, and

**WHEREAS**, the purpose of the fund is to reserve certain general fund monies to mitigate the effects of revenue shortfalls or budgetary imbalances; and

**WHEREAS**, the Code requires that the fund balance remain at 25% of the previous year's revenues or \$3,000,000, whichever is greater; and

**WHEREAS**, the amount being transferred is higher than recommended best practice and could create sustainability issues for General Fund programs; and

**WHEREAS**, it is in the City's best interest to decrease the money that is channeled into the stabilization fund and to provide additional flexibility to Council for use of the funds; and

**WHEREAS**, the current code language does not adequately address one-time events, repayment language, or consideration of other reserve funds.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF OAK HARBOR do ordain as follows:

**Section One.** Oak Harbor Municipal Code Section 3.09.040 entitled "Operating of Fund" adopted by Ord. 1630 on July 3, 2012, is hereby amended to read as follows:

**3.09.40 Operation of Fund.**

- (1) The City will maintain General Fund Revenue Stabilization Fund reserves at a level equal to at least 10% of the total fiscal year ending actual General Fund revenues, excluding any significant one-time revenue. Needed transfers will occur as part of the year end procedures and prior to final closure of the fiscal year. The purpose of the fund is to sustain City services in the event of a catastrophic event such as a natural or manmade disaster (e.g. earthquake, windstorm, flood, terrorist attack), or a major downturn in the economy.
- (2) These reserved funds may be appropriated only by a vote of not less than four (4) members of the City Council or the unanimous vote of a legal quorum. If the funds are approved for use, the City will begin to replenish these reserves at the end of the biennium if a surplus exists, but no later than the biennium following their use.

**Section Two. Severability.** If any provision of this Ordinance or its application to any person or circumstance is held invalid, the remainder or the Ordinance or the application of the provision to other persons or circumstances is not affected.

**Section Three. Effective Date.** This Ordinance shall be in full force and effect five (5) days after

publication.

PASSED by the City Council this 4<sup>th</sup> day of December 2018.

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THE CITY OF OAK HARBOR

By  \_\_\_\_\_  
Robert Severns, Mayor

Dated: December 05, 2018

Attest:

  
\_\_\_\_\_  
Carla Brown, City Clerk

Approved as to Form:

  
\_\_\_\_\_  
Nikki Esparza, City Attorney

Published: 12/06/18 \_\_\_\_\_

RESOLUTION 20-27

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OAK HARBOR,  
WASHINGTON, AUTHORIZING THE USE OF EXCESS STABILIZATION FUNDS TO  
MITIGATE THE IMPACT OF WASTEWATER UTILITY RATES

WHEREAS, Ordinance No. 1843, adopted December 5, 2018, amended Oak Harbor Municipal Code Section 3.09.040 entitled "Operation of Fund", which made \$1,569,343 available in the General Fund earmarked as excess stabilization funds; and,

WHEREAS, the City Council finds the projected rate increase to the Wastewater Utility Fund is burdensome to Utility customers; and,

WHEREAS, there is a need to mitigate this increase by the use of \$400,000 from the excess stabilization funds; and,

WHEREAS, Ordinance No. 1899 utilizes this \$400,000 in establishing the 2021 and 2022 Wastewater Utility Rate; and,

WHEREAS, the recommended rates for the Utility Funds in Ordinance No. 1899 are necessary to meet the financial requirements, debt service coverage ratios, and reserve target minimums for each of the Funds; and,

WHEREAS, the Wastewater Utility Rate increase is still necessary as this transfer of excess stabilization funds is one-time revenue and does not change the overall revenue needs or debt coverage requirements; and,

WHEREAS; the balance in the excess stabilization funds account is \$1,384,850 as of September 30, 2020; and,

WHEREAS, the amount needed to draw out of the excess stabilization funds and move into the Wastewater Utility Fund (402) is \$400,000; and,

WHEREAS, the draw of \$400,000 will leave a balance in the excess stabilization funds account of \$984,850.

NOW, THEREFORE, in consideration of the above, the City Council resolves:

**Section 1.** The City Council finds that it is necessary to mitigate the increase to the Wastewater Utility Rate by using excess stabilization funds and hereby appropriates \$400,000 of the funds made available by Ordinance No. 1843.

**Section 2.** \$400,000 shall be moved from the excess stabilization funds to the Wastewater Utility Fund to be used in order to achieve the Wastewater Utility Rate recommended in Ordinance No. 1899 for 2021 and 2022.

PASSED by the City Council and approved by its Mayor this 20<sup>th</sup> day of October, 2020.

CITY OF OAK HARBOR

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Robert Severns, Mayor

Attest:

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Julie Lindsey, City Clerk

Approved as to Form:

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Grant Weed, City Attorney

**City of Oak Harbor  
City Council Agenda Bill**

Bill No. 6.b.  
Date: October 20, 2020  
Subject: Ordinance No. 1899: Utilities  
Rate Adjustment

**FROM: Shawn Koorn, HDR Rate Study Consultant and Tallie Boyer, Finance Accountant**

**INITIALED AS APPROVED FOR SUBMITTAL TO THE COUNCIL BY:**

- Bob Severns, Mayor
- Blaine Oborn, City Administrator
- Vacant, Finance Director
- Grant Weed, City Attorney, as to form

**RECOMMENDED ACTION**

Motion to adopt Ordinance No. 1899 Establishing Water, Wastewater, Solid Waste, and Storm Drain Utility Rates for 2021-2022.

**BACKGROUND / SUMMARY INFORMATION**

The City of Oak Harbor contracted with HDR, Inc. to do a rate study on all four utilities and advise the best course for the City to ensure Operational and Maintenance (O&M), Debt Service, planned Capital Improvements, and Ending Fund Balances were maintained at the current policy levels.

The Water Fund rate was set by Ordinance No. 1587 starting 12/20/2010 through 12/20/2015. The rate has remained the same since 2015 (five years). The rates were outlined in the presentation provided by HDR, Inc. and are attached to this agenda bill. The only change to the water rates is a correction to the rates for the 6” and 8” meters. There are currently no customers that are charged this rate so the fiscal impact will be zero. The proposed new rates would start on 12/20/2020.

The Wastewater Fund (sewer) rate was set by Ordinance No. 1587 starting 12/20/2010 through 12/20/2015, and then updated to build up the fund balance for the Clean Water Facility by Ordinance No. 1760, starting 12/20/2016 through 12/20/2018. The proposed rate increase for 2021 and 2022 have been calculated and presented to Council as approximate rates based on the known costs at the time of the calculations. The rates were presented but not adopted on March 15, 2016 for 2020 through 2023; presented again for informational purposes on September 25, 2016; March 5, 2018; May 1, 2018; January 22, 2020; February 18, 2020; May 5, 2020; June 2, 2020; and finally on September 23, 2020. The rates were outlined in the presentation provided by HDR, Inc. and are attached to this agenda bill. The proposed new rates would start on 12/20/2020 and be increased for 2022 on 12/20/2021.

The Solid Waste Fund rate was set by Ordinance No. 1510 starting 8/20/2007 and the rate has remained the same since then (13 years). The rates were outlined in the presentation provided by HDR, Inc. and are attached to this agenda bill. The proposed new rates would start on 12/20/2020 and be increased for 2022 on 12/20/2021.

The Storm Drain Fund rate was set by Ordinance No. 1684 starting 12/20/2014. The rate has remained the same since 2014 (six years). The rates were outlined in the presentation provided by HDR, Inc. and are attached to this agenda bill. The proposed new rates would start on 12/20/2021.

### **LEGAL AUTHORITY**

Washington State RCW 35.67.020 provides the authority for cities to construct and operate sewage and storm water systems, and RCW 35.92.010 provides the authority for cities to construct and operate waterworks, as well as fix rates and charge for these systems.

In the Oak Harbor Municipal Code (OHMC), the utility rates must be set by ordinance in accordance with OHMC Section 12.40.085 (Storm Water); OHMC Section 13.32.025(2) (Water); OHMC Section 14.05.030 (Wastewater); and OHMC Section 15.04.150 (Solid Waste).

Per State law RCW 35A.21.152 for any change in solid waste rates “The notice shall be available to affected ratepayers at least forty-five days prior to the proposed effective date of the rate increase.”

### **FISCAL IMPACT**

Proposed rate increases will increase revenue to cover the O&M, Debt Service, Capital Improvements and ensure Ending Fund Balance in the Water and Wastewater Funds remains at 25% of revenue and reducing the Ending Fund Balance in the Storm Drain and Solid Waste Funds to 20% of revenue.

The proposed Wastewater rates are contingent on a transfer of \$400,000 from excess stabilization funds, which is reflected in Resolution 20-27, the previous item on this October 20, 2020 City Council agenda.

### **PREVIOUS COUNCIL / BOARD / CITIZEN INPUT**

March 15, 2016 City Council Meeting

September 25, 2016 City Council Workshop

March 5, 2018 City Council Special Meeting

May 1, 2018 City Council Meeting

January 22, 2020 City Council Workshop

February 18, 2020 City Council Meeting

May 5, 2020 City Council Meeting

June 2, 2020 City Council Meeting

September 23, 2020 City Council Workshop

### **ATTACHMENTS**

1. [Ordinance No. 1899 Establishing Water, Wastewater, Solid Waste, and Storm Drain Utility Rates for 2021-2022](#)
2. [HDR, Inc. Utilities Rate Study presentation](#)

ORDINANCE NO. 1899

AN ORDINANCE OF THE CITY OF OAK HARBOR ESTABLISHING TWO-YEAR RATES FOR WATER, WASTEWATER, SOLID WASTE, AND STORM DRAIN SERVICES

WHEREAS, the City of Oak Harbor wishes to establish water, wastewater, solid waste, and storm drain utility rates which will cover the costs of operating these utility systems and the costs of necessary capital improvements and which are fair and equitable to all classes of customers; and,

WHEREAS, the City of Oak Harbor wants to target a 25% Ending Fund Balance in the Water and Wastewater utility funds to protect against uncertainty in the economy; and,

WHEREAS, the City of Oak Harbor wants to reduce the targeted 25% Ending Fund Balance to 20% for Solid Waste and Storm Drain; and,

WHEREAS, the City of Oak Harbor retained the services of HDR Engineering Inc. (HDR) to perform a comprehensive rate study of the City's Water, Wastewater, Storm Drain and Solid Waste utilities; and,

WHEREAS, the comprehensive rate study prepared by HDR considered the operational costs and the costs to provide service to each class of customer in the Water, Wastewater, Solid Waste and Storm Drain utilities; and,

WHEREAS, HDR has concluded that the current rate structures for the Water, Wastewater, Solid Waste, and Storm Drain utilities require amendments to reflect the financial needs for operations and capital improvements for each utility and to properly allocate those costs to classes of customers; and,

WHEREAS, the City Council has adopted policies for the establishment of rates for water, wastewater, solid waste, and storm water service; and,

WHEREAS, RCW 35.67.020 provides the authority for cities to construct and operate sewage and storm water systems, and RCW 35.92.010 provides the authority for cities to construct and operate waterworks, as well as fix rates and charge for these systems; and,

WHEREAS, the utility rates must be set by ordinance in accordance with OHMC Section 12.40.085 (Storm Water); OHMC Section 13.32.025(2) (Water); OHMC Section 14.05.030 (Wastewater); and OHMC Section 15.04.150 (Solid Waste).

Now, therefore, THE CITY COUNCIL OF THE CITY OF OAK HARBOR do ordain as follows:

**Section One.** Pursuant to the policies established in OHMC Chapter 13.32, the following rates are set for water service by the City of Oak Harbor Water Utility:

<b>Monthly Water Rates</b>	<b>Effective Date</b>	
	<b>12/20/2020</b>	<b>12/20/2021</b>
<b>Monthly Base Rate (Res, Com, Church, School, Com/Res, Irr)</b>		
5/8" or 3/4"	\$26.25	\$26.25
1"	47.80	47.80
1 1/2"	95.65	95.65
2"	153.00	153.00
3"	286.90	286.90
4"	478.15	478.15
6"	956.28	956.28
8"	1,530.04	1,530.04
<b>Per Unit Base Rate</b>		
Multi Fam & Com	\$22.30	\$22.30
<b>Consumption - \$ / CCF</b>		
<i>Single Family &amp; Multi Family (per Unit)</i>		
0 - 3 CCF	\$2.85	\$2.85
4 - 6 CCF	4.30	4.30
Above 7 CCF	6.75	6.75
<i>Commercial (per unit), Churches, Schools, Non-Profit</i>		
0 - 10 CCF	\$3.50	\$3.50
11 - 20 CCF	3.75	3.75
Above 21 CCF	4.10	4.10
<i>Irrigation</i>		
0 - 10 CCF	\$4.45	\$4.45
Above 11 CCF	5.50	5.50
<i>Outside City limit rates are subject to a 1 1/2 rate differential</i>		

**Section Two.** Pursuant to the policies established in OHMC Chapter 14.05, the following rates are set for wastewater (sewer) service by the City of Oak Harbor Wastewater Utility:

<b>Monthly Wastewater Rates</b>	<b><i>Effective Date</i></b>	
	<b>12/20/2020</b>	<b>12/20/2021</b>
<b>Residential</b>		
Monthly Base Rate	\$113.55	\$122.07
<b>Multi-Family / Unit</b>		
Per Customer	\$86.28	\$92.75
Per Account	11.23	12.07
<b>Commercial, Churches, &amp; Non-Profits</b>		
Monthly Base Rate	\$98.64	\$106.04
Volume / Flow (\$ / CCF)	11.92	12.81
<b>Schools</b>		
Monthly Base Rate	\$78.92	\$84.84
Volume / Flow (\$ / CCF)	11.92	12.81
<i>* Outside City limit rates are subjective to a 1 1/2 rate differential *</i>		

**Section Three.** Pursuant to the policies established in OHMC Chapter 15.04, the following rates are set for solid waste service by the City of Oak Harbor Solid Waste Utility:

<b>Monthly Solid Waste Rates</b>	<b><i>Effective Date</i></b>	
	<b>12/20/2020</b>	<b>12/20/2021</b>
<b>Monthly Roll-Cart Charges</b>		
20-gallon	\$15.91	\$17.42
35-gallon	21.79	23.86
65-gallon	36.52	39.99
95-gallon	48.59	53.21
<b>Monthly Charges for Front-Load Dumpsters</b>		
<b><i>Rental Charge</i></b>		
1yd	\$21.45	\$23.49
2yd	24.80	27.16
3rd	28.14	30.81
4yd	31.49	34.48
6yd	38.19	41.82
<b><i>Weekly Pickup Charges (per pickup/wk)</i></b>		
1yd	\$91.01	\$99.66
2yd	167.05	182.92
3rd	241.50	264.44
4yd	312.60	342.30
6yd	421.21	461.22
<b>Monthly Charges for Compactors (per pickup/wk)</b>		
4yd	\$895.83	\$980.93
6yd	1,336.89	1,463.89

**Section Four.** Pursuant to policies established in OHMC Chapter 12.40, the following rates are set for storm water service by the City of Oak Harbor Storm Drain Utility:

<b>Monthly Storm Drain Rates</b>	<b><i>Effective Date</i></b>	
	<b>12/20/2020</b>	<b>12/20/2021</b>
<b>Residential</b>		
Single Family per account	\$14.22	\$14.58
Multi Family per unit	14.22	14.58
<b>Commercial per ERU</b>		
Commercial	\$14.22	\$14.58
Multi-Commercial	14.22	14.58
Hotel / Motel	14.22	14.58
Commercial / Residential	14.22	14.58
Schools	14.22	14.58
Church	14.22	14.58
Non-Profits	14.22	14.58
North Whidbey Enterprise Area	3.99	4.09

**Section Five. Copies of Utility Rate Ordinance Posted and On File.** A copy of this utility rate ordinance shall be on file with the city clerk and shall be available for inspection and copying by the public. A copy of this utility rate ordinance shall also be posted on the City’s website.

**Section Six. Rate Review.** On an annual basis, the Mayor shall direct the review of all utility rates included in this chapter to determine whether adjustments should be recommended to City Council. Proposed rate adjustments shall be made with the intent of meeting the purpose of Oak Harbor Municipal Code Chapter 13.32.

**Section Seven. Effective Date.** This Ordinance shall be in full force and effective on December 20, 2020.

**Section Eight. Severability.** If any provision of this Ordinance or its application to any person or circumstance is held invalid, the remainder of the Ordinance or the application of the provision to other persons or circumstances is not affected.

PASSED by the City Council this 20<sup>th</sup> day of October, 2020.

THE CITY OF OAK HARBOR

Veto            (   )  
Approve        (   )

By: \_\_\_\_\_  
Robert Severns, Mayor

Attest:

Dated: \_\_\_\_\_

\_\_\_\_\_  
Julie Lindsey, City Clerk

Approved as to Form:

\_\_\_\_\_  
Grant Weed, City Attorney

Published: \_\_\_\_\_



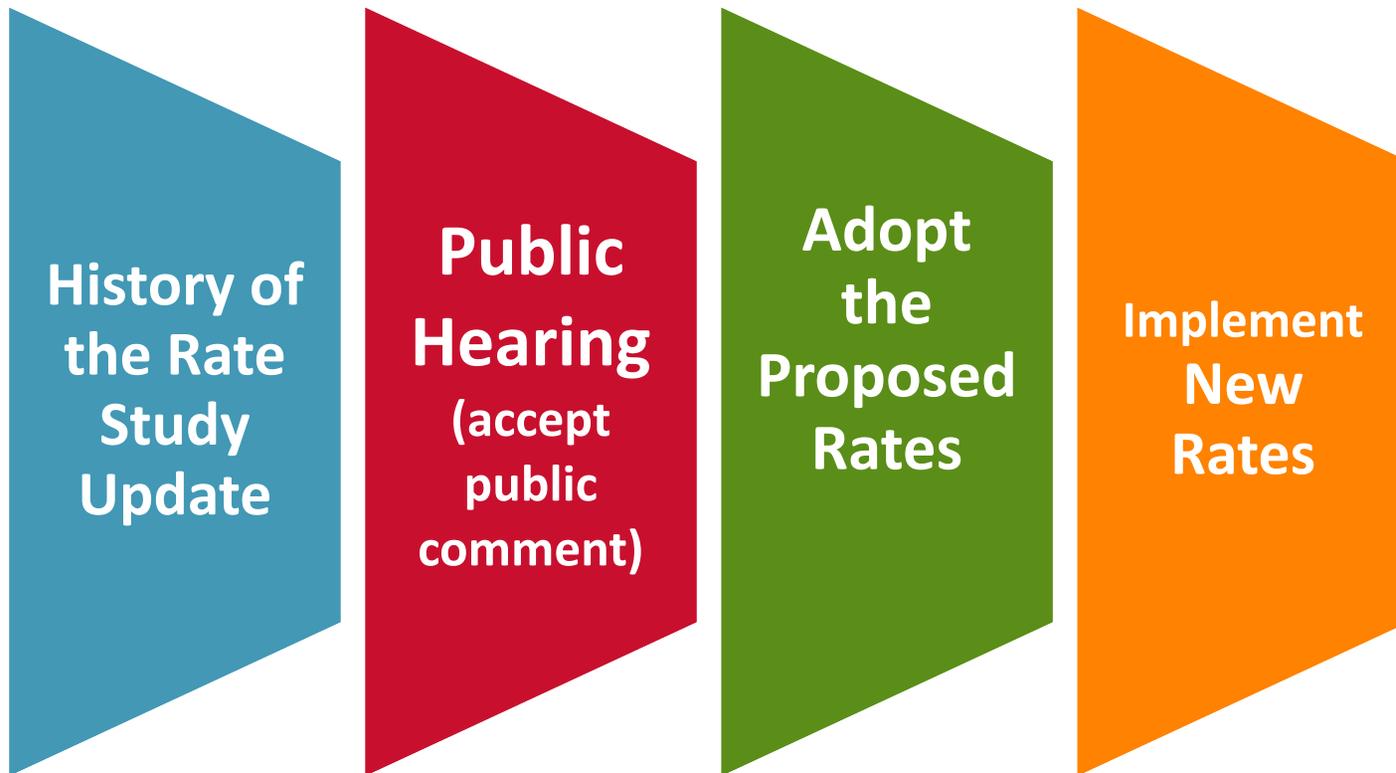
# City of Oak Harbor

## Water, Wastewater, Solid Waste, and Storm Drain Proposed Rate Study Results



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# Overview of the Process



## Purpose of the Rate Study Update

- Provide long-term, sustainable rate revenues for all four utilities
  - Fund each on a stand alone basis (enterprise funds)
- Rate revenues are adequate to fund expenses
  - Annual O&M costs
  - Annual renewal and replacement of infrastructure (capital)
- Develop the analyses to reflect the City's financial policies and metrics
- Evaluate rate impacts of changing costs and characteristics
  - Solid waste tipping fees and recycling rates
- Develop the study using generally accepted methodologies (AWWA M1, WEF MOP #27) tailored to the City's system and customer characteristics

# Key Assumptions and Study Considerations

## ▪ All Utilities

- ✓ Projections are based on 2019 and 2020 budgets
- ✓ Capital funding plan based on the current (revised) capital improvement plan
- ✓ Options exclude the interpretive center
- ✓ Available reserves are used in 2021 – 2024 to minimize rate adjustments

## ▪ Water

- ✓ Addition of Campbell Lake transmission pipe relocate (\$2.3 Mil in 2022)

## ▪ Wastewater

- ✓ Impact of full debt service (≈\$7.0 M) in 2020
- ✓ Maintenance of minimum debt service coverage requirements

## ▪ Solid Waste

- ✓ Recycling disposal increases of 200%, and Garbage disposal increases of 26%

## ▪ Storm Drain

- ✓ Comprehensive plan currently being updated (may identify capital needs)
- ✓ Future permit cycle may impact O&M and capital projections

# Essential Financial Metrics

## ▪ Debt Service Coverage Ratio

- ✓ Measures ability of the utility to pay debt service from rate revenues after operating expenses are paid
- ✓ Need to maintain 1.0xx all in debt coverage at a minimum to issue any additional long-term debt and 1.25xx minimum for municipal revenue bonds
- ✓ Reserve transfers (General Fund or others) do not apply

## ▪ Reserve Fund Balances

- ✓ In place to meet various needs of the utility (emergency, cash flow, debt, etc.)
  - 20% target for Stormwater and Solid Waste utilities
  - 25% target is reasonable for the water utility, revenue stability (e.g., consumption based revenues) may require a higher target minimum
  - 25% target for wastewater is low given the level of annual debt service ( $\approx$  \$7 M); a higher target such as 180 days may be more appropriate



# Overview of the Study Recommendations

- City Council has reviewed several alternatives
  - ✓ Proposed adjustments and rates are based on past Council input and comments received
  - ✓ No change in 2020 rate levels
- Proposed rates maintain the current rate structure
  - ✓ Only the level of the rates has been adjusted

01/22/20 – Council Workshop  
 02/18/20 – Council Meeting  
 05/05/20 – Council Meeting  
 06/02/20 – Council Meeting  
 09/23/20 – Council Workshop

	Water	Stormwater	Solid Waste	Sewer
2021	0.0%	0.0%	9.5%	10.5%
2022	0.0%	2.5%	9.5%	7.5%

- Proposed rates have been developed for 2021 and 2022
- Requesting approval from the City Council to approve the proposed rates for a December adoption and January implementation

## Summary of the Analyses



## Summary of the Water Rate Study

- Projected revenue/rate adjustments are minimal
  - Due to shifting and elimination of capital improvement needs
  - Use of available reserves to minimize rate adjustments (~\$875K 2021 – 2024)
  - Rates were impacted slightly by the Campbell Lake project
    - ✓ Need to maintain target reserve levels
- No proposed adjustment for 2021 or 2022
  - 3% annually thereafter
- Reserve target minimums are met
  - Need to maintain levels through 2024 for capital needs in out years
- Debt service coverage ratio is strong



## Summary of the Storm Drain Rate Study

- Projected revenue/rate adjustments are minimal
  - Due to shifting of capital improvement needs
  - Use of available reserves to minimize rate impacts (~\$280K 2022 – 2024)
- 0% in 2021 and 2.5% annually through 2024
- Reserve target minimums are met
  - Reducing minimum target reserve levels
  - Need to maintain levels through 2024 for capital needs in out years
- Possible additional capital needs maybe identified in current planning and permitting process



## Summary of the Solid Waste Rate Study

- Revenue adjustments are necessary
  - Current rates/revenues are not covering increase in Island County disposal costs
  - Available reserves are being used to minimize rate adjustments (~\$570K 2021 – 2022)
- 9.5% annually in 2021 - 2023, and 4.0% in 2024
- Reserve ending balances are below target minimums in several years during the time period
  - Reserves are being utilized to fund increase in disposal costs
  - Rate adjustments are necessary to meet minimum target reserve levels future years

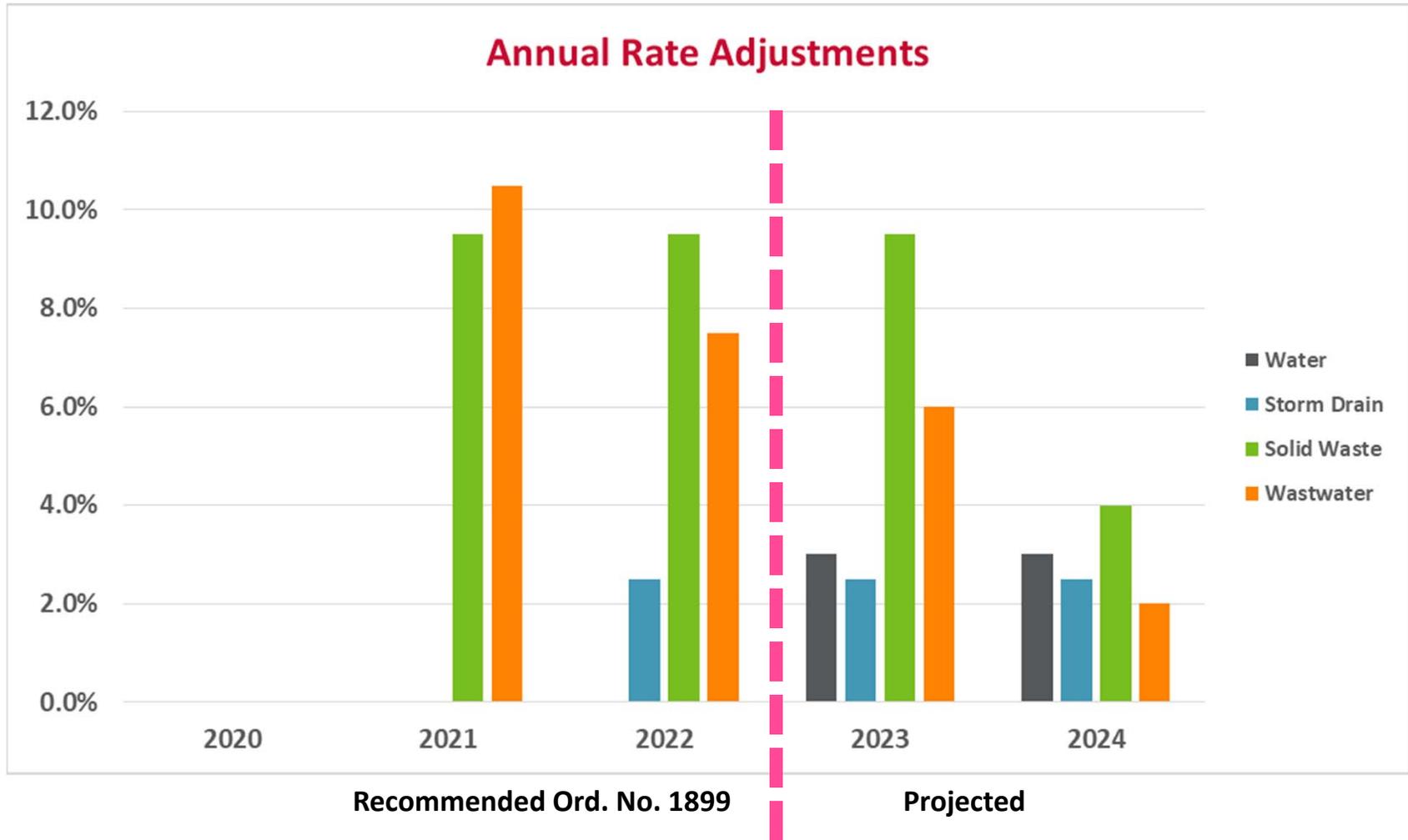


# Summary of the Wastewater Rate Study

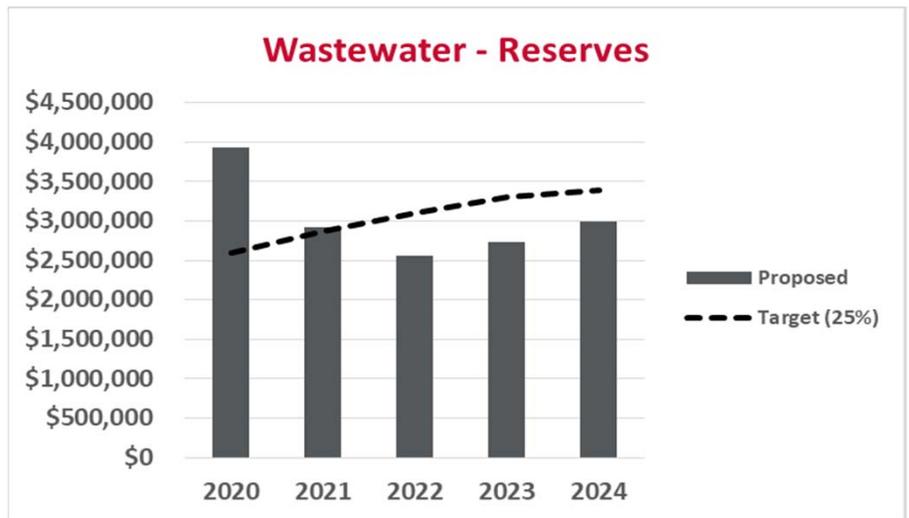
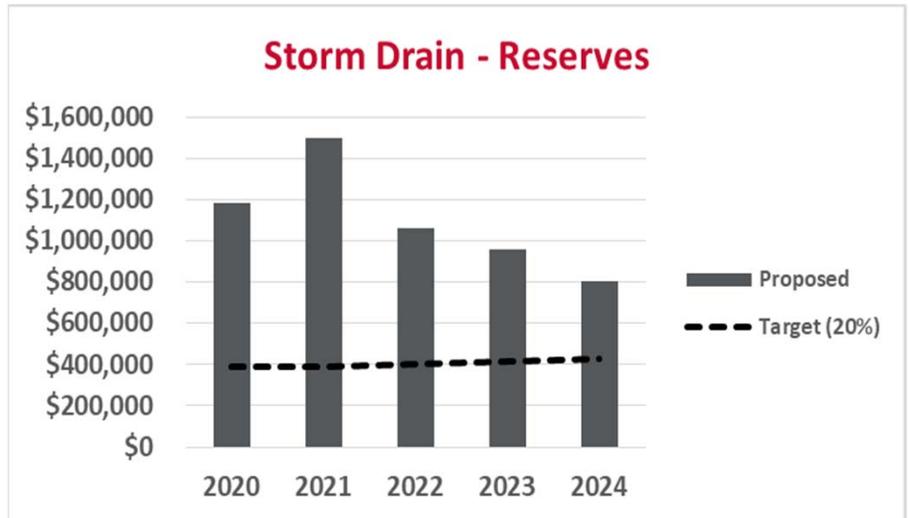
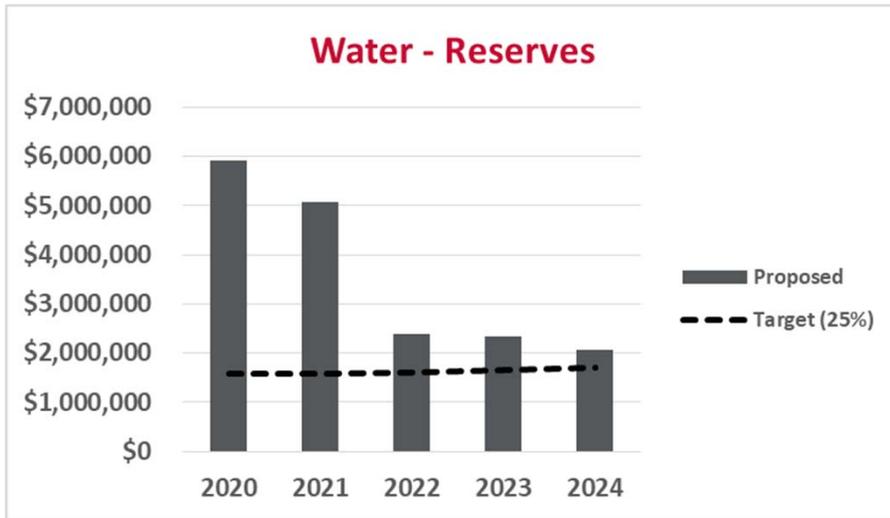
- Revenue adjustments are necessary
  - Includes \$400,000 transfer from General Fund reserve in 2021
  - 10.5% 2021, 7.5% 2022, 6% 2023, 2% thereafter
- Need to maintain minimum debt service coverage ratio of 1.0 X
  - General fund, or other reserve transfers, do not generally impact coverage ratio
- Reserve target minimums are NOT met over the time period
  - Reserves are being utilized in initial years to fund O&M and capital needs (~\$1.4M 2021 – 2022)
  - Need to maintain sufficient reserves given level of annual debt service



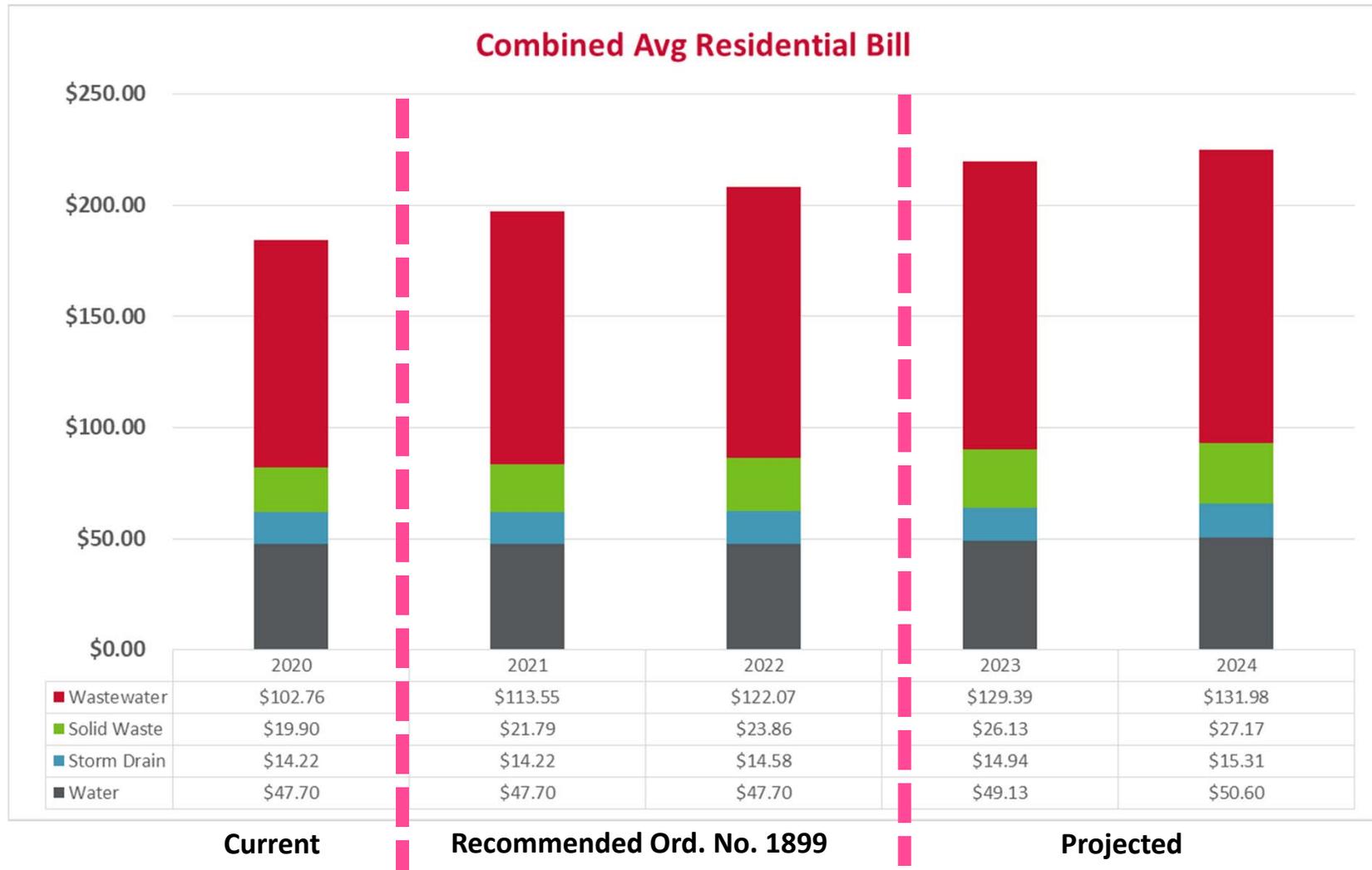
# Annual Rate Adjustments



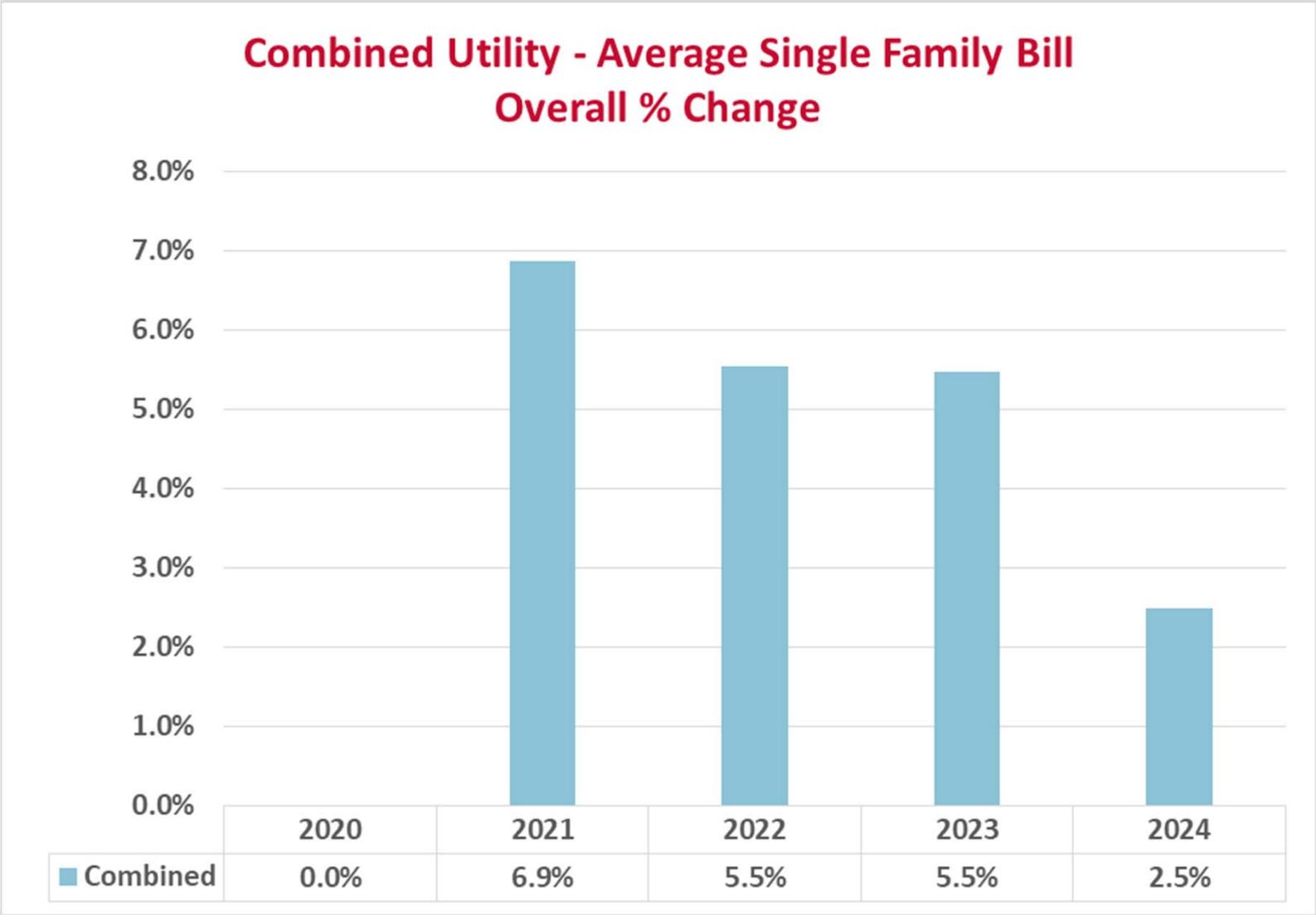
# Ending Reserve Fund Balances



# Combined Single Family Monthly Bill Impacts - \$

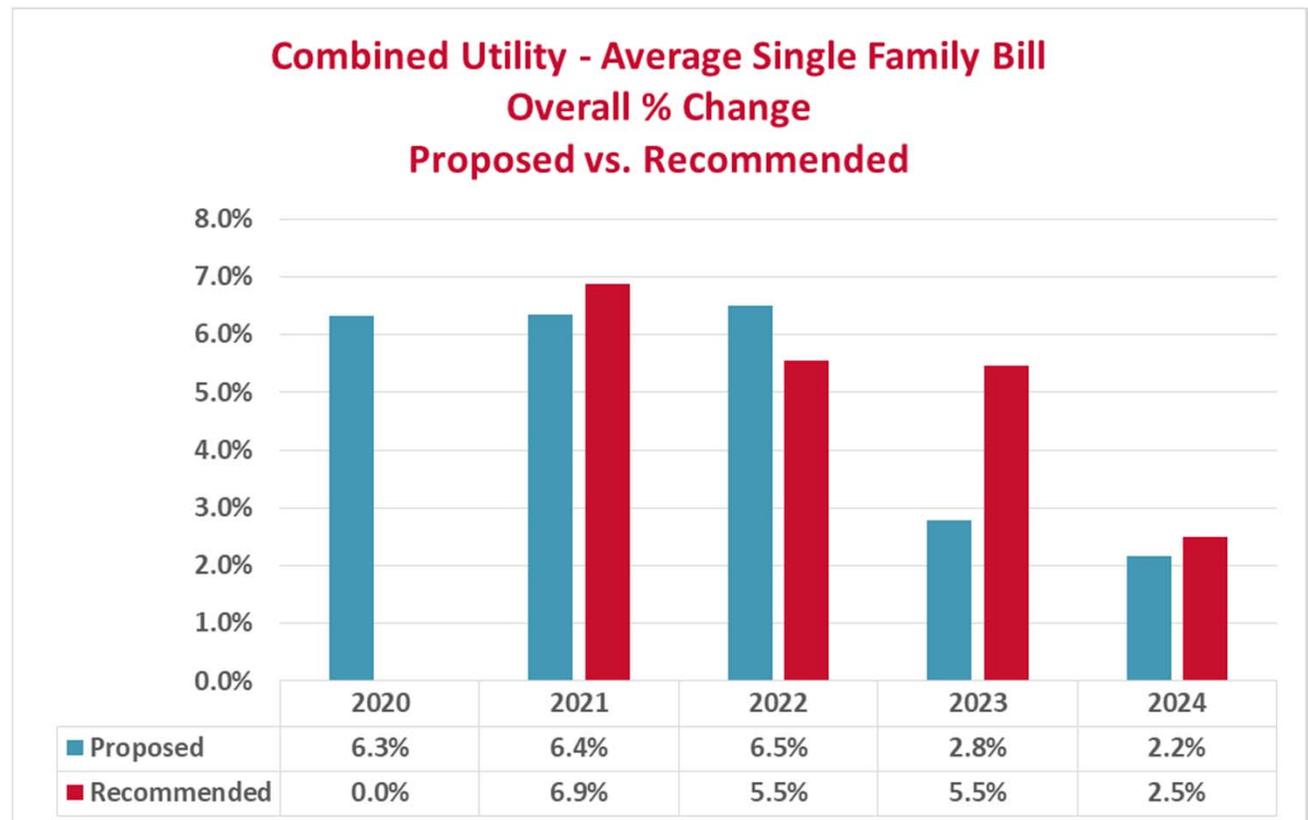


# Combined Single Family Monthly Bill Impacts - %



# Rate Adjustment Comparison

- Council requested alternative approaches to consider to minimize customer bill impacts
- Staff reviewed overall operating and capital needs
  - Shifted capital improvements to reflect current plans and needs
- Deferred 2020 rate adjustments and “smoothed” 2021 – 2024 adjustment
- Recommended rates reflect Council input and direction and staff adjustments to overall utility needs



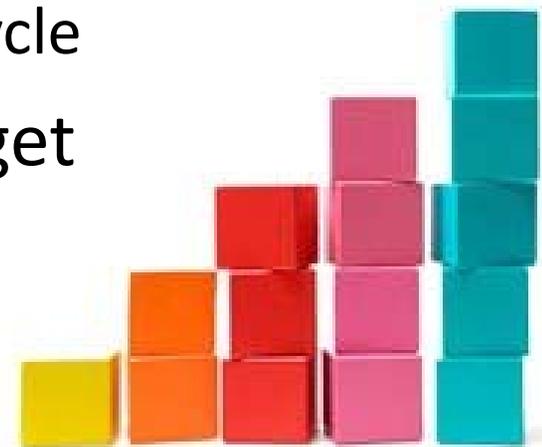
# Summary and Recommendations

- Rate adjustments are necessary in 2020 - 2024
  - Need to meet financial requirements; debt service coverage ratios, and reserve target minimums
  - Transfer of reserves (wastewater) is a one-time revenue and does not change overall revenue/rate needs or debt coverage requirements
- Water rate adjustments can be deferred until 2023
- Storm drain adjustments can be deferred until 2022
  - Assuming no changes in capital or permit requirements
- Solid waste rate adjustments are necessary
  - Need to fund increase in Island County disposal costs
  - Need to maintain target minimum reserves
- Wastewater rate adjustments are necessary
  - Maintain debt service coverage
  - Adequate reserves given level of annual debt service payments



## Next Steps

- Discuss results of the rate study recommendations
- Hold Public Hearing on rate proposal
  - Public Comment received
  - Council discussion
  - Adopt rates for the 2021-2022 budget cycle
- Reflect new rates in 2021-2022 budget revenue projections
- Implement final, approved rate adjustments in January 2021 billing



**Thank you for your input!**



# Proposed Water Rates – Base Rate

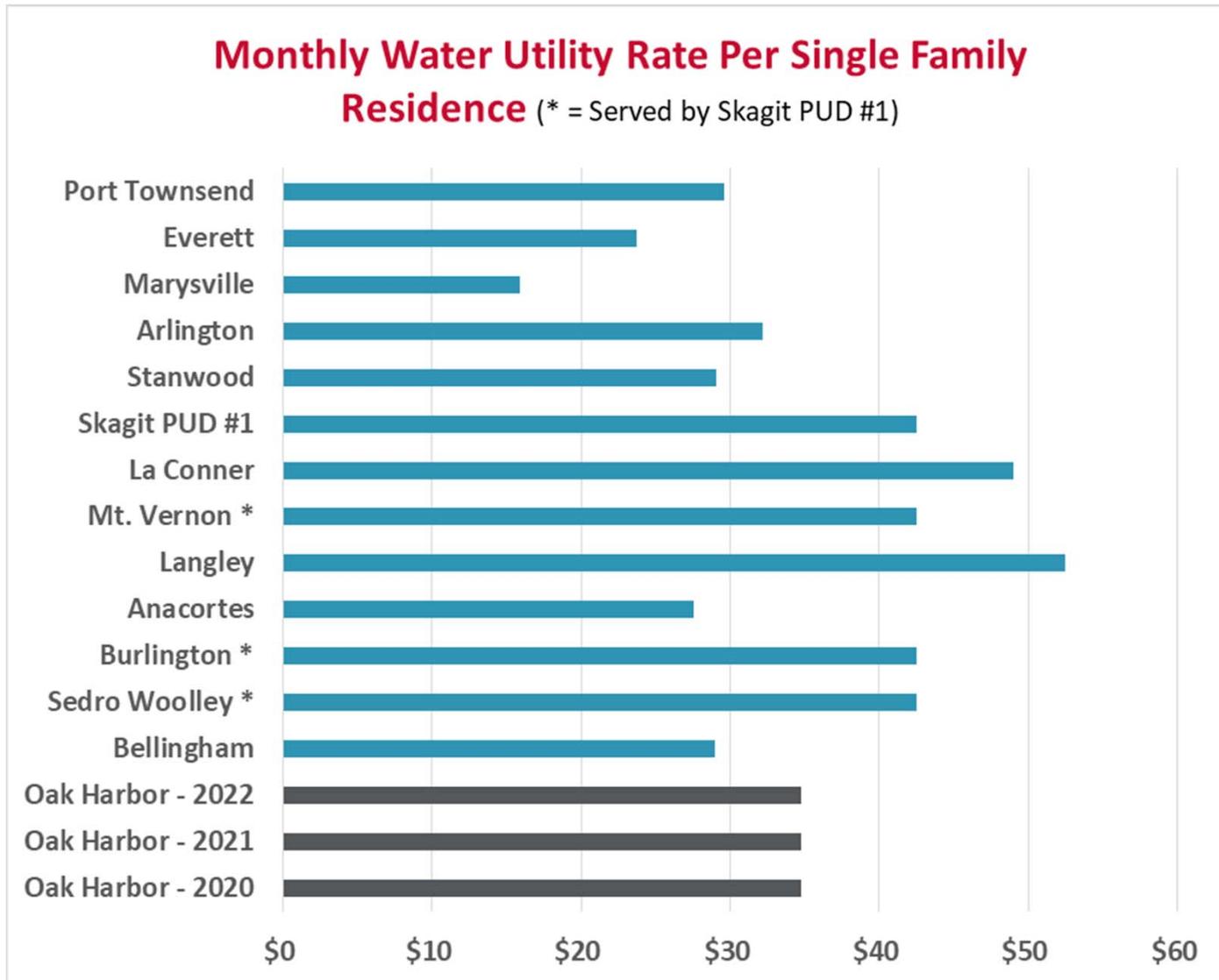
			<i>Recommended</i>	
	2019	2020	2021	2022
<b>Monthly Base Rate</b> ( <i>Res, Com, Church, School, Com/Res, Irr</i> )				
5/8" or 3/4"	\$26.25	\$26.25	\$26.25	\$26.25
1"	47.80	47.80	47.80	47.80
1 1/2"	95.65	95.65	95.65	95.65
2"	153.00	153.00	153.00	153.00
3"	286.90	286.90	286.90	286.90
4"	478.15	478.15	478.15	478.15
6"	433.15	433.15	956.28	956.28
8"	693.00	693.00	1,530.04	1,530.04
<b>Per Unit Base Rate</b>				
Multi Fam & Com	\$22.30	\$22.30	\$22.30	\$22.30

*\* Outside City limit rates are subject to a 1 1/2 rate differential \**

# Proposed Water Rates – Consumption Rate

			<i>Recommended</i>	
	2019	2020	2021	2022
<b>Consumption - \$ / CCF</b>				
<i>Single Family &amp; Multi Family (per Unit)</i>				
0 - 3 CCF	\$2.85	\$2.85	\$2.85	\$2.85
4 - 6 CCF	4.30	4.30	4.30	4.30
Above 7 CCF	6.75	6.75	6.75	6.75
<i>Commercial (per unit), Churches, Schools, Non-Profit</i>				
0 - 10 CCF	\$3.50	\$3.50	\$3.50	\$3.50
11 - 20 CCF	3.75	3.75	3.75	3.75
Above 21 CCF	4.10	4.10	4.10	4.10
<i>Irrigation</i>				
0 - 10 CCF	\$4.45	\$4.45	\$4.45	\$4.45
Above 11 CCF	5.50	5.50	5.50	5.50
* Outside City limit rates are subject to a 1 1/2 rate differential *				

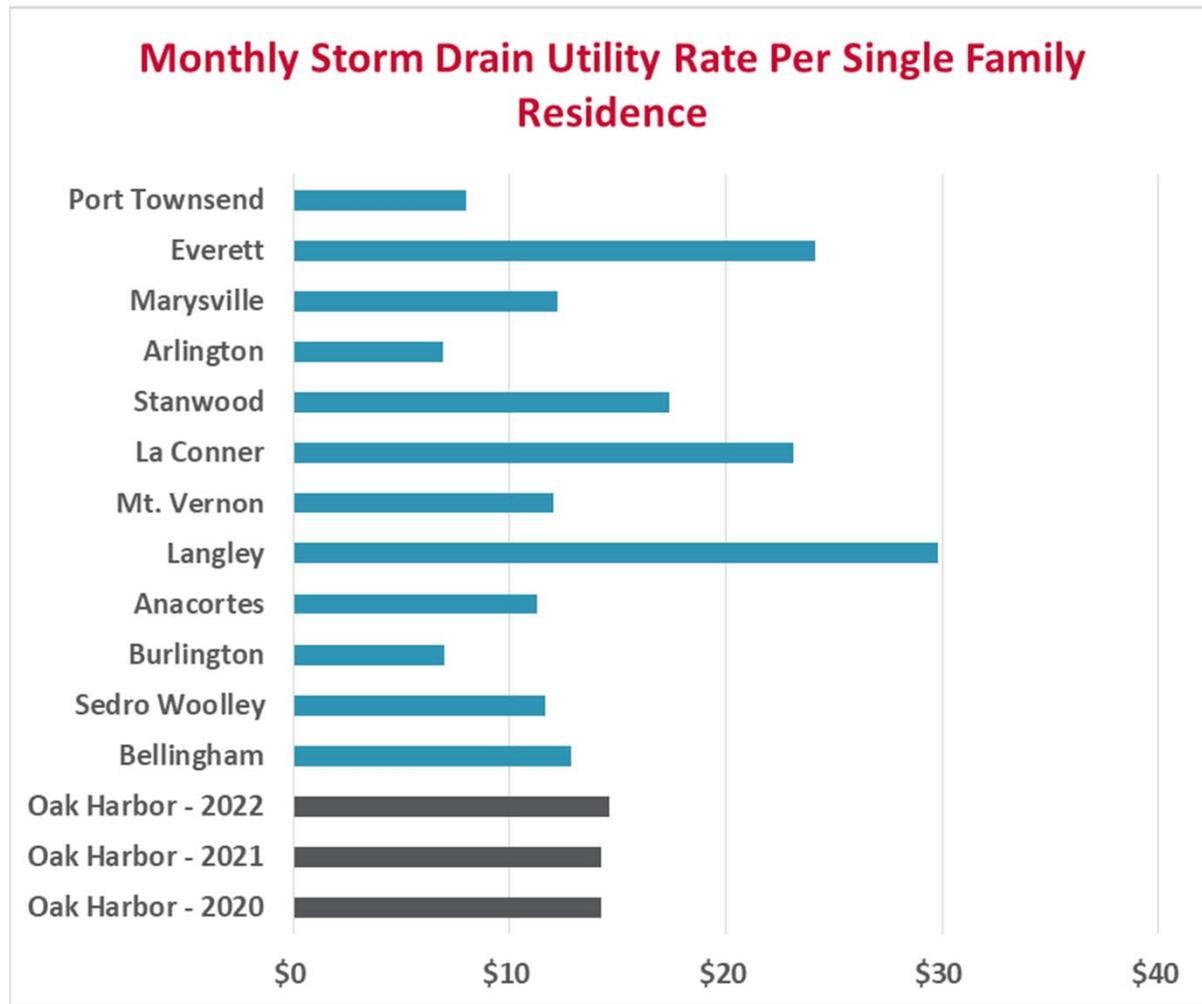
# Average Water Customer Bill Comparison



# Proposed Storm Drain Rates

			<i>Recommended</i>	
	2019	2020	2021	2022
<b>Residential</b>				
Single Family per account	\$14.22	\$14.22	\$14.22	\$14.58
Multi Family per unit	14.22	14.22	14.22	14.58
<b>Commercial per ERU</b>				
Commercial	\$14.22	\$14.22	\$14.22	\$14.58
Multi-Commercial	14.22	14.22	14.22	14.58
Hotel / Motel	14.22	14.22	14.22	14.58
Commercial / Residential	14.22	14.22	14.22	14.58
Schools	14.22	14.22	14.22	14.58
Church	14.22	14.22	14.22	14.58
Non-Profit	14.22	14.22	14.22	14.58

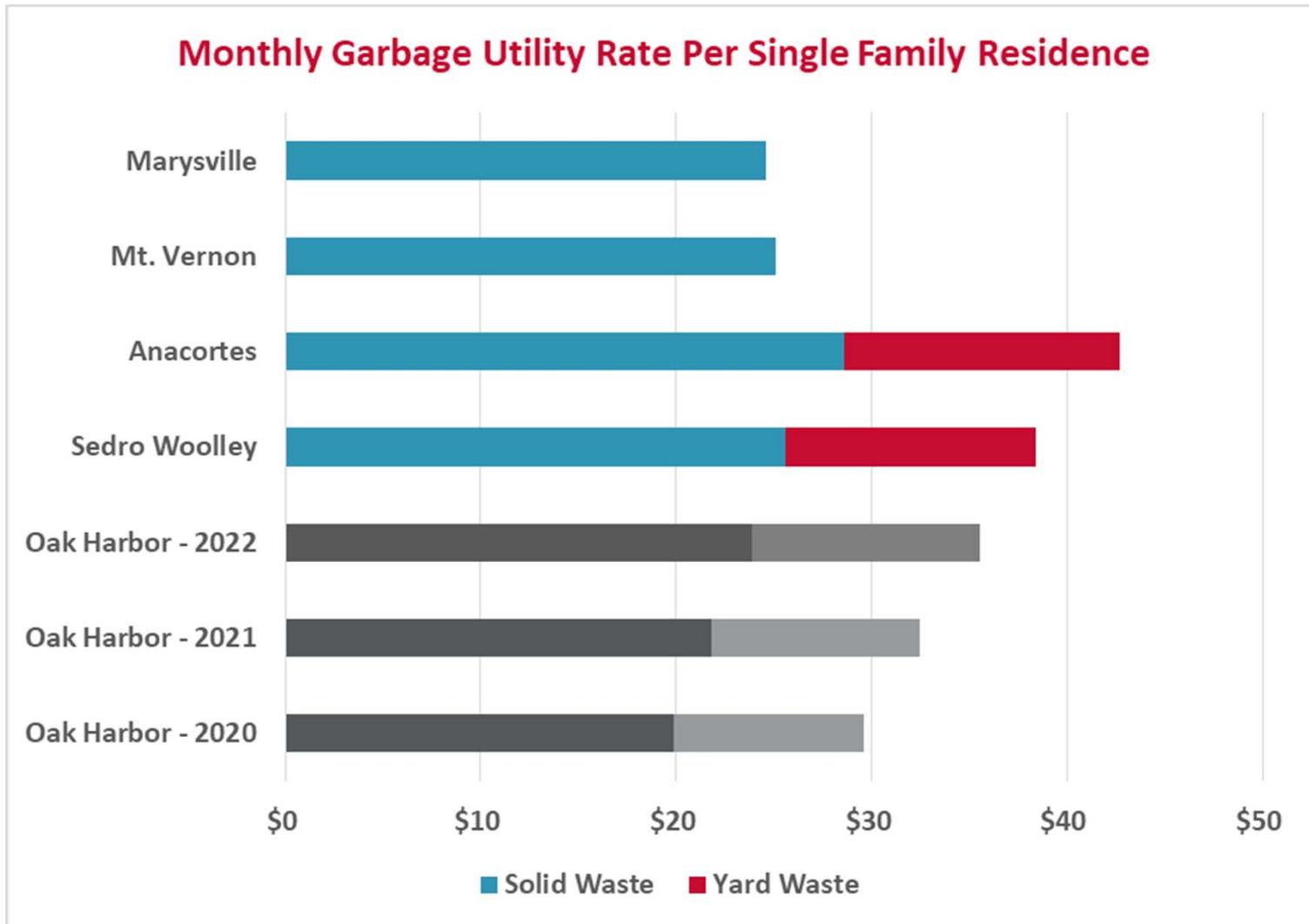
# Average Storm Drain Customer Bill Comparison



# Proposed Solid Waste Rates

			<i>Recommended</i>	
	2019	2020	2021	2022
<b>Monthly Roll-Cart Charges</b>				
20-gallon	\$14.53	\$14.53	\$15.91	\$17.42
35-gallon	19.90	19.90	21.79	23.86
65-gallon	33.36	33.35	36.52	39.99
95-gallon	44.37	44.37	48.59	53.21
<b>Monthly Charges for Front-Load Dumpsters</b>				
<i>Rental Charge</i>				
1yd	\$19.59	\$19.59	\$21.45	\$23.49
2yd	22.65	22.65	24.80	27.16
3rd	25.70	25.70	28.14	30.81
4yd	28.76	28.76	31.49	34.48
5yd	31.83	31.83	34.85	38.16
6yd	34.88	34.88	38.19	41.82
<i>Weekly Pickup Charges (per pickup/wk)</i>				
1yd	\$83.11	\$83.11	\$91.01	\$99.66
2yd	152.56	152.56	167.05	182.92
3rd	220.55	220.55	241.50	264.44
4yd	285.48	285.48	312.60	342.30
6yd	384.67	384.67	421.21	461.22
<b>Monthly Charges for Compactors (per pickup/wk)</b>				
1yd	\$214.00	\$214.00	\$234.33	\$256.59
2yd	415.39	415.39	454.85	498.06
3rd	616.71	616.71	675.30	739.45
4yd	\$818.11	\$818.11	\$895.83	\$980.93
5yd	1,019.50	1,019.50	1,116.35	1,222.40
6yd	1,220.90	1,220.90	1,336.89	1,463.89

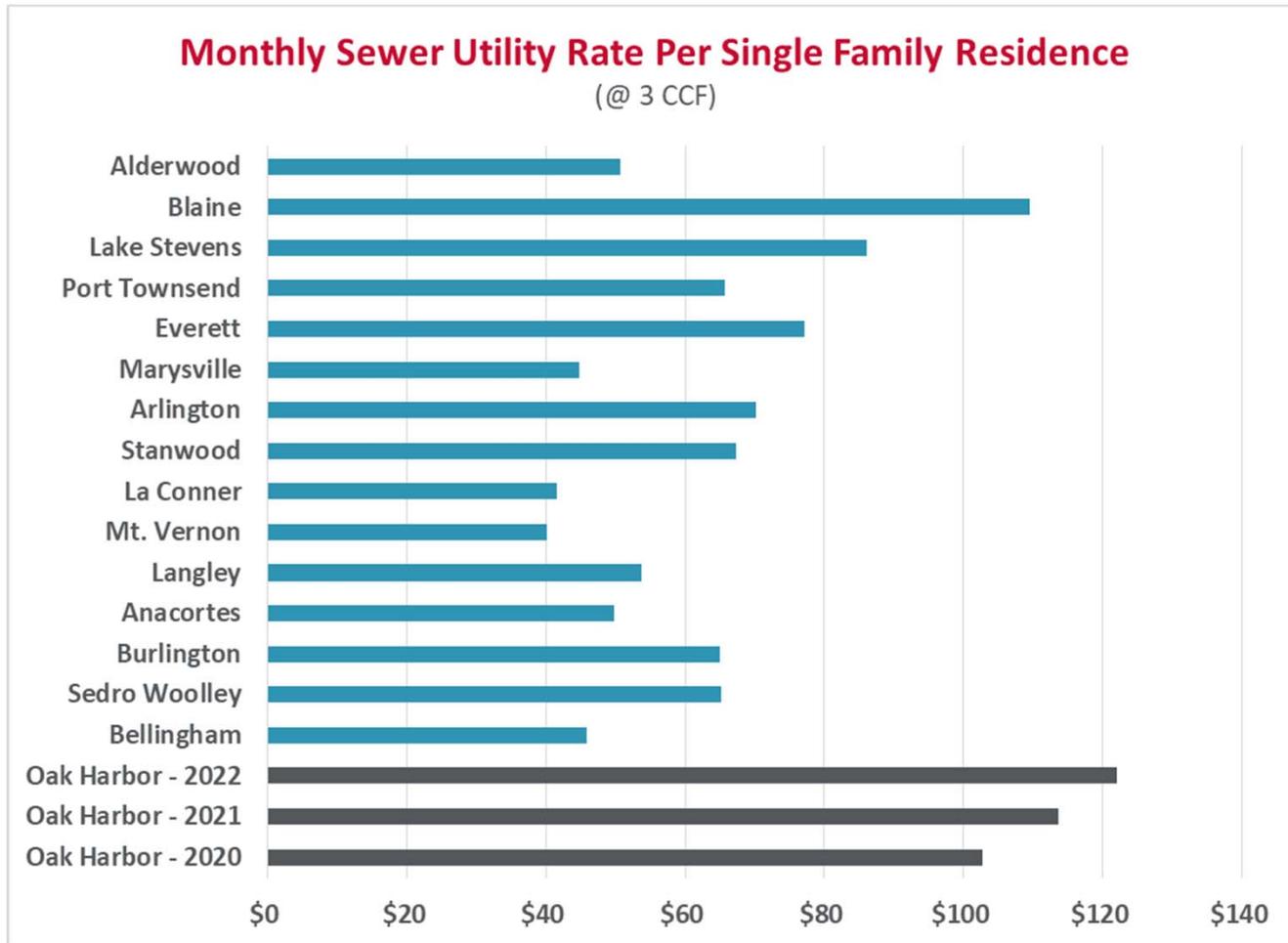
# Average Solid Waste Customer Bill Comparison ~35 gallon can/cart



# Proposed Wastewater Rates

	2019	2020	<i>Recommended</i>	
			2021	2022
<b>Residential</b>				
Monthly Base Rate	\$102.76	\$102.76	\$113.55	\$122.07
<b>Multi-Family / Unit</b>				
Per Customer	\$78.08	\$78.08	\$86.28	\$92.75
Per Account	10.16	10.16	11.23	12.07
<b>Commercial, Churches, &amp; Non-Profits</b>				
Monthly Base Rate	\$89.27	\$89.27	\$98.64	\$106.04
Volume / Flow (\$ / CCF)	10.79	10.79	11.92	12.81
<b>Schools</b>				
Monthly Base Rate	\$71.42	\$71.42	\$78.92	\$84.84
Volume / Flow (\$ / CCF)	10.79	10.79	11.92	12.81
<i>* Outside City limit rates are subjective to a 1 1/2 rate differential *</i>				

# Average Wastewater Customer Bill Comparison



## **Timeline of this Rate Study**

- March 15, 2016 City Council Meeting
- September 25, 2016 City Council Workshop
- March 5, 2018 City Council Special Meeting
- May 1, 2018 City Council Meeting
- January 22, 2020 City Council Workshop
- February 18, 2020 City Council Meeting
- May 5, 2020 City Council Meeting
- June 2, 2020 City Council Meeting
- September 23, 2020 City Council Workshop

**City of Oak Harbor  
City Council Agenda Bill**

Bill No. 8.a.

Date: October 20, 2020

Subject: Bayshore Watermain  
Emergency Repair

**FROM: Cathy Rosen, Public Works Director and Jim Bridges, City Engineer**

**INITIALED AS APPROVED FOR SUBMITTAL TO THE COUNCIL BY:**

- Bob Severns, Mayor
- Blaine Oborn, City Administrator
- Vacant, Finance Director
- Grant Weed, City Attorney, as to form

**RECOMMENDED ACTION**

I move to authorize the Mayor to approve the bid from Krieg's Construction for the emergency repairs on the 8-inch watermain on SE Bayshore Drive in the amount of \$36,400.

**BACKGROUND / SUMMARY INFORMATION**

The SE Bayshore Drive watermain is an old 8-inch asbestos cement pipe that had been repaired approximately 25 years ago. This past Sunday this pipe broke in the same area that was repaired 25 years ago and city crews installed a temporary repair coupling. The likely cause of failure was due to the poor subsurface materials under the roadway.

Engineering staff determined that the best course of action was to replace 40 feet of pipe and remove the sections of the existing pipe on both sides of the repair. The new pipe will be encased in controlled density fill (CDF - diggable concrete) to ensure proper compaction and bedding to prevent future settlement. In lieu of a small repair patch in the new pavement, Krieg's will remove approximately 100 lineal feet of pavement along the newly placed pipe and the width will be from the curb line to the centerline.

As this is an emergency repair, Krieg's Construction was asked to submit a bid for all elements of construction which include:

Grinding of existing pavement

Trenching

Placement of new pipe and connections to the existing pipe

CDF backfill

Repaving

Traffic Control

City of Oak Harbor

City Council Agenda Bill

Krieg's Construction submitted a bid for \$36,400

If approved, construction will begin on October 21st and is expected to be completed within three (3) days

## **LEGAL AUTHORITY**

The term “emergency” is defined by statute to mean unforeseen circumstances beyond the control of the municipality that either: (a) presents a real, immediate threat to the proper performance of essential functions; or (b) will likely result in material loss or damage to property, bodily injury, or loss of life, if immediate action is not taken.

Certain emergency situations justify the letting of a contract without following the bid requirements:

Exceptions are sometimes made to the rule that when so required by statute or charter, municipal contracts must be let under competitive bidding. In case of an emergency, where it is essential to the health, safety, or welfare of the people that immediate action be taken, the requirement may be dispensed with.

RCW 39.04.280(1)(c) specifically authorizes a municipality to waive competitive bidding requirements for purchases “in the event of an emergency.” In such a situation, the person designated by the governing body to act in the event of an emergency may declare that an emergency situation exists, waive competitive bidding requirements, and award all necessary contracts on behalf of the city to address the emergency. If the city has not designated a person to act in the event of an emergency, the city council, presumably by resolution or motion, would declare an emergency exists, waive the bidding requirements, and award the contract. If a contract is awarded without competitive bidding due to an emergency, written findings of the existence of an emergency must be made by the governing body or its designee and entered into its record no later than two weeks following the contract’s award.

**FISCAL IMPACT**

Funding Source: Water Fund

401.00.534.00.4800

**PREVIOUS COUNCIL / BOARD / CITIZEN INPUT**

N/A

**ATTACHMENTS**

1. [Krieg's Construction Proposal for Emergency Repairs](#)

## James Bridges

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**From:** Jim Jaeger <jimj@kriegconstruction.com>  
**Sent:** Thursday, October 15, 2020 12:02 PM  
**To:** Jack Smith  
**Cc:** James Bridges  
**Subject:** FW: Bayshore Water Main Repairs

Jack, Jim

In preparation for the repairs of the water main on Bayshore it looks like we are going to get our typical fall weather, a little bit of everything. We would like to start work next Monday by grinding for the water main repair and excavate down to the main for the length of replacement. On Tuesday we would need a water shut down long enough to finish excavation on both sides of existing line, cut, drain and move existing line and then install new main, sand bed and CDF backfill. We should figure a shut down from 8 till 4 and hope we finish earlier. Final grind and pave from curb to center line x 100' would be weather pending, with steel plates covering the ditch until final asphalt is in place. We have parts on hand, locates have been called and traffic control on standby, I realize there are residents and businesses that will be affected by this shut down so if next Tuesday is to soon let us know.

So that we are on the same page as to the approximate costs of this project Jim Krieg and I have projected rough costs:

Mobilization	2000	
Ditching/pipe repairs	10050	
Backfill/CDF	7000	
Asphalt repairs	8800	
Traffic Control	4800	
Asbestosis training/wages	3750	
Total		\$36,400.00

Jim Jaeger  
Krieg Construction, Inc.

City of Oak Harbor  
City Council Agenda Bill

Bill No. 9.a.  
Date: October 20, 2020  
Subject: Annual Review LTAC  
Committee Membership

**FROM:** Grant Weed, City Attorney

**INITIALED AS APPROVED FOR SUBMITTAL TO THE COUNCIL BY:**

- Bob Severns, Mayor
- Blaine Oborn, City Administrator
- Vacant, Finance Director
- Grant Weed, City Attorney, as to form

**RECOMMENDED ACTION**

No recommended action; discussion item only.

**BACKGROUND / SUMMARY INFORMATION**

Before Council at its October 6, 2020 meeting was the annual review of LTAC membership and possible appointment of new members and renewal of terms of current members. While Oak Harbor Municipal Code (OHMC) Section 2.66.030 calls for three-year terms of committee members, the terms of some current members do not appear to be consistent with a three-year appointment and others end at various times during the year. This situation makes it difficult during the annual review to establish continuity in membership. One possible way to address this that was recommended by the City Attorney was to consider amendment of OHMC Section 2.66.030 to allow Council to extend terms to allow for expiration of all committee members on December 31.

Attached is the current OHMC Section 2.66.030 with suggested revisions. Following Council discussion and direction an amending ordinance will be brought back to Council for action. City Attorney Grant Weed will be available to walk Council through the proposed amending language and will answer questions.

**LEGAL AUTHORITY**

OHMC Chapter 2.66 Lodging Tax Advisory Committee

**FISCAL IMPACT**

**PREVIOUS COUNCIL / BOARD / CITIZEN INPUT**

City Council Meeting – September 6, 2016

City Council Meeting – January 2, 2018

City Council Meeting – January 2, 2019

City Council Meeting – September 15, 2020

City Council Meeting – October 6, 2020

**ATTACHMENTS**

1. [OHMC Section 2.66.030 "Term of appointment" suggested revisions](#)

**Chapter 2.66**  
**LODGING TAX ADVISORY COMMITTEE**

Suggested Revisions

Sections:

- 2.66.010 Committee created.
- 2.66.020 Committee membership.
- 2.66.030 Term of appointment.
- 2.66.040 Committee proposals.
- 2.66.050 Grant applications.

**2.66.010 Committee created.**

There is hereby created a city of Oak Harbor lodging tax advisory committee to serve the functions prescribed in RCW 67.28.1817. (Ord. 1535 § 1, 2008).

**2.66.020 Committee membership.**

The membership of the lodging tax advisory committee shall consist of seven members appointed by the city council. One member shall be an elected official of the city who shall serve as chair and three members shall be representatives of businesses required to collect the tax imposed pursuant to Chapter 67.28 RCW, and three members shall be persons involved in activities authorized to be funded by revenue received from the tax imposed pursuant to Chapter 67.28 RCW. (Ord. 1689 § 1, 2014; Ord. 1535 § 1, 2008).

**2.66.030 Term of appointment.**

The members of the lodging tax advisory committee shall each serve for a term of three years or for fulfillment of an unexpired term. However, the city council will review the membership of the committee every year and make changes as appropriate. It is the desire of the city council to coordinate terms of members so all expire on December 31 of a calendar year. For the annual review of membership in 2020, the City Council may extend a term of existing members whose term does not expire on December 31 to December 31 of the year which is three (3) years from the year the committee member's term would otherwise expire. By way of example, if a committee member's term expires on September 1, 2020, it may be renewed and extended to expire on December 31, 2023. Appointment of any new members to fill committee vacancies in 2020 shall be for a term which commences immediately upon appointment and which expires December 31, 2023. ~~Those members appointed prior to the date of adoption of the ordinance codified in this chapter shall continue to serve until the expiration of their current terms unless removed by a majority vote of the city council.~~ Members of the lodging tax advisory committee may be removed by a majority vote of the city council. The decision of the city council shall be final; there shall be no appeal therefrom. (Ord. 1535 § 1, 2008).

**2.66.040 Committee proposals.**

The city council shall submit to the lodging tax advisory committee, for its review and comment, proposals on (1) the imposition of a tax under Chapter 67.28 RCW; (2) any increase in the rate of such a tax; (3) repeal of an exemption from such a tax; or (4) a change in the use of the revenue received from such a tax. The city council shall submit such a proposal to the lodging tax advisory committee at least 45 days before taking final action on any such proposal. The lodging tax advisory committee shall provide its comments to the city council at least two weeks prior to the scheduled date for final city council action. Comments by the lodging tax advisory committee should include an analysis of the extent to which the proposal will accommodate activities for tourists or increase tourism, and the extent to which the proposal will affect the long-range stability of the special fund created for the lodging tax revenues. (Ord. 1535 § 1, 2008).

**2.66.050 Grant applications.**

The lodging tax advisory committee shall also review applications for award of city grant funds utilizing the lodging tax. The lodging tax advisory committee shall make recommendations under this section and those recommendations shall be nonbinding. The final decision regarding applications to receive funds from the lodging tax shall be made by the city council. (Ord. 1535 § 1, 2008).